

Government to appoint a local assessor, so that the valuator may have the benefit of his local knowledge. [Instances given of difference between witness's value of land and that given by Government assessor.]

61. *Mr. Robertson.*] You offered a man two months' work at 7s. per day, you say?—Yes.

62. Is that about the usual rate offered for farm labour?—Yes; the usual rate is 7s. per day, and the men find their own gorse-knives and grubbers. I find my men with these tools, and that is equal to 1s. per day extra.

63. Do they get a house, too?—Yes, for about 6s. per week in the township: it is a good four-roomed house, match-lined, with two chimneys, and has been erected only six or eight years. Men are very particular where they live now; they went to a house of mine, and said it was not fit for a dog to live in; and yet these men were supposed to be stranded for work.

64. The wages you give are as good as 8s. per day, you say—supplying the gorse-knives, &c., is worth 1s. per day?—Yes. A gorse-knife costs 6s., and the man breaks the handle sometimes once or twice a week, and I would have to find these.

65. And the wage would be 6s. per day, if these tools were not supplied—equal to that I mean; that is 7s., less 1s.?—Well, yes, that is so; if he does not have tools supplied it will cost him 1s. per day; but many farmers find the tools, and some are paying 8s. per day now. Men, in some instances, were paid as low as 6s. per day; but the Court made the recommendation that we should pay competent men 7s.; and that has been carried out in nearly all instances, except where the men were old.

66. *Mr. Leadley.*] The land you say has risen in value 300 per cent. is sheep land?—Yes.

67. Has there been a proportionate rise in the better land?—No. The land I bought at £18 per acre, I believe, Mr. Stackhouse paid that for it twenty-five years ago.

68. *Mr. Robertson.*] Why has that disparity arisen?—Because of the freezer. The London market has made the value of the sheep more than it used to be: that is very largely the factor.

69. Land that can grow sheep requires less labour; and therefore the profit of occupying and using that land is proportionately greater when labour is scarce and dear?—Our trouble is that we want to go in for intense cultivation; and you cannot do that with the heavier land and make it pay. It produces too much straw, and wants too much labour in working; consequently, the lighter lands have gone up in value, because you can grow sheep on these lands. New Zealand would be better if we had a thousand more men brought into it, and it would not hurt the present labourers one bit; there is plenty of labour if they would go to work and do it.

70. Then the larger value of the sheep land is owing to the difficulty of procuring labour?—I quite believe that might be so; but as for the condition under which labour works on the farm, I believe they are better than they ever were.

71. You say that the average cost of growing wheat was 3s. 1d.?—Yes.

72. How many years ago was that calculation made?—Between five and six years ago.

73. Has the cost of growing wheat increased?—It has not lessened, but taking the price of land it has increased.

74. Has the cost of labour increased?—Yes, we were paying 6s. per day at that time, and now we pay 7s.

75. *Mr. Leadley.*] Has the cost of threshing increased?—Yes; they have an award now. It was 11s. to 12s. for oats, and now is 12s. to 13s. With the exception of the driver and the feeder, the wages are raised, and they are not satisfied with that money.

76. There are usually nine men on the mill including the driver and feeder?—Yes.

77. And 1s. per thousand on seven men means 7s. per thousand?—Yes.

78. And an extra 6d. is given to two men—the bagman and the carrier—that is 8s. per thousand increased cost of threshing?—Yes.

79. And have the millowners put up the threshing rates?—Yes, 20s. a thousand, I think.

80. What did you pay for threshing your wheat?—2½d. oats and 3d. wheat; in big lots I think they sometimes make a concession; but mine is mostly sheep country—two or three thousand will see me out.

81. *Mr. Robertson.*] You have been claiming that it is unfair to take the market value as the basis of land-values?—That is so.

82. That all valuations should be on the productive value?—Yes, on what the land is capable of producing—not necessarily on what the particular man is getting, but what it is capable of producing.

83. What effect does the scarcity of labour have on the growing of wheat?—We shall go out of wheat-growing. Unless we can get labour the foodstuffs of the people in New Zealand are going to be at famine prices within measurable distance.

84. *Mr. Leadley.*] If the farmers of New Zealand go out of wheat-growing it will have a material effect on the cost of living in this country?—I am sure of that.

85. So that the difficulty of obtaining labour is tending to increase the cost of living to the community?—Yes.

86. *Mr. Robertson.*] You have said that other lands have not risen in the same proportion as sheep land: does that apply to dairy land?—I quoted one instance. My 120-acre farm is dairy land pure and simple, and the contiguous farm was bought by my son at £22 10s., and he got a concession from the owner to have a lease for five years provided he bought it at £22 10s., and he is dairying on it. That land was worth the same amount twenty years ago.

87. You were speaking of the rise in sheep land in twenty years?—Yes. That has gone up in greater ratio; sheep land has gone up 100 per cent. all round I should say, and dairy land about 50 per cent.; the price of butter effects that. All land has risen to some extent. I do not think land is rising at present except on speculative sales, and they are only gambles. A man wrote and asked me if some land was worth £16 an acre. I saw that land sold previously for £5; but it was part

of a deal in Southland, and this man could afford to throw away two or three thousand in it ; that does not show the value of land at all.

88. In growing wheat there is the value of the land to be reckoned ?—Yes.

89. And the lower the cost of labour the higher the value of land. Sheep land requires less labour, therefore it has gone up more : is that not so ?—Well, you see, if a man has an experience like mine with the potatoes he naturally turns to sheep.

90. We are not dealing with abnormal conditions. Is it not a fact that the lower the cost of labour the higher the value of land ?—I do not think so ; but it would be better for both parties if there were more labour—the working-man would get his food cheaper.

91. Your statement about the sheep land carries what I have stated ?—A man goes in for sheep because he is more assured of the result ; rather than risk labour troubles he goes in for sheep. The labour question is behind the whole thing.

92. But the less labour that has to be expended on the land the higher the value ?—There has to be labour expended on sheep country.

93. But the proportions settle the value ?—I suppose that really would be so ; heavy land might want 150 per cent. more labour.

94. Then it does come to this : that the less you spend in labour the more you have to spend in rent, and so the higher the value ?—I would not put it that way ; you can produce more in proportion off the £3 10s. land than you can off the £25 land.

95. *Mr. Leadley.*] With your knowledge of the amount of labour available, would you go in for dairying ?—I would not touch it. I found a man and his wife milking thirty-two cows in the North Island because they could not get labour.

96. Do the farmers prefer married men to single men ?—There is a tendency to build cottages and get married men, and induce them to have an interest in staying on the place. I believe it would be a good thing if the Government would build houses for workers in the country, with plots of, say, 5 acres, and put these workers' homes not in one hamlet, but all over the country.

97. *The Chairman.*] How many of these hamlets would you have started ?—I would not have hamlets at all ; I would put the homes in districts where the men were sure of work. We cannot in the country give men picture-shows and suchlike, but we are treating them in a Christian manner. Years ago the best men got 18s. per week, and now you cannot get the same men for the same class of work for less than 30s.

98. Have you known many instances of men saving enough money from farm labour to start for themselves ?—Yes, various cases. [Witness gave details of these.]

99. What is your experience in regard to the lack of domestic help for the farmers' wives ?—It is a national scandal ; the same thing crops up at every Farmers' Conference. [Witness gave instances of this within his own knowledge.]

100. You said that the price of wheat in New Zealand was governed by the price in the London markets—that is, in the world's markets ?—Yes.

101. Supposing all the farmers in New Zealand left off growing wheat, would it make very much difference to us—should we not pay the world's price all the same ?—Yes, I suppose we would, but we would have to import the wheat, and there would be the extra cost of that ; we could not land it here as cheap as we can grow it. The actual cost of production is 3s. 1d. Again and again I have seen wheat sold here for 1s. 10d. and for 2s. 1d., and if you had to import you would have to pay freight, and could not get it for that. If you want to keep down the cost of living we must encourage the men who produce the foodstuffs. Things like potatoes fluctuate. A week or two ago potatoes were up to £5 per ton ; to-day they are worth £3 10s. If all the potatoes grown in New Zealand this season had been put on the market the price would not have been 30s.

*Re W. J. PEARCE (subpœnaed).*

*Mr. O. T. J. Alpers* appeared on behalf of his client, Mr. W. J. Pearce, coal-merchant, and tendered apologies for non-appearance. He had advised Mr. Pearce that he need not give evidence unless he wished ; at the same time he wished to say that no affront was intended to the Commission.

JOHN THORNTON, Boot-retailer, examined on oath. (No. 107.)

1. *The Chairman.*] Have you been long in Christchurch ?—Yes.

2. And you have a good knowledge of the trade ?—Yes.

3. Have you any opinion in the matter of the rise in the cost of living as it pertains to your trade ? Are the articles you sell dearer than they were ten years ago ?—Yes, some are ; there is an increase in the cost of some of them.

4. Then the rise in the price of labour has not affected all of them ?—It has affected all to a certain extent, but some to a greater extent than others. I think the reason for the increased cost of living is that people want a better article than they used to want.

5. Better in shape and quality, and so on ?—Yes, and of finer material.

6. They will not take the goods they did ten years ago ?—No.

7. And that applies to all classes ?—My business is mostly with better grades of boots ; perhaps other men could answer the question better with regard to the lower-grade boots.

8. Have you in any way met with a check in regard to buying your goods amongst the manufacturers ?—No.

9. There has been no understanding to keep boots up to a certain rate ?—I know of nothing of that sort.



10. Oh, I do not know that there is: I am merely asking you?—My trade is mostly imported boots.

11. Do you find the imported boots are made of shoddy material?—No, I do not. Of course, it all depends on the quality of stuff you are getting. If you are wanting to get a shoddy boot, a cardboard boot, you can get it; if you want really good material you can get it. It is a question of price.

12. Have you had any experience of Paris or American boots made, say, in Auckland?—No. I have seen a reference to the altering of brands. All I have known is a local-made boot with an American word on it.

13. A word that would lead the public to believe they were American-made boots, such as "Brooklyn" for instance?—Yes, I have seen such words like that. Possibly it may be the manufacturer's intention to mislead, but I do not think it does. It does not mislead the retailer, of course.

14. Only the general public?—I cannot say as to that; I do not think that it would be any inducement for them to buy.

15. *Dr. Hight.*] Have shop-assistants' wages gone up during the last twenty years or the last ten years to such an extent as to effect the costs in your business?—No, sir.

16. *The Chairman.*] Have rents and taxes gone up so much that it would add considerably to the cost?—Yes, rents, of course, are increasing all the time; and the rates are tremendous.

17. And that would add considerably to the cost of the article?—Oh, yes; the rates and rents are getting enormous.

18. *Dr. Hight.*] What do you consider to be the chief cause of the increase of rents?—Well, I think, the landlord finds he can get more.

19. There is a greater demand for some of the sites?—Yes, for business sites in the centre of the city.

20. *The Chairman.*] The growth of the community, in fact?—Yes.

THOMAS ROBERTS LEITHEAD, Manager of Kaiapoi Woollen-mills, examined on oath. (No. 108.)

1. *The Chairman.*] Have the costs of your material gone up very considerably of late years?—Wool fluctuates; it is a fair average price now; but in 1899 and 1900 it reached the highest.

2. If there is any rise in the cost of living between 1900 and 1912 it would not be owing to the price of wool?—No.

3. And yet we are told the price of clothing has increased. Is the cloth of any higher value?—I should not say it is.

4. If the wool has not risen, and the cloth has not risen when it leaves the mill, the addition to the cost of the garment must be after it leaves your hands?—That must follow, I suppose.

5. *Mr. Fairbairn.*] Wages, we understand, have gone up. It might be possible for wages to increase 20 per cent. and yet not add 1 per cent. to the finished cost?—That is quite possible. I think we are manufacturing as cheaply as we did ten years ago.

6. And charging no higher for your goods?—We manufacture as cheaply; I am speaking as far as the cloth is concerned.

7. *Dr. Hight.*] You are manager of the woollen-mills, and your evidence is not going to supplement that of the factory-manager (Mr. Minty) in any way, is it?—I hardly think so. I might explain that why our manufacturing costs have not risen is because in the last ten years we have spent £21,000 in improved plant and machinery, so that the whole process is different from what it was twenty years ago. The methods employed to-day are not at all similar to those employed ten years ago; so that can be set against the increase of wages. Talking generally, therefore, we manufacture as cheaply as we did ten years ago.

8. *Mr. Hall.*] You would have to write off how much from plant of that description annually?—It is a varying amount. Some machines have been working for thirty years, and are practically as good as the day they were put in; others do not last three or four years.

9. What do you generally write off?—£3,000 per annum off plant.

10. *Dr. Hight.*] Would the more efficient equipment have been put it but for the rise in the labour-costs?—Oh, that would naturally follow. I have only been manager for ten years; but in that time there has been marked improvement in all woollen-machinery, and that would come from increased labour-costs, and our attempt to keep ourselves up to date.

11. *Mr. Robertson.*] With fluctuations in wool, there has been practically no difference in cost of material—no difference in the manufactured article?—Oh, certainly, it does make a difference in the cost according to the fluctuations; what I said was that improved methods have counteracted the increase in wages as nearly as possible, and that cloth could be manufactured as cheaply now as it could ten years ago. This is in accordance with the previous awards; I am not so sure about the last one—of May, 1912—I am not sure if we can catch up with that.

12. *Mr. Leadley.*] Have you anything to do with the purchase of wool?—Oh, yes; I have everything to do with the whole mill.

13. The fluctuations in the price of raw material are very great?—Yes. In the big slump after 1899–1900 it went down considerably. We buy locally, but the local market is affected by the London market.

14. Would it be correct to say that the value would range from 5d. to 14d. per pound, according to the class of wool, from year to year?—Yes.

15. Has there been any difference in your output?—No, we do not maintain an absolutely even range, of course; I am speaking as between the mill and the warehouse.

16. Any increase in price is put on after the stuff leaves your hands?—It is, if it has increased.

17. To what do you attribute the increased cost of living?—I was not keeping house ten years ago, so I cannot speak of that.

18. Well, say five years ago?—I would hardly like to offer an opinion; the standard of living is better.

19. Do you import most of your machinery?—The bulk of it.

20. *The Chairman.*] Have you had any difficulty in getting hands for the mill?—We have had a considerable difficulty at times, but just at present we are very well off indeed—at the present moment I think I have all I require.

21. *Dr. Hight.*] How do you explain that?—Oh, we have never been very badly off for labour. The mills in Kaiapoi are the only manufacturing concern near, and we have always been able to get sufficient workers from the district; we have shifting labour sometimes, but generally it is from the district itself.

FRANK FEAVER, Fruiterer, examined on oath. (No. 109.)

1. *The Chairman.*] How long have you been in business?—About fifteen years; and during that time I have not found any increase in the price of fruit. In fact, I may say that some of the most important lines are much cheaper, although the cost of production has increased. As far as the consumers are concerned, the price has been just about the same to them the last fifteen years. The price of fruit is within the means of everybody. The prices are very reasonable, and it is an open market; anybody can go and buy from one case upwards.

2. What do you sell apricots at?—2d., 3d., and 4d. per pound is the price to the general public. Good jam fruit can be bought at 2½d.—I am speaking of buying by the case now. Small lots are bought from 12 lb. upwards. People do not all take cases.

3. I think I have seen apricots marked at 6d. per pound?—Oh, that is not unduly high considering the quality.

4. Do you buy in the open market?—Well, yes, some fruits.

5. Sometimes you have agents in the country, have you?—I grow a great deal myself.

6. Do you consider the prices at auction that the growers receive are always fair prices for the trouble of growing, including cost of case, commission of 10 per cent. to auctioneers, &c.?—No, they do not get fair prices, not in a good many cases; they do not receive enough; the consumer is far the best off.

7. *Mr. Hall.*] Has there been a heavy crop in this centre this year?—Yes, of apples, pears, plums, peaches, and apricots.

8. When there was a glut, what would apples sell at per case?—From 1s. per case of 36 lb.

9. What were the cases worth—what would they cost?—5d. to 6d. at least.

10. What were plums selling at during the glut?—From 1s. per case upwards; they were 14 lb. to 20 lb. cases.

11. What would be the cost of carting these from the railway-station to auction?—That is generally worked out by the ton.

12. Would it cost 3d. per case?—I think it would hardly run out to that.

13. *Mr. Fairbairn.*] You speak of the price of apricots as 2d., 3d., and 4d. by the case, do you not?—About 2½ per pound by the case sometimes.

14. Of course you are speaking of bulk trade. But over the counter, what would the prices be?—From 4d and 6d. to 8d. per pound.

15. What percentage of your business is a bulk business—selling by the case?—Hardly any; most of it would be small business over the counter.

16. The great proportion of the fruiterer's trade is done in small lots over the counter?—Yes, the bulk of the trade is that.

17. *Dr. Hight.*] Have the general expenses of your business increased during the last fifteen years?—Yes.

18. What are the chief items of increase?—Wages, rates, and rent.

19. What has been the increase in wages?—50 per cent.

20. Since when?—The last three years. I pay 50 per cent. more to my lad.

21. *Mr. Robertson.*] What do you pay in wages?—18s. per week to the lad I employ.

22. *Dr. Hight.*] The wages were 12s. before?—

23. *Mr. Leadley.*] What has been the rise in rates?—I could not say exactly; but I know the rates have gone up.

24. And the rent?—My rent has not increased since I have been where I am now; but I pay considerably more rent than I used to.

25. Twenty-five per cent. more?—About that.

26. *Dr. Hight.*] But for different premises?—Oh, yes.

27. *Mr. Leadley.*] A better position?—Well, yes.

28. That would account for the rise in rent?—Yes, to a certain extent.

29. Has the business done by the hawkers injured your shop trade?—I cannot say I have detected that.

EDMOND JOHN NEWMAN, Fish Auctioneer, re-examined on oath.\* (No. 110.)

*Witness* wished to say something to the Commission in regard to the evidence given by the witness D'Orridant, as published in the newspapers. With regard to the allegation that fish was sent to the destructor: no dates were given, but if the fish was so treated it must have been too bad to sell. He had never heard of such market prices ruling as this witness stated. A certificate was given by the City Council for every lot of fish sent to the destructor, and these certificates were posted to the fishermen with their accounts. He could not recollect any good fish going to the destructor.

\* See page 89 for first examination.

1. *The Chairman.*] What happens when the fish is good and is not sold?—We have taken our own cart and hawked that fish, groper mostly, round the town, and sold it for 1s. each. We have done this just to help the fishermen, and we give them full returns for all the fish sold.

2. You hawk the fish round in your own cart, and make returns to the fishermen? The system seems to me a very dangerous one?—What else could we do with the fish, sir? We had to try and sell it to the public. We had no option; otherwise it would have had to be destroyed. If we had fifteen or twenty barrels too much on hand, I reckoned we were doing the fishermen a good turn by hawking it round for their benefit.

3. What charges did you deduct?—We charged just the ordinary commission. We made no profit on it. We sold on the fisherman's account just as though we had auctioned them.

4. Why not freeze and then sell?—We cannot auction frozen fish—only fresh fish; we are not allowed to auction frozen fish.

5. Have you a freezer?—I am leasing a freezer.

6. Why are fish frozen?—People freeze for bad times when fish is scarce.

7. Who freeze?—We freeze for the fishermen and for the traders, and on our own account.

8. Why not always freeze the surplus for the fishermen?—The trouble is they are a poor class of men, and sometimes they would have to stand out of their money for twelve months.

9. Then these fishermen who send fish from Timaru, they receive what you choose to give them?—No, we buy in at market prices.

10. You sell the fish as auctioneers, and buy it yourselves—that is, you sell it to yourselves?—We are entitled to one bid. The fishermen say they would much rather the fish were sold. If we buy it goes into the freezer; but if the fishermen prefer, we freeze on their account.

11. And if you can neither freeze nor sell you hawk it round?—We have done that only last season; we have never had to hawk fish round this season. If the fish is right down to 20s. a cask, we offer at that rate to the fish-dealers, and otherwise they go into the freezer.

12. *Mr. Robertson.*] How do you dispose of this frozen fish?—It goes in at standard price, and comes out at standard price.

13. At 5 per cent. extra charge?—There is no 5 per cent. extra made.

14. How do you pay the fishermen for fish that you freeze for him?—We sell them to the fish-dealers, and charge the ordinary commission plus the freezing-charge.

15. *Mr. Leadley.*] Is there any limitation put on the fish bought?—No, any fisherman can send as much as he likes. Reference is made to barracouta by the witness D'Orriant. As a fact, we bought this at 4s. 6d. to 5s. 6d.; the smoking-charges were 1s. 6d., and the freezing-charges 1s. 6d., and it was sold for 7s.

16. *The Chairman.*] You have a smoker of your own, too?—Yes, and we have brought down the freezing-charges and the smoking-charges very much.

17. *Mr. Robertson.*] Do you freeze and smoke the same fish?—Yes.

18. *Mr. Fairbairn.*] How long have you been in Christchurch?—Three or four years altogether—three years in the wholesale trade.

19. We have evidence to the effect that one season's output of groper realized only 5d. for eleven weeks?—I saw that stated. The witness said the fish was sold in quantities too big to enable the public to buy at the market. That is not so; we sell any quantity of fish.

20. What do you mean by that exactly?—we sell a single groper and upwards.

21. Is that the usual practice—is it wholesale auctioneering or retail?—We sell some barrels singly, and sell the rest by the barrel; but the smallest buyer has his opportunity. We have several private people who come regularly to the market; they buy a single fish.

22. At the same price as the rate per barrel?—They realize just about the same—they may be a shilling more or less either way. They pay nothing extra; it is just open competition by the barrel or by the single fish.

23. Can you offer any explanation about the price of 3d. net when the retail price was 3d. and 4d.?—The prices for groper are as follows, as realized by auction: January, 4½d. per pound; February, March, and April, 1½d.; May, 2d.; June, 3d.; July, 4½d.; August, 4d.; September and October, 3½d.; November and December, 2½d.

24. Is that by the barrel or loose?—By the barrel or loose is about the same.

25. You do not sell by weight?—No, but I have had some casks weighed, and I have worked them out, and I can guarantee these figures; I was most careful about them. As a fact, D'Orriant is a man who very seldom sends fish to the market. He says he sent crayfish last September. I have no record of that.

26. Are there other fish-salesmen besides yourself?—No.

27. About this fish which only realized 3d.: have you any documents you could bring to show it realized higher prices?—Oh, yes.

28. Would you let us have those?—I will send the sale-books and sale-sheets.

29. You state that at no period has it been less than 1½d., and it has gone up to 4½d.?—I can show the account sales and you could take the average for each month.

30. Does much fish go to the destructor?—Very little. This year we sent seven barrels, but they were too bad to sell; another time we sent one cask for the same reason. That is all I have sent this year—eight barrels altogether, I mean. That would be about 15 cwt. of fish. Owing to the hot weather and the time it was in transit it was bad before it got here.

31. Would that account for the discrepancy in the price?—Oh no.

32. How many barrels do you get in per week?—In a poor week we would not get fifty barrels; in a good week we might get six hundred barrels.

33. Would two hundred be the average?—More in a good season.

34. Say, 9,600 a year?—Perhaps so.

35. Then the amount of fish destroyed is infinitesimal?—Oh, yes. We do not send fish to the destructor if we can possibly dispose of it; we would rather pay a nominal price and give it away to a charitable institution. We have never had occasion to do that, though. This witness also says the retail prices in Wellington are less than in Christchurch. I have priced the Wellington fish and they are just about the same—sometimes dearer, sometimes cheaper. I turned up one account where one line of groper fetched 6d. per pound, and D'Orriant says he never got more than 3d. This man is not a regular fisherman, and it might be possible to get some of my own fishermen to come here and give evidence. This man has always been an agitator; he has tried to deal with private fishmongers, and has fallen out with everybody.

CHARLES TAYLOR, Builder, examined on oath. (No. 111.)

1. *The Chairman.*] Have you been many years in the business?—Yes.
2. Has there been any increase in the cost of building-material in Christchurch in the last ten years?—Yes, a considerable increase, mostly in timber. Eighteen years ago I built a house, and had rough timber supplied on the ground at 9s. 3d.; to-day the same timber would cost 15s. 3d.
3. I suppose you build very nearly of the same timber?—Yes, usually red-pine, but Oregon is being largely used now, and is taking the place of red-pine.
4. How long does red-pine last in Christchurch?—It depends on where it is used. If used where the damp will get at it it will not last very long; as weatherboards it will last thirty years.
5. If it costs more to build a given house now than ten or fifteen years ago, what would be the reason?—It is difficult to compare houses built at the different periods; there is a demand for a different style of house now.
6. There are still houses of the old type to be got?—Yes, but to rent them would be greater cost than twelve or fifteen years ago, although the house might be the same in every respect.
7. And they would have deteriorated in that time?—Yes.
8. To what do you attribute the rise in the price of house-rent—to the community-value?—Land-values have gone up, and timber, and labour, and everything of that sort.
9. And you think that adds greatly to the cost of living?—Yes, it must.
10. Has rent risen in an even rate over the whole of Christchurch?—It has risen generally, both for business places and for residential places. Of course, in the fashionable suburbs it has risen more.
11. How much has the price of labour risen?—Eighteen years ago carpenters' wages were 8s.; to-day they are 11s.
12. Was 8s. the minimum?—No, practically the maximum.
13. Are there many carpenters working above the minimum wage in Christchurch now?—Oh, there are a few—I could not say how many; but I know of a few working at a higher rate.
14. You have been a practical carpenter yourself?—Yes; I have been at the trade since I was seventeen.
15. Do you think the efficiency of carpenters is less than it was fifteen years ago?—Generally, I do not think the men are as efficient as they were in the old days.
16. To what do you attribute that—to any system of apprenticeship?—No; I think that twenty-five or thirty years ago there was more hand-work done, and a boy had a better chance of acquiring a thorough knowledge of the trade; to-day there is more machine-work, and there is not the same opportunity for learning the trade.
17. Do the workers want to live in better-class houses than they used to do?—Yes, I think there is that tendency.
18. They want baths, and so forth?—Yes.
19. Do you not think that is a very proper thing?—Yes, it is all right; I think the whole community should be enjoying the good times. In the old days it was usual for a working-man to be building his own house; he would be content to put up a two-roomed leanto, and add to this as he could afford it; but that sort of thing has passed. Now the builder puts it up for him.
20. What is the cost of a four-roomed cottage within two miles of Christchurch—apart from the land-value?—It would depend largely on how it was finished.
21. Would £250 build the average cottage?—No.
22. It would have done so fifteen years ago?—Yes.
23. Would it be £350 now?—Yes, quite that.
24. *Mr. Hall.*] You said carpenters' wages eighteen years ago were 8s.?—Yes; and 11s. now.
25. Are you paying anything extra outside the city?—15 per cent. if it is constituted a country job.
26. *Mr. Fairbairn.*] Can you tell us anything about the condition of the timber trade? Have you had any difficulty in buying your timber? Is there any tariff in existence, or any suggestion of a ring?—Oh, no.
27. Do you think the market is quite open and competitive?—Oh, yes, and I do not think there are any undue profits being made by the timber-merchants.
28. Has timber advanced much of recent years?—Yes, from 9s. 3d. to 15s. 3d. for red-pine—ordinary building-timber—in eighteen years.
29. You mentioned that fifteen years ago a four-roomed cottage could be built for £250, and now it would cost £350: where would the difference come in—in labour or material?—It is rather difficult to say. Generally the house is of a different class. The house that was built fifteen or eighteen years ago would be mostly match-lined and severely plain; now it is usually plastered, and so forth.
30. Is it not a fact than in the modern class of house there is a better class of timber used?—Oh, yes, everything is better.

31. Supposing you had to build a house of exactly the same type as the old £250 one to-day—the same class of timber, the same lack of finish and convenience—how much extra would it cost?—It might cost £40 more—say 15 or 16 per cent. more.

32. *Mr. Hall.*] What percentage of the cost of a cottage goes in material and what percentage in labour?—I could hardly tell you—probably about one-fourth goes in labour.

33. *Mr. Fairbairn.*] In other words, labour has added about £10 of that £40 increased cost?—Yes, somewhere about that, probably.

34. *Dr. Hight.*] Has there been any alteration in the hours of labour of carpenters?—I could not say exactly how long it was since the forty-four-hour week was adopted; it is a good while.

35. *Mr. Robertson.*] In reference to the decreased efficiency of the worker: you are applying that to the quality of the work rather than the quantity?—Yes.

36. So far as the quality of work is concerned, the men are doing as good work as before?—I am not sure about that; it is very difficult to compare, because the work is different. If you do a better class of work the men will necessarily do less of it, of course.

37. Machinery is being introduced in the manufacture of mouldings, &c.?—Yes.

38. And there is not the same opportunity for carpenters to learn the trade?—Not the same opportunity for the boy to acquire a thorough knowledge of the trade as there was before machinery was introduced.

39. *Mr. Leadley.*] Have other building-materials risen in sympathy with timber—bricks and iron and cement?—I do not know that there has been any great advance in those.

40. The chief rise is in timber?—Yes.

41. How far is the cost of timber due to increases in cost of felling and milling the timber?—I am not in a position to answer that; I only know that timber has gone up in price to the builder.

42. What made it go up?—A combination of circumstances—wages for one thing, freight for another, and a whole combination of circumstances.

43. Do the sawmill hands get more money?—I believe so.

44. And the bushfellers?—I do not know.

45. Is the cost of transit higher?—Yes.

46. Any difference in railage?—I think there is.

47. So the chief factor in the increased cost of timber is the increase in labour entailed in getting the timber?—Oh, really, I am not sure of that.

48. What royalties do they pay: have these been increased?—I do not know what they are paying, nor anything else about the expenses of the mills.

49. *Mr. Robertson.*] Of your own knowledge you really could not say what are the factors in increasing the price of timber?—That is so.

50. You are not a miller?—No, I am not a miller, and my evidence in that respect is of no value whatever.

#### TUESDAY, 18TH JUNE, 1912.

THOMAS BROWN CRAWSHAW, Accountant, with Aulsebrook and Co., Biscuit-manufacturers, examined on oath. (No. 112.)

1. *The Chairman.*] Have you held that position long?—Thirty years in Christchurch.

2. Are you in a position to state whether you have at any time during that period known of any combination or understanding amongst merchants which would prevent them giving to all their customers, or all those wishing to deal with them, a fair and open market?—I have no personal acquaintance with it.

3. You have no knowledge at any time of any combination or understanding amongst merchants in restraint of trade?—I have never heard anything definite. I have heard rumours of it.

4. Have you seen anything in the evidence published in the paper referring to the firm of Aulsebrook and Co.?—No.

5. *Mr. Hall.*] Does your firm give the same discounts to Wellington people as they do to outside retailers?—To what outside retailers?

6. To retailers outside the City of Wellington. The statement was made that people could buy outside that city on better terms than those within the city could buy at?—No, they cannot.

7. Do not different discounts prevail?—Different discounts rule in different localities.

8. People buying the same quantities, country storekeepers, pay the same price as people buying equal quantities in the City of Wellington?—There is practically very little difference.

9. What difference would there be?—The Wellington storekeepers are treated on a certain basis, and possibly the country storekeepers may not get the same discount that the Wellington people do, but they pay similar prices; there is practically very little difference. The prices and discounts are different in different localities.

10. *The Chairman.*] Could you give any explanation of that—why is it?—It has just been the rule of the trade.

11. *Mr. Leadley.*] Why?—The trade has been carried on in the same manner for many years. As far as I know there has never been any effort to differentiate.

12. For what reason?—Oh, what reason is there for any price?

13. But the prices vary, you say; why?—No; we may put on a little for shipping-expenses to Wellington; then perhaps there is a bigger discount; but the difference in the discount is so small that it would not make much ultimate difference in the price, and it is only on a few lines,

14. *The Chairman.*] Are there geographical reasons why the country storekeepers should get things more cheaply?—No, I do not think so; we have to deliver at Timaru simply because it is near Dunedin, and railway freight has to compete with the steamer freight from Dunedin to Timaru, and from Christchurch to Timaru.

15. *Mr. Fairbairn.*] In connection with the distribution of biscuits in the Wellington territory: I am informed that there are two sets of discounts—that is, for Wellington City you charge less 15 per cent. off list, and for outside Wellington less 25 per cent. off list?—Oh, no, we do not; there is a different discount to merchants.

16. I am referring to the trade?—Not to storekeepers.

17. Do you say there is no difference whatever in your prices to the retailers in Wellington and to storekeepers, say thirty or forty miles out of Wellington?—No, I do not say so: I say there is a different scale altogether.

18. What is that scale, please?—There might be a trifle of difference. I do not see that I have any necessity to answer a question like that. I think not.

19. Do you refuse to answer?—That is entering too much into detail.

20. You refuse to answer the question?—Yes.

21. *Mr. Robertson.*] Is there an arrangement between the various biscuit-makers as to prices?—There has been an arrangement, but most of them have dropped out. There are one or two of us stick to it as far as possible. That arrangement was made because the prices of certain lines were non-payable. We were delivering stuff in certain parts at less than cost before this arrangement was made, but several dropped out in Christchurch—they did not stop in more than a month, at any rate. They found they had to cut to do business, and the Dunedin merchants, I think, never did join.

22. *Mr. Leadley.*] Join what?—The association.

23. There is an association?—There is a Biscuit and Confectionery Manufacturers' Association; but it is practically dead.

24. *The Chairman.*] But there still are two or three firms who endeavour to stick to it?—Yes.

25. And the purpose of that is to keep up prices on certain lines?—The purpose is not to quote a non-payable price.

26. The combination is the judge in such case of what is payable and what is non-payable price?—Oh, certainly.

27. And thus far your market is not free?—Well, the competition keeps down the market.

28. But this is on purpose to bar competition?—Two or three firms cannot bar competition very well.

29. They only bar competition between themselves, you mean?—Yes, only between themselves.

30. *Mr. Fairbairn.*] To what extent are you protected by the Customs tariff?—3d. on most confectionery and 2d. on biscuits.

31. That is 100 per cent. practically on cheap biscuits?—No.

32. What is your lowest price?—Our lowest price is 2½d., and there are very few of them sold.

33. None of these are imported?—None of these could possibly be imported.

34. The duty is 2d. per pound, which affords you a very big protection?—Yes; but that is not 100 per cent. The average Home biscuit is sold at 8d. or 9d.

35. Owing to the duty, of course?—No, not owing to the duty; but it competes with the biscuit we sell at 6d. or 7d.

36. Do you mean to say that a duty of 2d. per pound does not shut out cheap biscuits?—How can it shut out 2½d. biscuits.

37. The biscuits could be landed at 2½d. without the duty?—These biscuits cost us 2½d., and we sell at 2½d.

38. There is a duty on ship-biscuits equal to 100 per cent.?—No, it is not 100 per cent.

39. If a biscuit is invoiced at 2d. in England, and there is a duty of 2d., is that not 100 per cent. protection?—I may say that except cabin-bread there is no biscuit sent out at anything like that price. The Home market only competes with the high-priced biscuit.

40. In consequence of the duty: that is the sole reason?—You may say so.

41. And you know it quite well?—Oh, no; I think the opposite way.

42. *The Chairman.*] Have you any knowledge of any other cause which would make the food of the people dearer?—Our prices have not gone up during the last twenty years for those lines that we made then.

43. During that time, of course, you have introduced great improvements in machinery?—Yes, we have made biscuits that we could not possibly make twenty years ago; and the prices altogether, I think, and the average price, are better. I know that we make a far bigger proportion of the better lines than the poorer.

44. When you say the price is better, do you mean better for the manufacturer?—No, I mean that the average price is bigger: we may not make more average profit, but the public will have a better article, and, of course, they have to pay for it.

45. So that the cost of living has risen, in your own trade, on account of the people demanding a better class of goods than they used to do?—Yes. Twenty years ago we used to make 3 tons of lunch, now we make 1½ tons per week; we make better-class biscuits, and we are working on a better line altogether.

46. *Mr. Leadley.*] The demand is for a higher-class article?—Yes, in everything—confectionery as well as biscuits.

47. Is the difference in cost very material?—Roughly speaking, I should say it was about 1d. per pound in biscuits.

48. Fifty per cent.?—Oh, no. Our average price used to be 4½d.; possibly now it is 5½d.

49. You said you knew of no combination in the trade?—I know of no combination personally.

50. But afterwards you gave us to understand there was a combination?—Not in restraint of trade. I understood the Chairman's question to be totally different.

51. The Chairman's question was, whether you knew of your personal knowledge any restraint of trade, and you said you had no personal knowledge of any such combination, and then you tell us that there is an understanding or agreement or combination among manufacturers?—Not in restraint of trade.

52. It may not have that effect, but there is an association?—There is an association between biscuit-makers; but it is practically dead.

53. A sort of mutual protection association?—Yes.

[*Witness* wished to add the following: (1.) With regard to the variation in price: Where there is a bigger discount, we naturally make it up on the price in the first instance; so that ultimately the prices do not, as I say, vary much. (2.) With regard to the duty on cabin-bread and ship and dog bread, this is 3s. per cwt.]

FRANCIS LESLIE GORDON JOLLY, B.Comm., Bank Clerk, examined on oath. (No. 113.)

1. *The Chairman.*] Have you had experience as a bank clerk for many years?—For eight years.

2. You know the purpose of this Commission—to inquire into the cost of living: do you wish to make a statement of your opinion on that subject?—I noticed that evidence was desired from me on question 10—as to the influence of the value of gold; but I would like to make a short general statement on some of the questions involved. First, I will take the question of the increase in the cost of living during the last fifteen years. What is the cost of living? That is usually measured by prices; and to understand the fluctuations in the level of prices we must consider what affects those fluctuations. The main trend of prices is undoubtedly affected and influenced more or less entirely by the rate of production of gold, or, rather, by the accumulation of gold. That is counterbalanced and acted upon by a great many varying factors, such as the rise of credit. That is the biggest factor acting upon it, and there are a great many minor factors, such as various conditions of trade and foreign policy, wars, and crises. The cost of living I have tried to express as an index number, the index number being the cost of commodities in general. Here is a weakness at once, because the number taken (*Dr. McIlraith's*) is for the wholesale prices, not the retail. There is a slight difference between the two. The retail prices lag slightly behind the wholesale. I have plotted here a graph showing the comparative fluctuations of these various prices [see exhibit No. 3, marked A]. On the graph I have plotted *Dr. McIlraith's* index number for New Zealand. That gives the varying prices of commodities which the wage-earners have had to purchase to support themselves. That fluctuating-line is acted upon partly, as I say, by the production of gold; and again it shows sympathy with various temporary and secular influences which I shall mention again. The object of this Commission, I presume, was not altogether to inquire into the actual cost of living to the consumer, but also as to his means of bearing any increased cost, if there has been such. To calculate, then, the wage-earner's capacity to bear the increased cost of living which I have found to be the fact—the cost of living *has* increased—I have tried to draw up an index number of wages for New Zealand. That has been an extremely difficult task; and as I only received notice of your desire to receive this information last Wednesday, I have simply done the best I could in the time available. You will readily understand the difficulties of drawing up an index number for wages in New Zealand at such short notice, particularly in the crude state—if I may say so with all humility—of the New Zealand statistics. They are far behind the statistics of any other country in the world, and lend themselves far less to an inquiry of this sort. I feared the result would therefore be extremely rough and unreliable; but I have found that the results from the inductive inquiry I have made gave most remarkable mathematical support to the theory formulated before I set to work; that was on the deductive line, and I was hoping that the inductive analysis would support it. In various years the inductive analysis supported my theory to within an error of 0.25 per cent., and the error was never more than 0.5 per cent. For this index number of the wages I analysed the figures in the Year-books 1896 to 1910.

*Dr. Hight:* I think it will be sufficient if Mr. Jolly simply states the information which he has on his charts, and the results of his investigations. We will take it for granted that Mr. Jolly has taken advantage of all the available statistics.

*The Chairman:* Yes, I think so.

*Witness:* I have used all that have been available to me in the short time I had. I have prepared an index number of wages in New Zealand, taking the basis year 1896 and calling that 100, and I found that they have increased as follows: 1899, 101.6; 1900, 111.3; 1902, 110.4; 1904, 111.9; 1907, 121.4; 1908, 122.2; 1909, 124.0; 1910, 124.5. These are money wages. I have skipped a couple of years on account of pressure of time. The list of trades concerned is: farm labourers, bricklayers, carpenters, smiths, painters, shoemakers, general house servants, general labourers, seamen, miners, tailors, dressmakers, draper-assistants, butchers, bakers, and compositors. These, I thought, would fairly represent what is understood by the general working-classes of the community. The weakness again in that list is due to the fault of the New Zealand statistics. There is no means of ascertaining the distribution of the wage-earners between certain grades—*e.g.*, the carpenters in one centre are quoted from 8s. to 12s. per day; but I do not know whether the bulk of the men are getting 9s. or 11s., which might materially affect the result. Again, the New Zealand results are weak in that they give no indication of short time or overtime. The American statistics do that, and it makes marked differences in the result. In fact, higher wages are most often accompanied by a greater percentage of short time worked, which results in lesser increase of the total wages paid to the working-man.

*The Chairman:* For some years I published the hours of overtime in New Zealand, and there was a great complaint from the workers that it misrepresented the position, because, the overtime being



published and the short time not published, a wrong idea was got by workers outside New Zealand as to the amount of work going on in New Zealand.

*Witness* : Any statistics along that line, even if only half the conditions were shown, were better than none. It would be a considerable advantage to New Zealand statistics if that system had been maintained.

*The Chairman* : But you see it was a hardship on workers. Many men were drawn here by the idea that much overtime was being worked, and at the same time the shortage was not published. That represented the position falsely. We found it impossible to get the figures for short time—it would have required an Inspector at every factory practically. Rather than misrepresent the position, we preferred to give no information at all.

*Witness* : All I can say is that it is a pity the figures are not available. I have compared with these index numbers, rough as they are, Dr. McIlraith's index number. His year 1896 stood at 96 for commodities in general. His base year was the average of the decade 1890-99 inclusive. I have called the index number for the purchasing-power of wages 100 for the year 1896 ; and by a combination of my index numbers of wages paid and Dr. McIlraith's index numbers of prices, I have obtained a series of index numbers of the purchasing-power of wages as follows, taking 1896 as 100 : 1896, 100 ; 1899, 99.5 ; 1900, 105.8 ; 1902, 106 ; 1904, 113.1 ; 1907, 108.9 ; 1908, 112.8 ; 1909, 117.9 ; 1910, 116.

3. *The Chairman*.] So that the purchasing-power of the wages was much less than the increase in the wages themselves ?—Yes. The increase of wages up to 1910 was 24.5 per cent., whereas the increase in the purchasing-power reaches the highest at 117.9 in 1909. I have also plotted the graph of the increase in the purchasing-power of wages on the sheet to be handed in. The other graph on the sheet is the difference between the annual averages of the New Zealand banking deposits and advances expressed as percentages of the sum of both. I have adopted that formula to allow for growth of general banking over the period. The differences with the higher figures in 1910 would be totally out of perspective with the lower figures in earlier years. That graph I shall also leave with you ; it is entirely intelligible, and may be useful. I was asked to give the fluctuations in the rate of interest. I have left that out, because the rate of interest is dependent on the monetary conditions. It fluctuates rapidly during temporary derangements of the relation between the total amount of available supplies of money and the requirements of trade ; but these fluctuations I find to be so rapid that the fluctuations in prices and wages are quite unable to follow them.

4. Those fluctuations are caused by influences outside New Zealand ?—They are world-wide influences.

5. Are not the fluctuations in prices the same ?—The fluctuations in prices are world-wide, too, and they react on the wages. The whole thing is world-wide. There is one point I would like to mention : I have found that the general trend of fluctuations in wages is to lag behind those of prices ; that is to say, a rise in the rate of prices precedes a rise in wages, and a fall in prices precedes a fall in wages. Wages seem to follow after.

6. That is, the worker finds it impossible to live on his wages with a rise in prices unless the wages are increased ?—The rise in prices precedes the rise in wages.

7. Then wages have to follow the rise in prices ?—Yes, that is the tendency. That is particularly important in the consideration of last year. At the present time the prices of commodities all over the world are higher than they have been since 1883. The New Zealand prices have not yet conformed fully with the rise in the world-wide prices.

8. *Mr. Fairbairn*.] That hardly confirms Sauerbeck's table. I have his figures up to 1910 ?—His figures were 78 in 1883, and it rose in 1907 to 80 ; that was the only time they had touched those figures.

9. *The Chairman*.] Is that statement about the rise in prices preceding the rise in wages an original statement, or was it made on economists' authority ?—Made on authority, and also the result of logical deduction in my own mind.

10. *Dr. Hight*.] It is a general principle which is confirmed by New Zealand experience ?—Yes. It is also stated by Hooker in an article published by the Royal Statistical Society.

11. *Mr. Hall*.] And the fall in prices precedes the fall in wages ?—Yes.

12. *Mr. Leadley*.] And the prices have not yet responded in New Zealand to the world-wide prices ?—That is so.

13. *Mr. Hall*.] You gave us the index number 83 for 1907 : what is the latest number for 1911— I mean, for New Zealand ?—I do not know. I have not Sauerbeck's figures for 1910.

*Dr. Hight* : I have them up to 1911.

*Witness* : The New Zealand prices, as I say, have not yet responded to the English ones. The English show a marked rise in the last three years, and the New Zealand prices have been lagging behind. I have brought that out in another diagram, but the tendency exhibited by the figure for 1910 suggests that they are now overtaking the prices in other parts of the world, and if the condition of affairs continues I presume they will overtake them ; but I think we shall have a reversion. An example of index numbers and of commercial history shows that there are periods of prosperity and of depression, averaging (roughly) ten years between the "trough" and the "crest." In New Zealand to-day, and the world in general, I think from original inquiry, and I am also supported by Hooker's article before mentioned, that the prices are approaching the crest, if they are not already on the crest, and we shall see a drop in prices. Wages may rise a little further yet, and then they will fall again with the prices. In the past year, 1911, probably the wage-earners felt the pinch of increased prices more than in any previous period, because the increased prices had considerably outrun the increased wages.

14. *The Chairman*.] Considerably outrun the purchasing-power of those wages ?—Yes, that follows. But the fluctuations in the level of the price of commodities is generally more evident than

that of wages; the latter is smoother. Our wages-line will pass between the crest and the trough of the prices-line—it will not reach the crest; and we shall also find that probably on the down-slope the level of wages may come out and be higher at the trough than the level of prices. I am borne out in that contention by the fact that by June the banks had increased the rate  $\frac{1}{2}$  per cent.—a sign of the tightness of money. The difference between the deposits and the advances shows a great deal of sympathy with the level of prices, and the level of prices reacts on the level of wages. I find that the excess of deposits over advances is decreasing to-day. The deposits are approaching nearer to the level of advances, whilst usually they are slightly higher. As soon as the deposits fall as compared with the advances there is a strong tendency for the rate of interest to harden. That has happened. I think that points to the probability of a fall in the price of commodities, and we shall find probably in three or four years that the wage-earner's purchasing-power will have increased again, though in the last year available it shows a slight fall. There is only one other point in connection with the cost of living which I think it would be well to bring out—the fact that the index of the purchasing-power of wages had steadily increased. There are slight fluctuations up and down, but it has increased on the whole; and from all reports the wage-earners are complaining as bitterly as ever of the difficulty of supporting themselves. There is only one logical deduction: that the standard of living has increased. I tried to obtain statistics of rents, but was immediately confronted by the statement of several house-agent men who said it was impossible to compare rents, because the houses of to-day were so different from those of years ago. Fifteen years ago the working-man would live in a 7s. 6d. house with scrim lining; to-day he wants a house with plastered walls, &c., and with hot and cold water laid on. But for all that, a rise in the standard of living really raises the standard of necessities. What is a necessity to-day was a luxury in the past; and it is only to be expected that the wage-earners do not want to live as they did fifteen years ago—that they would feel that they were living in squalor.

15. And would they not be living in squalor?—A modern man might want a Kaiapoi suit, whereas his great-great-great-etcetera-grandfather might be satisfied with a coat of woad?—Oh, yes; we would not want him to be satisfied with woad. But my point was that the rise in the standard of living marks a rise in the number and standard of necessities, and I contend that is a benefit to the community.

16. *Mr. Fairbairn.*] In taking out your statistics as to the cost of commodities, did you take into consideration the fact that the Customs duties have altered three times within the last twenty years, or did you merely take the prices as quoted?—I did not take the prices at all in estimating the cost of commodities; I took Dr. McIlraith's index number.

17. And does that make provision for Customs duties?—I do not think so; I have not examined it thoroughly enough to answer that; but I do not think such a provision would be necessary.

18. Oh, it has an important bearing in one sense—*e.g.*, the duty on all fruits has been reduced 2d. per pound within the last four years. The fact is that dates ought to be sold at 3d. per pound retail, whereas they were sold at 6d. four years ago. In that particular case there is a clear reduction to the consumer, with actually no difference in the cost of production?—I had intended to mention such an instance as that.

19. These instances are very frequent?—I could go into this with other questions.

*Dr. Hight:* You simply took the prices, and cannot take into account any causes operating on those prices, the object of the index number being to measure the price. Afterwards, in interpreting the shape of the curve, you have to examine the effect of tariff regulations and all other causes.

*Mr. Fairbairn:* But in estimating the changes in Home markets and changes here, there are violent fluctuations, discrepancies which no doubt would be accounted for by operations of that very nature.

*Dr. Hight:* Undoubtedly.

*Witness:* I have a diagram exhibiting that; I brought it in connection with question 2. Take the question about the reduction of duty on fruit producing no reduction in cost to the consumer: I can explain that. You presume, when you say a reduction in duty should result in a reduction in price, that all other conditions remain unchanged.

20. *Mr. Fairbairn.*] By the reduction of duty, clearly there is a drop in the price; therefore the price to the consumer must follow, or should follow?—But suppose there has been a shortage in the date crop?

*Mr. Fairbairn:* Oh, I am not referring to abnormal conditions of that kind. I am referring to facts within my own knowledge. There is a duty of 2d. taken off dates; the dates have not altered to any serious extent within the last eight years; the fluctuations in dates have been less than  $\frac{1}{2}$ d. per pound on the Home markets. Sultanas have changed enormously; but that is beside the question. I think we have the information from you that we wanted.

*Dr. Hight:* If Mr. Jolly has any statements on general questions they might be handed in afterwards, perhaps.

*Witness:* I have a diagram, marked B, on question 2 [see Exhibit No. 4]. It is, I think, a most valuable one, showing very plainly that the increased cost in New Zealand has been far less than the increased cost in any other country. I have quoted New Zealand (Dr. McIlraith), United Kingdom (Sauerbeck), United States of America (Bureau of Labour), Canada (Department of Labour). In the last ten years ending 1910 the price of commodities in the United States has risen 32 per cent.; in Canada it has risen 125 per cent.; in the United Kingdom it has risen 18 per cent.; and in New Zealand it was 103 per cent.

21. *Dr. Hight.*] You are speaking of foodstuffs, textiles, metals, and so on?—Yes, everything in general.

22. Sauerbeck classifies food, and separates metals and textiles?—That can be done. He has separate tables, I know; but he also has a table for commodities in general.

23. But the other is more to the point, because it shows where the actual advance has taken place, and it turns out that metals and textiles account for the bulk of the change?—Metals and textiles do vary very much. There are special reasons for that. The food figures in the United States have risen even more owing to special considerations; but the New Zealand general prices have not risen to anything like the same extent as the commodities in other English-speaking countries.

*Mr. Fairbairn:* I think your tables will be very valuable to the Commission. Of course, we have Sauerbeck's and others; and yours, as far as New Zealand are concerned, will be most interesting.

*The Chairman:* Yes, most interesting.

*Dr. Hight:* I would suggest that Mr. Jolly take them away and append a note as to what they show.

*Witness:* Thank you; that would be much more satisfactory to me than leaving them now.

24. *The Chairman.*] In regard to the appreciation of gold, Mr. Jolly: would you give a short statement of what it means? What effect has it upon the cost of living in New Zealand?—Appreciation would lower the cost of living in New Zealand; depreciation of gold would raise the cost of living.

25. Put it in popular language: what would be the effect on a sovereign of appreciation?—The sovereign would have a greater purchasing-power; to get the same commodities you would require less sovereigns when gold appreciates.

26. And these sources of appreciation lie outside New Zealand to a great extent?—To a great extent. New Zealand partly helps with its gold-production; but the result is the sum of world-wide influences.

27. What is the effect of the accumulation of large fortunes? What happens, let us say, when Mr. Morgan or Mr. Rockefeller "makes" twenty million dollars over a "deal"? Does that lower or raise the purchasing-power of wages in the market? Where does the money he gains come from?—I would rather not have my name published in the papers, I think, to these answers till I am certain of my ground. I would like to think over the matter.

28. Perhaps you would like to answer that question by a written letter to the Commission?—I should prefer that.

29. I have to ask you another very big question we want some expert guidance on. It has been said by American economists that when Mr. Rockefeller "makes" a fortune the purchasing-power of a Chicago factory-girl's wages fall from 20s. to 19s. 10d. per sovereign. I would very much like to have a clear statement as to whether that is true in your opinion or not. Will you kindly make a written statement on that question, too?—Yes.

30. That is, the effect on the purchasing-power of wages of the "making" of fortunes?—Yes, I see.

*The Chairman:* Very well, Mr. Jolly. The Commission thanks you for the evidence you have given this morning, and would be glad if you would post your letter within the next fortnight.

Mr. Jolly submitted the following written evidence in answer to questions put to him by the Commission when in Christchurch:—

*What Effect, if any, has the Value of Gold had on the Cost of Living?*

The first point to be considered is, how the value of gold is determined. We know that in England the Mint price of gold is £3 17s. 10½d. an ounce—that is to say, an ounce of gold is coined into 3·89 sovereigns; or, in other words, a sovereign weighs 123·27447 grams of standard gold, which is eleven-twelfths fine. But only a moment's consideration is necessary to see that this statement advances us no further. We are practically saying that so-many units of one measure of gold are worth so-many units in another measure, thus arguing in a circle. The correct definition of the term is, "The value of gold is determined by a comparison between the world's total available supply of gold (modified by the conditions determining the superstructure of credit and the rate of velocity of circulation) and the supply of commodities in general." The method employed in making such a comparison is that of index numbers. It would be out of place, besides unnecessary, to enter here into any discussion upon the process of compilation of index numbers. Suffice to say that they represent, period by period, the average prices of a certain comprehensive variety of commodities summed and reduced to a common base. The result in fluctuating figures gives a mathematical index to the comparative value of gold at various dates. The handling of the world's supply of gold is in the hands of the banking institutions, and in them is first felt each change in the balance between the supply of "money" and the supply of "commodities in general." The banks act as a sort of fly-wheel, smoothing in transmission to the business world the suddenness and violence of changes in the force of finance. Therefore, I consider it instructive to obtain some readily comprehensible representation of the course of banking affairs. I have compiled a table (1) exhibiting the average annual totals of banking deposits in New Zealand, and another table (2) exhibiting the average annual totals of banking advances in New Zealand. By subtraction of advances from deposits I have obtained a third table showing the annual fluctuation in the excess of deposits over advances (the excess being occasionally a negative quantity). In the course of the last fifteen years banking figures have increased nearly 100 per cent., and it is therefore easy to understand that the differences shown by this third table have naturally and consequently increased in corresponding magnitude. To compare to-day's fluctuations with those of fifteen years ago, as a means of obtaining an index to financial conditions, would therefore be quite misleading through lack of perspective. I have rectified this defect by a simple mathematical formula, drawing up a fourth table comprising these annual differences expressed as percentages of the sum of both the average deposits and advances in each particular year. This brings the largest figures of the later years into correct perspective with those of earlier years; and in diagram A [Exhibit No. 3] I have drawn a graphical representation of these percentages. These tables of banking figures and

the corresponding graph are not absolutely required in analysing the problem, being more or less precisely reflected on, or embodied in, the index of the general level of prices, resulting from the fact that changes in the money-market are immediately passed on by the banks to the business world in general; but I have thought it well to introduce it as illustrating better than argument the close relationship between the two. The index of prices of commodities in general will, then, give us an estimate of the value of gold, or rather a comparative estimate; but a comparative estimate instead of an actual is all we need when inquiring into an alleged increase or decrease in the cost of living, which is in itself a question of comparison. In this day of rapid, cheap, and certain communication and transport, and of world-wide commercial concerns, prices no longer move more or less independently in individual countries. We still have differences in the movements of prices in individual countries on account of various local conditions and considerations, such as tariff rates and temporary and seasonal derangements of the balance of supply and demand due often to incompletely adjusted changes in social conditions, besides transient physical causes. This is well illustrated by a diagram (accompanying an article by R. H. Hooker, M.A.) illustrating the course of prices in the United Kingdom, Canada, and the United States, which I have taken the liberty to copy from a recent number of the *Journal of the Royal Statistical Society*; and in reproducing this I have added Dr. McIlraith's index number for New Zealand, scaled to the same base year. From this diagram it may be seen that each of the countries has small independent movements in its own particular line, and again, that where the lines of the countries move with a conformity of direction, the magnitude of the fluctuation depicted varies from country to country. As particularly interesting we may note that during the last decade the prices in the United States of America, as represented by index numbers, have risen as many as 24 points, in Canada 18 points, in the United Kingdom 15 points (falling again 10 and rising another 7), whilst during the same period the course of New Zealand prices has been from 98 in 1901 to 107 in 1907, to 103 in 1910, at most a rise of 9 points. Or, again, comparing actually the levels of 1901 and 1910, we find the following increases: United States of America, 24 points; Canada, 18 points; United Kingdom, 12 points; and New Zealand, 5 points. But yet, through all these local variations we can see a general sympathy in the fluctuation of prices the world round. Therefore, whilst on diagram A I have copied only Dr. McIlraith's index numbers for New Zealand, omitting all other index numbers of prices in other countries in order to avoid a confusing network of lines, one must not forget that both prices of commodities and financial conditions are matters of world-wide adjustment. Had I the time and the data to compile an index number of prices the world over (combining and weighing proportionately the various index numbers of all the countries), I should have been able, I think, to present a line of price-levels conforming more precisely with the line of banking conditions in New Zealand than does Dr. McIlraith's index for New Zealand; because money is more fluid than commodities, and the changes in the money-market are the more rapid and often outstrip changes in price-level; and thus the New Zealand banking returns are more in sympathy with world-wide conditions than are New Zealand prices, which fact accounts for the occasional failure of the lines to move in unison. The most casual glance at diagram A reveals a most assured sympathy of movement between the respective lines representing banking returns and the course of prices, and, seeing that the course of prices most directly indicates the cost of living, it would seem from this inductive investigation reasonably safe to assert that the value of gold does effect the cost of living. One would be further confirmed in this conclusion by a little very elementary deductive reasoning. When the algebraic excess of deposits over advances decreases it is a sure sign that money is getting "tight," or, in other words, that there is a shortage of money, and a shortage of money naturally renders money more valuable. Then, if money is more valuable less of it need be given in exchange for the same fixed amount of commodities; and *vice versa*, when the excess of deposits increases money grows less valuable and prices rise. But this conclusion with regard to the cost of living must be subjected to certain modifications. Unless we are considering the cost of living of all classes in New Zealand, we must not rely entirely upon an index of prices of commodities in general, but should rather use an index of the prices of that particular class of commodities consumed by the class whose conditions we are investigating. And again, whilst I have made use of Dr. McIlraith's index numbers, it must be borne in mind that they are compiled from wholesale prices, not from the retail prices which the people pay, and it may well be that difference may exist between the levels of fluctuations in these two classes of prices. Certainly a reliable index of retail prices would be by far the better suited to the requirements of the present case; but all statisticians are agreed in declaring that it is most difficult to obtain data wherewith to compile index numbers of retail prices, and in the case of the few attempts which have been made the authors have been forced to admit that owing to unreliability of the data the resultant numbers are unreliable. Therefore, with this warning, I must content myself in using the wholesale index, with the hope that the sympathy between wholesale and retail prices is sufficient to protect my comparison. The point being now established that changes in the value of gold do affect changes in the value of commodities, it remains to be considered what changes there have been. The tables and more conspicuously the diagram A reveal two facts: (a) that there has been a general upward trend in the level of prices and consequently in cost of living; (b) that in this upward trend we find periodical fluctuations or "waves," sometimes at the "crest" rising above the line of general progress, and again at the "trough" falling below. This latter fact I would consider first. These "waves" and "troughs" in prices have been recognized by economists and business men for a long time past, more especially in connection with the consideration of cycles of prosperity; and various explanations have been offered and theories brought forward. There is no need to here go into any discussion of these cycles, save to mention that in some years when attaining a "crest" they make the cost of living more acutely felt, and again at times of "troughs" ease the cost. The other fact revealed is that there has been a general upward trend in the cost of living, which can be due in the main to only an increasing ratio borne by the supply of gold to the supply of other commodities in

general. This theory would seem to be supported by an inductive analysis. I saw recently in the Journal of the Royal Statistical Society an article discussing two very ingenious and feasible methods of estimating what are commonly called "the legitimate normal requirements of gold by the world." Owing to small differences in the estimation of certain factors (particularly "the demand by the fine arts," and "the loss due to waste, wear-and-tear, &c.") the final conclusions vary so much as to in one case pronounce that to-day the supply is 9 per cent. in excess of the requirements and in the other case 25 per cent. But the important factor remains that both methods agree in pronouncing an excessive supply of gold. A further investigation would probably reveal the fact that the accelerated rate of increase in prices during the last decade is due to an accelerated rate of increase in this surplus of gold. Therefore it must be admitted that the value of gold does affect the cost of living, and that the cost of living has increased about 10 per cent. during the last fifteen years. But in view of the far-reaching objects of the Cost of Living Commission now in progress, it would be well finally to consider the position of the people in view of this admitted rise in the cost of living. For this end the best method is to get a comparative view of the money received by the people during the period. I presume that the Commission is more keenly interested in the condition of the wage-earners or the poorer classes than in that of the wealthier. Also, it would be extremely difficult to compile with any reliability an index of the earnings or profits of the wealthier classes. But it is somewhat easier to compile an index of the wages of the poorer classes, although, even with this, warning must be given of the serious defects therein. I have endeavoured to compile an index of wages in New Zealand since 1896, the date at which the work of the Labour Department first made possible the production, in the short time at my disposal, of any such series. This index has serious defects, but I consider that it is of sufficient approximate accuracy to provide a working basis. The "New Zealand Official Year-book" publishes annually a statement, compiled by the Labour Department, of the average wages paid during the year in each of the nine provincial districts to a large number of classes of wage-earners. I have made a selection of sixteen of the most representative, and from the published figures have attempted to calculate their respective average wages. These I summed for each year 1896 to 1910 inclusive. I made 1896 the base year, and, calling it 100, reduced in scale the totals of each succeeding year, thus obtaining an index number for wages paid in New Zealand. But the two main defects must be pointed out: (1.) The New Zealand statistics give no indication whatever of short time and overtime; and it has been impossible for me to determine whether the quoted wage has been received in its entirety or whether deduction should be made for considering short time or additions for overtime. (2.) There is no available indication of the distribution of the wage-earners between certain quoted averages. For example, I see the wages of bakers in Otago during 1908 quoted as 35s. to 60s. per week, and I have no means of ascertaining whether the bulk of the labour is grouped close to the 35s. mark, or near the 60s., or evenly distributed throughout. Investigations might show densities near either the minimum or maximum. If each occurred in a fairly evenly proportioned number of instances, such happenings might be considered as accidental, and we might reasonably expect, in consideration of the peculiar constancy exhibited by combinations of large numbers, that the excesses and deficiencies above and below the simple arithmetic averages would even-up themselves. But it might be that the greatest density would be found close to the same extreme in a majority of instances, in which case there would be no internal adjustment of errors, and also we would do well to search for a course. I had thought it very probable that, in view of the rising height of wages awards, there would now be appearing a tendency for the density of labour to be found close to the awarded minimum or lower limit—*i.e.*, that the minimum wage was tending to become the maximum. I approached the Labour Department for enlightenment in the matter. They told me that no figures whatever illustrative of the question were available. Asked for an opinion, they confessed to being in the dark in the matter. Further pressure elicited the opinion that there might be such a tendency, but that if so it was not very pronounced for all they could see at present. Thus I have been heavily handicapped by the lamentable inadequacy of the New Zealand statistics. I had intended making further remarks upon this, but felt a certain reticence. I now see that my scholarly and able friend Dr. McLraith, appearing before the Commission in Auckland, has with his greater weight voiced my thoughts. In indorsing his remarks, I should like to add my opinion that a country like New Zealand, boasting of being in the vanguard of labour legislation, would do well to be in the vanguard of statistics instead of marching in the rear, or perhaps more precisely making one of the camp-followers. New Zealand is vigorously pushing ahead out into the unknown of labour legislation, and is like a man who, rapidly expanding his business, and keeping no departmental accounts or cost accounts, has no idea of the result of his dealings. The world would call such a man a fool, and expect him to go bankrupt. But with the above-mentioned defects I have compiled an "Index of Wages paid in New Zealand." On the same diagram (A) with the other lines previously mentioned I have graphically depicted this index. It is at once apparent that wages have moved in sympathy with prices, that they have not only conformed to the general upward trend, but have also reflected in a minor degree the periodical waves. Indeed, in confirmation of this I may mention that when first preparing my original diagram I had not collected all the data for the index of wages, but only about one in every three years. Still, I had previously deductively reasoned that wages would move in sympathy with prices, and, wishing to see the result on the diagram completed, I interpolated the missing years, plotting my points in sympathy with the fluctuations in the price-line. Afterwards when my data was complete I discovered that in a couple of instances my interpolation was absolutely correct. Several times there was an error of about 0.25 per cent., a few times 0.5 per cent., and once only was the error as great as 2 per cent. This I mention as being to my mind most remarkable inductive proof of a deductive theory. Whilst, however, conforming with the general upward trend, wages have outstripped prices, so as to make it appear that the wage-earner is actually, besides normally, better off than formerly. To illustrate better the condition of the wage-earner I have

calculated an index of the purchasing-power of wages. I divided my index number of wages for each year by Dr. McIlraith's corresponding index number, and expressed the quotient as a percentage of the base year 1896, which series of percentages I scaled to bring to 100 the index of the base year 1896. This line then shows the actual annual conditions of the wage-earners, and we see that whilst prices have risen their wages have risen more than proportionately, and that they are to-day (or, rather, in 1910) 15 per cent. better off than in 1896. If, then, the wage-earners still complain that they have as much difficulty as ever or even more in paying their way, there can be only one logical deduction, and that is that the standard of living has risen, and that to-day commodities are looked upon as (and really are) necessities, which fifteen years ago were regarded as (and were) luxuries. Illustrative of this point I might mention a remark repeated to me by several house and land agents whom I approached to obtain data to compile an index of rents which should reach back to dates prior to 1906, when the New Zealand Government first started to investigate and record them. When I asked had rents risen in the last twenty years, and explained that it was the working-classes, I was met several times with the same reply—"But you cannot compare rents to-day with those of fifteen to twenty years ago, because the class of houses has changed." Then the workman was content to pay 7s. 6d. to 10s. and live in a rough little scrim-lined house; now he demands hot and cold water, and plastered walls, although he does have to pay 12s. 6d. to 15s. There lies the explanation of the whole trouble. Encouraged by an increasing purchasing-power brought them by their increasing wages, their ideas and standards have risen even more rapidly, and they naturally feel a pinch. Particularly have they done so in the last decade. It is a well-established and easily explained fact, which may be seen illustrated in diagram A, that the fluctuations in general rates of wages are less violent than those in prices. The curve of wages is smoother than that of prices. Therefore, when the prices-curve is on the up-grade approaching a crest, somewhere on the slope the curve of wages dives under, and again on the down-grade to the trough of prices the line of wages emerges and passes above the trough to the next up-slope. Also, there is a slight and easily explainable tendency for movements in wages to lag behind and follow later than movements in prices, due to the fact that wages are a result of prices and not a factor. So it is easy to understand that on a steep up-grade such as New Zealand has recently been climbing the wage-earners have felt keenly the pinch, and they will continue to do so until the wages-line emerges through the down-slope of prices to the trough in the coming cycle. How soon this will be is debatable. An article by an eminent English statistician which recently came under my notice conveyed the impression that the author did not expect the down-slope of prices to become appreciable until late in 1913, or more probably early in 1914. But, with all due deference, particularly in view of the  $\frac{1}{2}$ -per-cent. rise in the bank-deposit rate which took effect in June of this year (1912), I beg to humbly incline to the opinion that the down-slope will become appreciable six months earlier, and that by the middle of 1914, if they are not then saddled with past debts, the wage-earners will find the shoe a little easier. In concluding, I might mention that, on account of the data being not yet available, I have been unable to complete my graphs to the extent of giving information of the course of events during the last eighteen months, which had it been possible would have been of the greatest present interest and value.

*What Effect has the Accumulation of Large Fortunes upon the Purchasing-power of Wages?*

This question was asked me by the Chairman of the Cost of Living Commission at its sitting in Christchurch. The accompanying explanation allowed me, I think, to correctly restate it as the "effect of the concentration of the ownership of large amounts of wealth in the hands of individuals." I take it that I was not desired to express an opinion upon the effect of any of the methods employed to bring about such concentration, but upon the effect, along a particular line, of such concentration when accomplished. I also presume I shall be allowed to assume that the nominal wages paid remain unchanged—that is to say, that they stand at the same figure before and after a huge individual fortune has been made. For the purposes of a Commission such as the above an inductive inquiry is doubtless more satisfactory than a deductive one; but the very complexity and extensive ramifications of the subject render an inductive investigation impracticable, at all events at the present stage of development of the science of statistics. Any present attempt along such a line would be futile. One would immediately be confronted with, and become hopelessly immeshed and confused in, a complexity and multiplicity of conflicting cross-currents of details, rendering it impossible to follow with any certainty or even probability of approximate accuracy the particular line of events and results upon which it is desired to fix attention. It is necessary, therefore, to fall back upon the deductive method, and trust to arrive by sound logic at a correct solution of the problem. For a satisfactory pursuit of this method one must have recourse to fundamentals. (a.) What are wages? They are remuneration paid for work done. Sometimes wages comprise many elements—e.g., board and lodging (particularly in agricultural pursuits)—but for our purposes I think we may safely consider them as being entirely money. (b.) What is the purchasing-power of wages? This is the ratio borne by the wages received to the general level of prices of the "commodities" (used in the widest sense to include education, amusement, &c.) customarily purchased by the wage-earner. We must not consider the ratio borne by, say, the wages of a painter to the level of prices of commodities usually bought by the millionaire class (sealskins, expensive wines, motor-cars, &c.). (c.) What actually is the "accumulation of a large fortune," or the "concentration of wealth in the hands of an individual"? This is the most difficult question of all, demanding the most careful consideration; and on it chiefly depends the answer to the main question. Fortunes are expressed in terms of money, and as such they can be realized and transmitted. But do they actually exist as so-much money? Occasionally they do. An extreme example is that of the old-fashioned miser hoarding his gold. But the more modern edition



deposits his money in a bank ; and I question whether from the moment of deposit it may any longer be considered as existing actually in gold. It immediately becomes merged into the great world-wide sea of finance, credit, industry, and securities. But this system of hoarding, or putting by penny by penny as it comes to hand, plays a very minor part in the world's accumulation of wealth. The suggestion that fortunes exist as gold may be immediately controverted by a comparison between the world's computed total accumulations of gold and the computed wealth of the nations at different dates. Of course, the "national wealth" has always been greater than the stock of gold ; but, further, the national wealth has increased at a much faster rate than the stock of gold. Therefore it is impossible for wealth to exist only or even mainly as gold. It may seem that I am wasting time discoursing upon a self-evident fact requiring no demonstration ; but I am aiming at precluding any possibility of denial of the assertion which I now wish to make. It is this : The total wealth of the world is the accumulated profits of "industry" of some kind or another, using the word in its widest sense, and is merely expressed in terms of money ; and that for an individual to make a fortune or concentrate wealth in his own hands he must either take it from some one else or put value into commodities. The former supposition is ruled out of this particular consideration by my granted hypothesis that the nominal wages paid remain unchanged. It remains then to consider the effect of "putting value into commodities." The various processes by which this is accomplished fall, in my mind, naturally into two main divisions, just as gold and the various factors going to make up the world's supply of money are weighed on the one hand against all the rest of commodities in general when estimating the general level of prices. Indeed, the comparison has a very close relationship. I divide the two processes of industry under their two heads accordingly as (a) they tend to increase the world's supply of money (using the term in its fullest meaning), (b) they tend to increase the supply of commodities in general which are weighed against money in computing price-levels. These two classes of industry have primarily diametrically opposite effects upon the purchasing-power of (fixed) wages. Class (a) comprises—(1) Gold-mining, or more exactly about  $97\frac{1}{2}$  per cent. of gold-mining, because it is estimated that about  $2\frac{1}{2}$  per cent. of the world's annual output of gold goes into the fine arts ; (2) silver-mining in the proportion which the annual amount required for coinage purposes, in countries where silver is the standard currency, is of the total annual output (a decreasing and practically negligible quantity) ; (3) all finance houses having as their object the enlargement of the superstructure of credit (including increase of the velocity of circulation, or, more commonly and comprehensively put, "the increase of the world's supply of money over and above its basement of standard metallic coinage of intrinsic value"). These industries contained in class (a) all tend, as I have said, to increase the quantity of money which is weighed against the quantity of commodities in general in the automatic determination of price-levels. If, then, the quantity of commodities remains unchanged whilst money increases, money becomes less valuable ; more money must now be given in exchange for the same commodities—*i.e.*, prices rise. Therefore, if, as granted in the hypothesis, nominal wages remain fixed, the wage-earner is unable to purchase as much as formerly—*i.e.*, the purchasing-power of wages falls. On the other hand, we must consider class (b), *i.e.*, industries tending to increase the world's supply of commodities. These are beyond enumeration ; but they may be divided roughly into two main groups, and the division will serve to illustrate the full meaning of the term "industry" used in its widest sense : (1) Production (agriculture, engineering, building, education, &c.) ; (2) transportation, or removing commodities from a place of lower to one of higher value, thereby putting increased value into them. The effect, then, of these industries is a tendency to increase the supply of commodities in general. Then, supposing the amount of money to remain fixed, there are now more commodities to be exchanged against money—money appreciates ; or, looked at another way the value of commodities falls—*i.e.*, prices fall. Then in this case the purchasing-power of wages rises. It might be contended here that when industry puts increased value into land by means of, say, "unearned increment," that land has risen in price and that therefore it is absurd to say that putting value into commodities tends to lower prices. But to mistake rent for a factor in prices is to mistake effect for cause. And again, rent of land must not be isolated from the rest of commodities in general ; and in this respect we ought to consider land, not as so-many units of "quantity," but rather as so-many units of "quality," or of "possibilities," which quality is acted upon and determined by all the other departments of industry. So, when more commodities are being produced all around, a piece of land possessing a certain number of units of "possibilities" before now has a greater number of units of "possibilities" ; and it is these increments to the "possibilities" which account for the higher rental or price of the same area of land. Therefore it may be rightly said that higher prices are not paid for each particular unit. Thus far, therefore, it is impossible to formulate any theory for general application, each case must be considered individually, and the class of industry by means of which the fortune is accumulated must be determined. But if, despite the foregoing, I were forced to state a general rule, I should say that the accumulation of large fortunes tends to raise the purchasing-power of wages, basing my assumption upon the fact that the "commercial" group forms a very small percentage of the "breadwinners" in a population, at any rate in a country such as New Zealand. According to the census of 1906 in New Zealand the males of this class represented only 13 per cent. of the male breadwinners of the population. So that, judged by this standard, the odds in favour of the above rule are 87 to 13. Probably a better guide would be the income-tax receipts from various classes. Our two classes might then be considered not by their numbers, but in accordance with the ratio borne to each other by the total tax receipts from the two classes. I am at present unimformed whether or not the New Zealand statistics would lend themselves to such an analysis, and can only say that so far I have been unable to discover, in the time at my disposal, the necessary data. Again, if such data were forthcoming it might be impossible to arrive at a satisfactory comparison of the two classes because of the complexity of exemptions, allowances, &c., which would be encountered. But there is one main aspect of the case which yet remains to be



considered—*i.e.*, the different classes of expenditure. As I stated at the outset, we must not compare the level of wages of the artisan with the level of prices of the commodities entering into the “consumption” (in the widest sense) of the millionaire. In the discussion of a question of this kind we must separate the consumption of the millionaire from that of the poor man. In the matter of housing, clothing, amusements, luxuries, &c., the rich man’s class of expenditure is far removed from the poor man’s; and the two are often subject to different causes, and we find their price-levels moving at different rates of velocity, or even in different directions; and again, whilst acted upon by the same causes, yet moving differently. This last case I wish to touch upon briefly for a moment in closing. It is again necessary to get back to fundamentals. Let us suppose that a huge fortune has been made by one man, no matter in which of the two main classes of industry previously referred to. What is the result?—His fortune goes to swell the demand for the class of commodities consumed by the rich man; commodities different, you will remember, to those demanded by the poor man. Now, what happens? Suppose the supply of commodities and the quantity of money both to remain fixed. Let us imagine that each class of commodities (the rich man’s and the poor man’s) had its level of prices, and that a certain division was made in the supply of money to provide a medium to settle the transactions of each class. But now we shall have an increased demand for the commodities in the rich man’s class. Other things remaining equal, the level of prices in that class will rise—*i.e.*, money must go over from the poor man’s division—I do not infer that the poor man is being exploited—to balance the higher level of prices in the rich man’s class. (Or it may be better stated as the higher prices in the rich man’s class being the resultant of the transference of money to that class). It still being supposed that the total quantity of money remains unchanged, there must now be less money in the poor man’s division—*i.e.*, the quantity of money has fallen in comparison with the quantity of commodities. Therefore, in the poor man’s class gold appreciates, or, in other words, the price-level of commodities falls. It is obvious, then, that this set of factors tends to “increase” the purchasing-power of wages when a large fortune is made. But a final consideration must be made. It is a consideration of the internal structure of “money.” The greater part of money is a credit superstructure merely based upon the metallic standard currency. An examination of banking reveals the fact that, whilst the poorer classes make practically no use whatever of such facilities as cheques for the settlement of their private expenses, the wealthy make almost universal use thereof. It is conceivable, therefore, and most probable, that an individual making a huge fortune would not cause a transference of “money” from the poor to the rich division, but would instead make greater use of cheques and the credit system. The credit system would be a sort of shunt taking the increase in the current of exchange, probably even absorbing the whole of it, in which case there would be no tendency for this internal alteration in the structure of money to bring about any alteration in the price-level of commodities consumed by the wage-earner, and consequently no change in the purchasing-power of his wages.

ARTHUR WILLIAM JAMIESON, Acting-Manager of the New Zealand Farmers’ Co-operative Association,  
examined on oath. (No. 114.)

*Witness* said that he had prepared a statement which he would like to submit to the Commission and he would be pleased to furnish any further details or information the Commission asked for. The witness then read the following statement:—

I have endeavoured during the short time at my disposal to gather some information which I think will be helpful to you in ascertaining some facts relative to the cost of living. In making these statements I wish to impress upon you that they are supported by facts; and should the details that I present to you not give the fullest information, you are at liberty to make application for further details. I have read most of the evidence that has been given before the Commission, and, whilst much may be of some value, very extreme statements were made by persons having no knowledge of the business about which they were criticizing; and I feel the responsibility devolving upon me, in my capacity as acting-manager of the New Zealand Farmers’ Co-operative Association (Limited), to make only statements that can be substantiated in fact. Repeated statements have been made that the remission of duties did not reach the consumer, but remained in the exchequer of the merchant and large retailer. In the case of Neave’s food and mustard, both these lines had for years past been sold at a profit less than the cost of doing the business. When the duty was removed the opportunity was taken of putting both lines upon a more equitable basis, and it is reasonable to say that had the duty not been removed the selling-price would before long have been adjusted so as to leave a living profit. But about the same time the duty was removed from Neave’s food and mustard it was also removed from tea, sugar, rice, kerosene, sultanas, currants, dates, prunes, figs; and the benefit of the reduction in duty on these lines was passed on to the consumer. I would ask you to bear with me for a moment on the relation of the first two lines to those just quoted. The average household requires about £9 17s. worth of tea, sugar, rice, &c., to about 3s. worth of Neave’s food and mustard; and, as I pointed out, there is a fair and legitimate reason for retaining part of the duty on the two lines named; therefore the public certainly received fair treatment in the matter of the remission of Customs duty. In comparing the retail price of sultanas, currants, &c., of to-day with past years’, it must be borne in mind that the first cost in the producing countries has increased enormously of late. Of course, prices fluctuate very quickly; but although I have not worked out the details giving the relative cost to retail price, showing the profit, if necessary I am quite prepared to get my office to compile them. Dealing with the question of high cost of living as affecting the majority of the most staple household lines, I have carefully gone through price-lists published by my association and circulated among all shareholders from 1894 up to 1911, and I do not think it is possible to get more reliable data than this to confirm the statements that I now make, that as far as the necessaries of life in this particular department are

concerned, that they have not increased. List A gives the various lines which have remained at par or decreased, which are as follows :—

## List A. (Retail prices.)

—	1894.	1900.	1905.	1910.	1911.
Tea—					
Pure Ceylon .. ..	1/8-2/0	1/6-1/10	1/6-1/10	1/3-1/8	..
Blended .. ..	1/2-1/8	1/2-1/8	1/0-1/6	1/0-1/6	..
	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	0 6	0 6
Figs .. ..	0 7	0 6	4 6	3 4	4 5
Dates .. ..	0 6	0 6	0 6	0 3	0 3
Prunes .. ..	0 10	0 10	0 6	0 5	0 7
Raisins .. ..	0 5	0 6	0 6	0 5	0 6
Matches .. ..	0 5	0 4	0 4	0 5	0 5
Pickles .. ..	0 9	0 9	0 9	0 9	0 9
Vinegar .. ..	0 6	0 6	0 6	0 6	0 6
Biscuits .. ..	..	No alterations.			
Bacon, cheese, butter	Prices vary according to market.				
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	..	..	..
Colonial .. ..	..	..	0 6	0 6	0 6
Kipperd herrings .. ..	0 11	0 10 $\frac{1}{2}$	0 8	0 8	0 8
Starch (Coleman's) .. ..	2 3	2 3	2 3	2 3	2 3
Mustard .. ..	1 7	1 7	1 7	1 6	1 6
Cream of tartar .. ..	1 4	1 5	1 4	1 1	1 1
Carbonate of soda .. ..	0 4	0 4	0 2	0 2	0 2
Borax .. ..	0 8	0 8	0 6	0 4	0 4
Baking-powder .. ..	0 11	0 11	0 11	0 11	0 11
Arrowroot .. ..	0 5	0 5	0 5	0 5	0 5
Coffee .. ..	1/5-1/6	1/5-1/6	1/5-1/6	1/4-1/6	1/4-1/6
Cocoa (Van Houten's) .. ..	3 3	3 3	3 3	3 3	3 3
Washing-soda, 7 lb. for .. ..	..	..	0 6	0 6	0 6
Vermicelli, macaroni .. ..	0 6	0 6	0 6	0 5	0 5

Bacon, cheese, butter : The retail price of these goods is undoubtedly ruled by the prices obtained for the product in open market, and, whilst they have undoubtedly increased in value, if the price paid by the retailer is taken into consideration the margin of profit is not increased. In the matter of butter, cheese, and eggs, which we have to take from our numerous clients, if taken for a period covering a number of years would work out at a loss to the association, but of course it is only part and parcel of our organization, and in the matter of these particular products we do not look for a large profit. Bacon : Seeing that we have a bacon-curing factory established in connection with our business, I am in a position to give information not only concerning the retail selling-price, but the cost of curing and preparation before being handled by the retail department. Taking as a basis of working the present price paid for pigs—viz., 5 $\frac{1}{2}$ d. per pound—I figured out (with the assistance of my factory-manager) that it costs £3 12s. 4d. per pig, which covers handling, curing, and other charges, for which the factory received £3 15s. 6d., which includes price obtained for the offal, leaving a net profit of 3s. 2d., representing only 5 per cent. to cover interest on capital outlay and depreciation, which, of course, is not enough. In conjunction with this department we have a cool-storage and ice-making plant, which assists the management in making the department show a profit. In connection with the retailing of the bacon, my grocery-manager states that on rashers, after allowing for loss of weight and trimmings, it does not pay the association selling the bacon on the basis of 11d. per pound. The price charged by the factory to the retail department is 10 $\frac{1}{2}$ d., less small discount; and after going carefully into the matter I find that the profit would not work out at 5 per cent. I do not think I need say anything further in this connection; but the statements already made are conclusive, and can be supported by details, which I am prepared to furnish the Chairman of the Commission should he like the same verified.

## List B. (Retail prices).

	1894.	1900.	1905.	1910.	1911.
	r. s. d.	s. d.	s. d.	s. d.	s. d.
Rice .. .. .	0 2½	0 2½	0 2	0 2	0 2½
Sago .. .. .	0 2	0 2½	0 2	0 2	0 3½
Tapioca .. .. .	0 2½	0 2½	0 2	0 2	0 3½
Soap .. .. .	6/6 & 10/0	6/6 & 10/0	6/6-10/0	8/6-12/6	9/0-12/6
Currants .. .. .	0 4	0 5	0 4	0 4½	0 5
Sultanas .. .. .	0 5½	0 7½	0 4½	0 6½	0 7
Sheep-tongues .. .. .	0 11	0 11	1 0	1 0	1 0
Tobacco .. .. .	5 0	5 0	5 3	5 3	5 3
Cocoa (Fry's) .. .. .	1 4	1 4	1 4	1 6	1 6

Schedule B, above quoted, gives the lines which have increased during the periods quoted, and you will find on investigation that there is a reason for the increased cost, and, as in the matter of butter, cheese, &c., it is the primary products which have increased in value, thereby enormously increasing the first cost. This is particularly noticeable in rice, sago, and tapioca. In 1910 and 1911 the price of colonial soap has increased, mainly due to the higher price for tallow, and also, as I understand, a slight increase in wages. In the matter of clothing, in going back to 1904 and following the prices of the locally made underwear there is an increase of from 15 to 20 per cent., mainly due to the higher cost of raw material, plus increase in wages. In ready-made colonial clothing there has also been an increase in many lines—tweed trousers, tweed suits, tweed overcoats, and waterproof coats—of from 15 to 20 per cent. This is also due to the causes already mentioned. In the matter of imported ready-made clothing, the prices have not increased to the same extent, although the raw material is much higher in price, but the wages have not increased at Home in anything like the same degree as the local. In general household lines there has not been a very marked increase, except in the matter of woollens and locally manufactured lines, which have increased, firstly, as in the case of colonial and imported ready-made goods, owing to the higher prices to be paid for the raw material, and, secondly, in ratio to the increased wages paid by the manufacturer. Although these increases have been made, the profits generally on the drapery department have been decreasing—that is, the net result—which will certainly suggest to my mind that the increased cost of goods, as has been suggested, has not been passed on in every instance to the consumer. Tailoring and dressmaking: In both these departments we do not look for a profit from the workroom, and it is generally conceded in the trade that if you can make two ends meet you are doing exceptionally well. The profit obtained on a suit of clothes to-day is much less than it was a few years ago. There is undoubtedly more profit to be made out of the average chart suit than it is possible to secure by the selling of the tailor-made article. Hardware: It is somewhat difficult to mention any number of lines in this department in regard to cost of furnishing, consequently I shall only deal with the following:—Hollow-ware: The cost of Kenrick's hollow-ware has increased in price perhaps 10 per cent., but, against that, in the last five or ten years numerous factories are making goods which can be sold at a very much lower price than the imported. There is no question but the housewife can furnish her kitchen at a lower rate now than previously—say, ten years ago. The price of locally made tinware is very much on a par with the prices ruling, say, five years ago, but it is now customary to import tinware in small articles from England and Continental makers, which cannot be produced here at anything like the same cost. Kitchen requisites are mainly imported, and owing to the improved method of manufacture they show for a period of, say, ten years a decrease in price. Ivory-handled table cutlery has advanced very considerably in recent years, but since the introduction of xylonite handles the sales of ivory-handled cutlery has decreased, and it is the exception rather than the rule to sell the higher-grade article. Fancy goods: Under this heading, which does not include articles of necessity, but consists mainly of ornaments, there has been an exceptional increase of late years as compared with, say, ten or fifteen years ago. Taking the department as a whole, I should say that a saving could be effected on nearly all lines required for the house if the buyer selected requirements carefully. In dealing with the cost of crockery one has to realize that competition has been very keen during the past five years, especially among the manufacturers, which has assisted in decreasing the cost rather than otherwise. This would account for so many small firms having to close down, and also that one or two of the most noted manufacturers have not paid any dividends for years—in fact, for the past fifteen years. I say, from the information I have obtained, that there has not been an increase to speak of. In the matter of bread-and-butter lines, such as white-and-gold tea-ware, &c., owing to the increase in wages, also the increased price of coal, the manufacturers have been compelled to add 10 per cent. to their prices, which means that it will cost the importer, when all charges have been paid, from 15 to 17½ per cent. higher. This increase has been advised since the recent strike at Home. In this particular department it gives a fair indication of the signs of the times. A few years ago how many people would have thought of purchasing Royal Doulton, Royal Worcester ware, which to-day all classes are purchasing, and instead of it being a monthly occurrence every day sales are made. The same can also be said of fancy goods. Take, for instance, the ladies' hand-bag, which is so much used to-day. Five years ago 15s. to 20s. was considered a high price to pay for such a luxury, but what do we find to-day?—50s. to 60s. is readily paid for hand-bags, which of course are far more elaborate, in keeping with the increased price. This again shows the trend of public buying. Furniture: Although timber

and labour has increased considerably in the last ten years, it has not made a great deal of difference in the cost of the manufactured article; on the contrary, many lines have been slightly reduced. This is due to competition among manufacturers and the introduction of labour-saving machinery, the last-mentioned compensating to a great extent the increased cost of timber and labour. As in other departments, the trend of the general buying public is for the better class of goods than formerly used, and that at a very keen price. Sideboards, good class, say ten years ago £15, now £15; seven-piece dining suite, ten years ago £10, now £9 10s.; chesterfield suite, ten years ago £9, now £9 10s.; nine-piece dining suite, leather, ten years ago £27 10s., now £25; kitchen tables, 12s. 6d., 14s. 6d., 16s. 6d., now same price; duchesse chests, 37s. 6d. to 49s. 6d., now 35s. to 49s. 6d.; ward robe, 4 ft., £6 10s. to £7 7s., now £6 to £7 7s.; kitchen (colonial-made) chairs, 3s. 11d. to 4s. 6d., now the same; kapoc mattress, 4 ft. 6 in., 32s. 6d., 35s., 37s. 6d., now the same price; bedsteads, 4 ft. 6 in., 30s., 35s., 45s., and 58s., now the same (about). Where there has been a marked increase in prices this is mainly among the imported chairs, such as Austrian bentwood, which show an increase of about 30 per cent. in ten years. That is brought about by the increased prices charged by the Continental manufacturers. American chairs have increased about 15 per cent., mainly due to 10 per cent. preferential duty and increased shipping charges. Canadian chairs have increased about 12½ per cent., due to increased freight and labour. House-rents: If you compare the average five-roomed house with quarter-acre section, which would cost, say, ten years ago about £400, rent for which was from 12s. to 14s. per week, a gross annual revenue of £31 4s. and £36 8s., representing respectively 7·8 per cent. and 9·1 per cent. on the capital outlay, with the modern five-roomed house with all conveniences, which costs on an average of from £500 to £600 (taking the average as £550), the rent is, say, 15s. to 17s. 6d. per week, a gross revenue of £39 and £45 10s., representing respectively 7 per cent. and 8·27 per cent. In the meantime local taxes have increased to the extent of about 5 per cent. on the capital value, which reduces the revenue of the more modern house to £37 1s. (= 6·75 per cent.) and £43 4s. 6d. (= 7·85 per cent. on the capital value) respectively. I do not hesitate therefore to say that for the higher rent now ruling tenants are securing better value, and returning less to the landlord than, say, ten to fifteen years ago. Extended-credit system: The ordinary credit system which obtains in most businesses, when conducted on strict lines—that is, as in the case of our association, where we insist on accounts being paid monthly—this does not to any great extent induce people to buy more than they really require, although in the booking of goods there is always a tendency to increase one's purchases. It is the extended-credit system which has increased of late years—in the matter of hiring-out of furniture, drapery, &c., which I consider to be one of the most potent factors inducing the working-man to undertake responsibilities which he cannot, at the time of incurring that liability, reasonably foresee that he is able to pay. It reminds me of a little story I once heard. A minister, who was much concerned about the debt on his church, paid a visit to the various members of his congregation to seek their assistance. One man, on being asked if he could give a subscription of 10s. 6d. towards the fund, said he could not afford it. The minister then said, "Well, now, would it be asking too much if you subscribe 6d. a week?" and the man said that he could easily do that. And so it is a good deal with a number of persons who are induced to buy beyond their means, through the medium of this iniquitous extended-credit system. If you take the *Mercantile Gazette* for the last three months and refer to the judgment summonses, and also chattel securities (one I noticed in particular this morning under date 17th April), you will notice no less than nine bills of sale affecting household furniture and effects bearing interest at the rate of 10 per cent., plus cost of instruments; and if you were to thoroughly investigate these cases it would not be hard to find on what basis the business which encouraged these people to incur the liabilities is conducted. Hardly a day goes by that some person is summoned by one or two noted firms in Christchurch, who had been advertising so philanthropically—language to gull the people, and inducing them to buy on extended credit, which must have a bad effect on people of slender means. I think the American who called at my office a short time ago aptly put the position in regard to a goodly number of people. He said that he had travelled through America and Great Britain, where most businesses were run on very strict lines, but in this country he marvelled at the laxity of the system adopted by some firms in inducing people to buy on "tick." He said, further, that he viewed New Zealand as a sporting country, and that if there was a dog-fight on to-morrow which would cost 1s. to see, and if the man was in need of a pair of socks he would do his best to get them "on tick," but he must see that dog-fight. The policy of our association, as set down by the founders, is that we should fix reasonable prices on all goods sold by the association. No institution in the Dominion met with such opposition as the Farmers' Co-operative Association, but I venture to say that it is due to the establishment of this association that the stability existing throughout the whole of the retail business in Canterbury obtains at present. Further, after all, every man is in business for profit, but I can state, especially in regard to the grocery section of our business, that after paying a cash bonus of 4 per cent. each year there is practically nothing left of the net profit. In my pocket I have a balance-sheet for last year, and I am prepared to confirm that assertion, and can show the Chairman of this Commission the figures about which I am speaking. I feel that I am not here to air grievances, but to give every possible information that might assist in ascertaining whether the cost of living has increased, and I have done that to the best of my ability, and, as before stated, am prepared to give such information in support of the evidence submitted by me before this Commission.

1. *The Chairman.*] Do you know anything about the regulation of prices here?—We claim that the Co-operative Association since it has been established has been the means of keeping prices on a fair and equitable basis, and the price-lists of my firm will confirm that.

2. Your association has had some difficulty in maintaining its position?—Oh, undoubtedly.

3. On account of any combination or association which interfered in restraint of trade?—Well, it was everybody, I think—everybody in business was up in arms against us except the shareholders. An article in our booklet gives instances of that.

4. You have no knowledge of any particular association which was keeping up prices?—No, I have not. Of course, the crux of the whole position is the question of the profit you are making. With the authority of the Chairman, I could show you the balance-sheet we had last year, giving the net profit made on the grocery department.

5. *Dr. Hight.*] You are of opinion that there has been a tendency to give to the consumer the benefit of the tariff-remissions?—Yes; from the information I have obtained, I think that the duties (taking into consideration the first cost) have been passed on to the benefit of the consumer—not in the case of Neave's food and mustard, as I mentioned.

*Mr. Fairbairn.*] There are lots of others, Mr. Jamieson, but we will come to them later.

6. *Dr. Hight.*] Your association is a particularly large buyer of produce, &c., and you endeavour to give as high prices as possible?—We do.

7. That would have some effect in keeping up farmers' prices throughout the district?—Yes. The country storekeepers would tell you that.

8. Has the average household furniture sold remained much the same?—There is not the demand there used to be for oak furniture; but there is a keener demand for some classes of furniture. The demand of the worker is above what he would ask for a few years ago; the middle-class man is asking for a little bit better than he used to have; but the people who used to buy oak furniture are satisfied with the medium-priced article. That is an absolute fact; we are not selling as much really high-grade furniture as we did.

9. *The Chairman.*] You do not infer that as people get more rich they get more mean in their expenditure, I hope?—Oh, no.

10. *Dr. Hight.*] You do not agree that the increase in cost of timber and labour would make ordinary furniture 16 per cent. dearer than it was some years ago?—That is not our experience.

11. It has been suggested that a good deal of money is wasted in the purchase of motor-cars, and that this has some influence on the cost of living?—Oh, you must take the majority of people; they are not interested in motor-cars.

12. I think they are "interested" in them?—Not to the extent of purchasing them.

13. *The Chairman.*] The statement was made that a great many motor-cars are bought by persons who cannot afford them, and that might add to the cost of living—we were told that the money-lenders had considerable liens over these?—We have done practically the largest motor-car business in the South Island, and that is not our experience. We do not sell cars on long terms; most of them are sold to the farmers by us, and in 90 per cent. of cases the farmers have been able to draw their cheques for the cars on delivery.

14. *Mr. Fairbairn.*] All the members of the Commission feel very grateful for the lucid and open way in which you have gone into the question, but there is one matter on which I must ask you some questions. The Commission is instructed to find out to what extent monopolies prevail. Is your association a member of the Retail Grocers' Association of Christchurch?—Yes, I understand so.

15. Did they meet for the purpose of fixing prices? Have they ever done so?—Well, as far as that is concerned, I have cross-examined our men, and if you will go through our price-lists, Mr. Fairbairn—

16. This is no personal reflection, Mr. Jamieson, on you or on your firm. It often happens that people are placed in a peculiar position. I do not say you are the instigators of this combination, or carry the sole responsibility in the matter. However, you are members of the Retail Grocers' Association, and you meet for the purpose of fixing prices in certain commodities?—In regard to certain commodities there is an understanding, but there is nothing binding.

17. Oh, I think there is. It may be outside your knowledge, but it is a fact nevertheless that kerosene has been fixed at a profit of 40 per cent.—that is a fact which this Commission can prove—and also that sugar has carried a profit of 30 per cent. That is the result of the operations of the Retail Grocers' Association. Is it within your knowledge that a deputation of the Grocers' Association have called upon certain merchants with a view to establishing a boycott?—We have never been a party to that; we would not be a party to that.

18. I do not say that your association would, but a representative of your association was in that deputation?—The management did not know of it.

19. Oh, I absolve your association absolutely. This is no personal thing. We have to inquire into the existence of monopolies and trusts. It is perfectly well known that the New Zealand Farmers' Association are buying as well as any merchant in New Zealand—as well as any of the merchants, and on exactly the same terms as the merchants, in such lines as Van Houten's cocoa and all the standard lines?—I asked the grocery-department manager if the Merchants' Association had affected his department in any way, and he assured me that as far as his knowledge went he could say No.

20. Are you not direct importers of these goods, and buy on the same terms as the merchants?—Yes, we buy as well as we possibly can.

21. And when you entered into an arrangement to sell Colman's mustard at a price which carries two profits, it must be done at the expense of the public?—As far as the result of our department is concerned, the only profit made is shown in that balance-sheet.

22. But here is a specific question we are asked to investigate—the question of monopolies—and all my queries relate to that: surely you will help me?—Oh, yes; my duty is to assist you in seeing whether the cost of living has increased. I want to deal with this matter quite impartially; I want to give you any facts that are within my knowledge.

23. I accept that position absolutely, and feel grateful to you. I do not suppose for a moment that the management of your business is cognizant of what has taken place: you have merely sent a representative to certain meetings; but these are the facts, as I have stated?—They are absolutely contrary to the wishes of the promoters and to the ideas of the institution to which I belong. I believe

that the heads of the departments have been allowed, in that particular, a little more latitude than should have been allowed. I know that every man had a circular some three months ago, saying that nothing must be arranged by the heads of the departments that would affect the policy of the association; and we must insist on that.

24. If this Commission can find proof that by a combination of retail grocers in Christchurch the price of kerosene was lifted 40 per cent., and that the Grocers' Association made overtures to merchants to boycott people who refused to sell at this high price, then the Commission has proved the existence of something inimical to the public interest: you will admit that?—Do you refer to the evidence of Mr. Bowyer?

25. No, I have another matter in my mind?—Well, you have got these facts in your possession and I have not; and if you have them, then you know the facts.

26. If these are the facts, then an increase has been passed on to the public?—Oh, I see what you are driving at—yes, it would be so, if they are the facts.

27. *Mr. Hall.*] You have given us a very valuable list of prices, Mr. Jamieson: would it be too much trouble to ask you to furnish the average price of farmers' butter and of factory butter for the same periods?—That would not be impossible, Mr. Hall, I think. We buy farmers' dairy butter as well as separator butter; we do not discriminate; we are a farmers' association, and so have to be a little more liberal with the farmer than others.

28. *Mr. Leadley.*] Would the ordinary trader be able to carry on business on the margin of profit which satisfies your association? Would he be able to make a decent living if he had your profit?—Yes, I think so.

29. The effect of your policy on general trade of the community has not been inimical to the ordinary trader?—Oh, no. We have at times been accused of cutting, but we do not go in for that. It is one of the rottenest things that has ever been perpetrated in connection with a grocery business. I have ascertained in connection with the evidence given last week that cutting was inimical to the best interests of the trade.

30. In quoting the prices for bacon, were you referring to this year?—Yes.

31. What was the position last year?—I could not say exactly.

32. You are content with 5 per cent. profit?—We are not content with 5 per cent., but have to accept the position as it is.

33. Does that position apply to the previous year?—No.

34. You made bigger profits?—Oh, yes.

35. How much bigger?—I could not tell you offhand; we have only been in the bacon-curing business about two years.

36. Your dividend is made up from a variety of sources?—Yes, from every department—wool, stock, grain, seeds departments; they all give their quota.

37. What proportion of the profits would come from the general merchandise?—I cannot go into that offhand.

38. *Mr. Hall.*] You offered to supply the amount of profit in the grocery department: is that confidential?—Oh, absolutely.

*Mr. Fairbairn:* Is it necessary to pass this in at all, as, personally, I would not like to see it.

*The Chairman:* I do not think the Commission will ask for this.

*Witness:* As I mentioned before, I have been empowered by my chairman of directors to hand you this information, but, personally, I agree with you, Mr. Chairman.

In reply to a question from Mr. Hall, witness said he had heard that one man in the North Island had one thousand six hundred pigs condemned. The Co-operative Association had no such experience as that; there was no doubt that the stock was healthier in this district.

In reply to Mr. Fairbairn, witness promised to furnish information in regard to the prices of cocoa.

GEORGE THOMAS BOOTH, Iron Merchant and Manufacturer, Agricultural-implement Maker, examined on oath. (No. 115.)

1. *Mr. Fairbairn.*] Can you give us any general statement in regard to the questions on our order of reference?—I have not prepared any statement. I thought that my examination would take the form of question and answer.

2. We have had a good deal of conflicting evidence as to the increase in wages: can you tell us what is the position in regard to wages fifteen years ago as compared with to-day?—I can only give you a general impression, which really is of no value as evidence.

3. I am speaking of your own business?—Well, the prices ruling in our business do not affect the cost of living. It does not matter from that point of view what we pay for making a plough, nor what we sell it at.

4. It will affect the wages of the men making the ploughs?—That does not affect the cost of their living; it may affect the standard of their living.

5. Can you give us the rate of wages paid, say, twelve or fifteen years ago in comparison with the present rates?—I can not give you the comparison for fifteen years. I can give you 1906 and 1912, and tell you the advances that have taken place—the advances for men we employed at both times, in both years—the same men. The average advance has been 14 per cent. in that time.

6. The equivalent from 7s. to 8s. per day?—Somewhere about that.

7. And prior to that?—Wages have advanced considerably as between twenty years ago and now, but I could not give you the exact figures.

8. Can you take us back to 1898 or 1900?—I have not figures available.

9. Is there a union in connection with your business?—Oh, yes, we have four or five unions at least. Some of them have been in existence fifty or sixty years or more; they are branches of English

unions, such as the Amalgamated Society of Engineers, which was in the first place a branch of the British society.

10. And the wages were controlled from there?—Oh, no.

11. When did the Arbitration Act unions begin to affect your business?—Not till after 1900.

12. Was that followed by an increase of wages?—We have had very little in the way of disputes with our trade before the Arbitration Court; they have mostly been fairly recent, and this advance during the last six years is greater than the average advance since the labour legislation was introduced—that is, most of the advance has been of recent years.

13. 1906 to 1912 is the period of the greatest change?—Yes.

14. What do you manufacture chiefly in your business?—Agricultural machinery.

15. *Mr. Leadley.*] Is there any combination amongst implement-makers?—No.

16. Has there been during the last six or eight years?—No; there has been no formal combination.

17. Just a general understanding?—The way the implement business has grown up is that first one firm and then another begins, and each new firm has practically copied the standard designs and catalogue prices of the others. The only way that we are under any obligations to one another is that we stand by our own catalogues. We have combined to the effect of trying to cut out objectionable practices such as trading in old machines. We stand by our catalogue prices, and in making no concessions off these prices to anybody.

18. There is no understanding that you map out the country geographically, and agree not to poach on each other's preserves?—Oh, no; we are all at it as hard as we can go; there is absolute freedom in that respect.

19. What effect has the importation of agricultural implements had on the manufacturing of them here?—I do not think it has had much effect.

20. Certain materials used in the manufacture of implements are subject to duty?—Very little; the amount of duty paid on raw material is not very serious.

21. Practically you have free trade in materials?—Practically, but there is no duty on agricultural implements.

22. There is a feeling that some protection is necessary?—I suppose we would like to get it if we could.

23. Overtures have been made to the Government in that direction?—Yes.

24. To what extent are you asking for protection on all lines?—30 per cent., I think it is. In that agitation (if you can call it so) the agricultural-implement people have joined rather with the view of helping the case of the engineers who are not agricultural people. Their trade has been very depressed indeed of recent years, and apparently they want some support of some kind; and it was really more to help them than to help ourselves that we joined with them. As a matter of fact, they put agricultural implements into the list rather against our wish than with it.

25. The agricultural-implement makers were not represented in Wellington at the conference which originated the movement?—I am not sure about that.

26. What year was it started?—About two years ago.

27. *Mr. Hall.*] Has there been any material advance in the price of farmers' implements?—Yes, there has been some.

28. In what lines?—In ploughs, disc harrows, and the standard lines mainly.

29. About what percentage has the advance been?—The average will not have been more than 10 or 15 per cent. at the outside.

30. Have the English and American manufacturers any advantages that enable them to produce and land implements more cheaply into this country than the manufacturers have?—Oh, yes.

31. They can land them more cheaply?—Oh, yes; many lines. The agricultural-implement industry here maintains itself because it has developed implements specially suited to the country, and the English and American manufacturers do not find it worth their while to copy them, for the most part, but some of them do so.

32. Are you referring now to ploughs?—I am referring to some of my own disc harrows; they have been copied in Great Britain and Canada and America, and are being sold in New Zealand against us. Under those conditions we are bound to keep down our prices. Our prices have not gone up in anything like proportion to the increased rate of wages and the increased cost of material. Material has increased enormously; the average cost of material must be at least 25 per cent. higher than it was twenty years ago. The actual average rate of wages is more than I have quoted. Our average rate of wages is probably 50 per cent. higher than it was twenty years ago; but that is due to changes in manufacture—not so many boys are employed, and so on.

33. Do any of the American-made goods sell here at lower than in America?—Oh, no.

34. There is no such thing as "slaughtering" their stock here?—Oh, no; they mostly have to make different machines for the New Zealand farmers—different from what they sell at Home.

35. *Mr. Fairbairn.*] In connection with the question of wages: what does that add to the cost of manufacture, that 14 per cent. on wages?—Wages up to the shop-door will represent about one-third of the cost of manufacture.

36. The advance in wages would affect the price by about 5 per cent.?—Roughly, about 5 per cent.

37. In connection with the machinery for which you are asking protection: what class of implements would that represent?—The only way in which duties would help the agricultural-implement business, as distinct from the general engineering business, would be in handicapping foreign manufacturers of ploughs and harrows, &c., such as we make in New Zealand. There are a certain number of ploughs and harrows imported.



38. Can you give this Commission any idea of the cost of importation—irrespective of duties?—Packing and freight and charges would be an average of 20 per cent., I should think.

39. *Dr. Hight.*] Has the increase in wages been counteracted by the introduction of improved methods?—Oh, yes; we have been forced to that.

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.

41. You consider you are not on the same footing as foreign producers in this industry?—No, because the scale of operations counts for so much.

42. And you estimate that natural protection in the way of freight charges is 20 per cent.?—That would be the outside; I rather think the charges on a good deal of the stuff imported would be less. If we buy stuff in England we have to pay the manufacturer's profit, and to pay the shipper and commission agent, and so on; whereas the American houses doing business here with their own goods direct from their own factories could probably land their goods at less importation cost than we can do.

43. *Mr. Fairbairn.*] It seems to me to be an underestimate all the same; the bulk charges are pretty heavy?—I know; but we can import oil-engines and land them here at 10 per cent.

44. But oil-engines are very valuable as compared with ploughs?—Not so very much more valuable.

45. What is the bulk of the ordinary plough?—About 20 ft., I think.

46. And the value here?—£20 here.

47. Yes, it might land for 20 per cent.?—I think that is rather over than under the mark.

48. *Dr. Hight.*] Are there a number of manufacturing plants in the Dominion?—Yes.

49. And competition is pretty keen among them?—Quite keen enough to keep prices down.

50. Do your firm do any exporting?—Yes, a little.

51. Where does the machinery go?—Mainly to South America, and small quantities to other places.

52. *Mr. Leadley.*] Does your firm import parts of implements for assembling, or do you manufacture the implements complete?—There are a good many parts we import, more or less ready for assembling—some finished and some half-finished.

53. Would those be included in the dutiable articles?—I hope not. We would have to raise prices if they were, and we do not expect to do that—only to prevent trade going to other countries.

54. Why do you import parts ready for putting together?—They are mainly steel goods. There are only half a dozen centres in the world where edged steel goods are made; it is a special traditional trade—mostly done in Sheffield.

55. Do you not import parts of ploughs—malleable castings?—They cannot be made here at the same cost. We make our own plough-wheels.

56. And the blades of the disc harrows?—They come from Sheffield. They could not be made here except at great expense in importing plant and trained men.

57. *Mr. Hall.*] What lines do you export to South America?—Wool-presses mainly; we are sending them to the Argentine, where they do not have any timber.

58. *The Chairman.*] What was the effect of that legislation introduced some seven years ago in regard to agricultural implements?—I do not think it had any effect at all. There was a Commission of inquiry appointed one time to see about applying the provisions of the Act; but as far as I remember it came to nothing. We never got any benefit from it as far as I am aware.

*Witness* requested to add the following to his previous evidence: I was asked what advance had taken place in wages, and the question was more or less connected with the application of the labour legislation to that particular phenomenon. I was not asked as to whether I thought labour legislation had caused the advance in wages, or whether it was due to other causes. I do not ascribe that advance in wages to labour legislation solely. That has been a contributing cause; but the greater cause has been a general increase in prosperity, which has influenced all wages and prices. The wages of the skilled artisan would have been just about as high to-day had there been no labour legislation at all. The effect of labour legislation has been to enhance the relative value of the unskilled or lower-skilled man; but I do not think that even has affected the average very much. At any rate, I am satisfied of this: that in the higher skilled branches of the handicrafts the labour legislation has had practically no effect on wages.

JAMES KEIR, Managing Director of P. and D. Duncan (Limited), Agricultural Engineers, examined on oath. (No. 116.)

1. *The Chairman.*] Have the prices of the articles made by your firm risen much in late years?—Yes, slightly.

2. Enough to make a marked difference in the cost of living?—No, it would not have any effect whatever. We deal in agricultural implements.

3. Do you import any?—No; just manufacture.

4. Do you know of any combination or understanding amongst retail sellers of agricultural implements? Do you sell direct to the public?—Yes, we sell direct to the public and through agents. There was a verbal understanding among the principal makers that each party should stick to its own price-list.

5. And those price-lists are on somewhat the same lines?—Yes, somewhat. They vary because the goods vary; but on the standard lines they are fairly uniform.

6. You have no knowledge of any understanding in restraint of trade by fixing prices?—None whatever.

7. *Dr. Hight.*] Have you found that you have had to introduce labour-saving machinery?—Yes.

8. Owing to the increased cost of labour?—We would have done it whether labour increased or not; we have always been doing it since the beginning.

9. Have you found the price of materials increased—about what percentage?—Very considerably. I have a list which I got taken out this morning which shows the following increases: Ironbark timber: 1903, 29s.; 1912, 33s. 8d.—16 per cent. rise. V.D.L.: 1903, 18s.; 1912, 21s.—16.6 per cent. rise. Red-pine, T. and G.: 1903, 19s. 6d.; 1912, 24s. 9d.—27 per cent. rise. Kauri fitches: 1903, 22s. 3d.; 1912, 37s. 6d.—68.5 per cent. rise. Bar iron: 15.3 per cent. rise. Pig iron: 7.7 per cent. rise. Coal (unscreened Westport): 1903, 26s.; 1912, 28s. 6d.—9.6 per cent. rise. Coke: 1903, 25s.; 1912, 28s. 6d.—14 per cent. rise. White-lead paint (f.o.b. English prices, package extra): 1903, £19; 1912, £26 10s.—39.5 per cent. rise. Linseed-oil: 1903, 1s. 9½d.; 1912, 3s. 4½d.—90.6 per cent. rise. American clear-pine: 1903, 48s.; 1912, 58s.—20.8 per cent. rise. I have a price-list of timbers issued by the timber people in Christchurch, and I have the figures mentioned, if you care to refer to them. [List handed to Commission.]

10. *Mr. Leadley.*] I see this is issued by the Timber Merchants' Association?—I daresay; I had not noticed that. The advance in wages I can give you, as follows: 1898, the average wage was 9d. per hour throughout the works; they are now 1s. 1½d. — 50 per cent. rise. The price of eleven standard lines of implements has advanced since 1898 to 1912 by 8.1 per cent.—these lines are ploughs, disc harrows, cultivators, sowers, drills, drays, rollers. Adding the advanced price of these eleven lines, and allowing for differences in railages, the advanced price to the farmers in our particular business is 8.1 per cent. in the eleven lines mentioned.

11. *Mr. Hall.*] Is that the retail price?—That is the retail catalogue price at three or four months—that is, as compared with 1898. [List handed in.] These are prices taken from our published catalogues, as I can swear.

12. *Mr. Fairbairn.*] You speak of the average rate of wages being 9d. and now 1s. 1½d.: is that due to altering the nature of your staff—do you employ more skilled labour and less boy-labour?—We have not altered our percentage of skilled to unskilled in that time.

13. *Dr. Hight.*] Is the employment more constant now?—Much about the same; it has not varied in that connection.

14. *The Chairman.*] Would it be possible for you to supply us with another copy of this list?—Yes; it has just been torn out of the letter-book, and I will get a clear copy made. It was a letter I wrote to Mr. J. G. Wilson, President of the Farmers' Union, in regard to an alleged increase in our prices. Mr. Wilson admitted that we had proved our case, and that the union had overstated the increases. The farmers had said they were 25 per cent. to 33 per cent. more than the implements could be purchased for outside. We got catalogues of implements used in Australia, and allowing for railages and delivery charges the difference in favour of New Zealand on reapers and binders is £3, on cultivators £2, on drills £5 to £6, on disc harrows £3, and disc ploughs £2. These are shown on list B, which I hand in.

15. Are these high prices in Australia the result of the Harvester Trust?—Oh, no; the Harvester Trust can only regulate prices there in competition with other people. It was to prove to the Farmers' Union of New Zealand that they were not being charged higher prices than were being charged elsewhere. That is an absolute comparison, because they are for identical goods. In Australia they pay no railage, and in New Zealand we have got into the habit of paying railage everywhere, which, of course, has to be allowed for.

16. Is the railage allowed in the comparative prices?—That is not the question; it does not affect the matter. I have given no comparison in that connection.

17. *Dr. Hight.*] But you have allowed for the railage on list B?—Oh, yes.

18. *Mr. Leadley.*] You sell directly to the farmers and through agents?—Yes.

19. Do you manufacture for other firms dealing with implements?—If they send us an order we will make for them.

20. Generally speaking, do you manufacture stock for them?—No.

21. Does such a practice exist?—I do not quite understand what practice you mean.

22. Manufacturing ploughs and supplying them to firms of manufacturers here—Cooper and Duncan, for instance?—I am not aware of that. We do not do it.

23. In regard to keeping up the supply of competent men: what effect has the labour legislation had in regard to the number of apprentices?—It has had no effect whatever.

24. You can get all the apprentices you can do with?—No, we cannot get near enough; we cannot get the minimum allowed by the awards except in one department.

25. But the apprentices have been limited by the awards?—Yes; but we cannot get the minimum in three or four trades. Only in one trade can we get as many as we want—the engineering. There we can get any amount of apprentices. All the boys in New Zealand want to be engineers, apparently. In the carpentry, blacksmithing, moulding, and joinery departments we cannot get nearly enough.

WILLIAM THOMAS LILL, Farmer, Ashburton County, examined on oath. (No. 117.)

1. *The Chairman.*] Have you had a long experience in that county?—I went there in 1873.

2. The scope of the Commission is twenty years, so we must confine you to that?—Yes, I see.

3. Has the price of land gone up in your district in the last twenty years?—Yes.

4. Has the price of your own farm risen?—Yes, somewhat.

5. Do you do mostly sheep-farming?—I hold three different classes of land—some of the best land in Canterbury, some medium land, and some light land. I carry on all classes of farming except dairying.

6. About what percentage has the land gone up in value contiguous to you during the last twenty years—about 25 or 50 per cent. ?—Yes ; the better land has gone up from 30 to 50 per cent. The poorer land has gone up 100 per cent. That is used mostly for sheep.

7. Has the cost of working your farm increased much lately within the last ten years—the cost of labour, I mean ?—The cost of labour has increased practically 5s. per week in the last ten years.

8. Do you find it difficult to get labour ?—Very difficult, indeed. In fact, at Easter my teams were idle owing to the Territorial camps taking away all the men ; I could not get even one then.

9. Then the Territorial camps add to the cost of your living ?—Yes, and to the cost of everybody's living. If I could have worked my teams I could have put in 50 acres of wheat during that time ; it is not in now. While the cost of land has gone up 30 to 50 per cent., the taxation of land has gone up 150 per cent. The taxation of land, to my way of thinking, is altogether wrong in principle.

*The Chairman :* That is rather a big question to go into to-day, I am afraid.

10. *Mr. Leadley.*] When did you go to live in the present district ?—Twenty-three years ago.

11. What did your first purchase of land cost ?—£14 10s.

12. What is it worth to day ?—£28.

13. What was the land-tax value when you took it up ?—£8.

14. And now ?—£24.

15. You have a large amount of land suitable for sheep-growing ?—Yes.

16. Has that increased more than the better-class land ?—Yes ; some of it has increased 200 per cent. to my knowledge.

17. What is that due to ?—The easy way in which you can manage the cheap land as compared with the dear land, and the labour problem ; it is purely a labour problem.

18. It pays better to grow sheep than to grow grain ?—Oh, every time.

19. Do you think the area under wheat will be materially decreased in your neighbourhood this year ?—For the forty-five years I have been here I have never seen such a small area under wheat as to-day. I never knew such a small area to be under winter-wheat crop at this time of the year. We have to consider what sort of spring weather we shall get ; we can grow spring wheat yet.

20. Will the deficiency in area be made up in the spring ?—Not by any means. The land will be put to other uses.

21. That will have a serious effect upon the prices of grain next year ?—Well, I suppose the growth of wheat is one of the things we have gone in for all our lives, and yet there is less profit on it to the grower than on anything else.

22. As a matter of fact, the growing of wheat is a very great and valuable industry, with beneficial ramifications so great that it would be a serious national calamity for the farmers to discontinue growing wheat ?—I think so. For every acre of wheat I grow I pay direct to the railway 10s. to carry it to the seaport, or 15s. to Auckland, per acre. And to grow wheat requires implements and workers. I maintain that it costs 6d. per bushel more to grow wheat than it did twenty years ago ; that is the extra cost to the farmer. One reason is that he is so much further from the virgin soil, and has now to contend against all the weeds that grow so well in this climate ; and so much more cultivation needs 6d. per bushel extra.

23. Is the farmer getting that 6d. extra ?—No. I sold my wheat last year at 3s., and this year at 3s. 4½d. ; twenty years ago I got 4s. 2d., and the price has gone down as low as 2s. 2d.

24. But the average price is not higher than it was twenty years ago, and the cost of growing is higher ?—Yes.

25. Does that contribute to your going out of wheat-growing ?—Yes. There is another phase of the question : we have splendid dairying land there, and we could milk a hundred cows if we were certain on the labour question, but I dare not touch dairying.

26. There are people going in for dairying in your district ?—Yes, but chiefly people who have the labour within their own families ; but my boys, like everybody else's, do not like milking cows.

27. *The Chairman.*] Are there reports in your district about the deleterious effect of milking on school-children ?—I do not think so.

28. You do not think the children get over-tired milking and then have to go to school and cannot keep up with other children ?—I do not think so. I have brought up eleven children and taught them all to milk, and my children all passed their standards as well as anybody's.

29. *Mr. Hall.*] You spoke of buying land at £14 10s. per acre : have you effected any improvements on that land ?—Oh, yes, on some of it I spent £5 per acre in pipe-draining ; it is reclaimed swamp. There is one particular paddock that cost me £10 per acre for pipe-draining.

30. How much did they allow for that in valuing the land for land-tax ?—£4 per acre all round for buildings and all improvements. I have doubled the size of my house and put up other buildings. I have not done much fencing, but there are creeks which I have deepened at considerable cost.

31. Have you planted any orchard ?—No, just a few trees.

32. Do you use much manure ?—We use manure when we grow green crop, such as rape, turnip, or kale, or anything of that kind. We use manure on the light land.

33. Would it have cost you £10 all round for improvements ?—No ; the area of the farm is 640 acres, and the paddock I spent £10 on is only 20 acres.

34. Is the £4 per acre allowed enough ?—Not half enough.

35. Then the cost of these improvements has been added to the unimproved value ?—Every time.

36. *Mr. Robertson.*] You said farm labour had increased 5s. per week in ten years ?—The wages now paid to a general farm hand are 27s. 6d. to 30s. and found—that is, to a single man. I have a married man I have employed for a considerable time, and I give him £100 a year and potatoes, butter, and milk—not coal—but he gets most of his fuel about the place. He lives in a five-roomed house and keeps a horse and trap.

37. *The Chairman.*] Do you not think that if other farmers gave such conditions as that there would be plenty of labour?—I do not think so. I am under the impression that the ladies have a good deal to do with the matter; they like to be in town.

38. *Mr. Robertson.*] You said that for the labour cost there was a better return from sheep land than from cropping land?—Yes.

39. It means this, therefore, that the smaller the labour cost of producing the higher the value in proportion?—That is so.

40. Is not that another way of saying that the higher the labour cost the lower the rent?—Well, there are several elements in regard to land-values. The cost of interest is one of the first factors, and twenty years ago men who were dealing with firms of auctioneers found unlimited demands made. Now the commercial life of this Dominion is better; there is nothing like the cost to men borrowing, say, £1,000 for stock, and so on. The man does not stand the same chance of being ruined as he did twenty years ago.

41. That would apply to all classes of land?—Yes.

42. *The Chairman.*] Has that steadiness been helped by the Advances to Settlers Act?—Yes, I think so, most decidedly. The Government lend money at a low rate of interest, and there is not the slightest doubt about that being beneficial.

43. *Mr. Robertson.*] Is the shortage of labour hindering the development of dairying?—I think so.

44. You spoke of men being unwilling to go in for dairying?—Yes, that is so. I would never go in for dairying except on the share system, or if I had a married man who was sure to stop on the place for a certain time at a certain rate of pay. You cannot rely on the single men.

45. Is there not a difficulty in the country in the way of provision for married men?—Yes; that is a serious problem. Whilst it is generally said that a man is not taxed on his improvements, he really is. If I build a £300 house for a labourer I would be allowed £100 for it, and have to pay taxes on the rest. Thus a man working the land has to pay taxes on his debts at times, while nobody else does so. If you are on the land and are in debt for improvements you pay tax on your debts; that is the truth.

46. It is one way of putting it, let us say?—It is the truth. If a grocer has an overdraft of £10,000 he gets it off, but if a man has a mortgage on his land he gets it on.

47. You spoke of it costing 6d. per bushel extra to grow wheat: do you not think that cost is counteracted to some extent by better facilities for getting your wheat to market?—No; our railway facilities are no better than they were twenty years ago, and every time you touch a sack of wheat now it is dearer than it was twenty years ago.

48. *The Chairman.*] Have you anything else to say to us, Mr. Lill?—There is one phase I would like to put before you—that of the man working on the 100- or 150-acre farm. That is supposed to be the greatest ambition of most folks, and yet he is the hardest-worked man and the worst-paid man in the Dominion. I give that opinion as the result of forty years' experience. I have been through that struggle, and have worked fourteen or fifteen hours per day week in and week out.

49. *Mr. Leadley.*] What is your opinion on the cost of living, speaking as a family man?—The increase does not come in with what they eat or drink, but with boots and clothes; the food is not the question, but the clothing. I know a married couple whose bare cost of living, bar rent, is only 9s. 3d. per week for food. It is not the cost of what we eat that increases the cost of living. The soft-goods merchants of this country are the men sucking the blood out of it, in my opinion.

*Witness* (recalled) said that he had imported chain harrows through a friend from England at a cost of £5 for the implement at the maker's, and 12s. for freight and all charges from London to Lyttelton; then Lyttelton to Winslow cost 22s. The goods came by measurement, he thought, and would measure about 9 by 2 by 2 at the least when packed.

*Mr. Fairbairn* said he thought the witness must be wrong in this quotation of 12s. for freight and charges for such measurement.

*Witness* said he would endeavour to verify the amount and the measurement, and send this to the Commission later. So far as he remembered, the total cost to him was about £6 12s., and the implement would cost to buy here £14.

JAMES CROMBIE SCOTT, City Electrical Engineer, Christchurch, examined on oath. (No. 118.)

1. *The Chairman.*] Have you any statement you could make in regard to the price of electricity in Christchurch?—I have these various reports which I shall hand in; and I can tell you that the cost for lighting averages from 6d. to 3½d. per unit, and for power from 3d. to 2½d. net per unit.

2. Does this price vary with the amount consumed?—Those who use only a little have to pay at the higher rates, and the rate is reduced according to scale. The price varies according to the quantity consumed.

3. Can you give us any idea of the difference in cost between gas and electricity for lighting purposes?—Oh, I do not care much about saying anything about that; I do not mind giving you what it costs you for electricity in any way.

4. What does it cost you to provide electricity?—I have four years' balance-sheets and four years' reports of the combination of the destructor and the electric plant. I put these in. [Reports and balance-sheets handed in.]

5. Can you tell us anything in regard to your own professional work which would add to the cost of living in Christchurch, or would reduce it?—I have been in charge here for five years and a half, and the only variation I can see is in the cost of wages—firemen, stokers, and blacksmiths.

6. What have been the percentages of increase?—In 1906 firemen were 8s. per day and stokers 7s. per day (the firemen are in charge of the shift and the stokers work mostly on the refuse); in 1907

firemen were getting 9s. and stokers 7s. 6d. ; in 1908, firemen 9s., stokers 8s., and the same in 1910 ; and last year firemen got 10s. and stokers 9s. 6d. per day.

7. What would be the percentage, then, in the increased cost of labour ?—The stokers' wages were raised between October, 1911, and March, 1912, 13 per cent.

8. Was there any rise during that time in the cost of material ?—No, practically that is the same right through. There is a rise in coal this year. We use Westport coal for steam purposes—we use Westport small, but we cannot get it this year ; and there is an average rise of 1s. 9d. per ton on this year's contract—that is, 1s. 9d. rise on an average of 20s. The coal we use is a mixture of four different classes.

9. *Mr. Leadley.*] What effect will the Lake Coleridge scheme have on the scale of charges for electricity ?—There is every chance of a considerable reduction. Of course, that is not altogether settled.

10. *Mr. Robertson.*] Is there much current used for manufacturing purposes in Christchurch ?—526,000 units in the year.

11. And the light ?—443,000 units for light.

12. Do you come into competition with gas for power purposes ?—Very little. I do not think the Gas Company push the gas for power purposes very greatly.

13. You do not know of any instance where gas is displacing electricity for power ?—I do not care to say that.

14. You have published your balance-sheets ?—Oh, yes ; you are at liberty to see all that is in them.

15. *The Chairman.*] You do not happen to have a spare copy of the Gas Company's balance-sheet, Mr. Scott, I suppose ?—No, sir, they are not easily picked up.

16. *Mr. Hall.*] At what rate can power be supplied per unit after the Lake Coleridge scheme is installed ?—That has not been settled by the Council. My suggestion would be a 40 per cent. reduction in light charges and a 60 per cent. reduction in power charges.

17. It would be necessary to popularize it to make such considerable reductions ?—Yes.

18. *Mr. Fairbairn.*] Can you give us any information in connection with the difference between electric light and gas—per hour or per day ?—Not very well.

19. Have you made any calculations in that respect—in the comparison of the two ?—I have made calculations on my own account, but I do not care to be drawn into a controversy with the Gas Company.

20. That is not the object of the question—we want to arrive at a knowledge of what is the cheapest lighting ?—Well, we are going to reduce our light, and I suppose the Gas Company will reduce theirs then.

21. That follows, as in Dunedin. Gas is now reduced to 5s. in Dunedin. If you could give us this information for comparison purposes it would be valuable ?—I can only give you what it costs the Council to supply electric light and power.

22. Can you tell us what is the present price of electric light in comparison with gas at 6s. 3d. ?—Oh, that comes back to the same thing.

23. *Mr. Robertson.*] What is the consumption of electricity per candle-power per hour in metal filament lamps ?—50 candle-power takes 60 watts per hour. 1,000 watts is a unit.

24. And you do not care to say anything about the comparison of gas with electricity ?—I can hardly do that.

*Re F. A. Cook (subpœnaed).*

*Mr. George Harper*, solicitor, appeared on behalf of Mr. F. A. Cook, grocer, and explained that Mr. Cook respectfully declined to appear, on the same grounds as had been urged before.

ANDREW MANDER, Furniture Salesman at A. J. White's (Limited), examined on oath (No. 119.)

1. *The Chairman.*] Has there been a great increase in the price of furniture of late years ?—No, sir ; I do not think there has been any difference perceptible for the last twenty years.

2. There has been a great rise in the cost of material ?—Well, yes, in the colonial woods, but in our imported woods, such as oak, we can import for less than formerly on account of the competition in the market. We get wood from England, America, and even from Japan at the present time.

3. Have there been many improvements in the way of making furniture by machinery ?—Yes, improvements have come about by the improved machinery. Some people like the old-fashioned way of dovetailing, but really the machine-made furniture is a much neater article.

4. Do those improvements in your methods make up for increased labour costs ?—Yes, that has a great deal to do with the matter—the up-to-date machinery, I mean ; also, the increase in the trade is great—the output is far more than formerly. Instead of making, say, one roller-top desk (to take a stock article) we make perhaps a dozen at once, which reduces the cost very greatly.

5. Are you acquainted with the working of the time-payment system ?—Yes.

6. Does your firm do any business on that system ?—Oh, yes ; but we do not encourage it.

7. Is it not a growing custom ?—No, it is not. We formerly gave 2½ per cent. cash discount, but we thought, to encourage the cash trade, we would give a straight-out 5 per cent. for cash, and that really means a month's credit.

8. What happens when the people take the furniture on the time-payment system ?—A young man might want to furnish, say, a four-roomed house ; he could get that done for £60. I offer to take one-third down—£20—and require £3 per month afterwards, with a bailment to secure ourselves.

9. And, of course, you do not give him the 5 per cent. discount ?—No, sir, certainly not ; that is for cash on the marked price.

10. What happens if he fails in any of his instalments?—Of course, we do not charge extra on this time-payment system—or very little extra, if any. We take for the first three months £9; we deduct that from the £40, which brings it down to £31, and we just charge 31s.—i.e., 5 per cent. interest on that amount.

11. When the customer has paid a part off you do not charge interest on the whole amount to the end of the time, you mean?—Just in the first month—the 31s. We are supposing this amount is £60 total, and at the end of three months he has paid £9 off, and we only charge 31s. for interest.

12. *Mr. Fairbairn.*] It would take about ten months to clear the transaction off?—Yes.

13. Thirteen months covers the whole transaction?—Yes. Supposing in the course of, say, six months the customer finds he can pay the balance off, he does so, and is credited with the 31s.—that is, up to four, five, or six months. We try as much as possible to meet the customer.

14. Do many of them fail to complete their purchases?—Very few, because we make ourselves acquainted with the character of the people, and if possible get a recommendation.

15. *Mr. Robertson.*] Do you find that the time-payment system has any tendency to make people purchase the more expensive things?—That is just the danger. They are rather inclined to do this; but we do not encourage it—we always encourage people to take the cheaper article, and suggest that they should pay cash and avail themselves of the discount. There is a little temptation to take more expensive articles under the time-payment system.

16. Is there a large proportion of your business done on the time-payment system?—Not a large proportion. I believe there are firms here who hold out great inducements by taking a small deposit and more payments, but in order to do that they must certainly charge the purchaser greater prices. We give them just our cash prices plus the interest.

17. *The Chairman.*] You have never heard of a firm taking away the furniture because of failure to pay the instalments, even though a good deal had been paid?—I have heard of that. We always try to be as lenient as possible.

18. Say there were thirteen payments to be made, and the customer had paid twelve, what would happen if the customer could not pay the thirteenth?—We would offer to take back one of the articles at a price, or two articles. Sometimes they have paid half the amount, and some trouble overtakes them. We simply get a valuation of the stuff, and if we find it has been well taken care of we give fair value for it; we never take undue advantage of the customer.

PERCY STEPHEN PAVITT, Advertising Clerk, Lyttelton Times Company, Christchurch, examined on oath. (No. 120.)

1. *The Chairman.*] Are you acquainted with the rates charged for advertising by the *Lyttelton Times*?—Yes.

2. What is the general rate per inch?—5s. per inch, as it has been for the last fifteen years, to my certain knowledge.

3. Have you any idea how that bears comparison with the rates charged by newspapers in other towns?—I believe in some towns the rates are higher, and in others lower. In provincial towns, where the circulation is less, the rates are lower, of course.

4. Do you know a paper called the *Christchurch Press*?—Yes.

5. Have you any knowledge of any understanding as to the rates to be charged for advertising as between the *Times* and the *Press*?—Am I obliged to answer that question?

6. I do not think you need be forced to answer it. Do you know of any such understanding?—There is no understanding as far as I know.

7. But the rates are the same?—The rates are the same, I believe.

8. Was that sameness arrived at by agreement between the proprietors?—I could not say of my own certain knowledge. I am not sufficiently in their confidence to know that.

9. Do you know of any arrangement by which only a certain amount of matter is allowed to be in each paper, so that one paper shall not surpass the other?—I know of no such arrangement so far as the advertising is concerned.

10. *Mr. Robertson.*] You said the advertising rates are 5s. per inch?—Yes, that is for casual business.

11. And business advertisements are fixed up by contract?—Yes.

12. Is there any uniform rate in regard to these advertisements?—There is a tariff rate.

13. That is by arrangement?—By arrangement in what way do you mean? The management fix the rates.

14. Do you know if the rates in other parts of New Zealand vary from those obtaining in Christchurch?—They do vary.

15. I believe the rates are the same in both papers here?—Yes.

16. Do you ever charge more than 5s. per inch?—Yes, for special positions. If people want an increased service, of course they must be prepared to pay more for it; they must pay more to obtain advantage over other advertisers.

17. Take electioneering advertisements?—They are 5s. per inch.

18. There are other kinds of commercial printing done: what are the rates for that?—I have nothing to do with the printing department at all. Insets are done by job printing; I have nothing to do with that.

19. Have the rates increased for that kind of work?—The factory manager could tell you; it is out of my province altogether. My department is only concerned with advertising in the newspaper.

20. And the present rates have been maintained for the last fifteen years?—Yes, although the circulation has increased enormously, and will continue to do so as the population increases; so that practically the *Lyttelton Times* is giving a better service than it gave for the same money fifteen years ago.

21. *Dr. Hight.*] Has there been any advance in the contract rates of late?—Not in seven years. There has been a new tariff put into force, but it was only to correct some slight anomalies existing in the previous ones.

22. There has been no increase during the past seven years?—1st July, 1905, was the last increase.

23. Could you give us any idea of the charges you make for alterations of advertisements?—There are several different charges for alterations for different services, different type, and so forth.

24. Would it not be an advantage to strike an average rate?—Yes, it would.

25. *The Chairman.*] Do you charge for reports of meetings, such as lectures and so on, at advertising rates?—No, sir, never.

26. *Mr. Hall.*] What do you charge on the front page?—10s. per inch.

27. What do you charge for line advertisements?—Brevier, 1s. 6d. per line. That is the same rate as for the last fifteen years.

28. Is there any discount on the 5s.-per-inch advertisements?—That is the net price.

29. *Mr. Leadley.*] Have you any knowledge of any arrangement with auctioneering firms in regard to farmers' advertising, for clearing sales, in the direction of giving the firms controlling such sales a share of the advertising charges, 25 per cent.?—That is done throughout the Dominion.

30. At the same rate?—Yes, I believe so.

31. A rebate of 25 per cent. is given to the firm bringing in the advertisement?—Yes, I believe that is done right throughout the Dominion.

GEORGE BUSHNELL NELSON, Advertising Department, *Christchurch Press*, examined on oath.  
(No. 121.)

1. *The Chairman.*] What is your office?—I am in charge of the advertising of the Christchurch Press Company.

2. And the *Christchurch Press* is a newspaper published in this district?—Yes, it is published in Cathedral Square, Christchurch.

3. What are your ordinary advertising rates?—5s. per inch.

4. Other advertisements you take by contract sometimes?—Yes, we make a contract for a term.

5. The price of 5s. per inch: is that higher or lower than the charge by newspapers outside Christchurch?—It is low compared with other papers.

6. Do you know of any understanding with the *Lyttelton Times* or any other paper published in Christchurch as to keeping the rates up to a certain height?—I am not in the secrets of the company. I have an idea that the rates are somewhat the same in many cases.

7. You think that is arrived at by an understanding, or by an accident, or by a coincidence?—Knowing their rates are 5s. per inch, our rates are 5s. per inch.

8. It is just to avoid undercutting—just an ordinary commercial transaction?—Exactly; to have a standard rate, and to know exactly where we are.

9. *Mr. Robertson.*] Do you charge any higher rates than 5s. per inch?—Only for special positions.

10. What is the rate for the front page?—10s. per inch.

11. How long has that rate been in vogue?—Many years.

12. That is the front-page rate?—Yes, but only when it is specially ordered for that, and the customer insists upon his advertisement being placed there.

13. I suppose business advertising is all done by contract with standing advertisements?—Most of it.

14. Your firm does insets, such as this Farmers' Co-operative advertisement [sample shown witness]: do you charge for this kind of work in your department?—Only so far as the distribution is concerned.

15. You have nothing to do with the printing of it?—I have only my own department to look after.

16. You do not know whether the charge for printing has increased?—I have no knowledge of the cost of anything but distribution. The distribution of such insets is the same as it was ten or fifteen years ago.

17. *Dr. Hight.*] Have there been any increases in the contract rates of late?—Only a general increase as the circulation has gone up.

18. Would you say there has been no increase during the last seven years?—Very little.

19. *Mr. Hall.*] What reduction per inch is made when a man has a standing advertisement for twelve months?—It might work out very considerably. The rates are fixed, and before a customer makes an arrangement he knows what he is contracting for. There is a printed list of rates, and he arranges for what he wants for three, six, or twelve months. There is no discount off that; they are net prices.

20. What will that work out to per inch?—Possibly 2s. 6d.; I have not worked it out. It would work out a considerable reduction on ordinary rates, of course. There is a lot of difference between a man taking a contract and taking a single insertion.

21. *Mr. Leadley.*] Apart from the question of advertising, Mr. Nelson, could you give us any information with regard to the general trend of matters in the cost of living: are you a family man?—Certainly I am.

22. Do you think the cost of living has gone up?—Yes, considerably; in a greater proportion than the rate of wages.

23. To what do you attribute that?—The causes are beyond me. That is something to do with the mercantile community, and my opinion would not affect it.

24. But, from a general knowledge of the times, to what would you attribute it—to the rise in the price of commodities, or to a higher standard of living?—To both.



## AUCKLAND.

THURSDAY, 20TH JUNE, 1912.

ARTHUR WITHY, Journalist, &amp;c., examined on oath, (No. 122.)

1. *The Chairman.*] What is your occupation?—I am a journalist and lecturer, and general secretary to the New Zealand Land-values League.

2. Do you wish to make a statement to the Commission?—Yes. I will put it in the form of a parable. The New Zealand working-man lives in a house built of timber taxed 2s. to 4s. per 100 superficial feet, doors taxed 20 per cent., window-sashes taxed 20 per cent., cement taxed 2s. per hundredweight, tanks taxed 2s. 6d. per 100 gallons, lead piping taxed 3s. 6d. per hundredweight, paints taxed 2s. 6d. to 5s. per hundredweight, varnish taxed 2s. per gallon, and roofed with corrugated iron taxed 2s. per hundredweight. He sleeps in a bed taxed 25 per cent., blankets taxed 20 per cent., sheets taxed 20 per cent., and night-shirt taxed 20 per cent. He jumps out of bed and washes in a basin taxed 20 per cent., with soap taxed 25 per cent., and dries himself on a towel taxed 20 per cent., uses a tooth-brush taxed 25 per cent., and hair-brush and comb taxed 25 per cent., and surveys general effect in a mirror taxed 25 per cent. He puts on underclothing taxed 25 per cent., shirt taxed 20 per cent., collar and tie taxed 20 per cent., socks taxed 25 per cent., suit taxed 25 per cent., and braces taxed 20 per cent. He blacks his boots taxed 22½ per cent. with blacking taxed 20 per cent., hammers on a heel-plate taxed 22½ per cent., and puts in a new pair of laces taxed 22½ per cent. He seats himself in a chair taxed 25 per cent. at a table taxed 25 per cent., with his feet on a rug taxed 20 per cent. resting on linoleum taxed 20 per cent., drinks coffee or cocoa taxed 3d. a pound out of a cup taxed 20 per cent., and eats bacon taxed 2d. a pound and potatoes taxed £1 a ton off a plate taxed 20 per cent., bread made of flour taxed £1 per ton, and butter taxed 2¾d. a pound, jam taxed 2d. a pound, or honey taxed 2d. a pound. Breakfast finished, he goes to the mantel taxed 25 per cent., takes down his pipe taxed 20 per cent., fills it with tobacco taxed 2s. to 3s. 6d. a pound, and lights up with matches taxed 2s. per gross of boxes. After a few draws, each taxed away up from 20 per cent. to 250 per cent., kisses his wife, taxed on pretty well everything she wears, from the shoes on her feet to the comb in her hair, and the baby, in clothes taxed 25 per cent. and cradle taxed 25 per cent., playing with a rattle taxed 20 per cent. He puts on his hat taxed 25 per cent.; if fine, jumps on his bike taxed 20 per cent., and recommends his wife to put on her hat taxed 25 per cent., coat taxed 25 per cent., and boots taxed 22½ per cent., and take the baby out for an airing in bonnet taxed 25 per cent., cloak taxed 25 per cent., and pram taxed 20 per cent. If very wet, however, he puts on leggings taxed 22½ per cent., coat taxed 25 per cent., and takes his umbrella taxed 20 per cent., while his careful spouse gives him a dose of eucalyptus oil taxed 20 per cent. Taxes hit him right and left all day, and worry him without his realizing the cause of it all, and he gets home tired out, puts on slippers taxed 22½ per cent., and after a much-taxed tea he settles down in a chair taxed 25 per cent. at a table taxed 25 per cent., and by the light of a candle taxed 1d. or 1½d. per pound, proceeds to write with ink taxed 2s. a gallon and a pen taxed 20 per cent. on paper taxed 20 per cent. a letter to the Press asking why on earth the cost of living is so high. While the working-man in New Zealand would not stand a direct income-tax of 6d. in the pound, our Customs taxation amounts to an income-tax of at least 3s. 6d. in the pound, made up as follows: Our Customs tariff averages £3 per head—that is to say, £15 a year for each family of five. The average worker does not earn more than from £2 5s. to £2 10s. per week, if as much. Call it, in round figures, £120 a year: then the £15 per family of Customs taxation takes one-eighth of the average wage, or 2s. 6d. in the pound. If you add 40 per cent.—the least you can add for the wholesalers' and retailers' profits on the amounts paid in duties—that brings the working-man's income-tax through the Customs tariff to at least 3s. 6d. in the pound. The consumption of the simple necessities and the simple luxuries of life, from which the bulk of the revenue is derived, is very much the same per family, no matter what the income. If, therefore, the burden of the Customs duties amounts on £120 a year to 3s. 6d. in the pound; on £250 a year the burden of Customs taxation will be only 1s. 8d. in the pound; on £500 a year it will be only 10d. in the pound; on £1,000 a year it will be 5d.; on £5,000 a year it will be only 1d. in the pound; and on £10,000 a year it will be only ½d. in the pound. The cost of living, therefore, is very considerably increased by the heavy Customs taxation. I would also like to call attention to the effect of our local-rating system. Not only is the house taxed on the raw material of which it is built, but where we have not adopted rating on the unimproved value the house is taxed also for local-rating purposes. The effect of that is to discourage the building of houses, reducing the demand for labour for the building of houses, and therefore reducing the wages that are spent in the building of houses. The workers in the building trades have less wages to spend, and that reduces the demand for labour in other trades. So that the effect on the taxation of houses is first of all to lower wages, and then to reduce the number of houses. This sends up the cost of houses, so that rents become higher than they need be, and out of their lower wages the workers have to pay higher rents. In the same way we tax shops, factories, mills, and warehouses, which discourages expenditure on building, and assists to send down wages in the way I have shown. If you rate factories and mills, that increases the cost of producing goods; if you rate warehouses and shops, that increases the cost of distributing them. If, however, you untaxed houses, and untaxed factories, mills, warehouses, and shops, you encourage the building of them, and then the workers in the building trade would have higher wages. There would be more to spend, and that would send up wages in other trades also; therefore there would be more houses in the market, and consequently lower rents. By taking the taxation off mills and factories you would reduce the cost of production, by reducing the taxation on

shops you would reduce the cost of distribution of goods, so that out of the higher wages the workers would pay lower rents and lower prices. The cost of living ultimately depends upon the "cost of production"—which, in the broad, economic sense includes not only the actual cost of making of the goods, but the whole of the costs incurred until the goods are finally produced across the counter to the consumer. And the first charges upon trade and industry in New Zealand to-day—the first items that go to make up the cost of production—are, landlord tribute, rates, and taxes. The rental value of the land of New Zealand is estimated by the Hon. George Fowlds at some £9,700,000, besides which there is the yearly increase of some £6,600,000 a year (the average for the past nineteen or twenty years) in the selling-value of the land, making a total landlord tribute of over £16,000,000 a year—more than £16 per head, more than £80 per family of five. Rates, we may put in round figures at £1,500,000, and taxes at, roughly, £5,000,000 a year—a total rate and tax burden of £6,500,000—£6 10s. per head, £32 10s. per family of five. Landlord tribute and rates and taxes together, therefore, make a total of over £22,500,000—over £22 10s. per head, over £112 10s. per family of five, that has to be earned by the useful people of New Zealand and handed over to the landlords, to the local bodies, and to the State before the heads of families—the bread-winners—begin to receive anything to buy food and clothing for themselves, their wives, and their children. I submit that there is very considerable room for retrenchment in this huge sum of £22,500,000 a year. The ratepayer does get some return, at all events, for the £1,500,000 that goes in rates. The taxpayer does get some return for the £5,000,000. But he does not get one penny-piece of return for the £16,000,000 a year of landlord tribute. Land-values are produced by the presence and collective industry and enterprise of the public and by public expenditure, out of public loans, public rates, and public taxes, on public works and public services. Land-values, in short, are produced by the public as a whole. They are the public earnings, and constitute the right, just, and proper source of public revenue. Surely, therefore, we ought to gradually—not too gradually—abolish all taxes, national and local, on private earnings for public purposes. On the figures just given, such a policy, by sweeping away present rates and taxes, would effect a saving of at least £6,500,000 a year, for the wholesalers' and the retailers' profits on the Customs taxes far more than balance the £1,000,000 of rates and taxes now raised from the land-values. While the killing of the land-monopoly and land speculation would reduce land-rentals by possibly £2,000,000 a year, and check the increase of the selling-value of the land to the extent of, say, another £2,000,000 a year, thus making a total saving—a total reduction in the cost of production, and, therefore, in the cost of living of upwards of £10,000,000 a year—that is to say, of £10 per head, or of £50 per family of five. That may be an overestimate—on the other hand, it may be an underestimate—of the results that would follow from the untaxing of private earnings and the taking of public earnings alone for public purposes. But reduce it by one-half, and the saving still amounts to £5,000,000 a year (the whole amount of our national taxes)—£5 per head, £25 per family of five. Reduce it by four-fifths, and the saving still amounts to £2,000,000 a year (or half a million sterling more than all our local rates put together)—£2 per head, or £10 per family of five; and even that is an amount well worth considering. A penny in the pound on Government valuation of privately-owned land (£150,443,000) = £626,000, which, taken off Customs amounts, allowing for wholesalers' and retailers' profits, to a saving of £939,000—18s. 9d. per head, £4 13s. 9d. per family of five. 150,000 landowners, of whom 25,000 pay land-tax, 10,000 more come under £1,000 unimproved value. As against saving of 93s. 9d. under Customs, landholder with £100 unimproved value will pay 8s. 4d.; landholder with £200 unimproved value will pay 16s. 8d.; landholder with £300 unimproved value will pay 25s.; landholder with £400 unimproved value will pay 33s. 4d.; landholder with £500 unimproved value will pay 41s. 8d.; landholder with £1,000 unimproved value will pay 83s. 4d.; landholder with £1,125 unimproved value will pay 93s. 9d.; landholder with £1,225 unimproved value will pay 102s. 1d., as against 93s. 9d. under Customs tariff. I would also like to put in a copy of the *Liberator* of the 10th November, 1904, which contains a memorandum addressed by the Chairman of the present Commission as Secretary for Labour, to the late Mr. Seddon, then Prime Minister, on the 31st May, 1904. In that memorandum, dated the 31st May, 1904, dealing with the increased cost of living, and its bearing upon the Industrial Conciliation Act, Mr. Tregear said, "The fact is that there is a third hand in the game besides the employer and employee, and it is this third man, the non-producing ground-landlord of city and suburban property, who alone will rise a winner in the end. The chief devourer of the wages of the worker and of the profits of the employer is excessive rent."

*The Chairman:* In regard to anything that I may have published at an earlier period, I may say that I held my own opinion. As the Chairman of this Commission I have no opinion.

*Witness:* I wish to get it before the Commission. Of course, you can ignore your name attached to it, but the facts and figures are there. Mr. Coghlan, at that time the Government Statistician of New South Wales, affirmed the fact that "wages have risen 8½ per cent. in New Zealand during the last fifteen years. In the large centres during that time meat has advanced 100 per cent., house-rent 30 per cent. to 50 per cent., and other items from 10 per cent. to 50 per cent." I should like to express my opinion that it is impossible to conceive any method of reducing the cost of living or raising wages (which would have the same effect if prices and rents did not rise), except by dealing with land-monopoly, which will not result in the land-monopolist raising his rent, and getting practically the whole benefit, as he does at present. If prices go up, the tradesmen and manufacturers can afford to pay higher rents, and the landlord is in a position to see that he gets those higher rents. If wages go up the worker can afford to pay a bigger rent, and again, the landlord is able to see to it that he does so. I should like to hand in a statement which was prepared for me some months ago by Mr. Arthur George, of the firm of George and Doughty, Wellington. Mr. George told me the other day that he is prepared to give evidence before the Commission when it sits in Wellington. The table is as follows:—

Article.	Home Invoice.		Landing-charges.		Duty.		Landed Cost.	Merchants' Selling-price (20% on Returns)	Retailers' Selling-price (33½% on Returns)	Difference.		
	s.	d.	s.	d.	Rate.	Amount					s.	d.
Boots, men's—	s.	d.	s.	d.								
With duty .. ..	8	6	1	1	15% ad val. + 1s. 6d. pair	2 11	12 6	15 7	23 5	} 5 5		
Without duty .. ..	8	6	1	1	Nil ..	Nil	9 7	12 0	18 0			
Boots, women's—												
With duty .. ..	6	6	0	10	15% ad val. + 1s. pair	2 1	9 5	11 9	17 8	} 3 11		
Without duty .. ..	6	6	0	10	Nil ..	Nil	7 4	9 2	13 9			
Boots, girls', sizes 7 to 1—												
With duty .. ..	4	0	0	6	15% ad val. + 6d. pair	1 2	5 8	7 1	10 8	} 2 2		
Without duty .. ..	4	0	0	6	Nil ..	Nil	4 6	5 8	8 6			
Clothing—												
With duty .. ..	10	0	1	9	25% ad val.	2 9	14 6	18 1	27 2	} 5 2		
Without duty .. ..	10	0	1	9	Nil ..	Nil	11 9	14 8	22 0			
Ladies' ready-to-wear hats—												
With duty .. ..	2	6	1	10	25% ad val.	0 9	5 1	6 4	9 6	} 1 4		
Without duty .. ..	2	6	1	10	Nil ..	Nil	4 4	5 5	8 2			
Underclothing and hosiery—												
With duty .. ..	2	0	0	5	25% ad val.	0 7	3 0	3 9	5 8	} 1 2		
Without duty .. ..	2	0	0	5	Nil ..	Nil	2 5	3 0	4 6			
Blankets—												
With duty .. ..	10	0	2	6	20% ad val.	2 2	14 8	18 4	27 5	} 3 11		
Without duty .. ..	10	0	2	6	Nil ..	Nil	12 6	15 8	23 6			
Linoleum—												
With duty .. ..	2	0	0	4	20% ad val.	0 5	2 9	3 5	5 2	} 0 9		
Without duty .. ..	2	0	0	4	Nil ..	Nil	2 4	2 11	4 5			
Carpets—												
With duty .. ..	3	0	0	7	20% ad val.	0 8	4 3	5 4	8 0	} 1 3		
Without duty .. ..	3	0	0	7	Nil ..	Nil	3 7	4 6	6 9			

3. *Mr. Veitch.*] What do you consider would be the effect on land-values of a reduction of the wages of farm labourers?—It would enable the farmers to pay higher rents, and they would have to do so; or where the farmer is his own landlord, he would get the advantage. The farmer would not get the advantage as farmer, but as landowner.

4. What would be the effect of a reduction of the wages of farm labourers on the selling-price of farm-products?—None. The land-values would go up, and more than swallow up the reduction.

5. *Dr. Hight.*] If the farm labourer's wages were reduced to so low a level as to affect his productive value, what would be the effect?—That it would take more farm labourers to produce a given result. It would raise the cost of production.

6. And the effect on the farmer?—Would be bad. He might benefit to some extent as a landowner, but even that is doubtful.

7. Do you hold that the price of an article subject to Customs duty is increased for both the taxed and the untaxed article?—I do. That is the object in putting the tax on.

8. *Mr. Robertson.*] With regard to taxing the unimproved values in towns: has it, in your opinion, the effect of causing people to build on smaller areas than they otherwise would?—That has been alleged; but, in my opinion, it has not that effect. The true way of counteracting that is to pass by-laws prescribing a minimum area for the site of a house.

9. Apart from any by-laws to that effect, might it bring about that result?—I do not think so. You will find that houses are built on small areas even where there is not rating on the unimproved value. In Gisborne, in February, 1911, we had a fight for rating on the unimproved value, and we found there seven cottages on a quarter-acre section—buildings that were erected before there was rating on the unimproved value. At Devonport, across the harbour from here, you will see houses that were built long before the era of rating on the unimproved value, and are far too close together.

JOSEPH FLANAGAN, Farmer, examined on oath. (No. 123.)

1. *The Chairman.*] What is your occupation?—I am a farmer, living at Drury, and have been there for nearly thirty years.

2. Has the value of your land risen during the last twenty years?—Yes.

3. And the value of the lands adjacent at about the same rate?—Yes.

4. Does not that make the value of the produce you provide dearer?—Yes, seeing that it costs more to produce. If a man has to sink so much buying a farm he has to reckon the interest on the outlay.

5. Are you cropping?—Yes.

6. Have you any difficulty in getting farm labour?—Sometimes.

7. Is that difficulty increased at harvest-time?—It chiefly occurs then—so much so that we are afraid to put in very much crop, in case we should not be able to get it harvested. We grow oats mostly.

8. Is arable land being converted to any extent into dairy farms?—Yes, that is the tendency.

9. Do you think that if farm life were made more attractive to casual workers from the towns they would be more likely to go to the country? For instance, could you expect a married man with a family to move to the country for the harvesting alone, and have to come back again?—No.

10. Do you think that the farmers in your district would be likely to give steady work?—The only way to give steady work and certain wages would be to get a good market for the farmer's products. Our chief difficulties are the fear of not getting labour, and the uncertainty of the market.

11. I suppose, then, since that depends upon the Home market, there is no way of regulating it?—Not as regards the articles we export. With the articles we produce for local consumption the variations are much greater than with the articles we export. With chaff, in which I am chiefly interested, the market varies greatly; but with butter and meat there is not much variation, because we depend upon the markets of the world.

12. Do you send any such articles as fruit to town for sale?—No; I am not a fruitgrower.

13. Have you heard any complaints from farmers that the prices they receive at auction in town are unfair?—Yes, a great many.

14. Do the prices the farmers receive differ very materially from the prices at which the same goods are sold in the retail shops?—Considerably.

15. There is a leakage somewhere?—There appears to be, sometimes. In town they can regulate these things a little; but I do not think they would affect them for very long. Suppose that there is a rush of anything for a while: then the dealers in town could hold or regulate that article, or regulate it to some extent; but if the rate of production was regular it would have little effect, because things would soon right themselves.

16. *Mr. Robertson.*] How much have land-values risen in the last ten years?—I think I should be safe in saying 50 per cent. or thereabouts—in my district, at all events.

17. What is about the value of land there now?—Sales have recently been made ranging from £35 to £40 an acre, according to the size of the farm, its position in relation to the station, and conveniences. That would be within two or three miles of the station by good roads. Further back the value is very much less: say ten miles away, the value would be not more than half what I have stated.

18. You grow most of your crops for cutting into chaff?—Chiefly. We thresh sometimes.

19. I suppose the local market price governs that more than in the case of oats?—Certainly. We export oats largely.

20. At what price is chaff selling this year?—The price was about £4 a ton at the opening of the season; now it is about £5. Of course, that includes sacks, which are costing us about 2d. more this year than in other years. That means something like 12s. a ton to be provided by us, and leaves us about £4 8s. a ton for the chaff in Auckland. Then we have to pay the freight to Auckland, so that there is not more than £4 a ton for the farmer.

21. *Dr. Hight.*] What is your opinion as to the cause or causes of the rise in the price of land in your district, or generally?—I believe the chief cause is the steady price of dairy-produce in the markets of the world.

22. Is your district a dairying district?—Chiefly dairying.

23. Is much subdivision of land going on?—A considerable amount.

24. What class of men are taking up these farms?—Small farmers, who hold anything from 60 to 120 acres.

25. Do you find agricultural labourers taking them up?—In many cases.

26. Do you find they are actually going on to the land?—Yes. Quite a number of farmers in our district started as farm labourers at £1 a week. They worked at that until they got enough money together to buy their land. Of course, they did not go to picture-shows and that sort of thing. They denied themselves pleasures and saved their money, and then they were able to buy their farms.

27. Is there a supply of habitable cottages in the country suitable for farm labourers?—On some of the larger holdings there are very good cottages.

28. What would be the rents of those?—In the cases I am more particularly acquainted with nothing is charged for rent. The farmers give steady wages, with the houses in.

29. Have the farmers' wives any difficulty in getting domestic help?—There is difficulty over all sorts of help. Boys are very hard to get. It is almost impossible to get any one to milk at anything like a wage we can afford to pay. In Taranaki as much as 30s. a week is being paid for milking cows—in some places more. That requires a good deal of produce, even at 1s. a pound for butter-fat.

30. Is not the uncertainty of the market—*e.g.*, for chaff—largely due to the weather-conditions?—The first thing that affects prices is the question whether we have a good crop all over the district. In that case prices are low, because only a limited quantity is required in the province. If rather more is grown than is demanded, then chaff is cheap, unless we get an outside market, such as arises from a drought in Australia.

31. Would it be possible to regulate the market so as to make it more certain?—If more is grown than is required I do not think any regulation would affect the prices.

32. Do you find that the statistics issued by the Department of Agriculture are of use to you in regulating what crops you should plant?—They usually come rather late in the year to be of use to us. In this province we sow largely in the autumn. Most of our crops are in now. The agricultural statistics for this year will be of no benefit to us, for that reason.

33. *The Chairman.*] Have you any idea of the reason for the cost of sacks being raised this year?—I notice from the newspapers that coolie labour in India is going up, like wages all over the world; and that is where the sacks are produced. Whereas we used to get them for 4d. and 4½d. each, now we have to pay 6d. or 7d.

34. *Mr. Hall.*] Do you think the scarcity of labour in the country is due to any extent to the want of houses?—I do not think it is very much. I think it is due chiefly to the strong demand for labour there is in the cities, and the high wages paid there. Although we have no Arbitration Court regulating the price of farm labour, still, the Arbitration Court affects us, inasmuch as when a man can get good wages in the city, he will not come to the country to work for 2s. or 3s. a day less.

35. What is the rate of wages paid in your district?—I am at present paying 8s. a day for a man constantly.

36. And what is paid in harvest-time?—We have been paying 1s. an hour, for long hours, and providing meals as well.

37. Do you think if there were a larger supply of labour in the country districts the output of the farms would largely increase?—Decidedly. If there were any certainty that I could get labour, I could treble my production easily.

38. Would there be a reasonable prospect of these men getting constant work, or would it be at particular seasons?—I could find work all the year round, with certain wages; but at the prices we get for the produce required by the markets of the world we cannot afford to pay more than a certain wage. I believe that the rate of wages is too high now for farmers—much too high.

39. You find that the dearness of land increases the cost of production: does it increase the selling-price of your products?—To a certain extent.

40. The products you send to London?—Not those.

41. *Mr. Veitch.*] Does your rate of 8s. a day mean 8s. a day and found?—No.

42. Is that for men in regular employment?—Yes.

43. Working for you all the year round?—Yes.

44. What rates do you pay to casual men?—About the same.

45. Can you suggest any remedy for the shortage in the labour-market?—I cannot. While wages in the cities are so high, it is out of the question to expect that men will work for less in the country.

46. How is it that you can afford to lose such a tremendous amount of output just for the sake of wages at the rate of a few shillings a day to a few men?—Our profits are reduced to the vanishing-point at the best of times. If the wages are increased at all, we have just to stop.

47. What amount would your farm produce if you trebled its output?—Three times as much as it does now.

48. What does it produce now?—I do not think that is quite a fair question. It varies largely.

49. You say your farm is capable of producing three times as much as it is producing now. The difference between the very best wages and what you are now paying would amount to only about 2s. a day per man; yet it pays you better to keep your production down to one-third of the possible production simply for the sake of that 2s. a day?—That is the position. As a matter of fact, the rate of wages is too high now. We cannot afford to pay for all sorts of work anything like 8s. a day.

50. Would it take three times the labour to produce the maximum amount?—Certainly.

51. How does it pay to produce one-third at 8s. a day when it would not pay to produce the other two-thirds?—Sometimes it does not pay. If you get a drought, for instance, there is a dead loss. Many a time I have lost £200 and £300 in a year through a drought.

52. *Mr. Robertson.*] Are the men to whom you pay 8s. a day employed all the year round?—Practically. The man may be with me for half a year or for two years.

53. We have evidence in another part of the Dominion to the effect that the farmers cannot average more than a certain number of days per week—that over a long period it works out at about four days and a half per week, on account of time lost through bad weather?—There is nothing like that amount of time lost in this district through bad weather. I am an employer myself, and I was at one time engaged on a large estate, where we sometimes had as many as thirty or fifty men. The average time lost through bad weather would not amount to more than one day or one day and a half a month.

54. Where men are employed all the year round are not wages usually paid on a weekly basis, not the daily basis?—Not where men are not found. If they are found, then it is weekly; but if they are not found they are paid by the day.

55. Not so-much per hour?—No.

56. The previous witness said that if wages were reduced to a point that would not affect the efficiency of the worker the effect would be to raise land-values. Would you say that that would be so?—That is a question I cannot very well answer offhand. Any general advantage that the farmer can get—and it is so, I believe, all over the world—will go to raise the land-values to a large extent.

57. Would it not work out this way: that while the labourer would be getting less, the landlord—whether he were the farmer, the money-lender, or the owner of the land—would get the benefit from the lower wages?—Yes, as far as the export trade was concerned.

58. It is not necessarily, therefore, the farmer that is going to benefit from the payment of lower wages to farm labourers?—If the advantage was passed on to the price of the land he would not benefit very much, because he would pay more for his land. I am sorry I was not here when Mr. Withy gave the bulk of his evidence. Personally I differ very largely from what I did hear him say on the matter of land-values. Take first the increase in the value of land. We all know that it has been increasing very largely for a number of years, but there have been a great many factors at work. The chief amongst those has been the steady price for produce in all the countries of the world. The farmers will not be inclined to agree with Mr. Withy that the farmers get the benefit of the whole increase in the value of land. A man may have a farm to-day, and sell it next week. I know farms in my district that have changed hands three times in a year. Each of the successive farmers has not got a great deal out of

the transaction, but in the aggregate it amounts to a good deal at the end of the year, and that increase regulates the price of produce. It is impossible for us to buy land at say £25 or £40 an acre and produce at the same rate as when land cost £12 or £15 an acre. We have large capital sunk, and we have the interest on that money to make up. That raises the cost of production, but the increase does not go into the pockets of the farmer, and a farmer under these conditions is not responsible for the increase in the cost of his products. The charges, generally speaking, have been going up all round. Every time they take a case to the Arbitration Court the wages are increased, and that affects the farmer at once.

59. *The Chairman.*] Which workers are you now speaking about?—The workers in the cities.

60. Do you say that every time they go to the Court they get increased wages?—Well, every time until recently, at all events. The wages have risen from 7s. a day to 9s. or 9s. 6d., in the case of unskilled labour, and the farm labourer is practically of that class. It would be very much better for us if we had more skilled labour, but we have generally to take whatever is offered. Almost any man thinks himself competent to work on a farm, no matter what business he has been in before. He does not think it is necessary for him to learn that business, and in nine cases out of ten he has to be taught, and even a man who does not know how to yoke up a team of horses has to get full wages. This incompetence of the labourer is one of the disadvantages we labour under. If the Commission desires it, I can give the exact cost of producing an acre of oats or wheat.

61. The Commission will be obliged to you if you will furnish that information in writing?—I have gone into the matter, and can supply the information, almost to a shilling.

62. Will you include in the statement information as to the quality of the land?—I can tell you the cost of the land at any rate. Cost of producing oats per acre for chaffing, estimating 2 tons of chaff per acre, which is above the average: Ploughing once, 10s. (if ploughed twice, which often happens, 8s. extra); disc-harrowing three times at 2s., 6s.; tine-harrowing three times at 1s., 3s.; rolling once, 2s.; drilling, 2s. 6d.; three bushels seed at 4s. 6d., 13s. 6d.; 3 cwt. manure at 7s., £1 1s.; reaping with binder, 8s.; stooking, 4s.; stacking, 8s.; thatching, 2s.; chaffing, 16s.; carting to railway-station according to distance (say), 6s.; freight on railway according to distance (say), 6s.; fifty-two sacks at 6d., £1 6s.; rent of land at £20 per acre at 5 per cent., £1: total, £7 14s.; price received for chaff in Auckland (estimated average for a number of years, say £4 5s. per ton); 2 tons per acre at £4 5s., £8 10s.; showing profit of 16s.

63. Have you considered the fact that when a man in town is getting a little more wages he has to pay a higher rent, pay more for dress, and has probably to live in a house that has no garden, and that very likely he would be glad to work on a farm in preference to casual employment in town if he could be sure of regular employment in the country, and of finding a decent place to live in? Do you not think there is something in that?—There is a good deal in that. Let me state my own experience. I have been in New Zealand for thirty-four years. I worked as a carpenter in Auckland in 1879, but I have not worked for wages within the last twenty years.

*The Chairman:* Then your information under those headings will be of no use to us. Our inquiry is limited to the last twenty years.

JOHN EDWARD MARGILL, Farmer, examined on oath. (No. 124.)

1. *The Chairman.*] What is your occupation?—I have interests in the Waikato, near Cambridge, and at Waiuku.

2. Do you farm the land yourself?—I did so until recent years. My time is now occupied in managing and supervising the business side of the proposition.

3. Are those farms dairy farms?—Almost entirely.

4. Has the price of dairy-produce risen during the last ten years?—Considerably.

5. To what do you attribute that increase?—To the state of the world's markets.

6. Do you think the farmers have benefited considerably by the increase?—Undoubtedly.

7. Do you know if there are sellers in the local market who sometimes keep back the produce of the factories in order to regulate prices?—I have no personal knowledge of that. I have heard rumours, but I have absolutely no direct knowledge.

8. What becomes of the products of your farm?—All our dairy farms supply the New Zealand Dairy Association's creameries. Some of the produce sent from the creameries is put into the local market, I believe, but the larger proportion is exported. The Dairy Association's business is largely export, but they sell locally as well.

9. Has the cost of milch-cows gone up?—Considerably, in the last year or two. I began dairying in 1902, and purchased heifers coming in that spring at £4 15s. This year I have not been buying, but I have seen heifers sold up to £10.

10. *Dr. Height.*] The same class of heifer?—Very much the same class.

11. *The Chairman.*] Can you supply any information that would enable us to judge whether the cost of living has really risen in the last few years?—I can only quote from the farmer's point of view. I have only studied that side of the question.

12. Has the price of your labour gone up?—I am milking entirely on the shares system, and have not milked in any other way for many years.

13. You are concerned wholly with butter?—Yes, at present. I have to do a certain amount of general farming, and I had experience with beef prior to taking up milking, and had something to do with fat lambs, but milking is the matter I know best.

14. *Mr. Veitch.*] Can you give us an estimate of the extent to which land-values have increased in your district in the last ten years?—The increase has been very considerable. I would say it has been fully 50 per cent., and more than that in some parts of the country. I could quote a case in which land that was taken up at 10s. an acre is selling at £40 now. Certainly it was undrained swamp land in the first place, and you cannot lay down a standard—so much depends upon what has been done with it since the original sale.

15. Have the prices of farm-products gone up very much in the same period?—Butter-fat has increased in price. As to stock, I do not think one can say it has—I mean beef, sheep, and pigs.

16. Can you tell us why beef, mutton, and pork are selling at higher prices in town than they were some years ago?—That is beyond my ken.

17. Can you give us a general idea of the rise in wages—what it has been? What were the rates twenty years ago?—I can only quote one case, that of a man with a large family—ten or twelve children—who used to work for us. He was working for 5s. a day, but had a free house, free milk, and his garden. As I have stated, he reared a very large family, and they all seemed to live very comfortably.

18. But the 5s. a day would be 5s. bare—without extra money allowances?—In some cases I have been paying one man 8s. a day, others from 33s. to 40s. per week—that is, outside the dairying, which we carry on on the shares system. Those men have houses, and a cow if they want it.

19. Has the average production per acre gone up much in the twenty years?—That is a question very difficult to answer. So much depends upon individual methods of farming and what the farmer puts back into the land.

20. Speaking generally, would you say there had been a considerable increase?—I would not like to make a statement without thinking the matter over, but on the face of it I would say that the land will not produce any more now than it would have produced twenty years ago with the same treatment as now given. The general system of farming throughout the part of the country I know has improved vastly, and the land is producing more in consequence.

21. And you think the improved methods have produced better results?—I can safely say that.

22. *Mr. Hall.*] Could you give us any idea of the price that meat is realizing?—I have taken out quarterly prices from the local auctioneers' quotations from 1907 onwards, and the results are embodied in the following table:—

*Market Quotations, Auckland.*

Date.	Steer Beef, per 100 lb.		Cow and Heifer Beef, per 100 lb.				Wethers, per Head.			Ewes, per Head.			Lambs, per Head.			
	s.	d.	s.	d.	s.	d.	s.	d.	s.	d.	s.	d.	s.	d.	s.	d.
1907.																
Jan. ..	22	0	20	0	18	0-24	3	12	6-18	0	9	6-19	6			
Mar. 28 ..	22	0	17	9	21	0-25	0	14	0-18	0	11	6-17	0			
July 2 ..	22	0	17	0-19	0	25	0-37	9	25	0-39	0*	8	9-14	9		
Sept. 28 ..	30	0	20	0-24	0	25	0		25	0		15	0-27	6†		
Dec. ..	21	0-23	0	17	0-20	0	17	0-23	0	15	0-20	0	6	8-18	6	
1908.																
Jan. 8 ..	23	0	18	0-21	0	17	6-23	9	15	6-20	3	9	6-19	3		
Mar. 27 ..	23	0	19	0		16	0-23	0	14	0-22	6	12	6-18	6		
July 1 ..	21	0	17	0-19	0	13	6-22	6	10	0-20	3	10	3-14	9		
Sept. 30 ..	24	0	23	0		15	9-22	3	14	3-20	0	12	0-17	0		
1909.																
Jan. 1 ..	20	0-21	0	17	0-18	0	14	0-17	0	10	6-14	0	7	0-15	9	
Mar. 21 ..	21	0‡		17	0-19	0	10	6-17	0	9	9-13	9	4/-, 7/6-	8	9	
July 2 ..	21	0		17	0-19	0	17	6-19	0	13	6-17	0	10	6-15	6	
Sept. ..	22	0		18	0-20	0	14	6-19	0	11	6-15	9	8	3-14	9	
1910.																
Jan. 7 ..	19	0		18	0		13	0-17	0	9	0-14	3	10	0-15	0	
Mar. 26 ..	21	0		18	6		10	0-17	6	10	6-15	0	6	0-13	6	
July 1 ..	21	0-23	0	17	0-21	0	16	9-23	0	9	9-18	3	10	0-14	0	
Sept. 30 ..	25	0-28	0	19	0-25	0	19	9-32	6	18	3-26	3	10/6, 14/-	19	0§	
1911.																
Jan. 6 ..	22	6		21	0		14	0-20	9	10	0-17	0	9	9-17	9	
Mar. 21 ..	22	6-24	0	18	0-21	0	16	0-20	9	11	0-17	6	9	0-14	0	
July 6 ..	20	0-23	0	18	0-20	0	14	0-23	0	8	0-13	0	7	9-13	0	
Sept. 28 ..	28	0-33	0	27	0-30	0	17	9-28	9	15	0-26	0	12	6-20	6	
1912.																
June 13 ..	24	0-27	0	20	0-23	0	16	0-20	6	11	0-16	0	10	0-16	3	

Taking those figures, the variation is remarkably small. I also have figures for 1903, when beef brought the highest prices ever touched in the Auckland market, to my knowledge. The figures for that year were:—

Date.	Steer Beef, per 100 lb.		Cow and Heifer Beef, per 100 lb.				Wethers, per Head.			Ewes, per Head.			Lambs, per Head.			
	s.	d.	s.	d.	s.	d.	s.	d.	s.	d.	s.	d.	s.	d.	s.	d.
1903.																
Sept. ..	38	0	19	0-24	0	18	0-25	0	13	9-23	9	13	6-20	3		
Dec. ..	23	0	18	0-21	0	10	9-22	0	8	6-19	6					

\* Extra good.

† Extra early.

‡ Advance to.

§ Special.



23. *Mr. Fairbairn.*] Was not that an abnormally high market?—Yes. I do not remember the reason why it was so. I know where I can lay my hands on every weekly market quotation since 1903.

24. *The Chairman.*] The Commission will be obliged if you will send that in?—I will do so. I have at various times organized export lines of beef on a co-operative system for farmers. My experience in that matter is that the hides and fat realized about 5s. per 100 lb.—sometimes more, and sometimes less, but that was the average. To arrive at the price of the carcass we can reduce, say, 22s. per 100 lb. by this 5s., thus giving 17s. per 100. When beef is at 26s. per 100 lb., the farming community are receiving about 2½d. per pound for the actual carcass.

25. *Mr. Hall.*] Could you give us any idea what wages the men milking on shares are earning?—I will be prepared to produce the actual figures from my eleven years' experience, but I would not like to have them made public.

26. *The Chairman.*] Mark the communication "Confidential," and it will be enough?—I will hand in my actual books if you wish it.

27. *Mr. Fairbairn.*] You spoke of the land-values increasing by fully 50 per cent. in twenty years. To what extent is that owing to the improvements the farmers have put on the land?—I was thinking of my own case. I would not like to say how much of the increase was created by the fact of our going in for milking—erecting a creamery, and improving the farms by buildings to accommodate the families employed in the milking. I am perfectly satisfied that the actual fact of going in for milking has increased the value by fully one-third of the present price.

28. The increase is not due to extraneous causes, commonly known as the "unearned increment"?—I certainly do not think so.

29. *The Chairman.*] You said that the cost of the beef is 2½d. per pound?—My experience is that 5s. per 100 lb. is realized by the buyer for the hide and fat. Probably the butcher will make a great deal more than that.

30. You supplied mutton at 2½d. per pound to your men some years ago?—I think I have done it at 2¾d. I always kept the price as near the cost price as possible.

31. If 5d. per pound was charged for it in town do you think that the increase shows a fair proportion of the cost added to it by driving the sheep down from the Waikato?—That is a difficult question for one unacquainted with the butchering business to answer. I really do not know the butcher's side of the business.

32. *Dr. Hight.*] Are there any other firms bidding for the farmer's milk besides the New Zealand Dairy Association?—Yes, mostly co-operative companies, but they are not, I think, in active competition. As far as I know each has its own district.

33. There is not much competition for the farmers' milk?—Nobody ever made me a bid for my milk, because everybody knew I was supplying the Dairy Association's creamery, which is on my property.

34. Is much use made of the labour of children on dairy farms?—The shares system is almost based on child-labour.

35. That is an essential part of it?—To a great extent it is.

36. Could you give us a short account of the part taken by children in the work?—Yes. I milked as a child myself. I took it as a matter of course, and I never found it bear heavily upon me. At the age of from eight to ten years I milked from five to eight cows, night and morning. I do not remember feeling any ill effects from it. In more recent times I have seen the system carried out by the families that work for me, and I do not think any one could see a healthier or better-conditioned set of children than those engaged in the work. They begin milking between five and half past five o'clock in the morning, sometimes earlier, but that is about the rule. In the evening they are milking till about seven o'clock. It varies, of course, according to the number of cows that are in, so you cannot lay down absolute hours.

37. *The Chairman.*] In the meantime do they go to school?—Yes.

38. Were you going to school when you were milking, at the age of eight?—Part of the time.

39. Did you find that milking in the morning and evening conduced to your attention to your studies?—I do not remember that it had any ill effects. I managed to hold my own. I may say that the children from our milking families have been near the top of their school the whole way through. A great deal depends upon the parents—how they look after their children.

40. *Mr. Robertson.*] What was the price of butter-fat when first you went in for dairying?—8½d. per pound at the creamery.

41. And what have you been getting for the last season's?—I do not know yet. The Dairy Association has a bonus system, and we do not know what we will net, but our first payment has been from 10d. to 10½d. Probably it will be a little over 11d.

42. What was it for the previous season?—11¾d. for August. They give a special price for August—from September to May. The return for the year was 11d.

43. Can you state what was the value of the land in your district ten years ago?—The greater part of the increase has been in the last ten years.

44. Probably owing to the increased price of butter-fat?—In my part of the district it was the fact of our going in for butter-fat. Before that we were raising beef and mutton.

45. I understand you to say that the value of the land in your district has not increased in the last twenty years—that the increase has been mainly due to the improvements?—With the same conditions of farming I really do not think it has increased. If the same methods had been used in that period as we use now, I think the land would have produced just as much as it does now.

46. Take the last ten years: has the butter-fat per acre increased?—That is very difficult to say, because so much depends upon your herd. If you are attending to your herd you ought to be going up the whole time. Again, so much depends upon the season. I can give the actual returns from my herd for each year, but it varies immensely, partly through cows not coming in at the proper time.

47. Would you say that the improvements you have made in your land have increased its productiveness?—I suppose I cannot say I have increased its productiveness only from the monetary point of view, for if I had been dairying earlier I would probably have produced more butter-fat per acre from that particular land. It was fresher and younger then.

48. Is the shares system the general system in your district?—I suppose the great majority of the farmers are milking on their own farms.

49. On what basis do you usually work?—It is impossible to lay down a hard-and-fast rule for any particular district. The conditions of each farm have to be taken into consideration. We are milking on the two-fifths plan—the milker receives two-fifths of the net profits of the season, and he has to undertake the work of the farm he is using.

50. You supply the land, the herd, the manure, and all that is necessary to work the farm, and he supplies the labour?—That is the one thing he supplies.

51. What is about the average size of your herds?—In Waiuku, from fifty to seventy-five or eighty. It varies with the season. I have one man who milks a small herd of from twelve to sixteen cows. He receives half the return. In the Waikato we are on thirds—the milker receives one-third of the return from the milk, and two-fifths of the return from the calves and pigs, but there he has not to do the whole of the work of the farm—only to milk and keep the sheds and fences in repair. For the top-dressing of the land and other farming work I provide the labour, but where possible I give the milkers the work.

52. *Mr. Hall.*] Are you getting the maximum price paid by the Dairy Association in Waiuku?—No. The price is based on a system of differential rates, according to the supply to the creamery with which you deal.

53. Can you tell us what the biggest creameries are getting?—No; but you can get the figures from the Dairy Association.

54. Can you tell us the cost of freezing meat and sending it to London?—Yes. I am a director of the Freezing Company here. This season the cost of killing, freezing, bagging, railage from works to ship, and freight to the British port if shipped by the first steamer, has been for lamb, December to May, 1½d. per pound. If the meat is held over there is a small holding-charge. That is the actual charge the company make to the farmer.

55. Would there be storage in addition?—If the client requested that the meat should be held over he would have to pay a holding-charge.

56. How many days' storage would these figures cover?—It varies. It has to be by the first steamer. The meat has to be at least a week in the works before the steamer comes, so as to be sufficiently frozen.

57. What would be the charge at the London end?—I can only give them from memory approximately. The charge on meat, including selling in London, are about 1½d. per pound for lamb, 1½d. for mutton, basing them upon the average carcasses, 36 lb. for lamb and 60 lb. for sheep. Beef is charged about 1½d. per pound, based on 750 lb. steer.

*Witness* added the following written statement to the foregoing evidence:—

During my evidence given before the Commissioners on Thursday last, the 20th June, I undertook to send actual examples of returns under share-milking conditions. These I now forward. In doing so I should like to mention that, in regard to our dairy farms, milked on two-fifths share conditions, I met our men in regard to whether we could give them any higher share, because they were finding their sons and even their girls were being tempted to leave them because they could earn higher money on public works; at service, and generally, than their parents were in a position to pay them. We went into what it had actually cost us as owners to keep up the farms, herds, implements, in a state of production likely to continue, rates, taxes, &c., and found that it took almost exactly one-fifth of the profits, which we received in excess of the milkers, thus leaving it practically that we were actually dividing net profit equally, and we, the owners, taking all risks. Our men admitted this was all they could in fairness ask us to do. This, to my mind, made it evident that wages are now at a mark which agricultural pursuits cannot possibly compete with, and in consequence must be hampered in their development. This case I would call your attention to is not based on land-values at all, but on what is an equitable division of net profits as between the owners and milkers. If a family on the share system, milking a herd of, say, sixty cows (equal on two-fifths to twenty-four cows of their own), with no interest to pay, and no risks and upkeep to meet, cannot retain their children to work for them, how possibly is the small farmer, with from twenty to thirty cows to milk, to do so? I might say our milkers approached us in regard to purchasing the farms they are on under the Government Guarantee Act, but when they went into it they decided to "remain as we are." The price was simply an average of five years net returns to myself and partners, capitalized at 5 per cent., and ¼ per cent. extra added as an allowance for our management and the work we actually do. My belief is that overprotection is responsible to a very great extent for a position which can hardly be a healthy one for a young country practically absolutely dependent on its primary products. I am quite prepared to allow these statements be used as may be considered needful, but would rather names were not used.

P.S.—Since writing this letter I have received the copy of my evidence to revise. I notice that my answers to questions regarding increased land-values are open to misunderstanding. Mr. Veitch asked me in regard to increases in land-values in past ten years.\* Mr. Fairbairn's question refers to my answer to Mr. Veitch's question, but he seemingly understood my answer referred to twenty years ago instead of ten years.† In twenty years the increase has been over 100 per cent.—in some cases 300 per cent., and even more, as indicated by the example I quoted in answer to Mr. Veitch's question. In my portion of Waiuku district practically no public funds

\* See Q. 14, p. 223.

† See Q. 27, p. 225.

have been expended in the past thirty years until this year, when a grant is now being expended—£1 for each £2 raised by the settlers—for metal and road improvements. Nor have the facilities for carriage of our products been improved by public expenditure to any appreciable extent. At

Freezing charges. The following completes the information: 1st December to 31st May—Lamb, 1¼d. per pound; mutton, 1½d. (lambs over 42 lb. at mutton rates); beef, 1d.; pork, 1½d.: 1st June to 30th November—Lamb, 1⅓ per pound; mutton, 1d.; beef, 1d.; pork, 1½d.

*Example of Share Milking Returns, on Two-fifths Share to Milkers.*

Season.	Price Butter-fat, per Pound.	Total Receipts for Milk, per Cow.	Total Profit on Calves, per Cow.	Total Profit on Pigs, per Cow.	Total Expenditure on Artificial Foods, Repairs, &c., per Cow.*	Actual Share drawn by Owners (Three-fifths).	Actual Share drawn by Milkers (Two-fifths).
1902-3	s. d. 0 8½	£ s. d. 5 12 2	£ s. d. 1 7 0.4	£ s. d. 0 5 1.1	£ s. d. 0 1 8.2	£ s. d. 272 14 2	£ s. d. 181 16 2
1903-4							
Aug. ..	0 9¼	} 6 6 10.2	} 1 1 3.3	} 0 11 8	} 0 7 4.5	} 297 4 5	} 198 3 0
Sept.-May	0 8½						
1904-5							
Aug. ..	0 9¾	} 5 19 9.6	} 0 14 1.9	} 0 13 3.3	} 0 4 5.9	} 234 19 0	} 156 12 8
Bal. ..	0 8¾						
1905-6							
Aug. ..	0 11⅓	} 7 2 5.13	} 0 8 8.94	} 0 19 2.24	} 0 4 2.61	} 259 3 10	} 172 15 10
Bal. ..	0 9⅝						
1906-7							
Aug. ..	0 10⅝	} 7 15 2.94	} 0 5 5.17	} 1 10 4.51	} 0 4 2.07	} 325 3 5	} 216 15 8
Bal. ..	0 9¾						
1907-8							
..	†	7 2 11.68	0 5 0.1	1 9 5.64	0 4 0.62	291 18 7	194 12 5
1908-9							
Aug. ..	0 12¼	} 8 13 4.38	} 0 11 7.38	} 1 7 3.67	} 0 7 3.32	} 319 16 3	} 213 4 3
Bal. ..	0 10¾						
1909-10							
Aug. ..	0 12⅝	} 9 13 8	} 1 0 10.95	} 1 1 10.78	} 0 6 5.56	} 379 10 5	} 253 0 4
Bal. ..	0 10⅞						
1910-11							
Aug. ..	0 11⅝	} 9 7 1.9	} 0 19 0.78	} 1 0 2.65	} 0 12 8.31	} 352 13 11	} 235 2 8
Bal. ..	0 11						

\* Chargeable to share account. † Unrecorded.

NOTES.—Season 1904-5: Large number of cows slipped their calves; dry autumn also. Season 1905-6: Good many cows slipped, and were late coming in. Season 1907-8: Came in well, but very dry autumn, and poor later season in consequence. Season 1910-11: Very good early season, but longest dry spell we have had; very poor late season. Season 1902-3: First season of herd, and nearly all heifers: also overstocked to put through large number of cows for selection.

This herd has been milked by the same family since 1902, who at first employed a hand. They have now purchased a farm of their own, and the eldest son is on it. The family has six milkers still: the man, his wife (at times), three daughters (about fifteen to twenty), and one boy (about twelve).

*Example of Share Milking Returns, on One-third Share Milk, and Two-fifths Share Calves and Pigs, to Milkers.*

Season.	Average Price for Season, per Pound.	Return for Milk, per Cow.	Return for Calves, per Cow.	Return for Pigs, per Cow.	Expenditure on Artificial Food, per Cow.*	Owners' Share.	Milkers' Share.
1909-10	s. d. 0 10.4	£ s. d. 8 17 6.86	£ s. d. 0 12 5.33	£ s. d. 1 4 9.33	£ s. d. 0 1 10.5	£ s. d. 343 5 8	£ s. d. 177 17 11
1910-11							
Aug. ..	0 11⅝	} 7 15 11.15	} 1 8 0.65	} 0 17 3.4	} 0 1 3.2	} 417 5 1	} 222 14 7
Bal. ..	0 10¾						
<i>Another Herd.</i>							
1909-10	s. d. 0 10.4	£ s. d. 7 4 10.87	Reared none	£ s. d. 2 2 2.57	£ s. d. 0 12 9.52	£ s. d. 331 5 10	£ s. d. 174 3 7
1910-11							
Aug. ..	0 10⅝	} 8 9 10.4	} 0 19 9.2	} 2 0 3.5	} 0 7 1	} 565 16 5	} 303 12 1
Bal. ..	0 10¾						

\* Chargeable to share accounts.

The milkers' duties are milking, feeding stock, keeping fences, sheds, and houses in order, and cutting any noxious weeds. All other working of farms the owners pay for. We have four families there, and three of them have purchased sections from us, and are getting them into order while milking for us. Acreages, from 100 to 240 acres.

ALBERT SANFORD, fishmonger, examined on oath. (No. 125.)

1. *The Chairman.*] You are a fishmonger carrying on business in Auckland?—I am managing director of Sanford (Limited), fish-merchants, and dealers in all sorts of things. Our articles of association allow us to carry on any business we care to undertake.

2. Your principal business is in connection with the sale of fish?—Yes.

3. From whom do you buy your fish?—From the fishermen.

4. Do you also act as auctioneers for the fishermen?—No. There is an auction mart in Auckland being carried on now.

5. You buy wholesale from the fishermen, and retail the fish to the general public?—Yes; and we cure very large quantities of fish, and distribute them all over the country.

6. Has the cost of fish risen very much of late years—the wholesale price?—It has.

7. Could you give us the rise in prices for, say, schnapper, soles, &c.?—Since the trawling was stopped, I suppose, it has been 50 per cent.

8. When was the trawling stopped?—Some years ago, when the Government prohibited it.

9. About what year?—It is long enough for the vessel to have rotted, and the engines to have spoilt. We lost the whole concern.

10. Can you get the same fish now as when you were allowed to trawl?—Not such a variety.

11. Fish sometimes are brought in in large quantities and sometimes in small quantities?—Yes.

12. What do you do with the surplus fish?—We have to put them in the freezer or in a chilled chamber until we can handle the stuff.

13. The general public never get the advantage of the extra large catches of fish?—They could not get the advantage while we have got a fixed price for them.

14. Who fixes the price?—The fishermen fix their own price; and I really do not think at the present time it is too high, considering the primitive methods of catching the fish.

15. How do they catch the fish?—With lines mostly, and in the Thames Gulf with large tracts of net on the flats. No trawling-net is now allowed in the Gulf, where most of the fish are; and where the "Dodo" caught enough fish to pay for her coals was in the Gulf.

16. We had evidence in Dunedin that only thirty-three groper are allowed to be caught by each launch. Have they any similar restrictions here?—No. The only restriction which has been put on them in the summer is in order to protect the public more than anything else, and also to protect the honest fishermen. A man will go out in hot weather and catch so many fish and bring them in in a heap, and by the time they reach town they are scarcely fit to be passed as fresh fish, or to be even suitable for smoking. Therefore, a fisherman in hot weather has to be limited to bringing in a fair load. The good, honest man catches a fair load and delivers them in a fresh condition; but a greedy man catches more than he ought to, and they are heaped up in the hot weather and are spoiled.

17. Who limits the price?—The price is fixed by the fishermen. They held a meeting, and went on strike some time ago, because they wanted the price raised from 2s. a bundle to 2s. 6d. I thought it was an exorbitant demand.

18. You think there is a combination amongst the fishermen?—A general understanding. Honestly speaking, I do not think they put it too high. If you fix the price low, the consequence would be that only experts would get a living at it. If we want to get a large number of men engaged in the fishing industry the price must necessarily be such that not only an expert should be enabled to earn a living, but such a price as will enable the duffer to remain in the trade.

19. If there is a combination amongst the fishermen, what about a combination amongst salesmen?—There is no such thing. We are carrying on in this business an industrial war quite as severe as any real war such as occurred in South Africa. We are engaged in an industrial fight.

20. Not so many wounded?—Yes; some of them have gone out wounded—crushed in spirits—the competition has been so keen.

21. Do you deliver fish to customers?—Yes.

22. Could you give us any idea of the percentage of the cost of delivery?—Yes. I noticed that a witness in Dunedin stated before the Commission that when a person bought 1s. worth of fish, he bought 4d. worth of fish and 8d. worth of services. I am going to tell you that when the people of Auckland buy 1s. worth of fish, they buy 11d. worth of services and 1d. worth of taxes, rent, and other charges.

23. So that the fish are out of it altogether?—Yes, the fish are out of it. I feel sure you will agree with me when you hear what I have to say, that the cost of fish to the consumer is fixed when the consumer gets it. Carl Marx teaches you that the cost is fixed in the factory. The fishermen thought that when the fish were sold at 1s. they should get the 1s. When the Arbitration Court came in our men in the factory thought that they did all the work, and that I did nothing, because I was signing the cheques. They said, "It is we who have done the work—the whole thing." But there is no foundation for such a contention. In the first place, the sea is absolutely free: there is no rent to pay. When the fisherman goes out with his appliances he absolutely begins to render services, and his services are stored in the fish when he hands them over to me. There is no other charge, rent, or interest, or anything else. What is more, they own their own boats, and in a great measure I have helped them to get those boats. If we rent them boats, it is at a less charge than will pay interest on the cost and for renewal of the boats.

24. Do you rent them from a spirit of philanthropy?—No; but because we cannot get a higher rent; because the men who rent them would not be so good as the men who own their boats, otherwise they would buy the boats themselves. We hand them over to the men on the lowest terms, and also sell the boats to them.

25. You have got a lien over the fishermen's boats?—Since the strike of the fishermen we have been compelled to buy boats in our own interests. I now want to prove my contention in regard to that *ls.* argument. When the fish comes into our hands the conditions at once change, because we have to pay many charges—rent, taxes, water to wash the fish with when they are being cleaned, and the gas and electric light for use when they are being cleaned. A weekly wage has been fixed for every man who is engaged in this work. If we get no fish up to the Friday the worker still gets his wage according to the Arbitration Court award. It is quite right it should be so, because a man cannot live on nothing all the week. It is right enough, and the public have to pay for it. We have also to supply delivery-carts. We have had to get built special carts for the delivery of fish; and the only funds from which we can get paid is the price which the consumer pays. I will go further, and say that the cart is paid for, and when the man went into the forest to cut down timber to build the cart, and when the brush was made with which the cart is painted, I say that the whole of the labour of the men who produced that cart is paid for by the consumer of the fish now. If it were not for the high funds created when the fish are at a high price, the timber would never have been cut down, nor the cart have been built. That has risen, 50 per cent. pretty well. You can apply the principle I have indicated to every other commodity in the world—that the consumer pays for the lot.

26. You can apply that very safely?—Yes. Carl Marx is wrong when he says—

27. We do not want to discuss Carl Marx. Please answer my question as to how much the cost of delivery adds to the price of fish?—It comes to 50 per cent.

28. Supposing the fish costs *ls.* to the consumer, how much of that is your price, and how much is the cost of delivery—between what you pay and what the consumer pays?—We pay all the expenses up to that time: it may be perhaps about 50 per cent. We sell hundreds of tons without receiving any profit.

29. What is the average price you give the fishermen for schnappers?—2s. 6d. a bundle.

30. How many fish are there in a bundle?—They vary from four to sixteen.

31. What price does the consumer pay for those fish?—If we retail them and deliver them to their houses, I imagine they have to pay 50 per cent.

32. Another 50 per cent. Therefore, the consumer pays 5s. a bundle: that includes your profit and the cost of delivery?—Our chief business is wholesale: we do very little otherwise. We smoke fish and send them away. We get 2s. a boat dozen: that would be 8d. a bundle for smoking and delivery. We sell half a boat dozen, and that is the same price that we charged twenty years ago—namely, 2s. a boat dozen. That is three bundles; and we charge the same now. At least, we have done so up to very lately. It has been put up to 2s. 6d. now. I will show you why: it is in order that we shall not get a monopoly. Because if I sell cheaper than a neighbour can compete in opposition to me, and there are seven, eight, or more competitors in the same line of business—if I do it cheaper I drive them out. They must stop.

33. So it is a competition in which you are thinking about the others?—Yes, because I am called a monopolist.

34. There is no understanding between you?—No, not the slightest understanding. If they said anything to me, I would threaten to lower the price and drive them out altogether. I had all the trade some time ago, because I had the confidence of the fishermen and of the public.

35. What is the cost of delivery?—50 per cent. We sell a great number of fresh fish, and the smoked fish goes into the country to shops. We also sell to hawkers. We put on 6d. a bundle charge for the work and the sheds. We sell them to the hawkers, and hand them over to them on behalf of the fishermen.

36. You do not deliver them, then?—No, we do part of our business in delivery. We are in competition with the hawker also. We sell to the hawker, and he must necessarily put on 50 per cent., or he cannot live. Neither can the shopkeeper make a living unless he puts on 50 per cent. The shopkeeper has his rent and gas to pay. If you gave me all the trade in fish in Auckland I could do it at bed-rock for a trifle; but how could the other people live.

37. I was trying to get at the cost of delivery?—50 per cent.

38. That is the cost of delivery from you to the hawkers?—No, the cost of delivery from us to the hawkers means 6d. a bundle of schnapper. We put 6d. on, and charge 3s.

39. Then the hawker charges 50 per cent.?—Yes, or he could not make a living.

40. *Mr. Fairbairn.*] It is not 50 per cent.: it is 100 per cent.?—Yes, I mean 100 per cent. at times. He has to double his money.

41. You double your money, too?—We sell as cheaply as the hawkers and shops are able to live upon. I do not know what to do to please everybody.

42. *Mr. Hall.*] What is the average weight of bundles of schnappers?—They are supposed to be 24 lb.

43. *Mr. Fairbairn.*] And you charge the public at the rate of 3d. per pound?—Less than 3d.; we charge 6d. on the bundle.

44. I mean, what do you charge to the public in weight?—There is no fixed price.

45. You do not sell by weight?—No, sometimes the charges we make vary considerably. We have to keep our doors open, and if we do not get fish in until Friday, and that runs on, we increase our profits.

46. What is the price per pound for schnapper retailed to the public?—I suppose that is about double what we pay for it. The fish come in to our establishment with heads on, and guts and every-

thing in them. After the fish are cleaned and ready for sale there is not half of the weight or quantity left. There is so much waste.

47. Do you sell by the schnapper or by weight?—Only by the fish. We sell as cheaply as anybody.

48. *Dr. Hight.*] When there is an oversupply of fish you freeze it?—We hold it in the freezer, but we do not freeze it unless we are forced to.

49. Do you think that is an advantage to the public in steadying the price of fish?—Yes, because if we did not deal in this way the surplus catches would not be caught or delivered to us at all.

50. You spoke of a better method of production. Can you suggest a better one?—Since the Government ruined my business and destroyed my trawler, let them give me the “Lady Roberts,” used in connection with the forts in the Harbour. Let the Government give me that boat, which is doing nothing. I demand compensation for the wrong they have done me, and they ought to give me that steamer. They ruined my business, and their action has resulted in putting 50 per cent. on to the cost of fish.

51. Are the railway facilities for sending fish good?—They are very bad indeed.

52. In what respect?—If it were a private company that was running the railways it would soon get howled down by the public or be kicked out of the business. Fish is bundled into the trucks at Helensville in large quantities. The railway officials do not take the trouble to take a tally of the fish. They should get ice and have cylinders with brine in them for the railway-cars in order to keep the fish cool. Facility should be given for the fishermen to send their fish to market. Instead of that they are bundled into one heap and you do not know whether you are going to get your own fish or not. The fish become heated through being thrown into a heap, and this treatment of the fish really kills the fish business in the summer-time.

53. The supply of fish sent to the market would be greater if the railway facilities were better?—Yes, because more men could get a living from the industry.

54. More fish would be sent in and a greater proportion of what is sent in would be saved—it would come in fresh?—Eight or ten years ago 50 per cent. of the fish which came from the Thames, since I have been in the trade, were dumped into the Auckland Harbour. I put up freezing-works at the Thames, and after that no fish were thrown away. I took the risk of putting up the freezing-works. Although I felt that the responsibility was really too great for me to undertake at the time, still I took it, believing that it would be in the interests of the public. I would like to say this: there has been an outcry on the part of the public that they want fish from the street hawkers. If the hawkers went with the consumers it would be another question. If the hawkers carried the fish to the houses in the outskirts of the city it would be quite different, but the hawker does not do that. When fish were allowed to be sold in Queen Street we paid a man to sell fish up and down Queen Street. We paid him good wages so that he should not rob us. The site-value in Queen Street is considerable. The site-value at the corner of Customs Street and Queen Street, where you will see a shop on wheels, is considerable. There is no competition to get the site. I believe in fair competition, and in letting the test be the shops. A man has started in the wholesale business without any responsibility in regard to expenses. We pay rates, rents, and Harbour Board taxes, and the Government has now come along and is making us pay on the unimproved-land values of Harbour Board leases. Is it the ratepayer that keeps up the cost of maintaining the streets. I would not object to this man regulating our profits, but this is how it works—in regard to the position it is this: This man buys fish wholesale, and he has got certain people employed. When he is not at the cart-stand he pays a man to go there. He is not silly enough to undersell Sanford. He wants all the profit he can get. So that the price he puts on his fish are regulated by Sanford's competition. The fishermen at the Kaipara go to this man and say, “Give us 3s. a dozen for flounders,” and when he assents they say they will not let Sanford have any unless he pays 3s. So that he pays 3s. for flounders and Sanford has got to do the same. It is used as a lever.

55. He buys direct from the fishermen?—He is a wholesale dealer like we are, and the fishermen use him as a lever because he has no expenses to pay. He has not to contribute to the upkeep of the streets and the other expenditure of the city like I have. I would not care if the consumer got the benefit, but he does not. I maintain that it is unfair competition. Reverting to the freezing-works which I erected at the Thames, I may state that immediately the works were completed the fishermen came to me and demanded from me a fixed price for a certain time or they would not supply me at all. I said, “My friends, I cannot be bounced like this. I will shut the door and go home. I will tell you what I will do. I will buy all the fish I want and will pay you what I can afford.”

56. You said the fishermen fixed the price at the Thames?—The Auckland boats fixed the price absolutely. At the Thames they were trying to fix the price which I should pay or they would not supply any fish to the freezing-works. I knew they had to, because they could not get to Auckland; otherwise I would not have put up the works at the Thames. From the time I opened the freezing-works at the Thames they used it as a lever—I do not blame them—to get the price they wanted, and they said if I did not pay the price they demanded, when the fish were scarce they would go to other dealers, and because of that I had to submit to the price. Now the consumer pays. A short time afterwards all the evidence appeared in the Thames newspapers. Those men had £10,000 worth of property—£10,000 worth of boats, gear, &c. I maintain that they have got more than their fair share. I used to send down £300 a week to give them a chance of getting all this gear, and they have now £10,000 worth of property; and the Auckland people pay for it; and that was done through the leverage I have stated. I have gone so far as to ask the Government to take over the place and run it and find trawlers to supply it with a better supply that can be got by waiting for the fish to come on to the flats. That was the position. This money was all gathered from the public here and handed on to the Thames. My share of the thing was regulated by the competition of those people around me, and they have not

got the expenses to pay that I have in running my place. The Thames used to send nearly all its output to Auckland, but since the Main Trunk line was completed scarcely any fish whatever come to Auckland from the Thames. They all go to different towns in the King-country.

57. We want evidence as to the rise in the cost of living: have you anything more to say bearing upon that question?—The cost of living as far as fish is concerned since the trawler has been stopped has increased 100 per cent., and my candid opinion is that it will be at least 50 per cent. more before many years are over, unless very much better methods are adopted. I think that better methods ought to be adopted for catching the fish.

58. You think that if the trawler were put on again it would lessen the cost of living as far as fish is concerned?—It might or it might not; but you would get more fish. I question whether it would lessen the price.

59. You think that if more fish were caught the public will not or may not get them cheaper?—It depends on the expense of running the trawler.

WILLIAM PIERPONT BLACK, examined on oath. (No. 126.)

1. *The Chairman.*] What is your occupation, Mr. Black?—Journalist. I want to make a statement to the Commission in reference to the object and scope of the inquiry of the Commission. The chief reasons to my mind for the increased cost of living are the following: the first is the waste in distribution. No doubt there are ulterior reasons. There is the increase in land-values. There is no doubt another reason: it is the increase in wages. It is a very small reason. I am speaking from my experience as an employer. Wages have been increased. The work has now been more systematized. Better machinery has been introduced, bringing it up to the level of the increase in wages. In the printing line there are to my knowledge about fifteen printers in one street paying fifteen rents, and paying on an average £4 a week. Those printing establishments are within an area of less than half a mile. Similar things are experienced in respect to other businesses, and in respect to the commodities of life. For instance, I get my groceries from a man whose place of business is about four miles distant. A grocer living a few doors above me tells me that he delivers goods as far out as Kingsland. Sometimes it costs a baker, so I have been informed, 2s. to deliver three loaves of bread, and he does that in order not to lose custom, and perhaps in order that he may catch the custom of some neighbour. Then there is the question of the depreciation of gold and its effect on the cost of living. In regard to that I would say that if we could not get gold the cost of living must go down. In my opinion the gold-depreciation theory is a fallacy as an explanation of the variation in the cost of living; because if it were true that the cost of living increased as the value of gold decreased, the converse—if gold became prohibitive in price the cost of living would fall to approximately zero—would also be true, and a knowledge of history shows that it is not so. The Commission is asked to inquire into this question: "Has the cost of living increased in New Zealand during the past twenty years?" In the past twenty years I would say that it has increased chiefly in the matter of rent. Some commodities have gone down in price, and some have increased very slightly.

2. Could you give us an instance within your own knowledge of a rise in rent during the last ten years?—Yes. I have lived at one house at the Western Springs, pretty nearly three miles from the city, and I have paid 18s. 6d. a week rent.

3. *Mr. Fairbairn.*] How long is it since you first went there?—About eighteen months ago. I lived for twelve months there, and after carrying out various improvements the house was sold and the rent was raised to 25s.

4. *Mr. Hall.*] How many rooms?—Six, including the kitchen. There is no garden. I may say that the house is now let at 22s. 6d. because I shifted, and the owner could not get 25s. for the house, and he therefore let it at 22s. 6d.

5. *The Chairman.*] In regard to rent for business premises, has the rent been raised during your occupancy of your present offices?—During my lease it has not been increased.

6. Have you noticed any rise in the printers' wages, and, if so, how much per cent. do you think they have increased?—5s. in £3.

7. *Mr. Fairbairn.*] That is about 8 per cent. ?—Yes.

8. *The Chairman.*] Do you think that 8 per cent. rise is more than counterbalanced by the efficiency which has come into the business by improved machines?—Yes. More discrimination is now used in the selection of the men. For instance, if I pay £2 10s. for a man I would not discriminate in regard to him in the same way as I would discriminate if I had to pay £3 5s. I have to get the best machine, and the small printers have to fall out.

9. What becomes of the small printers?—Under the competitive system he has to go amongst the surplus army. The small printers are combining to bring out the best machines.

10. *Dr. Hight.*] You mention as one of the main causes for the increased cost of living the expenses of distribution?—Yes, because with the systematizing of work the work is produced from day to day on a more collective basis.

11. That would not be the cause of the increased cost of living unless the relative cost of distribution increased?—The more improved machines you get the more you come into the line of competition, and the more wasteful the system of distribution is.

12. You consider that the expenses of distribution relative to the other expenses have increased of late?—Yes.

13. And therefore a large part of the increased cost of living is due to the increased rates of the distribution expenses?—Yes, the consumer has to pay it. He would not have to pay if there was only one depot, say, for the distribution of groceries in one street.

14. Was the 18s. 6d. rent of your house lower than the average rent paid for such a house?—The place was mortgaged, and when the real owner took over the place the rent was raised.



15. The increase of 4s. from 18s. 6d. to 22s. 6d., was that an average rate of increase in those eighteen months?—Since the owner took charge he simply increased the rent.

16. Was that increase representative of increases generally?—It all depends. For instance, in regard to my own printing-office, there were several places in Albert Street and I got it cheap. To-day there is not a single place to be had in Albert Street, and the rents have gone up accordingly.

17. Do you consider that in some streets there has been an increase owing to a rise in wages in certain trades?—No, I do not think so.

18. You referred just now to discrimination between the more competent and less competent men?—I said at the outset that a minor cause of the wasteful system of distribution compels some manufacturers to combine and bring in improved machinery, and that creates wasteful distribution.

19. You said if there is an increase in wages you would have to discriminate between the men more?—Yes, I would select the best men available.

20. And throw out the others?—No doubt they are thrown out, but the percentage is small comparatively speaking, because as a rule the workers are efficient—with some exceptions, of course.

21. *Mr. Fairbairn.*] You said that the cost of distribution was at the bottom of the whole thing?—Yes.

22. *Dr. Hight.*] Do you consider there is any advantage in having competition between distributors as well as producers?—Yes, while things are privately owned.

23. *Mr. Robertson.*] Have printing rates increased in sympathy with the rise in wages?—Not greatly.

24. Within what period did that 8 per cent. rise take place?—Within the last year.

25. Has there been much increase in wages within ten years?—Not a great deal—from 10 per cent. to 12 per cent.

26. There has been a rise in the cost of printing?—Yes.

27. That would affect people going into advertising?—Yes; but it is entirely due to the increased demand for printing. The increased cost of printing is not due to wages. Some time ago the average printing company did not make 5 per cent. To-day they are doing better than that.

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FRIDAY, 21ST JUNE, 1912.

DANIEL HENDERSON LUSK, Farmer, examined on oath. (No. 127.)

1. *The Chairman.*] Your occupation?—I am a farmer, and have been farming in the King-country for about ten years.

2. I understand that you have a statement to make to the Commission?—Yes. The inquiry which the present Commission is directed to make is regarding the cost of living in New Zealand; and I would, before giving evidence on this subject, have liked to receive a definition of the term "living"; but as that has not been provided I will, with your permission, give my own interpretation of the term used—that to live three things are required: a sufficiency of wholesome food, such clothing as is necessary to keep the body dry, clean, and warm, and a house of such a size and sanitary condition as will supply a healthy residence. Granting that interpretation as correct, I would state that the cost of living in the country districts has not greatly increased during the past twenty years. In the towns the cost of food and clothing has not, upon the whole, increased, but that the rent of dwellinghouses has increased largely during the last ten years, the reason being that it now costs nearly double the money to build a house that it did fifteen or twenty years ago, so that of necessity the rents must be higher. The cause of the greatly increased cost of building is that wages in all branches have been considerably raised during the same period. As to the second question, I do not consider myself fully competent to give an opinion, but believe that similar causes are operating. The third question I take to be the most important of the lot, and I unhesitatingly assert that the so-called and much-complained-of increased cost of living is a myth and a mistake of description; that almost the whole pinch and trouble arises from the higher style or standard of living, and not because the prices of necessaries of life are dearer. The same sort of plain food and plain clothing in general use twenty years ago can still be procured at about the same cost; but the style of clothing and of feeding now in vogue cannot be bought for the same money, hence increased household expenditure. Although the price of building has risen, the style of building now required by all classes is of necessity much more expensive, because more luxurious; this also increases expenditure. The increased cost of living in towns is admitted in regard to rent. There is no necessary increased cost as to food; there is no necessary increased cost of living as to clothing, lighting, or household necessaries, medical attendance, or education, which latter, now absolutely free, may be classed as cheaper than ever. With regard to question 5, I believe that the action of monopolies, combines, trusts, or other associations of manufacturers have had little effect on the rise of prices. As to the combination of sellers I am not so sure, but I am perfectly certain that the prices charged to the consumer by the retailer of the necessaries of life are far in excess of the prices obtained by the producer for those articles. This points to the desirability of the producer and the consumer being brought into closer and more direct intercourse with each other, and through co-operation doing away with much of the cost of the middleman. This would largely supply an answer to question 13—as to a step being taken, or what steps should be taken, to reduce the cost of the necessaries of life. The step should be co-operation between producer and consumer and co-operative stores. Question 6 is "What has been the effect of the tariff reduction upon prices?" I presume this means upon the cost of living. I consider that the tariff reduction had no appreciable effect on the average cost of living. The extent of the rise in price of land contributing to the rise of price of commodities during the last twenty years is very slight, because the price of all the principal

articles of food raised or produced in New Zealand is absolutely regulated and determined by the wide world's market. The farmers and producers of food in New Zealand have, and can have, no protection, as New Zealand, being essentially an agricultural and pastoral country, produces a much greater quantity of foodstuffs than required for the resident population, and farmers therefore absolutely depend for their living upon what they can get for the produce of their labour from outside and foreign markets. It matters not to the buyer of that produce in London or New York whether the New Zealand farmer pays or has paid for the land he cultivates £1 or £50 an acre, he (the foreign buyer) will give neither more nor less for our foodstuffs than he can buy the same stuffs for produced in, say, Siberia or the Argentine. As the foreign market prices regulate our prices here, the greatly increased price of land is simply our farmers' funeral, and has no effect upon the prices charged for foodstuffs to our local consumers. The effect that the demand for New Zealand products beyond the Dominion has had upon the prices of the commodities has been to raise the prices somewhat, because before means of export of farm produce was provided there was more produced than there were consumers for, and prices were below the world's average, and farmers were nearly ruined, while now the prices being somewhat higher—though not a great deal—afford a chance of the farmer doing a profitable business. Question 9, as to the effect that labour legislation has had on the increase in the prices of necessaries, or commodities, it is this: that wages having been generally and considerably raised through the Arbitration Court, the cost of production considerably and the cost of distribution largely has thus been increased, so that the increased wages obtained by the working-class through the Arbitration Court has been of no benefit to them, as it is admitted that working-men were quite as well off and a larger proportion of them acquired an independence when the wages were lower and there was no Arbitration Court. The influence of the value of gold on the cost of living has, in my opinion, been very slight. I have already stated that the necessary cost of living—that is, living as defined by me—has not increased in the country districts. It has somewhat increased in towns through the increase in house-rents, for which the forcing-up of wages is responsible; but the main cause of the so-called rise in the cost of living is the demand for expensive clothing, dainty food, and luxurious dwellings and expensive amusements, which a former generation did not indulge in. I have left to the last the question as to the effect that the movements that the urban and the rural population has on the cost of living. The effect on the Dominion of the young men and women flocking to the cities and leaving the rural districts, tempted to that change by the artificially raised wages paid in towns, and which farmers cannot possibly pay or compete with, is in every sense bad and to be deplored. These emigrants from the country to the towns do not as a rule improve their condition, but the reverse; their increased wages do not meet their increased expenditure, and, while they acquire extravagant habits, the country by their absence is deprived of wealth-producing labour. Skilled agricultural labour is now almost unprocurable even at a price which farmers cannot afford to pay, and hence the prosperity of the Dominion at large is being damaged and retarded. If more young people were brought into the country districts as proposed and partly effected by Mr. Sedgwick, production would be increased and cheapened, and the whole community would be substantially and permanently benefited. As to the prospects for young men choosing and accepting work in the country, I have no hesitation in asserting that the prospects for any steady young man working in the country are decidedly good. He has a healthier and freer life, and if he chooses to live frugally he will soon become a landed proprietor and become independent of outside employment or wages. This is being exemplified every day in the country; and if this fact was more generally known it would attract many from the towns to the country—a result greatly to be desired, and much to the advantage of all concerned.

3. It is your opinion that a better style of house is demanded now than was the case twenty years ago?—Yes.

4. Those houses have certain facilities for making people keep clean, and that sort of thing. Would you consider that it was an unnecessary thing for a householder to have hot water laid on for the purposes of his bathroom?—I consider that a hot-water service is generally unnecessary. I think people would be much better if they took cold baths.

5. But you could not have cold baths for children always?—When I was young, in the north of Scotland, I had a cold bath every morning even during the winter, and I think it has done me good. I am fairly well now, in my eightieth year.

6. But some people start with good constitutions, and others do not; and what might be good for a strong man might not be good for everybody. Is the rise in luxury of which you speak confined to the towns?—Not entirely, though it is more marked in the towns, certainly.

7. Is a better class of house built by the country farmer than he used to have?—Yes.

8. And you consider that the cause of the rise in the price of houses is due to the rise in material and labour?—Yes. I may mention that the material, perhaps, is scarcely considered in the question of house-building so much as the rise in the wages that have produced that material.

9. Has there been any rise in the price of timber?—There has been a large increase, and that has been caused mainly by the increase in wages. Bushmen are now getting much higher wages than formerly, therefore the price of timber must go up.

10. You think it is almost entirely due to the rise in wages—that it is not on account of the timber getting further back, and having to be carried further?—It is principally on account of wages. Certain classes of timber, of course, are getting scarce, but there is no scarcity at present of rimu and matai.

11. You say that the increased cost of necessaries is not due to the rise in the cost of land, because the farmer's market is the foreign market. But there are some things, such as fruit, vegetables, eggs, and fowls that have also risen. If a man had to give £20 an acre for his land instead of £2 would he not require to get a higher price for his produce, in order to get interest on his money, than if he had low-priced land?—Certainly, but I do not think that as a rule he is getting more for his produce than he did twenty years ago.

12. Do you think the price the farmer gets for his produce is a fair price, considering the prices at which you see the same goods sold in Auckland, retail?—There is a great difference between the retail and wholesale prices.

13. Could you give us an idea how that difference is caused? Do you think there is any combination either between the wholesale buyers or the retail sellers?—I have sometimes rather suspected so, but I could not say positively that there is.

14. Are there many unemployed in Auckland now of a class which it would be desirable to have in the country?—I understand that at the present time there are not.

15. Then it would seem that there is a scarcity of labour in the towns as well as in the country?—I do not think there is exactly a scarcity in the towns, but I do not think there is a great surplus at present.

16. Do you think that if there were good conditions in the country you could get some of these men to come out—if there were regular employment and good pay, and good accommodation? Do you think that if a man had employment all the year round he might be inclined to migrate to the country? Do you think that in the country at present there is good accommodation and regular wages all the year round, and that you could tempt the man to come from town?—I am perfectly sure that the wages and accommodation provided in the country in many cases would be very much better for the people who would avail themselves of it than hanging about the towns. The labouring-classes in town, and even the artisan classes, seldom save any money, but we do see in the country that steady men are improving their condition and there is abundance of employment for those who are fit to take it, and where they can save money and better their condition.

17. *Mr. Veitch.*] You say that the standard of living in the towns has gone up?—I said the style of living.

18. How do you come to that conclusion: have you any data from which you deduce it?—I have come to that conclusion simply by seeing and hearing what the working-men do and what they require now. I have always had interests in town, and I know what the people who work for me expect now. They live in quite a different style, more especially in the matter of clothes. They dress in an entirely different style from what they did formerly.

19. To what class of the community does that apply?—It does not apply entirely to the workers, but it does apply more markedly to them. In what you might call the upper class the cost of clothing is nearly double what it was; I cannot say why.

20. Do you agree that the standard of living has gone up all round?—The standard of the style of living has gone up, and more markedly in the working-class than any other—much more.

21. How do you arrive at the conclusion that the wages have been the cause of the increase in the cost of timber?—Because the people who are working the bushes have to pay a good deal more money for the labour they employ, and consequently they must charge more for their timber.

22. Are there any other possible causes of the increase?—There is a possible cause in the fact that the Government have raised the cost of kauri timber considerably in late years. The price of other timbers, such as rimu and matai, has not been much raised.

23. Has not the increase of the cost of railing timber to the markets been partly due to the increased distances for which it has to be carried, owing to the necessity of going further into the bush to get it?—That will undoubtedly gradually increase the cost, but I think that so far there have been large supplies from places close to the railway-line. I know that there are large supplies close to the Main Trunk line. The cost of railage has always been a subject of complaint. The Government certainly charge a great deal too much for the freight of timber to town.

24. Does it not necessarily follow, if there is an increase in the cost of freighting timber to the market, that that will increase the cost of timber in the market?—I do not say that it has increased, but I do say that the cost has for many years been very high.

25. Does it not naturally follow that it would be increased, seeing that the timber is being cut further from the cities than it was ten and twenty years ago? Would not the freight increase with the increased distance?—I do not think the freights have much to do with that, because you have to get away a certain distance from the city before you get any timber.

26. The timber has always been some distance from the cities, but surely you will agree that it is being cut to-day further away than it was twenty years ago. Would not that increased distance account for some of the increase in the cost of timber?—It would if the fact were so, but I maintain that the supply of timber is practically from the same distance as it has been for the last twenty years.

27. If places were being cut out twenty years ago, how can timber be supplied from them now?—There are certain points on the railway to which you must bring the timber, whether the means of transit are water or rail, and those points, I think, are the same to-day as they were twenty years ago.

28. Then must it not be brought longer distances to those points? Would not that increase the cost?—It would add something to the cost of production.

29. Then you will agree that the rise in wages is not entirely the cause of the increase in cost?—Not entirely, but mainly.

30. Can you offer any suggestion as to the means whereby the workers can be induced to go into the country and work for the farmers?—If the advantages of doing so were more generally known we would probably get more of them, but I think the great point is that we should induce people from other countries to come. We are short of labourers.

31. Then immigration would be your remedy for the present shortage of labour?—Yes; to a great extent.

32. Are there many empty houses in the part of the country you come from?—In the villages there are not many, but on the farms there are many others where certainly single men could well be accommodated, and in some cases married men. They are empty simply because the owners have not the people to put into them. Labour is not procurable at such a price as they can afford to pay.

33. You say that the tariff reduction has not appreciably affected the cost of provisions: can you account for that?—It seems remarkable that it should be so. As a matter of fact it is not so.

34. Does it not necessarily follow that the cost of provisions should go down when a remission in the tariff takes place?—The remissions in the tariff, as far as I am aware, were made upon very few articles of actual consumption, and merely to a small extent. There was no very great reduction in the cost of provisions through the tariff.

35. The Government figures show that it amounted to £5,000,000 in five or six years?—I should like very much to know where it is, but I cannot speak positively.

36. Do you think the reason why the reductions have not materially affected the cost of provisions would be a combination on the part of the wholesalers or retailers?—It might be.

37. But you are not affected?—Not as to cost of living.

38. *Mr. Hall.*] It has been stated that in some cases where a small advance has been made in wages the sellers take advantage of that small advance to make a much larger advance in their charge to the purchaser?—I think that is quite probable; in fact, that applies to a great many things. If a baker has to give his men a little more in wages he raises the price of the loaf more than the amount that represents that increase. Probably it is true also in the case of the timber-merchants.

39. *Mr. Fairbairn.*] Do you think that the present rate of wages has hampered or is hampering settlement?—It is hampering it, decidedly.

40. You think the rates of wages are too high—too high with regard to what the farmer can make out of his work, more especially in the country which is not fully settled—that is to say, where they are making their land? I understood you to say that the increase of wages is not a good thing for the community as a whole?—Yes, I believe it is not a good thing, and that it is no advantage to the worker.

41. *Dr. Hight.*] Could you give us an estimate of the extent to which the cost of living has increased in your district?—I should think it probable that in the last ten years the cost of housing has increased by about 10 per cent. The cost of food, in my opinion, has not increased.

42. And clothing?—I think the same style of clothing is pretty nearly as cheap now as it was ten or twenty years ago, but as a rule the people did not then buy the same class of clothes. There has been no increase in the price of necessary clothing.

43. Has the increase in wages been sufficient to enable the workers to pay the increased rents?—I think so.

44. As well as the increase in the other items of the cost of living?—I have denied that there has been an increase in the necessary cost of living as far as the food and clothing are concerned.

45. And that denial applies to the city as well as the country?—Yes.

46. You recognize that the cost of living and the standard of living are two different things?—Yes, I contend that that is so.

47. You say that the standard of living has risen generally, but that the rise has been most marked among the working-classes. Can you say why the standard has been raised?—There must be an ambition in every class to, as it were, take a step upwards. That is so with the labouring-class now. They dress more expensively now than the upper class did forty or fifty years ago.

48. But would the mere desire have brought about the increased standard?—Their expenses seem to follow their desires in that respect. We see that the dress of the labouring-class is entirely different from what it was.

49. Do you mean to suggest that if they had had the same desire thirty years ago they could have lived at the same standard that they are living at now?—No; they could not possibly have lived on the same scale when wages were much less. They could not possibly have dressed as they do to-day, and had the same luxuries.

50. Then you mean that the increase in the standard of living has been due not only to the desire to live in better ways but also to the fact that the people generally have the means of gratifying that desire?—They have higher wages now—a more plentiful supply of money—but they are still contending, apparently, that their wages are not sufficient to supply their demands.

51. Does not that apply to the community generally?—Yes.

52. Then how do you reconcile that with your statement that the appreciation in the value of gold has had very little effect on the increase in prices, seeing that you recognize that the people have a more plentiful supply of money than they had twenty years ago?—The labouring-classes certainly have.

53. And not the community generally?—Scarcely, I think. I think the most troubled people in the whole community are the people with salaries, especially those with moderate salaries.

54. At any rate you recognize that commodities are exchanged for money, and that if the quantity increases, the commodities remaining the same, the prices will rise, and people will have more money to offer for the commodities?—It is asserted that plentifulness of gold causes prices to rise, but I have not seen much sign of that in New Zealand.

55. In your district are farm labourers going on the land in any great numbers?—We find every now and then that a man who has been working for wages acquiring a piece of land for himself and becomes a farmer on his own account.

56. Do the majority of farm labourers ultimately become farmers on their own account?—I should not say the majority do, but I do assert that they all have opportunities.

57. Would not the greater demand for land to provide produce for export to London restrict the supply of land for the production of such things as potatoes, onions, and fruit which chiefly supply the local market?—It is evident that if the land was used in growing stuff for the foreign market it would not be available for growing the produce required here. That may affect us at some very distant period, but at present there is an abundance of land. The greater part of the land in my district, which is a very large district, is still unscratched.

58. Do you think there is a sufficiency of land near the towns for the growing of small produce ?  
—Quite.

59. *Mr. Robertson.*] In your opinion, then, the cost of foodstuff has not increased at all, but rent has ?—That is practically what I assert. Of course, the cost of foodstuffs varies from year to year, but on the average there has not been any increase.

60. The price is regulated principally by the world's market ?—Yes.

61. Then you think the rise in rents is principally due to the increase in wages ?—That is so.

62. Do you not think that some of that increase must be due to the increase in land-value ?—I think not.

63. Have not the land-values increased ?—They have, very much.

64. Do you not think that that makes any difference at all to the rent one pays for a house ?—It might certainly in towns, but it would not in the country, because there is so much room there for houses to be built that the ground-rent is very trifling.

65. Still, there would be a difference, even if it was trifling—a difference in the rent compared with what it was when the land-value was lower ?—It is possible that there might be a slight difference, but as far as I can see it would not affect the farmer. For instance, I myself put up a cottage on ground only worth £1 an acre when I bought it. If I put up another cottage on the same or similar land when it became worth ten times as much I would not expect any more rent for it from the people I employ.

66. But in the towns it would make a difference ?—I think it would make a difference in town. It is a matter of simple business that a man wants interest on his money. If he builds cottages he wants interest on the money expended, whether in the building or the land.

67. When you say that the cost of building a house is twice as much as it was fifteen years ago are you speaking of the same class of house ?—Yes.

68. Is that based on your actual experience ?—Yes.

69. Where is that ?—I have had a good deal of experience in Parnell, a suburb of Auckland, and I know both from personal experience and from hearing my neighbours speak of what they are paying for their houses, and I find that the cost is quite double what it was.

70. And that is due entirely to the rise in wages ?—Almost entirely. To a certain extent it must be affected by the price of timber, but timber, again, is principally affected by the rise in wages. However, there may be some difference in this respect—that the price, for instance, of kauri is considerably higher than it was twenty years ago.

71. We have had evidence that according to the Arbitration Court award the rates of increase in fifteen years are about 15 per cent., both in the timber industry and the building trade. If the increase in wages amounts to only 15 per cent., how can you account for the increase of practically 100 per cent. in the cost of building houses ?—I scarcely know why it should be so, but the fact remains.

72. Does it not point out to you that there might be something else besides wages ?—There is a possibility.

73. With regard to agricultural labour: you have spoken of the advisability of getting a supply of such labour in order to cheapen production; but you also state that the price of the commodities produced in New Zealand is fixed by the world's markets. How, then, would the cheapening of labour affect the cost of commodities here ?—It would enable the farmer to produce a great deal more, and probably to sell more cheaply.

74. But unless that movement was a world-wide movement would it affect prices in New Zealand ?—It would to a certain extent. There are always products used here which it does not pay to export.

75. It would affect the cost of the products that are not exported ?—Yes.

76. You have stated that the rates of wages have retarded the work of settlement: will you explain what you mean by that ?—I mean that the price and the scarcity of suitable labour in the country is preventing the settler from getting his land into cultivation—that he is obliged to keep a lot of land unoccupied which he would only too gladly use for productive purposes. If I cannot make any profit out of laying down a piece of bush land in grass I would be foolish to do it, and I find now that it is just upon that point. It is very doubtful whether I could make anything out of it. Certainly I could not by ordinary grazing.

77. You mean that it pays better to keep the land entirely unproductive than to produce on it at the present cost ?—It certainly cannot pay me to keep it unproductive, but if I spent £3 or £4 an acre in preparing the land and cannot make money out of it I must refrain from using it. I would like to have it all in grass if it were possible, and all ploughed, but if it costs more to do that than the return I can get from it when it is done I must refrain from doing it. I may say that I have asked for tenders for doing certain work, but I have been obliged to refuse to give the tenderers the work because the prices were so high that I could not afford to do it.

78. Is not the question of land-values a factor in that matter? When you have to consider the question whether or not that operation would pay do you not take into account the value of the land and the interest you have to find on the capital sunk in it ?—Yes.

79. Would not the fact of an unduly high land-value be a factor rendering it an unpayable proposition ?—That is so. The higher the price a man pays for his land the less he can afford to pay for the improvement of it.

80. That is just the point. If the previously ruling rate of interest on money increased, then it would affect the matter in that you could not afford to spend so much on labour ?—That is so.

81. Then it really amounts to this: that besides wages and the cost of labour in regard to land-settlement high land-values would also be a detrimental factor ?—Unduly high land-values would undoubtedly be a detrimental factor, but principally to the man who finds the money. It would

not be to the public at large, because the price the farmer can get for his produce is not regulated by the price paid for his land.

82. Suppose you decrease the agricultural labourers' wages, on land that is already under cultivation the price of the product would not necessarily fall, because it is fixed by the world's markets, not here?—Yes.

83. Therefore it would not be a benefit to the public at large to decrease the wages in that case—it would be just a benefit to the farmer?—I contend that there are a great many products that the public would get cheaper.

84. But not those produced for export?—No.

85. Do you find that the number of agricultural labourers going on the land for themselves is as large in proportion to the number of men employed as it was in earlier years?—I scarcely think it is.

86. *The Chairman.*] You spoke about thousands of acres of land in your district not being scratched. Are those lands in private hands, or are they Government lands?—They are partly Government lands, but the greater proportion of the area is Native land. I admit that there is an immense quantity of land belonging to private individuals that is not scratched either; but you must consider that it is a new district. It has been settled for only a few years, and a man cannot get the whole of his land into cultivation in a year or two.

87. At what price would land be available to a farm servant who has saved money and would like to become a farmer on his own account?—From £1 to £5 an acre.

88. Is there plenty to be got at such prices?—Yes.

89. *Dr. Hight.*] It has been said that if agricultural wages fell in New Zealand the farmer would benefit, but would it not be possible, through the farmer being able to produce at a cheaper rate owing to the fall in wages, assuming that the agricultural labourers' efficiency did not diminish, that the farmer could produce his products at a cheaper rate?—That is so, and in larger quantities.

90. And therefore afford to place them on the world's market at a cheaper rate?—Yes.

91. If that is so might it not have some effect, though New Zealand produces only a small proportion of the world's supply, in reducing the world's prices?—It would.

92. What would be the effect of that in New Zealand?—The only effect as far as I understand would be that the man here who has actually to buy his food-supplies would get those supplies somewhat cheaper.

93. What would be the effect on the amount of land under cultivation?—It would increase very much indeed.

94. Would it not also be the case that the land already cultivated would be more intensely cultivated?—Probably.

95. And the agricultural labourer would get higher wages again through competition on the part of the farmers for his services?—I do not see how he can get higher wages than he is getting at present.

96. You have said that more land would be brought into cultivation in New Zealand: would not that tend to make land dearer?—Not necessarily.

97. You do not think much of the advantage would go to the owners of the land?—No. I think the price of land must be regulated by what you can get off it eventually. There is no doubt that there has been a lot of speculation at different times, and people have given a great deal more for land than it is worth.

98. *Mr. Hall.*] Do you think that if there were a larger supply of labour and the farmers produced more it would increase their purchasing-power, and so make more work for the men in the cities?—That is so.

99. More work in handling the produce the farmer sends down?—Undoubtedly. I think it is generally admitted that the towns are dependent upon what goes on in the country.

THOMAS MILLER, Boot and Shoe Retailer, examined on oath. (No. 128.)

1. *The Chairman.*] What is your occupation?—I am a boot and shoe retailer and importer, carrying on business in Auckland. I have been in business for twenty years. I deal in both imported and colonially manufactured boots and shoes.

2. Has the price of boots and shoes increased in the twenty years?—It has.

3. Can you give us any idea of the percentage by which it has risen in the last ten years?—I may say that the evidence I am about to give is entirely my own—I have not conferred with any other retailers or importers. My business, being entirely a cash one, is largely with the working-classes of Auckland and province. We also do a large mail-order business, principally with farmers. The Preferential Trade Act of 1903, which added 50 per cent. duty to American and foreign manufactures—boots, shoes, and slippers—increased the cost of these lines, but has a good effect in decreasing imports from those countries, and increased English imports. The New Zealand Customs tariff passed in 1907 resulted in a marked increase in the price of nearly all imported lines of boots, shoes, and slippers.

4. *Mr. Hall.*] How much of the 50 per cent. was passed to the customer?—We passed on half of it and lost the other half. The duty had been 22½ per cent. *ad valorem*, and the Act of 1903 increased that by one-half. The increase under the Act of 1907 was, from my personal observation, most marked, and fell heaviest on the class of boots and shoes worn by working-men, their wives, and families, and whose average income would not exceed £2 10s. per week, the advance in many lines working from 25 to 75 per cent. of an increase in duty alone. This 1907 tariff as passed actually lightened the duty on the high-priced boot, but increased it considerably on workers' boots sold at from 9s. to 12s. 6d. per pair. For example, the duty on a man's boot retailed at, say, 9s. a pair (English make) is now a fixed duty of 45 per cent., while formerly it was only

22½ per cent., showing an increase of 22½ per cent. This increase of duty has actually stopped these lines being imported, as it is impossible to land them to sell at a payable rate of profit, as with freight and other expenses added they would cost at least 65 per cent. on English price to land. The wealthier class who can afford to pay £2 for a pair of boots costing, say, 25s. at factory (English), formerly paid 5s. 7d½. in duty, while now they would only pay 5s. 3d. This, I may say, is an extreme case, as few boots are imported at that price. I submit that the Customs Act of 1907, which lightened the duty on high-class boots, and actually took all the duty off motor-cars, increased the duty on boots, shoes, and slippers as worn by workers, therefore penalizing the man with a family to support. I will give a few examples in proof of my assertion. I have here a child's shoe that will fit a child of two years and a half—large size 7. Formerly the duty on that shoe was 22½ per cent; the present duty is 40 per cent., or an increase in cost of 17½ per cent. I submit that that is not an encouragement to "keep the cradles full."

5. *Mr. Fairbairn.*] Is that a faithfully made shoe?—It is stamped "all leather." I have sold that particular make of shoes for ten years, and have not found any complaints with regard to their wearing-qualities. I could not say for certain, but probably it has a cardboard stiffening. We cannot get children's shoes manufactured in New Zealand. I do not know of any factory where they are made.

6. *The Chairman.*] Is not that because in America and other places the factories are highly specialized?—That particular shoe is made in Leicester, and the manufacturer makes nothing but children's shoes. A manufacturer here has told me that it does not pay to make mixed lots of children's shoes; in fact, I do not think a New Zealand manufacturer will take an order for such a shoe. They are also handicapped by the labour problem. If we wanted to import a child's warm felt slipper to fit the same age, with a leather strap over the sole to keep out the damp, the difference is still more marked. Formerly the duty on such an article was 3d.; now it is 9d., or 65 per cent., an increase of cost of 42½ per cent. I may say that I know no place in New Zealand where I could purchase or have manufactured children's shoes of that size. The boot-manufacturers do not care to make them, and there are no felt or soft slippers, so far as I am aware, manufactured in New Zealand; in fact, there are none made in Australasia. The only place where we can get them is from Waterfoot, near Manchester, or from the Continent. We have given up trade with the Continent. That is one thing the tariff Act of 1903 did—it stopped a good deal of Continental stuff from coming in. If a woman wants a velvet house-slipper such as we formerly sold at 1s. 3d. per pair, she has now to be satisfied with an inferior-wearing article for the same price, as the 1907 tariff put 6d. fixed duty on a velvet slipper, thus adding about 50 per cent. to its original cost. A woman's carpet slipper with a leather sole and possible cardboard stiffening was formerly sold by me at 1s. 11d. per pair, and was popular with working-men's wives. By the tariff of 1907 the duty on those was increased to 65 per cent., an increase of 42½ per cent.; and if the slipper happened to have an extra layer of leather on the heel another 50 per cent. was added to it, as the Minister of Customs decided that in that case it was a shoe, not a slipper.

7. What is the retail price now?—2s. 3d. One extra ply of leather, one-sixteenth of an inch thick, and the heel make the difference between a slipper and a shoe. I have interviewed various Ministers of Customs since that interpretation was given, but while they admitted that it was a slipper, and not a shoe, they would not make any alteration because a previous Minister had decided to call it "shoe." Canvas shoes such as are worn largely in summer by working-men's wives because they are cool and serviceable had the duty increased to about 85 per cent., being an increase of 63½ per cent., and making this class of shoe very dear indeed.

8. Can they be made in the country?—Not to sell at a reasonable rate: the cost of labour is prohibitive. This shoe was made in Leicester, costing in Leicester only 1s. 6d. a pair. There is 1s. fixed duty upon it, with 15 per cent. *ad valorem* on top of that. That makes the shoe when sold here very bad value, but the people will have it. The selling-price is now 3s. 9d., and formerly it was 2s. 11d. Evening shoes of a class worn by domestic servants for dancing purposes are not made, I think, in New Zealand. They will have a cardboard insole and a wooden heel. The duty on these is increased from 22½ per cent. to 115 per cent. I worked that out on an average shipment yesterday, and found that with a mixed shipment it comes to slightly over 100 per cent. duty, with expenses such as freight, insurance, commission, exchange, and other incidentals, but on the low-class evening shoe alone it works out at 115 per cent. This is an extreme line, but evening shoes on the whole were heavily increased for no good purpose, as I know of no house in New Zealand that manufactures evening shoes of a moderate price. This shoe that I am exhibiting is of the cheapest class—one that would probably last a girl through a few evening dances. It is not one that we would recommend for good wear, but there are certain people who cannot afford to buy a more expensive shoe. I therefore submit upon the samples I have shown you that since 1907 the price of boots and shoes, to the workers of New Zealand more especially, has materially increased, and that that increase has been caused by the New Zealand Customs tariff of 1907, sufficient discrimination not having been given or judgment exercised when that tariff was being considered. There is one other example that I would like to show you. This is a slipper as worn by a good many workmen's wives indoors. It is a nice comfortable slipper, manufactured of a material known as camel-hair, with soles of felt and twine. Formerly we paid 22½ per cent. on it. If it had a felt upper we would now get it in at 22½ per cent., but because some people prefer to have a camel-hair upper we have to pay 82½ per cent. on that particular slipper. I do not see why the Government should wish to compel people to wear felt and not camel-hair. Before the alteration in the tariff this article was sold at 1s. 6d.: the price is now 1s. 11d.

9. Do you know what this material called "camel-hair" really is?—I think it is really an imitation camel-hair made of cotton and some other material woven. It is a better wearing-article than felt is, and yet we are penalized to the extent of over 50 per cent. because some people prefer that slipper. I may say that I am a believer in protection, but when protection of articles which are not manufactured in the Dominion and which causes an unjustifiable increase in the cost of



living is proved, then I submit that the Government of the day ought to alter the duties so as to level up the increase in order that the burden shall not fall on those least able to bear it.

10. Speaking of protection, are you aware if any "Parisian" or "American" boots are produced in Auckland?—I have never seen any. I would personally refuse to sell any boot which had a lie branded on it—which was wrongfully branded to mislead the public.

11. *Mr. Fairbairn.*] Is that sort of thing practised?—Not to my personal knowledge. I do not know whether I ought to mention it, but we had some jute-soled slippers with canvas tops landed for us. We had to pay 33½ per cent. duty. That was a slipper that was much worn by men who frequented rocky beaches. It was made in Holland: that was about the only place we could get it from. We sold it retail for 1s. 6d. The Government in their wisdom put a duty on those slippers of 172½ per cent. They did so through ignorance of what they were doing, because they had not got the practical men to advise them when they were framing the tariff. It was a cheap slipper.

12. It did not add to the revenue?—No; it has shut the slipper completely out of New Zealand.

13. Have you any knowledge of any understanding between the wholesale merchants of Auckland as to regulating prices to the retailer?—I do not think there is anything of that in Auckland.

14. It is an absolutely open and free market?—Yes.

15. Is there any combination amongst the retailers?—No. That would have a worse chance of existing than a combination of wholesalers. An association was recently attempted to be formed for regulating holidays and the hours of closing.

16. But not in restraint of trade?—Some years ago an attempt was made to fix up prices, but it never got any further than the preliminary stage. I was approached about it, but declined absolutely to have anything whatever to do with it.

17. *Mr. Robertson.*] Practically all of the samples of shoes and slippers you have shown us could not be produced in New Zealand?—As far as I am aware, practically none of them are made in New Zealand, and we could not procure any of them in New Zealand.

18. You said that labour prevented the canvas shoes, samples of which you have shown us, from being produced here at a reasonable price?—If I were to attempt to get that shoe made in New Zealand, the shoe which we retailed at 3s. 9d. I would have to pay 4s. 6d. for.

19. It means that with the very high duties you have spoken of you still cannot produce them here?—That is so.

20. It would involve laying down a good deal of machinery, &c.?—Yes.

21. We have had evidence given before us both by boot-manufacturers and operatives that, so far as the lines that are manufactured here are concerned, the increase of wages—25 per cent. in the case of male operatives, and the increase in the price of female labour of from 30 to 40 per cent.—in the last fifteen years has been entirely counteracted by the improved methods of manufacturing and the increased efficiency of the machinery; and that the cost of production is now no higher than it was before the wages were increased?—I am doubtful of that. I would not like to throw any doubt upon their evidence, but I have my doubts.

22. Have you had any direct experience in manufacturing?—I do not manufacture; I do not wish to have an experience in manufacturing. I do not think it is a profitable business. I do not think that any of the manufacturers are making money.

23. Evidence has also been given that the cost of raw material has risen very considerably?—Yes, raw material is constantly rising, not only in New Zealand, but also in England. We have found on English boots within the last eighteen months a 5-per-cent. increase; so that the raw material at Home has increased perhaps more than it has here.

24. Do you believe that the conditions as they are—the high duties on that class of goods—are of no benefit to the workers or manufacturers, and impose a burden on the consumers?—Exactly; that is my contention.

25. Has there been any marked increase in the price of New-Zealand-produced articles within the last fifteen years?—We have not increased them more than we are compelled to do by the increased cost of labour and material.

26. But our evidence was that this increase in the cost of labour had been met?—Personally, I feel sure that if an increase in wages took place throughout New Zealand next month, which in all probability there will be, the increase will be passed on to the retailer.

27. *The Chairman.*] You pass them on to the public?—As far as possible we do, but we cannot always do that. Say you have been selling a particular kind of boot for some years and it has become a standard line, you might think it was not advisable to increase the price you have always been charging, and so you have to stand the loss of the increased cost of the boots to you. For instance, the duty on a particular class of boots was increased by 6d. a pair, and we are selling those boots at the same price to-day as we were before the increased duty was imposed.

28. *Dr. Hight.*] Have the general expenses of your business, particularly rates, taxes, and rents, increased during the last twenty years, and particularly during the last ten years?—At present, fortunately, our premises are our own, and we are not paying rent. About eight years ago, while I was in rented premises, my rent was raised 50 per cent. That caused me to look around and purchase premises of our own. So it turned out a good thing eventually for myself.

29. What about rates?—The rates have been increased once on my business premises.

30. Was that a material increase?—Not serious.

31. You mentioned that preferential tariffs have stopped the importation of certain lines from the Continent?—Yes, to a large extent.

32. Not altogether prohibitive?—Not altogether.

33. Has the public been able to get similar goods from other sources at as cheap a rate?—There are many lines of slippers which we used to import from Vienna, and we sent samples of

them Home to England and had them copied, and they are able to make very fair copies of these Continental goods.

34. Not quite satisfactory copies?—Not quite so fine a finish as the Continental boot, because the firm there specialize in that particular line.

35. How does the price compare?—Very much about the same. The only thing is the extra duty we save on the English article.

36. Do you think that those who purchased Continental goods before are now getting boots as good in quality and at as low a price as they did before?—Yes, I think they are getting as good a boot from England now as they did from America some years ago. At that time we could not get a really highly finished easy-wearing boot as we got from America, but now the English manufacturers have improved their make of boots very much.

37. May it not be possible that the Continental manufacturers are still maintaining their superiority?—No, the English manufacturers have improved very considerably within the last three years.

38. Are you of opinion that a specific fixed duty on the necessaries of life press unduly heavily on the poorer class?—I believe a duty is necessary, but I hold that sufficient discrimination was not exercised when the tariff was framed.

39. You think it is necessary to have a fixed duty of so-much per pair?—I think it is possible that in the case of men's boots it is necessary, but whether it should be a fixed duty of, say, 1s. 6d. or of 6d. a pair, is a matter for consideration. The fixed duty at the present time is 1s. 6d. It could be altered in amount.

40. You consider that a protective tariff is necessary?—Yes, because otherwise the local manufacturers would be compelled to close up.

41. What is your idea of a fair protective tariff?—Certainly not 115 per cent.

42. Would you consider a protective tariff which would place the colonial manufacturer on the same plane as the foreign manufacturer would be a fair thing—allowing them to compete on equal terms, taking all conditions of manufacture into account?—I am not quite sure how you could arrive at what is a fair basis. If you could show me how I am going to arrive at that I could answer the question much more readily. Wages are so much lower at Home, and the methods of production are so much better than they are here. Perhaps I should not say that, because I believe that some of the witnesses before the Commission in Christchurch would lead people to think that they were leading the world as far as manufacturing is concerned.

43. You find that the people generally buy a better class of shoe now than ten years ago?—I think the tendency is to buy a better class of article.

44. All classes of the people?—Yes. The higher protective tariff which has been put on has shut out the lower-grade article.

45. *The Chairman.*] Is it the case that, owing to some alterations in the tariff, the less luxurious articles have been shut out, and the people cannot get them?—I have been speaking from the point of view of a boot and shoe importer. I think the drapers have had a similar experience in regard to some articles.

46. *Dr. Hight.*] Do you find people making shoddy boots and shoes, or, rather, boots and shoes which as to quality may be called shoddy, as is the case in clothing?—I may say that a cheap English boot which I formerly sold at 9s. was made of fine split kip, and it was leather all through; it cost 5s. at Home. That was while the tariff was 22½ per cent. There was no fixed duty at that time. Speaking of shoddy, I may mention that a man who had purchased a pair of boots from me at 9s. came back some years afterwards and asked me for another pair of the same kind. He showed me the pair he was wearing, and said he had worn them for five years. That shows you that, although it was a cheap boot, it was not shoddy.

47. Do you know of any boots with cardboard heels, &c.?—There is very often an inner layer of a heel close up to the sole that is made of composition, but not of cardboard. It is made of composition in order to make it lighter. The first two or three layers will be leather, and the inner one will be composition. That applies more particularly to ladies' shoes. They want their shoes lighter than men's shoes. I have not seen any shoddy material for a considerable time.

48. *Mr. Robertson.*] Do you know if the inner soles of certain classes of shoes are frequently composed of cardboard?—Not to my knowledge: very seldom, at any rate, in the case of men's boots.

49. *The Chairman.*] When you had the Vienna shoe copied in England what brand did it bear?—It was a slipper, and had no brand on it.

50. *Mr. Fairbairn.*] A feature of the last alteration of the tariff is shortly this: that all cheap slippers and cheap boots generally were advanced in duties ranging up to 100 per cent.: is that correct?—Yes, that is correct.

51. That class of boots did not compete with the local manufactures in any way—it was a distinct impost?—Very few, if any, competed with the local manufactures.

52. I am referring to slippers and shoes?—Those did not compete with the local manufactures to my knowledge.

53. As to boots which were sold at from 8s. to 15s., did those come into conflict with the local manufacture?—Yes.

54. As to the duties on expensive men's boots, English made—say, a boot selling at 30s.—the duty would be about 22½ per cent., the same as before?—Yes, there was very little difference in boots of that class.

55. But in regard to boots of from 8s. to 9s., the duty would vary from 40 per cent. to 50 per cent.?—Yes.

56. It means that in this class of boots, in order to give further protection to the local manufacturers, the duties were increased from 22½ per cent. to, in some instances, 50 per cent.: is that correct?—Yes.

57. Yet we are told by some boot-manufacturers that there is no demand for cheap boots of that nature—that the demand is for a better class of boot altogether?—The cheaper class has been completely shut out, and therefore the people cannot buy them.

58. That is one distinct instance of an increase in the cost of living—that a certain class of boot which was available to the community four years ago is not now available?—Quite so; that is correct.

59. *Mr. Hall.*] Did I understand you to say that you are of opinion that if the duty on these cheap lines were removed the public would be benefited without its inflicting any hardship on the workers?—I do not see how it can inflict any injury on the worker, seeing that it is not manufactured here.

60. And it would benefit the public?—Most decidedly it would benefit the public.

61. *Mr. Veitch.*] You say that the people generally are using a higher quality of boots now than they did some time ago?—Yes, that is the tendency.

62. Do you think that an *ad valorem* duty is better than a fixed duty per pair?—I think, as far as ladies' boots and shoes are concerned—I mean walking-shoes—and also gentlemen's walking boots and shoes, that the fixed duty and the *ad valorem* duty at present imposed is necessary. I would not advocate that as far as walking boots and shoes are concerned. Those are the two kinds of boots and shoes which are manufactured in New Zealand. We must have protection in respect to those boots and shoes.

63. Do you think that the duty should be an *ad valorem* duty or simply a duty at per pair?—Provided it worked out the same as now it would not matter. I think the fairest way is to have a fixed duty and an *ad valorem* duty.

64. But do you think an *ad valorem* duty is fairer than a fixed duty?—No, not if you are going to have a heavy *ad valorem* duty right through. You seem to think—and I think you are right—that an *ad valorem* duty would be fairer for the man higher up. It would be fairer for the man who pays a higher price for his boot, and fairer also for the worker who pays a lower price.

65. *Mr. Robertson.*] Have you anything to say in regard to the question of rents?—Yes, I heard some of the evidence which has been given in respect to rents. I happen to own a few houses, and I will give the Commission the percentage I am making out of my rents. I have eight houses which I let, and I receive the following percentages on my outlay: (1) 4½ per cent., (2) 4 per cent., (3) 4½ per cent., (4) 4½ per cent., (5) 6½ per cent., (7) 4 per cent., (8) 4½ per cent. I may say that I have found the Government valuations exceedingly heavy. They have just about doubled my valuations this last year, and I warned the valuator that I would have to pass on the increased amount to my tenants, otherwise I would not be receiving a fair interest for my outlay.

66. *Mr. Veitch.*] Is that rate of interest fixed on the Government valuation or on your own estimate of the value of the property?—It is fixed on the cost of the building and on the Government valuation of the land.

67. *Dr. Hight.*] What are the rents?—(1) 13s. 9d.—a five-roomed house with bathroom, &c. (2) 12s. 6d.—the tenant has been in the place for nine years, and I have never raised his rent, but I shall be unfortunately compelled to do so very shortly; it is the same class of house as the first. (3) 13s. 9d.—the same class of house. (4) 14s.—five rooms and bathroom: these are all one class of house, but slightly different in finish. (5) 16s. 9d.—an eight-roomed house.

68. *Mr. Fairbairn.*] Is it a very old house?—Part of it was built about thirty years ago. It cost me nearly £400 to remove it and renovate it. The old part of the house is in very much better order now than when it was new: it is built of heart of kauri.

69. Where are these houses?—They are all in Ponsonby. The other houses have been recently let to tenants at 17s. per week—a better class of six-roomed house.

70. *Mr. Robertson.*] Your last valuation was double that of the previous one?—Yes, the one made three years previously. They valued some of my frontages at about £14 per foot, which in my opinion is absurd.

71. *Mr. Fairbairn.*] Can you tell us what you pay for fish?—I consider that fish is not well handled in Auckland. From the consumer's point of view I am speaking. The Auckland Harbour is supposed to be teeming with fish, and yet it is a most difficult thing for people living in the suburbs to get fish. We have invariably to send to town for our fish. There is no proper distribution. I think that perhaps it would be well if the Government took the fish industry into their own hands and distributed the fish.

72. And make the fishing industry a Government monopoly?—Yes, and so benefit the workers.

73. You recommend controlling the fish-supply?—Yes, controlling it, or doing the whole thing themselves—distributing probably would be the wiser thing to do.

74. Could you tell us the average price at which fish are retailed in the suburbs?—I would suggest that you call some boardinghouse-keepers to give evidence on that point.

75. They would probably get them cheaper than the average housekeeper?—Yes, they would have a concession, no doubt.

FREDERICK MASKELL KING, Shirt and Clothing Manufacturer, examined on oath. (No. 129.)

1. *The Chairman.*] You are a clothing and shirt manufacturer carrying on business in Auckland?—Yes.

2. Does your establishment deal with woollen clothing?—We simply make up clothing. Up till lately we used to deal with wholesale houses only. We have been and are now doing a small trade with retailers. We used to make up clothing and shirts more particularly for Sargoods and for the Wellington Woollen Company, and for other wholesale firms.

3. Do you deal with retail houses at the same prices as you deal with wholesale firms, supposing they take as large quantities?—I do no "making-up" business with retail firms; I only deal with wholesale firms in respect to the making-up business. When I do business with retailers I sell them the material as well, and I take the place of the wholesale firms then in certain lines. We have a very large factory, 100 ft. by 100 ft.—10,000 square feet—and we carry on several different departments of work in the factory. I employ about one hundred and fifty hands in the four different departments.

4. During the last ten years have the prices of goods gone up: take the white goods first?—Yes, very considerably; I should say from 15 to 20 per cent.

5. To what do you attribute that—the cost of material?—I do not think material has advanced much. Ten years ago I was foreman in a factory, and had nothing to do with the price of the material then.

6. How long has your experience been in buying?—Only for the last four or five years.

7. During that time you do not consider that the cost of material has increased much?—A little.

8. Not nearly as much as the cost of labour?—No. I would like to say that a suit which used formerly to be produced for 10s. 6d. (making and trimming), and which was sold wholesale for 32s. 6d., was probably sold retail for 45s. Since then the imported material has increased in price, and the present cost is 14s. 6d., wholesale price 38s. 6d., retail price 55s. Colonial tweed which formerly cost 1s. 5d. now costs 1s. 8½d. This is owing to the higher cost of wool, and also to higher wages. Formerly the cost of making men's trousers was 1s. 7d., 1s. 8d., and 1s. 9d. The cost of making now is 2s., 2s. 1d., and 2s. 3d. The cost of making knickerbocker suits was formerly 3s. 6d., now 4s. 3d. The cost of shirts has increased from 15 per cent. to 20 per cent. The shirts I refer to are ordinary negligé shirts and working-men's shirts. Tennis shirts have increased from 15 per cent. to 20 per cent. Apart from the cost and increased wages there has been a general slowing-down in the clothing-factories within the last year or two. I had a return made out some years ago in respect to the wages of forty-eight, fifty, fifty-three, and fifty-four girls working four weeks respectively, and the average cost of those girls for the month was £4 8s. 5d.; that is for piecework. The weekly-wage system then came in, and the average wages paid was £4 15s. 11d., an increase of 7s. 6d. per month. When it came to the question of work, I had the amount of their work entered in their books in order to see how much I was losing. In the first year I found that on the twenty-four employees we lost £204 18s. 4d.

9. That is to say, they did not work for wages at the same speed and efficiency as they worked on piecework?—Yes. I would like to refer to another question. The cost of our New Zealand "protection" tariff is far in excess of the whole of the wages paid in the whole of the industries it is fondly supposed to protect. For example, in round figures the protection tariff on boots and shoes costs the people of New Zealand £119,570 per year more than all the wages paid in all the boot and shoe factories of the Dominion. The cost of the flour-tax is £112,475 in excess of all the wages paid in all our flour-mills; and the cost of the taxes on clothing and apparel is £335,495 more than all the wages paid in all our clothing-factories. If, therefore, the protective taxes on boots and shoes, flour, and clothing were abolished, and the workers in these industries were all pensioned off on full wages, the people of New Zealand as a whole would gain £567,540 a year; or, to put it in another way, if these protective taxes were abolished, and a State bonus equal to the full amount paid in wages were given to these industries in place of the present protection, the saving to the people of New Zealand would be upwards of £560,000 a year. The flour-millers now get more than £2 in increased prices for every £1 they pay in wages—an absolutely ridiculous state of affairs; while the employees in the boot and shoe industry get some two-thirds of their wages bill, and the employees in the clothing-factory some three-fourths of their wages bill, in increased prices because of the taxes. Under the State bonus system on the scale mentioned, therefore, the flour-millers would get 50 per cent. less State aid than now, though still getting all the labour they employ "free gratis and for nothing"; while the clothing-manufacturers would get 25 per cent. more State aid than at present, and the employees in the boot and shoe factories 50 per cent. more. There should be just as much employment in these industries at the present time, and the workers—who have no guarantee that they will share in the benefits of protection—would be guaranteed decent wages, decent hours, and decent conditions of labour, for no employer would receive a pennypiece of the State bonus unless these conditions were first complied with. Further, there would be more employment for labour as a whole than now, for the £560,000 a year thus saved would be spent on other things. It would greatly add to the comfort and well-being of the people, besides causing a big demand for labour to produce these other things, and so raising wages and otherwise improving the conditions of labour. It is protection that assists in the forming of trusts.

10. *Dr. Hight.*] Have you had any difficulty in getting sufficient hands?—No.

11. *Mr. Robertson.*] What is the average rate paid to tailoresses?—Between 25s. and 30s. a week.

12. When the change took place from piecework to the weekly-wage system I understood you to say there was a decrease in the amount of work done by the workers?—Yes.

13. Has there been any actual increase in wages from that time till now?—There has been no difference in the award since February, 1910.

14. *The Chairman.*] What reason do you give for the efficiency of the girls falling off; and do you hint that they are doing it willingly?—I think it the natural tendency of any girl—perhaps girls more than men—when they know they are being paid weekly wages instead of according to the amount of work done, to drop off as far as the output is concerned.

15. The award compels the payment of weekly wages?—Yes.

16. Do you find that is an advantage to you?—I do not know that there is much disadvantage, as it is all passed on to the consumer.

17. *Mr. Robertson.*] Do they work the same number of hours now as under the old system?—Yes, the same number of hours a day.

*Table supplied by Witness re Cost of Protection in the Flour, Wheat, &c., Industry, and in the Clothing and Boot Trades.*

Industry.	Number of Factories.	Hands.	Output.	Protected to the Extent of	Increased Cost of Commodity because of Protection.	Duty Collected at Customs in spite of Protection.	Total Cost of Protection.	Plus 50 % Wholesale and Retailers' Profit.	Wages paid.	Increased Cost of Tax to the People in excess of Wages paid.
					£	£	£	£	£	£
Flour and other grain	66	424	105,939 tons	£1 per ton	105,939	3,034	108,973	{ 54,486 163,459 }	50,984	112,475
Clothing ..	69	2,947	£507,125	25 % <i>ad val.</i>	126,781	209,984	336,765	{ 168,382 505,147 }	169,652	335,495
Boots ..	74	2,272	£619,873	British, 22½ % Foreign, 33½ %	139,455	71,987	211,462	{ 105,721 317,163 }	197,593	119,570
							Total wages paid ..	..	418,229	
							To protect these three industries ..	..	..	567,540

PETER VIRTUE, Flour-miller, examined on oath. (No. 130.)

1. *The Chairman.*] You are manager of the Northern Roller Milling Company (Limited), Auckland?—Yes. In order to expedite matters in giving my evidence I would like to read the following statement: The flour-milling company I represent has never been directly or indirectly connected with any combine or association, and I am pleased to say, with the support of the public, and judicious buying of only first-class grain producing an excellent article, we have been able to maintain our own. We have no monopoly. I consider the flour-milling industry is one of the most important in the Dominion, for the following reasons: During 1910 it came third as regards value of output, but you must consider this output is based on low values. For instance, say flour at £9 5s., oatmeal £11 10s., bran and sharps £4, all per ton: now, how would the leading-value output industry, butter and cheese, compare at same values instead of at £85 per ton? Flour-milling gives no end of employment with its numerous adjuncts which are not shown under the heading of milling, such as wheat and oat growing in all its stages, consumption of coal, harvesting, and milling, making and printing of bags, &c. Both being bulky articles, the freights, railages, and labour charges come remarkably high on mill-products, but would hardly be perceptible on high-priced articles of small tonnage like butter, &c. To illustrate my argument, 2s. 6d. per ton on coal would be felt by the consumer and manufacturer, but on high-priced articles of small tonnage like tobacco or tea it would not be noticed. So it is obvious it is the bulky, raw material grown in the Dominion that gives most employment. If flour-milling were disposed of, naturally wheat-growing would disappear, as duty-free flour would kill it. Grain contributes about three-fifths of the railway revenue of the South Island. It is obvious it would interfere seriously with the labour and coal market in all its phases, and to meet the revenue deficit it would be necessary to raise all railway rates throughout the Dominion. If flour-milling were disposed of by free-trade every carrying and handling industry in the Dominion would suffer seriously, as there would only be one handling-charge instead of two. For instance, grain has to be carried to the mills to be gristed and then disposed of. With free-trade flour there would only be one to its destination, thus seriously interfering with the labour-market in all its departments. What would become of the dairying and bacon industries without bran and sharps, as you can only get these by manufacturing flour? The Commonwealth has rarely any to export. During my thirty years' experience I have never known of a wheat ring or corner in the Dominion. True, there have been shortages owing to weather-conditions in the Dominion and foreign parts, over which no human being had control. Some speculators who always buy may have got in before an advance and made money, but their price was never above market rates throughout the world at the stated time. These speculators, owing to luck, have been called thieves, but how often have they fallen in, and been called fools by those "in the know"! With our small Customs protection duty of 20s. per ton on flour and oatmeal, a little under ½d. per pound, and overabundance of milling in the Dominion, with the keenest of rivalry, augmented with a harvest for every month of the year throughout the world, the consumer has nothing to fear. With your permission I will read the Dominion and Commonwealth's tariffs, and you will observe that the Dominion's is 150 per cent. lower than the Commonwealth's. Australian Commonwealth tariff: Flour, 2s. 6d. per cental; oatmeal and rolled oats, ½d. per pound, equals £4 13s. 4d. per ton; bran and sharps, 1s. per cental; potatoes, 1s. per hundredweight; butter and cheese, 3d. per pound; wheat, 1s. 6d. per cental; oats, 1s. 6d. per cental. New Zealand tariff: Flour, 1s. per cental; oatmeal and rolled oats in bulk, 1s. per cental; rolled oats in packets, 20 per cent., equal to ½d. per pound; bran and sharps, 1s. per cental; potatoes, 1s. per hundredweight; butter, 20 per cent., equal to 2d. per pound; cheese, 20 per cent., equal to 1d. per pound; wheat, 9d. per cental; oats, 9d. per cental. The Dominion will never be able to compete with the Commonwealth milling industry, as it is encouraged in every conceivable form. Whenever the wheat markets harden through unforeseen circumstances a certain section of the community cry, "Off with the duties," little

knowing what they are and what disaster it would cause in the labour-markets; and who would derive the benefit? Why, the Commonwealth, coloured India, and America. Assuming a great scarcity of skilled or unskilled labour were to occur through an epidemic, it is needless to say the minimum wage would not be accepted, but a substantial advance demanded. If the employers were to agitate for the withdrawal of the alien poll-tax to keep down the cost of production, how would the labour-market view the agitation? Some free-traders, ignorant of the grain and produce business, suggest that the wheat should be shipped to London, as there is always a market there. True, at a price; but my experience has been anything but payable, owing to the high rates of freight and the great uncertainty of getting it. And how could the Dominion compete against wheat from sweated Russia, India, and Argentine, carried at our coastal rate of freight? In free-trade London, the depot for the sweated surpluses of the world, carried in foreign ships with coloured crews at starvation wages—with these low rates of freight, with cheap wheat, and with skilled-labour wages 50 per cent. lower than the Dominion, yet best bread is from 7d. to 7½d. per 4 lb. loaf. Which is preferable—free-trade or protection? We must not overlook the fact with breadstuffs and butter; we have introduced European ideas into the Orient, and our producing-areas have not increased correspondingly. We are agitating for the opening-up of our lands for agricultural purposes; but what use would there be in doing so unless the products of the soil were protected against the surpluses of the Commonwealth, America, and India? It is obvious that heavy land-taxation with free-trade would not be much encouragement to go on the land. Gentlemen, I maintain our Customs tariff is a preventive against trusts and rings, and a fair encouragement to our industries. When compared with the Commonwealth's it is remarkably reasonable. The public have nothing to fear, for reasons already explained. I maintain that the cost of living has not increased. It is a higher standard of living. Groceries, kerosene, &c., are quite 60 per cent. lower than they were thirty years ago. House-rents are higher, but the present class of house is up-to-date, with conveniences; but wages have also advanced 30 per cent. Well, where is the increased cost of living? Is it not a higher standard? If free-trade were introduced and only one heavy tax put on the land, would not our standard of living come down to that of the Asiatic?

2. You heard what the last witness said about the profits made by the millers: do you deny that?—I absolutely deny it. If the miller gets 5s. to 7s. 6d. a ton he is delighted with the profit.

3. You have heard that accusations have been made against the millers of having some trust?—That trust was perfectly harmless. The millers have always been fighting amongst themselves. I may say that we were not in the association, and our output in Auckland was the second largest in the Dominion, so that the association never could do much.

4. We heard that you have always been outside the ring and fighting them; but are not even your prices calculated pretty much on those of the Flour-millers' Association?—No; if our prices were calculated upon the present price of wheat, purchasers would be paying about £10, f.o.b. south, a ton for flour.

5. *Mr. Robertson.*] In regard to wheat, I think you stated that the price here has always been regulated by the world's markets?—It always varies according to what a man can ship and what it costs to send to London.

6. Local prices may vary from the London price, according to weather-conditions?—Wheat down south just now is 3s. 10½d. to 3s. 11d. a bushel, and in Sydney it is 4s. 3d. and 4s. 4d. Why? Simply because there is no opportunity of having it taken to London from the south, whereas in Sydney their freights are low—10s. and 15s.—and that gives a man a higher price for wheat. The only chance of sending wheat to London from the south is when there is no mutton or wool to send, and it would be a bad lookout for New Zealand if that happened.

7. You have referred to the duty of £1 a ton on flour and about it assisting the farmer. If wheat-prices are regulated in that way, does the tariff make any difference to the farmer in regard to prices?—Yes, it makes a big difference, because if there was no protection for flour there would be no wheat grown.

8. Do not we export now?—Next to nothing. The attempts which have been made to carry on such a trade have not been successful. We cannot compete with India, with its coloured labour, nor with Australia, with land at 15s. an acre. In Australia also the railway freights are lower than ours.

9. *Dr. Hight.*] What are the freights from Australia to Auckland?—The same as from south to Auckland.

10. Is there a bounty payable on the flour exported from Australia?—Their Customs duty is £2 10s. a ton and ours is £1. If our duty were taken off it would simply mean wiping out the flour-millers and the wheat-growers. I may here remark that we, in our mills, grind 25,000 to 27,000 sacks of grain a month, and pay £13,000 a year in wages. We use 3,000 tons of coal per annum.

11. Is there a bounty payable in Australia?—No; but the Government were urged to grant a bonus of 4s. a ton in order to encourage the export of flour and growing of wheat. In order to show how the flour-milling industry is handicapped let us consider what the New Zealand Government has done in the way of grading and providing cool-storage for butter in order to assist that industry; but what has been done for the flour-millers? Absolutely nothing. In regard to the general question with reference to the increased cost of living, I say it is due to extravagance or to a higher standard of living.

12. *Mr. Fairbairn.*] We know you have always kept the market perfectly open in Auckland, but is it not possible for the combinations in the south to manipulate the market there without your being in a position to interfere?—We could not interfere very well, because we bring our wheat up from the south, but if the profit allowed it we would be there.

13. Is it not a fact that some years ago you shipped a considerable quantity outside?—Yes, and we still are. They started to dump flour in at 30s. below cost, and they said they were anxious to collar the Auckland market. I secured the flour through brokers, and shipped it down south in their brands at 10s. a ton below their price, and they could not make out where it came from.

14. The actual amount of protection which the miller has got varies from 10 per cent. to 12½ per cent.?—Yes.

15. Your industry is the least protected of all the primal industries in New Zealand?—Yes, it is the least protected.

16. You have shipped flour from Auckland to Canterbury while this fight was going on?—Yes, and we are doing it now, as far as Wellington and Nelson. We are keeping them in order, as they make the running pretty warm for us in Auckland.

17. *Mr. Hall.*] Is there any dumping from Australia into this market?—Yes, just before the recent advance they dumped 1,000 tons of flour at £1 a ton below their own prices.

18. Is there less wheat grown in the Auckland District now than formerly?—There is practically no wheat grown in the Auckland District.

19. I understood you to say that practically all your wheat had to be imported from the south. How much will that importation increase the cost of flour?—With freight, wharfage, and cartage, quite 14s. 6d. While we are talking about railages, I would like to make a comparison between our railway rates and those in Australia. Taking an 89-mile railage in New Zealand, which is the longest for grain-rates, the charge is 12s. 6d. For 97 miles in Australia it is 8s. In Australia for 12s 4d. they would get 297 miles of carriage, as against our 89 miles for 12s. 6d. No milling industry in New Zealand could compete against such rates. I submit to the Commission a newspaper picture showing how the Australians save in the matter of storage. This picture shows 150,000 sacks of wheat stacked in the open. The weather there is so fine that they have no need for stores—they take the wheat direct from the stack and save a handling-charge.

20. *The Chairman.*] Take the case of a big deal in wheat at Chicago or New York: how much per bushel would it send wheat up or down?—About 3d. or 4d. I may state all markets are like a barometer.

21. Have you many had debts in the milling trade?—Very few. About ½ per cent. would cover them.

22. Are the railway rates for carrying flour greater than those for carrying wheat?—They are about the same.

23. How many bushels of wheat run to the ton of New Zealand flour?—About 47 to 48: it depends upon the season. The cost of wheat for flour now is £9 10s. a ton. The price of good milling-wheat in the south is from 3s. 10d. to 3s. 11½d.

24. *Mr. Fairbairn.*] But you have to add to that the freight and charges to Auckland?—Yes.

25. Was there not a slight increase last week?—No. It has been at 3s. 10d. to 3s. 11½d. for two or three months.

26. We were told in Christchurch that it was being sold at 3s. 8d.?—The man who said that did not know much about it, unless the quotation was given inland, and you have to add carriage to it, which would make it close on to 3s. 11d. f.o.b. We have not been able to buy for the last two months at less than 3s. 10d. to 3s. 11½d. f.o.b.—*i.e.*, prime milling-wheat, of course; second-class milling can be bought from 1d. to 1½d. per bushel less.

27. *The Chairman.*] Has there been any increase in the cost of sacks lately?—There has been an increase of about 2d. per sack, and you do not get the same value as before, because the sack holds less.

28. What would be the reason for that increase?—The increase in the cost of jute, owing to failure of crop. They come from Calcutta.

29. If a flour-miller in the south said that the railway rates on flour were 10 per cent. higher than the rates on wheat would he be wrong?—I do not think he would be right, because they allow eleven sacks of flour to the ton. We always sell either on trucks or f.o.b. Auckland.

30. Have you ever followed a sack of wheat through the mills to the baker, and formed an idea whether the baker's charge is a fair charge on the amount of wheat?—My experience of the bakers is that nearly all the master bakers work in their bakehouses, and everything they make is capitalized. They live above their shops, or live very close, and have very long hours. An ordinary grocer does not live above his shop and "graft" the way the master baker does. Most of the master bakers work from 5 a.m. to 10 p.m.

31. You do not think they get an undue profit?—No, they reckon their wages at £6 a week. That is absurd, because a foreman baker gets £4 a week and overtime.

32. What is the charge for the 4 lb. loaf in Auckland?—6½d. to 7d.

33. Is there any remission?—No; they could make a remission to the purchaser over the counter, but very few people will carry home their bread. Or people may start and take a loaf of bread to-day for 6½d., but they may not have the ½d., and will hand over 6d. and promise to pay the odd ½d. another time, but in many cases they do not come back, and the baker loses it. Another matter I would like to touch upon as to the increase in the cost of living, and that is the question of boardinghouses. Take some of the palatial boardinghouses in Auckland and the amount of rent paid for them, and you will find sufficient proof that the cost of living has not increased as regards the necessaries of life for food. The charges for board and lodging are now exactly the same as they were twenty-five years ago. I know of one place for which £725 a year is being paid as rent. For another a big sum was paid for goodwill. That is conclusive proof that food well handled or economically managed will pay. But the trouble is that two-thirds of the young women nowadays are not domesticated. They are simply food-spoilers.



34. *Mr. Fairbairn.*] Are you not speaking now of the better class of boardinghouses? What would their tariff be?—When I was a clerk in an office I paid 27s. 6d. a week for my board and lodging. You can get it for the same now. I know men called working-men who are paying 20s. a week in Auckland, and they can get board and lodging in the city for even 15s. and 17s. 6d.

WILLIAM FORSYTH STEWART, Secretary of the Auckland Gas Company, examined on oath.  
(No. 131.)

1. *The Chairman.*] You are the secretary of the Auckland Gas Company?—Yes. I have held the position of secretary for three years. Prior to that I was assistant secretary.

2. Is the Auckland Gas Company a flourishing concern?—I should call it so.

3. Is there any objection to our seeing its balance-sheet?—No; I hand a copy to you now.

4. Is there any competition in Auckland between gas and electricity?—Keen competition.

5. Could you give us any idea of the relative cost of the two?—I would hardly care to do that, but I can give you the price of gas, and you can get the price of electricity from the municipal office.

6. What is the present price of gas for lighting and power purposes?—We have only one price, but we make reductions for quantity, irrespective of what it is used for. Some companies sell gas for power at a reduced rate, but we do not. We make it a matter of quantity. A hotel burning a certain quantity will be charged the same price as the man using that quantity for a gas-engine. We have a certain price, and we make discount for major quantities.

7. What is the price to ordinary residential houses?—5s. 1d., less 10d., or 4s. 3d. net, if paid within fourteen days of the reading of the meter.

8. *Mr. Fairbairn.*] What would the consumption be in that case?—It does not matter whether it is 100 ft. or more up to an amount which gives 50s. net: then we make a special discount of  $7\frac{1}{2}$  per cent.

9. Anything further?—£10 worth net, 15 per cent.; £20 worth net, 20 per cent., bringing the minimum price of gas for £20 worth net per month to a fraction under 3s. 5d. per 1,000 ft.

10. *The Chairman.*] How long has the company been in existence?—Since 1868.

11. Have there been any offers from the Municipality to municipalize the service?—There have been no offers, but we have been approached.

12. *Mr. Fairbairn.*] How long have the prices you just quoted been in existence?—We have made a number of reductions. In 1892 the price was 6s. 8d. net per 1,000 ft. for all consumers, irrespective of quantity; in 1894 it was reduced to 6s. net; in 1895 it was reduced to 5s. net; in 1906 to 4s. 9d. net with special discount. All these special discounts did not obtain at that time. The 20 per cent. was only brought into vogue about three years ago. In 1908 the price was reduced to 4s. 6d. net, and in 1910 to 4s. 3d. net.

13. How long have you been in competition with electric light?—I should say for about four years. The last two reductions have been made, I think, since the electric light started.

14. *The Chairman.*] Have you a large reserve fund?—£100,000. The policy of the company has always been to reduce the price of gas at every possible opportunity.

15. What is the usual rate of dividend?—That requires a little explanation. Our policy in raising capital has always been to put our shares on the market offering them at the best price obtainable. In that way we have a premium capital of £223,113. On that no dividend is paid. It amounts, as you will see, to a very large proportion of the whole capital. On the present market price of the shares we are paying about 5·3 per cent.

16. *Mr. Fairbairn.*] And carrying anything to the reserve fund?—As you will see, we pay a dividend and carry a small amount forward each year, but immediately we find we can reduce the price of gas we do so.

17. *Mr. Veitch.*] What proportion does the present market price of the shares bear to the original value of the shares?—A £1 share paid up is worth to-day about £3 9s.

18. *Mr. Fairbairn.*] And the appreciation is the appreciation of fifty-odd years?—Yes, and it includes the premium capital. Many companies have distributed their capital at par.

19. Where do you draw your coal-supplies from?—A proportion from Newcastle, a proportion from Westport, and a proportion from Taupiri.

20. Practically your prime cost for coal will be about the same as that of the southern gas companies?—I should say that Westport coal would cost a fraction less in Wellington; Newcastle probably 6d. a ton more.

21. *The Chairman.*] How many shareholders are there in the company?—I should say between eight hundred and nine hundred.

22. *Dr. Hight.*] Have you found that a reduction in the price of gas has been followed by a very greatly increased demand for it?—Invariably; a reduction has always been responded to by a large increase in the quantity used.

23. Your net revenue has not suffered?—No.

24. *Mr. Robertson.*] Does your company retail coke?—No; we sell our output of coke to one contractor.

25. Is a very large proportion of your total output of gas used for power?—We have never separated power from lighting; but the day load and the night load are pretty even. The day load here includes the power and a great deal of the cooking.

26. *Mr. Leadley.*] How does the cost of manufacture in Auckland compare with the cost in other centres?—We do not give our figures to other people, and I do not think they would give us theirs, so we do not know.

27. You have no experience of any other gas-manufactory?—We only know from our net results and the price we charge.

28. *The Chairman.*] Does the selling of all your coke to one contractor give him a monopoly of coke in Auckland?—I should say it does; but it is hardly worth mentioning that there is one other very old customer whose interests are conserved. Our contractor takes the whole of our output. We found that more profitable than going into retail business ourselves.

29. Have you any idea if his selling-price is a fair price?—I should say it is.

EMILY GIBSON, Married Woman, examined on oath. (No. 132.)

1. *The Chairman.*] You are a married woman engaged in home duties?—Yes.

2. In what capacity do you appear?—As secretary to the Women's Political League. Our league thought it would be right to have the women's opinions placed before the Commission, therefore delegated me to appear. The first point upon which I wish to speak is that of house-rent. Rents in Auckland have doubled in the last twenty years, and sometimes more than doubled. Two years ago I left a house for which I had paid 20s. a week. The house is now let at 27s. 6d. a week. Eight years ago it was only 16s. a week. I know of other houses where the rents have risen from 5s. 6d. to 14s. in fifteen years. When a house is vacated by a tenant there are so many people after it that the landlord will always raise the rent, consequently the incoming tenant has always to pay more than the outgoing tenant.

3. Would you attribute the cause of the rise in rent to the increase in population?—Yes. The population has increased to such a degree that there are not enough houses for the people, so that there are always more people looking for houses than there are houses to let. The next subject I wish to speak about is coal. There is a coal ring in this town. Of course, it is denied, but it is a fact.

4. Are you speaking from your own personal knowledge?—Perhaps not; but we know that coal can be landed on the wharf for less than 20s. per ton, and we have to pay 32s. a ton for it, and if we buy in sacks we pay from 34s. to 36s. The distribution of a ton of coal cannot possibly make all that difference.

5. Of what kind of coal are you speaking?—Whangarei coal, I think, is the cheapest. Newcastle, we are told, can be landed at the wharf for 19s.

6. What is the coal for which you pay 36s. a ton?—The best household coal, buying it by the sack. It is what the dealers call "the best." Next I come to fish: that is another thing in which there is a ring. The fishermen struck a little while ago, and we were considerably enlightened to find that they were not allowed to go out when they wished to catch fish—they had to take their orders from the dealers as to when they should go out, and the dealers limited them to so-many trips a week. In the dispute the fishermen wanted 2s. 6d. a bundle for fish, and liberty to go out when they wished. At the end of the strike they got the 2s. 6d. a bundle, but, as far as I remember, they did not get liberty to go out as often as they wished. Consequently fish are always scarce. They are kept scarce in order that the price may be kept up. It is not merely a matter of dearth, but there are times when you cannot get fish at all. In stormy weather we do not expect the fishermen to go out, but surely the fish caught in good weather could be smoked, and we could always have smoked fish to fall back upon. At present the price of fish is a disgrace. It need not be so, and if the fishermen were allowed to catch as many fish as they could it would not be so. Then as to bread: we would have to pay as much as 4d. for a 2 lb. loaf in Auckland now were it not for the co-operative bakery which was started about twelve months ago. That bakery has kept the price down all through the year. They started selling bread for 3d. a loaf. I now come to the cost of building. The price of bricks has been advanced 2s. 6d. a thousand because of the increase of the men's wages. The men employed in the trade say that 4d. a thousand would have met the increase in the cost of production. Of course, that means dearer houses when people want to build. Drapery, I think, has rather gone down; at any rate, it is less costly than it was some time ago in some lines, and some lines are rather too cheap. When you see summer costumes sold for 5s. 11d., the people who are paid for making them cannot get much for their work.

7. You think they are made by sweated labour?—I do not know that. They may be imported, but certainly whoever makes them cannot get much, when you allow for the material put into the dresses and the profits of the manufacturer and the shopkeeper. I really think made-up dresses and costumes are too cheap nowadays. Then I come to education. We recognize that we are paying for the free education provided by the State, and we naturally want our children to have the full benefit of it. When they win free places we send them to the secondary or technical school, and I do not think any reasonable person will object to paying a fair price for their books; but I got a list from the Auckland Technical School last February of books and other requisites that my son had to get, and these things, including what they call a uniform, came to over £3. There was about £2 10s. on the list besides 4s. 6d. for stationery and 5s. for odds and ends. Apart from that, every other week something or other is wanted in the shape of a notebook or something of that kind, amounting to 6d. or 9d. every fortnight. I think moderation might be shown in these things. I also have a girl at the Grammar School, and her books cost on the average about 35s. a year.

8. What about groceries?—Sugar has gone up a little in the last two years, and also rice and some other things, but, of course, other lines such as dates and currants and the like have gone down. With the exception of sugar, I do not think groceries have gone up much. As to kerosene, the duty is supposed to have been taken off, but the oil costs the same as it did some years ago. Potatoes are very much dearer than they used to be, but, of course, this is the dear season of the year for them—the price is not high all the year round. As to meat, as soon as butchers' wages are increased the price charged to consumers goes up out of all proportion to the rise in wages. The cost of beef has practically doubled in ten years, and mutton has almost

doubled. A couple of years ago we were threatened with a butter famine in Auckland. It was not so much a question of price, as the butter was scarce. The price went up too, but the reason was that so much butter went out of the country. It should be the duty of some one to see that enough butter is kept in the country to supply our own needs.

9. At what time of the year was that scarcity?—It was in the winter. As regards milk, a drought for three weeks is always enough to send milk up about  $\frac{1}{2}$ d. a quart, but the dairymen are not always ready to bring the price down again when there has been rain.

DANIEL JOSEPH MCGOWAN, Dairy and Produce Merchant, examined on oath. (No. 133.)

1. *The Chairman.*] What is your business?—I am a merchant, dealing in farm and dairy machines and farm and dairy produce.

2. Has the price of dairy produce gone up during the last ten years?—Yes; probably by about 15 per cent.

3. Can you give an explanation for the causes of that rise?—The cause is mainly that there is more demand from outside markets.

4. Could you say about what proportion of the butter and cheese produced by the Auckland farmers goes Home, and about how much remains for local consumption?—It would have to be a very rough approximation, but probably from 75 to 80 per cent. is exported from Auckland during the flush months of the season. Taking for the whole season it would probably be 60 per cent.

5. What is the usual custom in regard to handling butter? Do you export it as it comes into your hands, or in summer, when butter is plentiful, do you put it into cold stores for the winter?—Sufficient is held back from the autumn make to meet the requirements of the winter trade here. The surplus over and above that is exported.

6. Is there any combination of merchants here to modify or fix the price of butter?—Absolutely none whatever.

7. All the merchants here are in free and open competition?—Yes, and very keen competition at that.

8. Have you any knowledge of the way in which butter is produced in the district?—We are interested in factories, and the firm of J. B. MacEwan and Co. is interested in one or two factories in the south, but that is mainly to give us the required produce for the local market.

9. Do you handle that southern produce through your own warehouse?—Yes.

10. If this butter which you speak of as going into the cool store is held back too long would the quality suffer?—Not to any appreciable extent. It is held frozen, and it would open out here in exactly the same condition as it would in London if it were sent to the Home market.

11. Will you give us some idea how the average wholesale price of butter here compares with the average wholesale price in the London market?—Taking the present season, the average wholesale price here has been about equal to the wholesale price in London. The average export value of butter has been about 126s. per hundredweight here. From that you must deduct the cost of freight and freezing and the handling-charges in London. The average price here has been 1s. 0 $\frac{1}{2}$ d. per pound all through the summer. The handling-charges would reduce the value at Home to about 116s. per hundredweight.

12. What are the ordinary charges in sending butter Home?—They vary from 9s. to 11s. per hundredweight, according to the London value.

13. *Mr. Fairbairn.*] Would 1 $\frac{1}{2}$ d. per pound be a fair thing?—Just about.

14. *Mr. Hall.*] Is that in store in London?—It would be ex ship. It does not include any handling-charges in London other than the commission.

15. Could you give us some idea of the difference in the market here between farmers' butter and factory butter?—It is mainly a question of quality. The difficulty is to arrive at an average quality in farmers' butter.

16. I mean the average quotations in the papers?—We do not take much notice of the newspaper quotations. I would say the difference is about 2d. per pound.

17. *Mr. Fairbairn.*] What is the difference in value in butter sold in the winter months from cool-storage and winter-made butter?—There has been no change at all in this market. They are sold on exactly the same basis.

18. What is the highest point butter is sold at retail within the last two or three years?—We are not much interested in retail, but I think that in the season following the heavy drought we had here about two years ago the retail price went up to 1s. 5d. per pound.

19. What is the margin of profit fixed between the wholesale sellers and the retail?—It is not fixed at all.

20. But is there not a fixed retail price?—That will be a matter of arrangement with the retailers. It is a matter that I know nothing about. We are not retailers.

21. At the time the retail price is 1s. 5d. per pound, what was the wholesale price?—Probably about 2d. per pound lower. The average retailer in New Zealand wants from 1 $\frac{1}{2}$ d. to 2d. per pound for selling the butter over the counter, but there is no fixed arranged price there.

22. There is no fixed retail price to your knowledge?—I do not think there is; I do not know of any.

23. At the time butter was sold at 1s. 5d., was that the general price, or only an isolated case?—It would be general at that time, because the high price is due to the shortage of butter, and those who had butter to sell would not sell for less than the best price they could get.

24. What is the present retail price in Auckland?—1s. 2d. per pound.

25. In the estimate you gave of 1 $\frac{1}{2}$ d. per pound to cover all the shipping charges, does that mean in store in Auckland or ex ship?—It would cover all storage and export charges.

26. Would it be in store London or ex ship?—I am not positive on that point, but I think it would be into store, London. The difference between c.i.f. London and into store is very trifling.

27. All brokerage is included in the price?—Yes.

28. *Dr. Hight.*] Has there been any increase in the cost of making butter?—Yes.

29. What have been the causes of that increase?—Increased land-values, rent, rates, taxation, and labour.

30. You think the increased land-values are a cause of the rise in the price of butter?—They are certainly a contributory cause.

31. What are the changes in relation to labour that you have in mind?—Increased wages for farm-workers.

32. What are the rates paid now compared with those paid ten years ago?—That is a point on which I cannot say a great deal, because we are not interested. I know in a general way that there has been an increase.

33. *Mr. Robertson.*] Is that the only point where wages have affected the cost of production of butter?—Well, getting to fine points, probably it is not, because pasteurization to-day is customary, whereas a few years ago it was not, and it cost money to sterilize your cream.

34. Has there been a large increase in the cost of other materials used in the production of butter—butter-boxes, &c.?—There has been a small increase in some of the lines, but a corresponding decrease in others. Taking it as a whole, I would not say that there has been any increase in the cost of materials for manufacturing.

35. I have seen complaints from dairy companies about the increase in the cost of butter-boxes?—Boxes is one of the few lines required in the manufacture that has increased in price. Other materials used, such as parchment paper, salt, and preservatives, have all decreased within the last ten years.

36. With regard to the price of butter in the winter, you said there was no agreement amongst retailers fixing the retail price: is there any arrangement whereby the wholesale price is fixed?—Nothing whatever. There is nothing in the nature of a butter committee or a combination or organization of merchants.

37. Is not the butter which is sold from cold store in the winter usually manufactured in the flush of the season?—No, it is generally the autumn butter that is held back for the winter. Practically the whole of the butter we make up to the end of January—the whole surplus above local requirements—is shipped out of the country. It is only from the end of January that we start storing for winter requirements.

38. Does not the keeping-quality of butter depend to a certain extent upon the time when it is made?—Of course, the quality is affected by it.

39. In the winter months, will not the price be affected by the amount that is in cold store?—Yes.

40. Does it not usually happen that the merchants who have butter in cold store are able to get higher prices?—When there is a shortage in supply. Take the present year as an example. There has been no increase in the price from midsummer to the present time. Butter is selling to-day, both wholesale and retail, at the same price as in the summer, when it was plentiful, because there is a sufficient supply in store to meet all requirements.

41. And there is no question of any understanding between the merchants who have butter in store in the time of shortage as to the price at which they will sell to retailers?—None whatever.

42. *Mr. Leadley.*] Have you any knowledge of an increase in wages paid to the men employed in butter-factories?—Yes, there has been some increase to factory-workers.

43. Have you any knowledge of any agreement amongst the companies as to the price of butter-fat?—To my knowledge, there is no arrangement whatever.

44. Have you any knowledge of the cost to the producer of winter-made butter as compared with summer-made butter?—There certainly is an increase, for the reason that winter-made butter is produced from fodder. It is produced under more adverse conditions as to getting the supply from the cow. There is more labour in getting the same quantity from the cow. A cow will milk better and produce more butter in the summer than under winter conditions.

45. Have you been in the butter-producing business as a producer?—I have been a farmer, but principally as a sheep-farmer.

46. But from your own knowledge you are prepared to state that butter produced in the winter costs considerably more than butter produced in the summer?—I am quite prepared to say that. It is a recognized thing amongst farmers that summer-produced butter pays them better than winter butter even at a much lower price. That is sufficiently demonstrated by the fact that our dairy farmers do not go in for winter dairying.

47. *Mr. Robertson.*] The question of wages in butter-factories, and its effect upon the cost of production, has been mentioned?—I do not want to suggest that it is affecting the cost of production to any appreciable extent. We know there has been a slight increase paid to the factory-workers, but it has been so small that it would hardly noticeably affect the cost of production.

48. I have worked out the figures: taking the wages in the factories compared with the output ten years ago, and taking the wages paid last season compared with the output of that season, and the labour-cost per pound of producing butter and cheese comes out to about half what it was ten years ago?—I question those figures. I may say that I have had an extensive experience, both as a factory-manager and as Government Instructor, and in my connection with dairying right through the country, and I would want to go into the figures.

49. But, at any rate as far as the wages in factories are concerned, they are a small item?—Yes.

50. You could double the wages without making any appreciable difference?—Yes.

JAMES MOORE CARPENTER, Coal-merchant, examined on oath. (No. 134.)

1. *The Chairman.*] What are you?—I am a coal-merchant, at Newmarket.
2. Will you give us the retail selling-prices of the principal kinds of coal?—The coal most in use here is Taupiri coal. The charge for the best household is 32s. per ton, less 1s. if paid by the 28th of the month following the supply. The charge for Taupiri steam coal is 29s., less 1s. as before. Newcastle coal is 34s. for household, less 1s.; and Westport is 34s. 6d. per ton net.
3. Could you give us the prices charged for the same coal ten years ago?—Westport has not altered much. As to Taupiri, the oldest price-list I can find is 1902. The price for household was then 27s. per ton, less 1s. as before. In 1905 the price was unaltered. In April, 1908, it was 29s. On the 1st June, 1909, it went up to 32s., less 1s., and that is still the price. The figures I have quoted are the delivered prices.
4. Could you tell us what is the cost of delivering from the yard?—There are two prices at the yard—dealers' prices and the price if you brought your own cart and delivered it.
5. What is the difference between your own cart and delivery at a house?—There is a difference of 4s. That will bring it to 28s.
6. *Mr. Fairbairn.*] Has it always been so?—The difference between the yard-price and the selling-price has always been about 3s. or 4s.
7. What do you mean by the yard-price?—What I have given is the delivery-price. The dealers pay 25s. 9d. for it now, less 1s., in the yard, bagged. They deliver it at the price I have stated.
8. *The Chairman.*] Are there many persons with businesses similar to yours?—Yes.
9. Have you any association?—There has been a Little Dealers' Association for a number of years.
10. What does the association do?—The members subscribe 5s. a year, and once a year they have a good night out.
11. Is that the only thing they do?—Practically all they do. The association was in existence before I started in the business.
12. It is not at these festivities that you fix the price of coal?—The price has been fixed longer than I have been in business.
13. *Mr. Fairbairn.*] How long is that?—About seven years. My father had the business previous to that time.
14. *The Chairman.*] Do you issue price-lists of coal in the name of the association?—Yes.
15. Then, there is some business besides the festivities?—Certainly.
16. Can any dealer buy off the association at the same price?—Yes—that is, the dealer's price.
17. Is there an association amongst the dealers?—This is the Dealers' Association.
18. It is not the Merchants' Association who import the coal?—No. The merchants are members of it.
19. *Mr. Fairbairn.*] It is one association, which is composed of dealers and merchants?—Yes.
20. What constitutes a merchant in the coal trade here? What is the difference between a merchant and a dealer?—I am sure I do not know. I should say a man who gets a sufficient quantity would be a merchant.
21. *Mr. Leadley.*] What would you say regarding a statement previously made this afternoon that coal retailed at 36s. per ton can be landed here at 20s. per ton?—I am sorry I cannot get 36s. for my coal. It must be some smart man putting up the price of coal to his own advantage. I have given the price of household coal that is delivered.
22. What have you to say with regard to the statement that coal can be landed at 20s.?—I do not know anything about shipping coal.
23. *Mr. Robertson.*] The prices you have given for coal delivered are the prices per ton?—Yes.
24. Have you the prices worked out in smaller quantities?—They are a shade higher. With house coal at 32s. the price per  $\frac{1}{2}$  ton is 16s. 6d., less 6d.; the  $\frac{1}{4}$  ton 8s. 6d., less 3d.; the single sack, 3s. net. Twelve sacks go to the ton. It is only reasonable that there should be a higher charge for small quantities. A cart would deliver a ton in almost the same time as a sack.
25. A dealer, then, gets the coal at 25s. 9d., less 1s., and selling it in bag lots it works out at 36s. a ton?—That is so.
26. How much of the total quantity sold is bagged?—Practically all.
27. And most of it will be sold in small quantities?—I dare say the dealers sell most in small quantities. The smaller the business the smaller the quantity, as a rule.
28. *Dr. Hight.*] The rise you refer to took place in 1902, 1908, and 1909. There must be a subsequent one, because the present price is 32s. a ton?—I said that the last rise was on the 1st June, 1909. The price has not been altered since then.
29. Can you give us the causes that led to these rises?—Some of them. The Taupiri Mines raised the price of coal in each instance, with the exception of 1s. The dealers merely put on to the coal the price that the mines sent it up. But on the 1st April, 1903, the Coal-dealers' Association raised the price 2s. when the mine put it up 1s. The extra 1s. was on account of the increased cost of horse-feed and handling.
30. Do you know why the mine-price was put up?—I remember that in one instance that it was the cost of labour. I have not been able to find any of the notices received from the mines, but I think that either the last notice or the previous one mentioned the cost of labour.
31. What is the mine-price of Taupiri coal?—16s. a ton for house coal, best Taupiri, at the trucks at Huntly.
32. And the railage to Auckland?—6s. 6d. per ton.
33. How long has that 16s. price ruled?—Since 1909.

34. How many tons are there in the ordinary trucks?—The ordinary L wagon carries about 7 tons, and the RB 25 tons.

35. What would a truck be delivered at to householders who might combine to purchase a ton, carrying it loose?—You would have to work it out entirely according to the time it would take. The hire of a team would cost 3s. 6d. an hour, including a man's time. It is a very hard thing to get at, because the methods of delivery are so different. In some places you could tip the coal in, while in others you would have to tip and shovel it in.

36. Could you give us a price for bagged coal?—The cost of bagging and weighing is about 1s. 3d. a ton. That includes running it on to the carts; it takes a certain proportion of the time.

37. Has there been any increase in the wages of the men handling coal here?—A considerable increase.

38. What has been the effect of that increase?—It has necessitated the 1s. we have put on for that one reason.

39. Do the men do as much work for the time they are employed as they did ten years ago?—No.

40. Have you made particular observation of that fact?—I know how much coal could be unloaded five or six years ago and what is unloaded now, and I know by observation of the men you get now and the men you used to be able to get.

41. *The Chairman.*] Have you thought about any reason why the men should work less ably now than ten years ago?—I have no idea why, but at one time you could pick up casual men here, really good men, and that is practically impossible now. When there is a rush of coal you have, in order to save demurrage, to get extra men to unload, and the casual men now are not as good as they formerly were.

42. Do you think they are so badly fed that they have not strength to work?—My experience is that they are too tired to work.

43. Is there any State coal-depot in Auckland?—No.

44. *Mr. Fairbairn.*] Is coal delivered in Auckland from the railway into private sidings, or can you bag it from the trucks?—There was one station where you can bag it from the trucks with a sort of ramp, but you were not supposed to do it; it is only out of concession that you are allowed to do it.

45. What percentage of coal is bagged direct from the trucks?—Anything that is bagged is bagged direct from the trucks. I do not know any one who carts the coal and then bags it.

46. Then, it is quite possible to deliver straight away from the trucks?—Exactly.

47. *Mr. Hall.*] You quoted the price per ton: is there any further reduction if you take a truck-load?—Yes.

48. What is it?—You could buy a truck from the mine at 16s., and provide a team and cart it to the house.

49. Will the mines sell to private individuals?—Yes, they will sell to any one. Any man can get a truck at 16s. a ton, but a large dealer gets a larger discount.

50. *Mr. Veitch.*] With regard to this convivial association, has it any rules or articles of association?—Originally rules were drawn up—just ordinary rules.

51. What are the purposes of this association as defined in the rules?—I cannot say just now, but I can look up a copy of the rules.

52. What business is transacted at the meetings? Are the prices of coal fixed at them?—Yes, if there is any depression. For instance, when the mines put 1s. a ton on the coal the merchants put that on to the dealers, and then the dealers at this meeting arranged an increase of 1s. to the public.

53. Is that all the business that is transacted at the association meetings?—Practically all. If a man makes a complaint it is considered. At the last meeting there was a complaint about getting supplies of coal. That was because, on account of the strike, people were giving extra orders.

54. Are all the local merchants and dealers in the association?—Yes.

55. Is any punishment inflicted on a member who does not conform to the regular practice in regard to the selling-price?—I have never heard of any. I would not like to say without reading the rules through. As a matter of fact, there has never been any case of that sort in my time. No man has even been in any way penalized. The rules were made many years ago, and they are never used, whatever they may be.

56. Is it not a fact that the carrying-capacity of a great majority of the railway-trucks has been increased?—An extra board has been put on the small L trucks, which used to carry 6 tons of coal, and now carry 8 tons.

57. You do not employ men to empty the trucks by contract?—I have never done it.

58. If you did you would not say that the conditions of emptying trucks now are the same as those of ten or fifteen years ago?—No; for the simple reason that the price per ton for unloading has gone up, though I do not unload in that way.

59. With regard to the efficiency of casual labour, I think there is not the same amount of casual labour available now as there was some time ago?—That is true.

60. Is it not reasonable to suppose that you are not getting the same amount of work because the best of the men are in more constant employment, and only the weaker men are available for casual work?—Yes.

61. *Dr. Hight.*] Is Taupiri coal subject to an unusual degree of depreciation owing to exposure to the weather?—It is.

62. Much more so than other coal?—Yes; it is not a true coal, but a lignite.

63. *Mr. Veitch.*] Has it been of the same quality of late years?—I can say it is about the same.

64. *The Chairman.*] Because of the liability to deterioration, do you have to cover it?—Covering it certainly helps, but it is impossible to store it. The loss in weight is about 5 per cent., or nearly 5d. a ton. The loss in slack is 6d. a ton. The siding charge is 3d. a ton; cost of bagging and weighing, 1s. 2d. a ton; interest and depreciation on building, &c., about 3d. a ton; cost of booking and bad debts, 1s. a ton.

65. How many tons do you handle in a year?—Last month I had 1,700 tons of house and steam coal; that does not include nuts and slack. That will give you a rough idea of my trade.

66. *Mr. Veitch.*] What system do you adopt in weighing the coal out?—I have a weighbridge for the cart, and at the same time there is a little scale let into the floor of the coal-shed for the single bags.

67. You actually weigh the coal before sending it out?—Yes.

68. It has been stated that some coal-dealers do not give the full weight that the bags purport to contain?—Well, I have a weighbridge, and any person who orders coal from me can get it weighed on the bridge free of charge. That may not apply in all cases.

ROBERT HOPE MCCALLUM, Builder, examined on oath. (No. 135.)

1. *The Chairman.*] You are a builder, Mr. McCallum?—Yes; I have been in business in this district since 1886.

2. Have the prices of building materials increased very much during the last twenty years?—About double, I should say.

3. Has that increase been steady?—Yes, I think it has been steady all along.

4. Has there been any rise in timber and in the labour-cost?—In labour the rise has been most peculiar, because while wages have gone up, say, 25 per cent., the amount of work the money paid produces has depreciated considerably. For instance, I built three cottages on a certain plan about twenty years ago—in 1892—and recently I built three more cottages almost on the same plan, and the actual money paid out, although wages have only gone up a few shillings per man, more than doubled in order to produce the same amount of work.

5. That is to say, they took twice the time to do it?—Yes. The amount of wages paid for the building of the first three cottages was £68, and for the second three it was £190.

6. Had the material become more difficult to handle?—No. What I mean to say is this: that about fifteen years ago it was always considered a fair thing for a man to hang a door in an hour. I frequently worked with men myself, and we frequently hung eight doors each a day. Now a man does not hang more than four doors a day. I built seven cottages last year, and none of the men hung more than four doors a day.

7. We have had evidence that the style of building has become more luxurious than formerly: do you think it may not be owing to there now being a better sort of doors?—No; these cottages were quite plain.

8. Do you think that this loss of efficiency is unconscious, or is it wilful?—It is not through a loss of efficiency. I think that the cause of it is that the incentive to push along is not there. The men on the job last year knew pretty well that if I displaced them they could get a job elsewhere, and I did not hustle them; whereas fifteen or twenty years ago, if I had occasion to hustle the men, or if they did not do their work to my satisfaction, and if I thought right to part with them, they knew they might have trouble in getting other work.

9. Is it not a fact that the immense amount of work that has been going on in Sydney and in New South Wales generally has caused a great many men in the building trade here to go across to Sydney?—Yes. I may say that I let the plastering-work to a plasterer, and he suffered in the same way as I did in regard to labour. The work now costs more in proportion to the amount of work done.

10. Is that through the better men going away and leaving others who are not such good workmen here?—No; I think there are men here who are quite able to do a good job, but there is not the incentive to do the work quickly.

11. It is a strong accusation, because it means unfaithful service?—No; I think if I worked for a man, and knew there was a danger of getting the sack if I did not hustle along, I would go as fast as I could go. I am not a clay contractor, but several times I have had clay to remove. About fifteen years ago I could always get clay removed at about 1s. a yard; now we cannot touch it at under 2s. a yard. In fact, there is plenty of clay that it does not pay to touch at 2s. a yard.

12. The cost of the house being greater on that account; it all comes back to the workman?—Yes, it costs us more to produce the work on account of the less work we get for the amount of wages paid.

13. Does a man do his day's faithful service?—His day's faithful service is not the same as fifteen years ago. All contractors agree with me on that point. For instance, as to laying floors, I have worked with men, and without any trouble we have averaged about three squares per day—that is, 100 ft. On the last job I did the most I could get was a square and a half a day per man. Of course, when I am working for myself I go eyes-out all the time; but I am referring to the men who were working there.

14. The cost of the materials of the house has also risen very considerably?—Very much.

15. Timber has risen very much in price during the last ten years?—Yes; but you have to go back a little more than ten years to say that it has risen double.

16. Can you buy all your materials freely? Is there a free market? Is there no association of timber-merchants?—I have heard of people who could not buy freely, but I have not had the slightest trouble.

17. Other materials, such as paint, nails, &c., have they gone up much in price of late years?—Yes; the painter who does my work tells me that painting paid him better at 8d. a



yard than it does now at a higher price—that now it does not pay him nearly so well at 1s. 2d. or 1s. 3d.

18. Is that owing to the increased cost of the paint?—A great deal, and also owing to the smallness of the amount of work they are able to get done for the money paid.

19. Then, it must be a general complaint?—It is not confined to one thing; it applies very much to labour generally.

20. *Mr. Veitch.*] You say you cannot get enough men to carry on the work: would you have had more men if you could have got them? Would that have affected the average results you get from the men, because of your not being able to organize them?—No, I do not think they would have done any more in proportion if there had been more working.

21. Can you suggest any remedy for this condition of things?—No; I think the men have got it in their own hands. I think that is one of the things the public have got in their own control. In former days I went to work in fairly cheap clothes and in blucher boots, and I walked to work. Now men come to work in good tweed clothes, and they ride to work in trams. Coming to town from Ponsonby the other day I saw a crowd of men, evidently workers, get into a tram at one end of a block and get out at the other end. You could almost throw an orange the distance.

22. Were you riding on the tram?—Yes, I was working at Pousonby, and I was returning to my home at Devonport. I have often seen men getting on trams for very short journeys. That is a luxury.

23. *Mr. Hall.*] You have told us what the wage-cost was in connection with the three cottages, could you tell us the total cost of the three cottages compared with the cottages you built in 1892?—About £615 for the three. That was for the land and all. I cannot say what was the cost of the land. The next three cost £875, including the land.

24. What was the value of the land?—£2 a foot for the second lot, 40 ft. frontage; and the land for the first lot was 28s. a foot, 40 ft. frontage. The three allotments cost £160, the first lot; and the land for the second lot cost £216.

25. Do you have to pay higher wages for building in the country than for building in the town?—I have not built any houses in the country for a long time; but I know people who do, and they pay 1s. 6d. a day more. The last time I built in the country the present award had not come into force. I gave the men the same wages, plus their board.

26. Does that apply to men who live in the country?—If you can get men who live in the country it does not apply to them. For instance, some people consider Takapuna a country place.

27. *Mr. Fairbairn.*] Were the first three cottages built of wood?—The first two lots were built of wood, and the last lot of brick.

28. Since 1892 has there not been a considerable proportion of the woodwork manufactured instead of being made by hand—staircases, doors, windows, &c.? The work is not so skilled of late years as it was twenty years ago?—As far as these cottages are concerned, we made the window-frames on the job in both cases.

29. 1892 was a time of great depression: at that time what were carpenters' wages?—7s. a day.

30. Did men get regular employment in 1892?—I had a number of men who were pretty regularly with me then.

31. There were a considerable number of men unemployed at that time?—I do not remember any unemployed at that time. There was no trouble in replacing men. If you put an advertisement in the newspapers you always had several to pick from. There was not any outcry about the unemployed.

32. In 1892 there were loud complaints in other parts of New Zealand?—I have seen worse things in that respect in the street here during the last four years—in 1908, for instance, when we had processions of unemployed in the streets.

33. There is this one point in connection with what you said about the difference in cost of building the houses: you estimated the labour-costs in 1892 as £68, and in 1912 at £190: yet over the same period there was an increase in the cost of timber of over 100 per cent: is that right?—Yes.

34. Your painting has increased 50 per cent.?—Yes.

35. There is this curious inconsistency in the difference between the £68 and the £190, which would show £122 to be the difference in the cost of labour. The actual difference in the cost of the three houses was what you stated: do you think that wages accounted for £122 of the difference?—I would like to point out that it is not fair to take the cost of material at market prices. Perhaps in both these cases there were a great many things which were put into the houses which did not cost anything at that time. For instance, I might have had some mantel-pieces and lavatories in stock, and which I used for those houses, and those things would make a great difference in the cost of material. When a builder erects a cottage for himself it is hardly fair to take the cost and compare it with what he would charge if he built a cottage for other persons. But labour is in different positions.

36. The point I am striving to get at is this: The cost of labour for the three cottages in 1892 was approximately 14 per cent. on the total cost of the three buildings. The labour-cost of the buildings erected in 1912 was approximately 28 per cent.—just double labour-cost. In the aggregate of these two items the difference in labour alone was £122 out of £204. I cannot reconcile those figures at all, for this reason: If your estimate about the cost of timber and the cost of painting and other things is correct, it indicates an increase in cost of probably 60 per cent. Labour could not have made that difference?—I dare say that I worked a good deal harder myself amongst the men in building the first lot of cottages, and in the case of the second lot I had a great many other interests to attend to, and was not at the cottages all the time.

37. Did you value your own services in this work?—No.

38. Well, that accounts for the whole thing?—No, it does not account for nearly all of it. What I have told you is perfectly true.

39. One of the questions which we have to inquire into is to what extent the increased cost of labour has to do with the increased cost of living. You made a statement that the cost of labour in building the cottages in the first instance you mentioned was £68, and the cost of labour in 1912 was £190: now you say that in the £68 estimate you did not include your own services?—My own services were in both of them. I measured and marked out everything, but I did not work as hard in the construction of the second lot of cottages as I did in the erection of the first cottages. That would account for some discrepancy.

40. The cost of wages in the first instance was 14 per cent., and in the second 28 per cent.: A curious inconsistency is that there was a difference of £204 in erecting the two lots of cottages, and out of that amount of difference there was £122 for labour, but the figures you have given do not appear to be borne out by your estimate of the advance in timber, painting, and material?—The second lot of cottages were not affected by the rise to the extent they might have been. You have to take a lot of things into consideration. In the case of the second lot of houses, I bought a cheap line of timber from Mercury Bay at 7s. 6d. a hundred. The price of timber was very low, although the houses cost more. It is not fair to make a comparison unless you have all the figures before you. You cannot really go into the question of what the material costs, because, as I say, a lot of things affect the cost—for instance, things we do not charge for at all.

41. Have you the account of the two cottages in detail?—No; the only thing I have is the balance-sheet and the ledger of each lot.

42. *The Chairman.*] As a builder, you must know something about bricks as well as timber: has there been of late any increase in the price of bricks?—Yes, from £18 a rod to £22 a rod. I built a house for myself four years ago at Devonport, and got the bricks landed at the building for £2 0s. 8d. They were good wire-cut bricks, costing £2 0s. 8d. landed on the job. A neighbour of mine put up a building near the same place, and the bricks cost him £3 0s. 4d.

43. Does that arise from the increased cost of labour in making the bricks, in efficiency of the workmen, or combination amongst the brickmakers?—They put it down to the cost of coal, and paying 3s. per ton for slack, for which they formerly only paid 1s. a ton. I have no doubt they have to pay a little more to the men, and they bitterly complain about the same thing that I do.

44. You have never heard that there was a combination or an agreement amongst the brick-makers, as a result of which they all agreed that they were losing money, and they gave notice that the prices were going to be put up two years ago?—I rushed in with a big order before the price of bricks was increased. The man who sold the bricks to me for my house at £2 0s. 8d., the price froze him out of the business.

45. *Mr. Robertson.*] About that question of wages, and the quantity of labour done by the men, the class of men you employ must be different from the men employed in some other parts of New Zealand?—I do not think so. I think I have been able to get as good workers as anybody else.

46. We have had it in evidence from a builder in Christchurch that a house which fifteen years ago cost £250 can now be built for £290, and that only £10 of that increase would be due to labour. Your experience has been very different from that?—Very different. There must be something which we do not see in the estimate of £240 and £280.

47. That £875: you spoke of getting material and other things which did not cost anything at all?—That is true.

48. We can take it that the £875 really cannot be taken as an indication of the real cost of labour?—The wages are right, but the figures I have given cannot be taken as an estimate of the cost of the house, because that was a job which I did in order to use up material and things which had accumulated, and also to take advantage of a cheap line of timber entirely outside the timber combine.

49. There is a tremendous discrepancy. A £260 increase on the cost of buildings, and the wages amount to £122. That is over 50 per cent., and in material there was also a difference. The other builder estimated material at 75 per cent. and labour again at 25 per cent.?—I built a five-roomed house about ten years ago, and the labour cost me £34, and I know that I would have to pay £80 for the building of a house like that now. Yet wages have only gone up from 9s. 4d. to 11s. The cost of labour has undoubtedly gone up more in proportion than the amount of work turned out.

50. *The Chairman.*] You said that, so far as you knew, there is a fair and open market for buying timber?—Yes.

51. You said you got a lot of timber for the building of certain houses outside the timber combine or the ordinary market?—What I mean to say is this: that the price-lists issued by the different mills are all exactly the same, and this timber was sold at a great deal less than any of the timber in the price-lists. In obtaining this timber there was not any breach of the rules of the Millers' Association. It was simply a deal.

52. In your opinion, is the Sawmillers' Association a combine?—That is a word you can apply to it. They undoubtedly have got an agreement that they work to.

53. An agreement to restrain the price of timber?—I do not know about restraining it. They have got an agreement to keep it up to a certain figure.

54. *Mr. Fairbairn.*] In reference to the total cost of the cottages, did you not say that the price was kept down through your making an advantageous purchase of the timber?—Yes.

55. As to the cottages you built in 1892, did you have a bargain in timber then?—To a small extent, but not much. I just built them because I had got a chance of buying cheap land.

CORNELIUS TAYLOR, ex-Dairyman, examined on oath. (No. 136.)

1. *The Chairman.*] You were formerly in the milk business, and you are now residing at Mangere?—Yes; I was in the milk business for about twenty-five years, until about seven months ago.

2. Did you buy the milk from the farmer?—Yes, the whole time.

3. Could you give us any idea of what the percentage of the cost of the milk was to you when first purchased from the farmer and the cost when delivered: how much was the cost of delivery twenty years ago and what is the cost now?—It used to cost for delivery from 2½d. to 2d. per gallon, and the price was, roughly, 6d. per gallon, delivered in Auckland. Nominally it was 3d. per gallon paid to the employee for delivery, but in consequence of the large quantities which were delivered to some customers it would work it down to about 2½d.

4. Do you now think if some better-organized system were adopted that the cost of delivery could be considerably reduced, because one sometimes sees a milk-cart coming perhaps for miles and leaving milk at one house in one street, and then going to another house half a mile off, and so on: does that not mean a rather needless cost in delivery?—Yes; I have thought over that for a long time. You could only arrive at that by the whole trade of a town being in the hands of the Government or of the Municipality. Let me put it in this way: We will say that thirty men in the milk trade passed the Three Lamps in Ponsonby for the delivery of milk in the west end of that suburb. It is quite possible that ten men could do the whole of that work under certain conditions. The conditions would require to be something like this: that a man would go down a certain street and deliver milk to the whole of the customers in that street, and perhaps go down the next street, and then come back to where he started. That would take place twice a day, and he could deliver 60 gallons a day in that way quite easily.

5. *Mr. Fairbairn.*] How long would that take?—It would mean probably from 4.30 a.m. to 7.30 a.m. and from 12.30 p.m. to 4.30 p.m.; but that would have to be done either by the Government or by the Municipality. I say that it is an impossibility to do it otherwise. I think it would be too expensive to be undertaken by the Government or the Municipality, because it would involve the employment of men at high salaries—men who might be nominally efficient, but who really do not know the business thoroughly. That is my view, as a dairyman.

6. *The Chairman.*] Are you not making rather a reflection on the Government service? We have heard that the salaries are very much less than those of commercial men outside the service?—Supposing there was a central establishment in Auckland, it would involve the employment of highly paid officials, and you know what that means. Under the present system the dairymen do good work, and they do their work economically, and I do not see how it could be done very much better. This delivery question is, of course, a very important one.

7. If Government officials were not all corrupt and incapable it could be done?—There would be a lot of superior men and overseers engaged, and that would mean extra cost. I may mention that a union was formed about eighteen months ago in Auckland of milk-suppliers, and a mutual arrangement was come to, and that arrangement was confirmed by the Court. The minimum wage for milkmen was fixed at £2 6s. a week, and he was given a commission for any moneys over a certain amount which he brought in. There was also an arrangement made in respect to hours, under which arrangement a man was not allowed to go out in the summer time before 4 o'clock in the morning, and in the winter time before 4.30, and an employer was liable to a penalty if he allowed a worker to go out before the specified hour.

8. Formerly, I suppose, he got up the night before to commence work?—I understand that that was sometimes done by several men on the sly—they delivered their milk at 11 and 12 o'clock at night. The custom had been for many dairies to deliver their milk at 2 a.m. and 2.30 a.m. onward, by which means a man could earn a first-class wage so long as he had a good district, and started at 2.30 a.m. and finished off when the other men did, say at 7.30 a.m. In such cases he would probably make as much as £4 10s. a week. Immediately that change took place it resulted in a lesser quantity of milk being delivered—that is, the men had less time in which to deliver it. In former years milkmen sometimes delivered milk up till as late as 11 o'clock in the forenoon, but now a man cannot hold his trade if he delivers his milk late in the morning. There is a little more latitude in regard to time in the afternoon.

9. *Mr. Holl.*] Do I understand you to say that these men are not earning so much money as they did in former years?—There are a number of inferior men who were earning £2 2s. who are now earning £2 6s., and a number of superior men who had large rounds who are now earning £3 and £3 5s. a week who used to earn from 10s. to 15s. a week more.

10. The wages of the best men have been curtailed?—Yes.

11. *The Chairman.*] Is there any other statement you would like to make to us in regard to the milk business?—I do not at present see that we can go back to the old state of things—namely, 3d. per quart. I may mention this: that it is not uncommon to see a family of, say, four getting only a pint and a half of milk per day. In my opinion, it is simply disgraceful. I think the babies should be given a great deal more milk. It is fearful to see the paltry amount of milk that the average family gets.

12. Have they the means to buy more?—I suppose not. You could put the quantity consumed, on an average, as a pint and a quarter to a pint and a half for a working-man's family all over Auckland, but in the higher-class families in the suburbs the quantity will be double that. There are numbers of families in which there are little children which get only about a pint a day.

13. The children are practically getting no milk?—Yes, it is a sad state of things, and if any system could be devised of enabling the people to get more milk at a lower price I would welcome it.

14. Do you think the average quantity of milk taken has fallen off in late years?—I think it is much about the same.

15. So the children have always been given too small quantities of milk?—Yes.

16. *Mr. Leadley.*] I gather that you are not in favour of a municipal milk-supply?—I am afraid it would be too expensive to work.

17. More expensive than the present system?—Yes.

18. You have pointed out that the present system of delivery is very expensive?—Yes, I recognize that if a man could deliver all his milk in one street the milk could be delivered at considerably less cost than it is at present.

19. Could not the milkmen themselves map out districts so that overlapping would be avoided?—There is not sufficient friendship between them to enable such an arrangement to be brought about.

20. The milkmen simply associated themselves together for the mutual protection of the men in the trade?—Yes.

21. Do you fix prices by that means?—Yes.

22. And agree as to times of delivery?—The hours are fixed by the Arbitration Court award.

23. You stated that you simply dealt in milk; you did not keep cows yourself?—For twenty-five years I bought milk largely from the farmers, but I have been farming myself for seven years.

24. What is the difference in the cost of producing milk in the summer and in the winter?—During October, November, and December (and sometimes in January if you get rain) milk can be produced at a low price. The difference will be, roughly, from 2d. to 4d. a gallon between the summer and winter season.

25. If that applies to milk it also applies to butter?—Yes, it applies to butter a great deal more, but the conditions are different in regard to butter and butter-fat.

26. The reason for the difference in cost is that it costs so much more to produce it at certain seasons because the farmers have to provide artificial feed for their stock in order to keep up the quantities they agree to supply?—Yes.

27. As a matter of fact, the butter purchased in the later part of the season is kept for export?—Yes, we always used to reckon that in March and April butter was worth hardly anything owing to the stoppage of export. I have had a good deal to do with buying butter-fat. We made a lot of butter and exported it.

28. If the system of overlapping were prevented through a municipal supply being adopted, would not that largely neutralize the increased cost of handling on account of the employment of high-salaried officers?—Yes, you could then supply milk at about 2d. per gallon for delivery.

29. *Mr. Robertson.*] In reference to the difference in the cost of producing milk in summer and in winter you made reference to butter-fat: the difference would not be so great in the case of milking for butter as in milking for milk-supply, owing to the higher percentage of butter-fat in winter?—The difference between winter and summer is not so very great when the milk is obtained from the same class of cows. It is more a question of the breed of the cow. We have two classes of farmers. There is the farmer who delivers milk for town purposes, and that milk represents, on an average, say anything from 3·3 to 4 per cent. of butter-fat. That is the milk that is sent to town, and in that case the Government does not ask for the milk to pass a high test. There are hundreds of men now who are delivering milk to factories—a high quality of milk—and a great deal of their milk would represent from 4 to 5½ per cent. of butter-fat.

30. Could you tell us about the experiments which have been made with regard to a municipal milk-supply in other countries?—I have not noticed them much. I suppose the idea of a municipal supply is in order chiefly to improve the quality—that is, that the milk shall be absolutely free from anything objectionable.

31. In regard to the association you have referred to, has it articles of association?—Just the rules drawn up some years ago.

32. Is it registered?—No.

33. *Mr. Leadley.*] Is there much reason to complain of the quality of the milk here?—No.

34. Did you simply keep the one standard quality?—You could not have a standard quality from day to day. All that you can do is to see that the farmer sends his milk out pure and good.

35. Does the same practice obtain here as in some other places—Wellington, to wit—where it has been proved that certain quarters of the town are supplied with an inferior quality of milk?—Nothing of the kind exists here. I am out of the trade now, but I feel sure that the people of Auckland get a good article in the quality of their milk.

36. *Mr. Hall.*] Could you tell us what price the farmer gets for milk now in the winter and in the summer?—Delivered in Auckland, for nine months he gets 8d., and for three months 7d.

37. *Mr. Leadley.*] That ought to pay all right?—That is a good price.

38. *Mr. Hall.*] What is it being retailed at?—Nominally, 4d. a quart, but a great deal of it at much less.

39. Fourpence a quart in the winter?—Yes.

40. And what in summer?—3½d., nominally.

41. Large hotels taking a large quantity daily get a reduction?—Yes, for three gallons and upwards there is a considerable concession.

42. Is the cost of distribution heavier than it used to be?—Yes.

43. Is there any serious loss in bad debts—that is, to retailers?—Yes; but the employee shares in that. He is given a fixed wage, and if he makes a bad debt, say, of £5, the employer might lose £3 or £3 10s. and the employee may lose £1 10s.

44. Having made a bad mark?—Yes.

45. *Mr. Veitch.*] In connection with the agreement between the employers' and employees' associations, is there a provision which prevents employees entering into competition with the employers?—Yes, I think it is for a period of twelve months.

46. Was that provision in the award?—I think so.

47. Would that have the effect of preventing employees going into business for themselves in Auckland within that period of time?—Yes.

48. Would it be possible for somebody who was not an employee going into business during that time?—Certainly. It is a just arrangement from my point of view. Mr. Justice Gillies, some twenty-five years ago, thought two years was a reasonable period; but the conditions have altered since then, and the period is now twelve months, or perhaps it may be six months. I would not conduct the business on a large scale unless I had my men bound in that way. The men are constantly in contact with the customers, and the employer may only see the customer once in six months, so that it is reasonable that there should be such a condition between the employer and employees.

49. *Mr. Leadley.*] Would that not apply to other trades—to a baker's trade, for instance?—It would to some extent; but somehow the man who bakes the bread seems to be in a different position to his customers than the dairyman is to his customers.

CORNELIUS TAYLOR further examined.

50. *The Chairman.*] I understand you desire to supplement your evidence of yesterday?—I produce a dairyman's books, which represents a normal city round. It is an average round, including the Newton district, and does not include the suburbs, where the consumption of milk would be nearly double as much as that of an ordinary working-man's family. It works out at 1s. 8½d. per week, or roughly 3d. per day, or roughly about 1 quart per week per individual. I mentioned yesterday the question of feeding of infants on milk. During the last month or two I have had two children under my observation, and have taken particular care to see what amount of milk they consume. One, a child of seventeen months, consumed five half-pint bottles of milk, which represents 2½ pints per day. The other, about six months old, took, roughly, about half that quantity. Compare that with what the families of Auckland get, and then you will see what a child would drink. The two children I have mentioned are living under good conditions in the country, where the milk is good, and the child can have as much as it wishes.

51. *Mr. Leadley.*] What does that mean when you say "where the milk is good"?—I mean that we had a Jersey cow, and her milk is giving 5 per cent. of cream. The same thing would apply with an ordinary cow. The point is that a child has as much as it requires.

52. My reason for interrupting was that you demurred yesterday when I asked you whether there was any difference in the quality of milk?—In regard to quality, there will be a considerable difference between the quality of the average milk sold in Auckland and the milk that those children got. That was from a special cow. I am afraid that I did not make myself clear yesterday on the question of the dairyman's prevention clause. I think I conveyed the idea that a man could not leave his employer and go to work in Auckland with another employer. I did not intend that. That system had obtained in Auckland for twenty-three years, under an agreement by which a man could not within the space of two years after leaving an employer sell, deal in, or deliver milk, or anything known by the name of milk, in Auckland or within six miles of Auckland for the space of two years. That was considered, as I said yesterday, a reasonable agreement. It is somewhat different now. The new condition is that, instead of a locality, the round means the customers. A man may now go on his old round so long as he does not sell to the customers to whom he has been delivering milk for the space of twelve months. That means that he could himself find customers and sell to strangers on his old round, which would, of course, be ridiculous, because he has already been trying to get them as customers and failed. Or he is not within twelve months to sell on either of two rounds if he has been previously on two rounds before he left his old employment. The effect has been, since this went before the Arbitration Court and became an award, that a number of men who were making fair money decided to go on their own account. Consequently we have a larger number of what we may call small men trading in milk in Auckland than we had before.

53. *The Chairman.*] You use the phrase "anything known by the name of milk in Auckland"?—That was the legal definition of No. 9 clause, which was overhauled by Mr. Justice Gillies, and considered a most reasonable clause. I am now out of business, yet, as I said yesterday, if I were in business I would take care that I had a good clause of that character to hold my business together. The whole milk business is based upon holding one's trade through one's men. If you cannot hold it through your men it is worthless. I am in a position to give information with regard to the cost of pigs and pork if the Commission desire it. I have been keeping between 200 and 300 pigs at Papatotoe.

54. The Commission will be glad to hear it?—Up to about two years ago we were getting for the best pork 4½d. per pound delivered. Within the last few weeks pork has been sold by auction at, roughly, 5d. per pound live weight, and it has to be remembered that pork loses in the killing from 25 to 33 per cent. At the time we were getting 4½d. per pound we were also getting 4½d. for heavy pigs, live weight, less 33 per cent. So you will observe that the price has increased greatly. Up to two years ago the price of smoked bacon in Auckland was from 6½d. to 6¾d. per pound. Now, I think, it is fully 9d. wholesale, so that the retailer is now selling bacon sliced with a machine at 1s. 1d. and 1s. 2d. per pound—a ruinous price.

55. *Mr. Hall.*] What are they selling at by the side?—Retail customers do not buy the side, but the merchants are paying 9d.

56. *Mr. Fairbairn.*] There has been an advance of 2d. per pound in the price of pork, and 2½d. cured?—About that. The cost of curing by the wholesale people was, I think, based on the weight of the side when it was delivered to you, not on the pork—1d. per pound.

57. *The Chairman.*] What are the reasons for the increase?—There are fewer pigs in other parts of the world than there are here. A number of Waikato people have, to my knowledge, exported pigs. Now and then we have a scarcity of pigs, but only very occasionally. Speaking

generally, there has been a glut of pork in the market for years, and we receive a considerable benefit at Papatoetoe. We fed our pigs on skimmed milk, of which we had an abundance. A pig does not turn out well on skimmed milk only, unless some solid food such as grain, peas, or beans is added. The consequence of the skim-milk diet is that the pork runs to fat, and when it is put into the oven or on the pan it frizzles up to nothing. A properly fed pig should have some grain in addition to the skimmed milk.

58. Do you think many farmers feed their pigs on maize now?—No, everything of that kind is too dear. That is why so many people about Auckland have gone out of the pig trade. I can give the Commission some information regarding the advance in the price of suburban dairying land. In this district of Papatoetoe, where I had my pigs, and where some thirty farmers came daily with their milk, I was interested in an estate of 93 acres, some eleven miles from town along the Great South Road. In 1903 the value of that land was £40 per acre, and the rental was £1 10s. an acre. In April, 1911, that land, which had been producing milk for town consumption for a long period, was sold on an average at £102 per acre for residential purposes and small farms. I had had it for nine years on lease, with a purchasing-clause of £45 per acre. This land had produced milk for a number of years, and so had the bulk of the adjoining land. Had the owners of these milk-producing farms had to purchase their land at the current prices of recent years they could not have produced milk at the prices they did; but, seeing that they had bought the land many years ago at low prices, they continued in the trade. Since the sale of the estate I have mentioned an adjoining estate—similar land, in a similar position—has been sold at £150 per acre. Almost the whole of that increase has been due to the improved suburban train service instituted since Mr. Myers became Minister of Railways. The land is situated within about three-quarters of a mile of the railway-station. The effect of this increase in values will be that the dairymen will have to go further afield for land. Soon, I think, milk will be coming to Auckland from a distance of 100 and 150 miles, as in England.

59. That, of course, will add to the cost of the milk in town?—Yes.

60. *Mr. Hall.*] Did not the values rise before Mr. Myers became Minister of Railways?—To nothing like the same extent.

61. But they did rise?—Yes, they have been steadily going along.

62. *Mr. Fairbairn.*] Do you know of any combination in connection with the pork trade?—I do not think there is any.

63. I am referring to the curers only?—There is probably just an understanding. Curing was only done by two firms in Auckland, and they have the same terms.

64. The fact that they had a uniform price suggests the possibility of an arrangement?—Yes.

SATURDAY, 22ND JUNE, 1912.

JOHN WILLIAM HALL, Merchant, examined on oath. (No. 137.)

1. *The Chairman.*] What are you?—I am a merchant, carrying on business in Auckland.

2. Have you found in the course of your business that there has been any association or combination in restraint of trade?—In answer to that I propose to read a series of letters which have passed between the Union Oil, Soap, and Candle Company and my firm. On the 21st June, 1910, we had an interview with the manager of the company with regard to the altered conditions of the company, and on the 23rd June the correspondence was opened up, and is as follows:—

“23rd June, 1910.—The Manager, Union Oil, Soap, and Candle Company, Auckland.—

DEAR SIR,—We ask for a written confirmation from you to-day of your interview with us of the 21st current relating to future supplies of your company's manufactures to us. We understand the position from your statement to us is as follows: You have been supplying us as wholesale merchants at the same prices and discount and on the same terms of payment as you have been supplying other wholesale merchants of Auckland; that you were supplied by somebody with a list of names of wholesale merchants with whom your company might do business, and that our name appears on that list; that you are now supplied with a fresh list of wholesale merchants with whom you are to do business, and on this list our name does not appear; that as a result of a conference by you with the firms, or one of them, whose names appear on this list, you are meantime free to supply us as wholesale merchants on the same terms and conditions as you supply other wholesale merchants, but unless our name appears on some list to be subsequently submitted to you you will decline to supply us as wholesale merchants. We stated in the interview of the 21st, and now confirm this statement, that we are agreeable to be bound by such prices, terms, conditions, discounts, bonus, and stipulations as your company elect to impose on wholesale merchant customers of your company. We now therefore ask for a letter from you to-day stating whether you will or will not for the future supply us with such manufactures of your company as we may from time to time order, irrespective of whether our name appears or does not appear on any list furnished or to be furnished to you by any one wholesale merchant or wholesale merchants of Auckland, such supplies to be on precisely similar terms, prices, discounts, bonus, or stipulations as those quoted and imposed by your company on other wholesale merchant customers of your company. It will be obvious to you that we are entitled to your reply to-day. If this is impossible, your very earliest reply will be valued.—Yours faithfully, T. H. HALL AND CO.”

“Auckland, 23rd June, 1910.—Messrs. T. H. Hall and Co., Auckland.—DEAR SIR,—In reply to your letter of even date, in reference to our interview with you two days ago, you set forth the position in very definite terms as to the result of that interview, and to which we entirely agree. Ever since the formation of this company we have done all in our power to protect those who are doing business with us, wholesale and retail alike; and as in the present instance we have undertaken to supply the merchants with whom we are doing business on certain terms, we

regret exceedingly you cannot see your way to accept the conditions we have agreed to, as we cannot recede from that position without further consideration. Meanwhile we will be pleased to supply you with our goods as heretofore, and until the whole matter can be laid before my Board, who meet on the second Tuesday of July.—Yours faithfully, THOMAS BELL, Manager."

"Auckland, 14th July, 1912.—Messrs. T. H. Hall and Co., Auckland.—DEAR SIR,—Referring to your letter of the 23rd June, having fully considered all the circumstances of the case, we regret that we cannot allow you more discount than those named in our price-lists.—Yours faithfully, THOMAS BELL, Manager."

"Auckland, 18th July, 1910.—The Manager, Union Oil, Soap, and Candle Company (Limited), Auckland.—DEAR SIR,—We regret our oversight in not earlier acknowledging your communication of the 14th current, in reply to ours of 23rd June. We duly note that your company declines our trade in candles and soap unless at your prices and terms, as published in your price-lists. As these prices and terms are not those hitherto charged by you to wholesale merchants, and as our business as wholesale merchants is without alteration since you accepted our orders, are we to understand that you have altered your terms to wholesale merchants? Please favour us with a reply to-day as early as possible.—Yours faithfully, T. H. HALL AND CO."

"Auckland, 18th July, 1910.—Messrs. T. H. Hall and Co., Auckland.—DEAR SIR,—We beg to acknowledge receipt of your favour of even date, and regret that at present we cannot offer you any better terms than those quoted.—Yours faithfully, THOMAS BELL, Manager."

"18th July, 1912.—The Manager, Union Oil, Soap, and Candle Company (Limited), Auckland.—DEAR SIR,—We have yours of this day's date. We would point out that this can hardly be considered a reply to our question in ours of this morning. May we again refer you to what we asked—namely, whether your company's terms to wholesale merchants have been altered?—Yours faithfully, T. H. HALL AND CO."

"Auckland, 19th July, 1910.—Messrs. T. H. Hall and Co., Auckland.—DEAR SIR,—In reply to yours of yesterday's date, we desire to refer you to ours of the 14th instant, to which at present we have nothing further to add.—Yours faithfully, THOMAS BELL, Manager."

"19th July, 1910.—The Manager, Union Oil, Soap, and Candle Company (Limited), Auckland.—DEAR SIR,—We have your memo. of even date, and regret that you apparently decline to afford us the information respecting your terms to wholesale merchants that we think we asked for in all courtesy. May we finally ask whether you decline to answer our question?—Yours faithfully, T. H. HALL AND CO."

"Auckland, 20th July, 1910.—Messrs. T. H. Hall and Co., Auckland.—DEAR SIR,—In reply to your letter of yesterday, we beg to state we have no further information regarding the matter referred to.—Yours faithfully, THOMAS BELL, Manager."

"21st July, 1910.—The Manager, Union Oil, Soap, and Candle Company (Limited), Auckland.—DEAR SIR,—Before finally replying to your memo. of the 20th current, which reads, 'In reply to your letter of yesterday, we beg to state that we have no further information regarding the matter referred to,' we would wish to be advised by you if this means that you have no further information to enable you to reply to our question, or, otherwise, that you finally decline?—Yours faithfully, T. H. HALL AND CO."

"Auckland, 22nd July, 1910.—Messrs. T. H. Hall and Co., Auckland.—DEAR SIR,—We wish to retain your good opinion, and if possible your custom, but we think no good purpose will be served by continuing the present correspondence.—Yours faithfully, THOMAS BELL, Manager."

"23rd July, 1910.—The Manager, Union Oil, Soap, and Candle Company (Limited), Auckland.—DEAR SIR,—We have yours of the 22nd instant. We sincerely regret that you decline to afford us, a firm of wholesale merchants, information as to your prices and terms to wholesale merchants. This information, we maintain, we were entitled to. As you make it impossible for us to trade in candles with your company we must accept the position. To be placed in such a position is a novelty in our business experience.—Yours faithfully, T. H. HALL AND CO."

3. *Mr. Fairbairn.*] In the first instance were you drawing your supply of candles from the company on the same terms as other merchants in Auckland?—Yes.

4. And they refused to supply you further on the same terms unless you joined the Merchants' Association: is that the position?—It is not for me to say why they adopted that policy. The only thing said in the correspondence is that there is a list, and that they determine from that list the people that they should supply.

5. But you agreed to sell?—We agreed to accept. We take it that a manufacturer has a right to fix the terms before he sells his goods; if the buyer does not agree to the prices there is no business. The point we were trying to make with the Union Oil, Soap, and Candle Company was this: Our business is that of wholesale merchants; the character of that business has not altered; and if it was competent for them to supply us with goods we wanted before they made new arrangements, we did not quite see why they should not continue to supply us subsequently to that arrangement. [Witness subsequently amended his reply to read, "We agreed to pay the same prices and accept the same terms as those asked by the company from the wholesale merchants."]

6. What is the list spoken of?—Of course, I do not know.

7. Was it the Merchants' Association?—I presume so.

8. Are you a member of the association?—No.

9. You refuse to be a member of it?—Yes. I do not see any objection to the Merchants' Association, but if a firm of wholesale merchants consider that the regulations or methods are not quite what they should be that firm should not be compelled to belong to such an association.

10. Has your firm ever been approached by any one to join this association?—Yes.

11. Have you ever been threatened with any consequences if you refused?—I would hardly like to put it in such drastic language as that. We may have our opinions.



12. Did you interpret any action into a threat?—There was certainly an atmosphere of compulsion about it.

13. Was there a suggestion that if you did not join the association you would find it difficult to buy any particular commodity?—Yes.

14. *The Chairman.*] The association of merchants is united for one purpose: do you know what that purpose is? Is it for the regulation of prices?—I should say that the constitution of the Merchants' Association is meant for the regulation of trade terms. I should say that primarily. I am under the impression that the arrangement of prices is also a part of their programme.

15. Would it be possible for you, if you did not belong to that association, to buy certain lines of goods at the same rates as those inside the association?—I can only refer you to the correspondence in connection with candles.

16. Have you any other knowledge? Is it common knowledge that there are certain lines which you could only get through the association?—Yes.

17. Could you give us an idea what those lines are?—I could not without reference.

18. Things like Colman's mustard, Keiller's marmalade, and condensed milk?—Yes.

19. Bournville cocoa?—I do not know.

20. Sugar?—Yes. I might say that, though our firm is not a member of the Merchants' Association, if I were asked whether in my opinion the general run of the prices of grocery lines was exorbitantly or improperly high I should have to say No.

21. Even of those which are sold through the Merchants' Association?—Yes.

22. Still, it gives an advantage to those within the association which others outside the association do not have?—Certainly.

23. What would be the effect of that upon the general public? Would retail grocers be able to sell to the general public at such prices as they would be able to do if there were free competition in the open market?—Generally I suppose not; but again I would point out that, in my opinion, the profits of the wholesale merchant and the profits of the retail grocers and storekeepers are not on such a scale as to be deemed other than fair and, on the whole, reasonable profits.

24. On the contrary, it would be in their power, by not passing on of a remitted duty, to penalize the public?—Yes.

25. By a combine, which would keep prices above the rate at which the goods would be sold under free and open competition?—That is possible.

26. So that, although in your opinion no such advantage is taken to any great extent, such a combination is a danger on account of its being in their power to do so should they wish it?—That is my opinion. It is possible that if a combination became powerful enough, and those in the same line of business as that combination could not see eye to eye with their methods or anything else, those not in the combination would certainly in trade be at a considerable disadvantage.

27. *Mr. Veitch.*] Can you say whether the retail prices in Auckland, speaking generally, are higher or lower than in other centres?—I have not sufficient knowledge to answer that question.

28. Do you not think it is possible that, owing to the fact that your firm and possibly others have not joined the association, it is a good deal weaker than it otherwise would have been?—I could not say what effect our abstention from becoming a member of the association has had upon its operations.

29. Does it not seem at least probable that it has had the effect of weakening the association or keeping down prices?—If I say yes I could not produce any proof at all. Perhaps as a firm we are rather individualistic, and we have conducted our business in our own way for a long time. That is what we asked to be allowed to do. I do not consider that for a number of years the profits in wholesale or retail groceries have been extravagant or improperly high.

30. No doubt you will agree that if all the merchants were in the association they would at least have the power to force up prices, provided they were all willing to do so?—Yes, but I do not think you would ever get a combination of competent business men to take such a dangerous position as that.

31. *Mr. Hall.*] Have you any knowledge of any retail grocer being refused supplies by the Merchants' Association of any particular lines?—I have not.

32. Were you able to purchase goods in these lines that you were in the habit of buying from the Union Soap and Candle Company from another firm, or did you continue doing business with them?—We did business in these commodities from other sources.

33. *Mr. Fairbairn.*] Is it within your knowledge that some retailers in New Zealand, particularly in Auckland, can buy certain commodities on exactly the same terms as the wholesale houses?—I believe that to be so.

34. And that in lines such as Colman's goods, Van Houten's cocoa, Neave's food, marmalade, and many kindred lines—Crosse and Blackwell's goods—all these are imported practically on the same terms as to wholesale houses?—Certain retail operators can import on the same basis as recognized wholesale merchants.

35. They are therefore in a position to eliminate one set of profits if competing on even terms with similar traders?—Yes.

36. *Mr. Leadley.*] Could you tell the Commission how the business of the association is managed? Is it by an executive?—I have no knowledge whatever of its operations.

J. W. HALL (recalled) further examined.

*Witness:* The reason I am here is because of the published report of evidence given by a previous witness. My first attendance at this Commission was under subpoena, and the only evidence I tendered was the submission to the Commission of correspondence between my firm to

a company—the Union Soap and Candle Company. In the published report of the evidence of the manager of that company in the Auckland *Evening Star* of the 27th June he is reported to have said, in answer to a question, that “the firm in question were the merchants who had wanted to enter into a two-years contract with his company for the supply of candles.” The “firm in question” I assume to apply to T. H. Hall and Co.\*

*The Chairman:* That was the firm; it was mentioned by the manager of the Soap and Candle Company.

*Witness:* I have to say that my firm have no knowledge of this whatever; there is nothing in the correspondence suggesting any idea of getting a contract for a period, nor was that in our minds, nor ever produced by us. It is quite possible that the witness who made the statement may have mixed up our firm with another, but it certainly does not apply to our firm. I wish to have particular record made of that. It is an unhappy position for me, and I regret having to give this evidence. This evidence referred to candles.

37. *Mr. Fairbairn.*] As applied to your firm, the statement is untrue?—It is. I communicated with the manager of the Union Soap and Candle Company on the 22nd June, saying that I was handing in the correspondence between his company and my firm of June and July, 1910. I have had no acknowledgment from the Union Soap and Candle Company of receipt of this communication. To-day I wrote to the company's manager that I would attend the Commission respecting the evidence reported as given by him. The manager has perhaps not had time to reply to this note of to-day's date. My presence here to-day is due to a natural and proper desire on my part to assure the Commission that there was no condition whatever as to any forward contract in our correspondence, or in any other way, the non-acceptance of which would have justified the refusal of supplies.

ALEXANDER ROSS, Farmer, examined on oath. (No. 138.)

1. *The Chairman.*] What are you?—I am a farmer, in the Waerenga Valley, Lower Waikato. I have been farming there for the last thirty years.

2. Have you found that the land-values in the locality have increased very much in the last ten years?—They have doubled. The unimproved value has gone up 100 per cent. in the ten years.

3. Is that on account of the dairying industry?—Principally.

4. Through the dairymen being able to send their produce to the Home market?—Yes.

5. Do you find any great difficulty in obtaining labour?—Labour is very scarce.

6. Is yours a dairy farm?—I used to be dairying, but lately I have been raising beef for the Auckland market. I have found so much trouble with labour that it was better to go in for the beef.

7. You mean trouble in getting proper labour?—Just so. Besides the trouble in finding labour, there is trouble in keeping it. With dairying it is not like a factory. In a factory, if you cannot get labour you can shut the doors and let things stand until labour is available. In the case of dairying the cows have to be milked regularly, otherwise they would be ruined for the season.

8. Has there been a great rise in the price of beef since you took over the farm?—In the last few years there has been a very considerable rise. The industry has been more profitable than it used to be.

9. Will you give us an idea of the time and extent of the rise?—Five years ago we used to think we had a good price if we got 22s. per 100 lb. It is quite a common thing now to get 26s. Although high prices have ruled this season in the London market there has been practically no beef exported from Auckland province—it has all been required locally, at the prices I have stated. That has been caused through a large amount of land that used to grow beef being turned into dairy farms.

10. Do the people who succeed as dairy-farmers find that they avoid the trouble of getting labour by working their own families?—If they have their own families they avoid trouble.

11. On the dairy farms, have the children very long hours?—Only in exceptional cases. Apart from exceptional cases, I have not noticed any ill effects upon the children.

12. Do you consider that the rise in the price of land makes it essential that they should keep down expenses by using their own families as much as possible?—The rise in price for dairying lands had been caused a good deal through their being able to work the industry with their own families. If that was not possible the price would not have gone up so much—the industry would not have been so profitable.

13. *Mr. Leadley.*] What is the value of the land that you are devoting to beef-raising?—About £25 an acre.

14. Can you make beef-raising pay on land of that value?—Yes.

15. Is it natural or artificial pasture?—It is drained swamp, and is good land.

16. Your reason for abandoning dairy-work was the difficulty of obtaining satisfactory help outside your own family arrangements: do you think that is a general reason for the abandonment of dairying by the people who depend upon hired help?—If any one abandons dairying, that is generally the cause. It is a paying business, but there is so much trouble in getting hired labour that people give it up. That is the cause in nine cases out of ten.

17. With regard to the alleged overworking of children on the dairy farms, do you think that that generally obtains?—I think not. I have noticed some exceptional cases.

18. But, generally speaking?—Generally speaking, no harm is done to the children.

19. What would be the age of the children when they are first put to this kind of work?—They are put to it pretty young sometimes, but they do not have much to do. Perhaps they start at the age of nine.

\* For the evidence of the manager, Union Soap, Oil, and Candle Company, see page 328.

20. How many cows would a nine-year-old boy be asked to milk?—Five or six of the easiest cows, and he would gradually work up.

21. Has the introduction of the milking machinery done away with a good deal of this?—Yes.

22. Are not the machines now in pretty general use in fairly large dairies?—The machine has made it unnecessary in a great many cases to employ children at all. If a man milks 100 cows he goes in for a proper up-to-date plant, and he can milk these cows easily with two men.

23. Do you combine the pork industry with dairying, as an adjunct?—Yes.

24. Can you give us information with regard to the pork industry? How long is it since you left off dairying?—About three years.

25. What was the price of pork pigs when you were in the business?—We used to get 4d., 4½d., and 4¾d. three years ago, dressed weight. I believe that the price has gone up much higher lately—that pork has been sold this summer at 5½d. dressed.

26. Do you think the quality of the article was about the same?—I do not think there would be any difference.

27. Do they use much grain in feeding pigs in this district?—No grain at all. They use pollard, and copra imported from the islands.

28. Is not the effect of using that that when you put the rasher in the oven it frizzles up to nothing?—I think pork fed on skimmed milk and given pollard is all right; it gives a good firm article.

29. *Mr. Robertson.*] When did you first go in for dairying?—A little more than twelve years ago. I was at it for ten years.

30. How much did the value of the land on which you were dairying rise in that time?—It has gone up 50 per cent. in the last ten or twelve years.

31. How many cows did you run?—Last season I was milking about 130.

32. On how many acres?—It took from 2 to 2½ acres to run a cow.

33. What is about the average wage paid for dairy-farm help in your district?—From 25s. to 30s. a week and found.

34. Your statement about dairymen using the assistance of their families seems to imply that people going on dairy land would have to be prepared to work on that system?—To a great extent. If you could not depend upon family help, it would be impossible to get labour.

35. Would it be a correct thing to say, as one witness said the other day, that the whole system of share milking is based upon child-labour?—Quite correct, before the introduction of the milking-machine.

36. Would not the employment of milking-machines have the effect of making it necessary for a man who is going in for dairying to have a large capital, in order to instal the machines?—It does not necessarily follow, because most of the plants are obtainable by the payment of a small deposit. They are very seldom paid for in cash. If a man has a farm, and is doing well, and is on a sound basis, he will find plenty of firms ready to give him credit.

37. The working of the machine calls for a certain degree of skill, does it not?—Any ordinary intelligent workman can learn to work the machine in a very short time.

38. Are the machines a success and likely to solve the problem?—They are a success so long as they are well looked after.

39. *Dr. Hight.*] You said the fact that a farmer can employ his family accounts to a great extent for the increase in the price of dairying lands: do you mean by that that a farmer, without the advantage given him by the family labour, could not produce butter cheaply enough to compete successfully in the London market?—He could; but he could not give, as a rule, such a high price for his land. It would not make any difference to the London market, but he would not pay so high a price for the land. If he had to pay a higher price for the labour, that higher price would have to come off the value of the land.

40. I suppose the farmer you have in mind owns the land?—In most cases. In my district there is hardly a farmer who does not own his own land.

41. But the advantage is really a disguised increase of rent?—There is no rent.

42. But when the farmer owns the land a certain portion of his income from the land is rent?—I suppose you would put it that way.

43. Could you say if a large proportion of the dairy farms are mortgaged?—I should say that a good many of them are. In the locality where I live I do not think there are many mortgages, because the district has been settled for a long time, and the original settlers have never sold out. They will not be mortgaged. They bought the land cheap, before the rise took place; but wherever there has been much change of title and selling at high prices, you may be sure that a great deal of the land is mortgaged.

44. *Mr. Robertson.*] You mean that the present values are at a point where a man going on the land has not the capital with which to buy it?—A man going on high-priced land does not, as a general rule, put down more than from 20 to 30 per cent.

45. *Dr. Hight.*] Then, a dairy-farmer with a small family gets a differential advantage over the farmer who has not?—Decidedly. A man with a family going on a dairy farm is all right, and the small farmer without a family and without much capital has a hard struggle for a long time.

46. *The Chairman.*] And the interest on the 80 per cent., whether you call it interest or rent, has to be met?—Yes.

47. *Mr. Fairbairn.*] What length of time would a lad of nine years devote to the milking of four or five cows?—For a start, it would probably take him an hour, but very soon he would do it in three-quarters of an hour.

48. That would practically mean, taking the morning and evening—two hours a day?—Yes.

49. And how long would that go on?—It would not be long before he would be giving perhaps two hours' work.

50. At what age would he be worked for two hours in the morning and two hours in the evening?—Between ten and eleven perhaps.

51. What would be the next increase?—At twelve he would probably milk as many cows as a full-grown man.

52. But what about his education?—That is the point. He would not be employed as much as a man, because he would have to attend to his education.

53. Say, at the age of twelve, how many hours a day would he be expected to work on an average farm?—They would give him a little more than two hours, but not much. You can reckon two hours, on the average.

54. That is, equal to four hours a day, or half a day's work?—Yes.

55. Up to the age of fourteen?—Yes; up to the time he would leave school, between thirteen and fourteen.

56. After leaving school, how many hours would he work?—He would have to take his ordinary share of the milking. Perhaps he would be employed a little more than four hours a day milking cows. Then, of course, there is the other work on the farm.

57. *Mr. Leadley.*] He would not be asked to do other work when going to school?—No.

58. What time would you start milking in the morning?—From 5 to 5.30.

59. At what time would the younger boys be asked to start?—Probably an hour later.

60. Such a boy would milk three or four cows between 6 o'clock and breakfast-time?—Yes.

61. And have no further share in that part of the business till after school?—Yes.

62. At what time in the evening would he finish his milking?—A small boy at about 6 o'clock, and an older boy a little later. Many do not finish in the summer-time till 7.

63. The older boy would be free in the middle of the day?—As long as he was going to school.

64. As a matter of fact, his share of the milking would be two hours in the morning before school and two hours in the evening, and the men who started at 5 in the morning would do other work all day?—Not always. I had a good many men working for me. Milking started at 5 a.m. It took about two hours and a half to put through the milk and finish everything up. They would go to breakfast about 7.30. They would start work again about 9 o'clock, and work till 1. Then they would knock off for dinner, and would not start again till milking-time.

65. So that practically there would be about five hours during the day in which they were free?—They would have five hours' work in connection with the milking, and from three hours and a half to four hours, at the outside, in other work—about nine hours a day.

66. *Mr. Veitch.*] Can you give us an idea what is the cause of the shortage of labour in the country?—I do not know, unless it is a general shortage.

67. You know of no special reason?—I do not think so.

68. Say, twenty years ago, were there not more large estates in New Zealand than there are now?—Yes.

69. Is it a fact that the managers of most of these estates preferred to employ single men, because they could accommodate them at a less cost than married men?—Very likely that would be a consideration, but I do not think there would be any general disinclination to employ married men, because there is always a chance of their families being able to help.

70. Do you think the bulk of the men employed on those estates were married men or single men?—I could not give you any information first hand, because I do not know anything about the working of the big estates.

71. With regard to general country work, were there more married men employed than single men?—If they had not accommodation for married men they would have to have single men, but where there are conveniences for married men they would sooner have them.

72. Take general farm-work, such as shearing and harvesting: in those two sections—take it for twenty years back—is it reasonable to say that the bulk of those men were single men?—I think so.

73. Assuming that the great bulk of the people employed in the farming industry have been single men for the last twenty years, would not that produce the effect that there is no country population growing up?—Undoubtedly. I believe that if there had been more encouragement given in the past to married men with families it is possible that there would not be quite the same scarcity of labour as there is at the present day.

74. Can you suggest any remedy for the shortage of labour—any practical means of getting over the difficulty?—The only remedy I can suggest is to go in for small farms, and let every family work its own farm.

75. *The Chairman.*] Is there anything else you can tell us with regard to the rise in the cost of living?—There is only one thing. There has undoubtedly been a rise in the price of the commodities produced on farms, and consequently there must be a rise in the expenses of living in the towns. I believe that in the country the rise of the cost of living is quite inconsiderable. The people living there do not realize it at all. Of course, they live in better houses; and there are some other things that they get now which they had not formerly, but that is because they are better off and can afford it. If they were living in the same way as they used to live, they would not be paying anything more for their living. But in the towns the cost of living must have gone up through the increase in the cost of our products. That has been caused by our having better access to the markets of the world for our products. Of course, the markets were always there, but we could not take advantage of them, because we had not the machinery or the methods of handling produce. First came the refrigerator and the separator. When they were introduced, and proper methods of handling the stuff were brought in, we could export at payable prices. Then they introduced big cargo boats, and now the stuff is carried at the cheapest rates, so that we can land it in London as cheap as or cheaper than we can retail it here.

76. Then, the result is that the more inventions and improvements there are the harder it is to live in New Zealand?—I do not say that; but the people have been so prosperous that they

can buy a lot more of all the things they require, and employ more men in the towns than they used to. Although the cost of commodities has gone up, yet the wages that men can earn in the towns have gone up in proportion. The men in the towns must be better off than they used to be, because they spend far more on luxuries than they used to do. We can all see the number of places of amusement there are in Auckland. At one time there were only the two theatres, and they were not brisk. Now there are picture theatres all over the place. Everything that caters for the public in the way of amusement is a very favourite proposition.

77. You could hardly say that while a rich person is able to buy concert or theatre tickets at 10s., a show at which the charge for admission is 6d. should be denied to the workers?—No; but it shows that they are not so hard up as some people might think.

78. It really shows that the standard of living has risen more than the cost?—That is the position.

79. *Mr. Veitch.*] Do you know what the population of Auckland City is?—In the city and suburbs it is supposed to be something over 100,000.

80. How many people out of that 100,000 do you think attend picture-shows every night?—I do not suppose it is a very big percentage.

81. Do you think it would amount to a farthing per head of the population?—I think it would be more than that.

82. Would it be a half-penny per head?—One could not tell without going into the figures.

83. *Mr. Leadley.*] If the standard of living has risen, have not the people who have attained that standard to pay for it?—Yes.

84. Then, the cost of living must have risen?—Of course it has. I believe the cost of living, without considering the standard, has risen a certain amount, because as far as farm products are concerned the prices are higher than they were. From fifteen to twenty years ago you could buy butter in Auckland, for which the farmer got 6d. per pound as "farmers' butter." People will not have that now. Farmers' butter is put into the milk-depots, and sent away to feed the people in London. The people here must have factory butter. At the time I speak of they used to buy the farm butter. For cheese the farmer used to get about 4d. per pound; now he gets, perhaps, 7d. Those are two items that have increased in price.

85. You showed just now that the country people are more prosperous. Is not that prosperity reflected in the towns?—That is how the towns are prosperous: the farmer is more prosperous—his purchasing-power is greater, and that is what the city lives on.

86. *Mr. Robertson.*] What is about the retail price of farmers' butter now? Is it true that it is retailed here at about 1s. per pound?—I do not think farmers' butter retails as much as that. At certain times of the year it might.

87. Would you say that at the present time it might be 1s. per pound?—Yes, and factory butter is about 1s. 2d. and 1s. 3d.

88. At those prices, would not factory butter be the more economical?—Decidedly.

89. Therefore it is not a question of luxury when they take factory butter instead of dairy: it is a question of using the more economical article?—The factory butter is a superior article.

90. Its butter-fat content keeps better?—Since the introduction of the combined churn and worker they can work the moisture into it right up to the legal limit.

91. And the farmers' butter contains moisture beyond the legal limit?—Sometimes.

92. *Dr. Hight.*] You spoke of the farmer employing the people in the towns: is it your opinion that the work which is generally done by the town population is a necessary part of the production of the staple products of this country?—A great deal of it is, but not all. We could get a lot of it done more profitably by sending to London and Manchester for our goods.

93. What, for instance?—Our boots, and a great deal of our clothes, for example, we could get far cheaper in the Old Country than here. We have not enough labour to carry on the natural industries of the country, and a lot of labour and capital are diverted from those and put into industries that do not pay, and a profit has to be made up.

94. But you think the majority of the services rendered by the people in the towns is a necessary part of the production of the staple products of the country?—Undoubtedly.

95. You would not, therefore, draw a hard-and-fast rule between the town population, dividing the producing sections of the people from the non-producing sections?—You could not do that. So long as they are performing a necessary function in the production and distribution of produce, they are producers.

96. *The Chairman.*] Would you prefer to get these manufactures from Home?—You will remember that there went through this country some years ago an exhibition of the products of sweated industries. Would you prefer that people should be sweated at Home rather than sweated in this country?—I should leave every country to settle its own problems. If they are sweated there we cannot help it. I do not think we should do any good by ceasing to purchase these goods. There is any amount of employment for every one, and we do not want artificial protection.

97. What do you think of the protection of the flour industry?—It is a flea-bite, and it would not matter to any one if it were swept away.

MONDAY, 24TH JUNE, 1912.

JAMES WORDSWORTH McILRAITH, Litt.D., Inspector of Schools, examined on oath. (No. 139.)

1. *The Chairman.*] You are an Inspector of Schools for the Auckland Education District, Dr. McIlraith?—Yes.

2. You have made a study of the economic problems concerning which we have been appointed to make this inquiry?—Yes, for about the last five years I have concentrated my studies somewhat on this subject.

3. *Dr. Hight.*] How would you define the term "cost of living"?—I should say that the cost of living would be the cost of the amount of commodities, using the term "commodities" in a very wide sense, so as to include food, clothing, house accommodation, education, travel, recreation, and reasonable transport and communication facilities—such an amount of those commodities as would keep the individual in such bodily and mental health that he would be able to work with reasonable efficiency, and by so doing be able to maintain himself and his family—say, a family of five—with some degree of comfort; and I suppose, too, such an amount of commodities as would enable that man to work in such a way that he would be able to lay by something to maintain himself in old age.

4. Has there been a rise in the cost of living, as you define it, during the last twenty years?—I should say there has been a certain rise in the cost of living during the last twenty years.

5. I do not want to develop that just now: we will come back to that point later on. In the same period has there been a rise in the general level of prices in New Zealand?—Yes, there has been.

6. Do you consider that that rise has been part of a rise in the general level of prices?—Yes, as far as I can see, the rise in the cost of living has simply been a part of a general rise in prices.

7. And to what extent, considerable or otherwise, has it been part of the general rise?—Yes, it has been to a considerable extent. In fact, if you take the commodities which enter most directly into the cost of living, you find that they have risen practically the same as other commodities have risen.

8. Has the rise in the general prices been accompanied by a rise in the prices of those commodities people as a rule use?—Yes.

9. I will come to the standard of comfort later on. Number 10 question has reference to the influence of the value of gold: what do you understand by the term "rise in prices"?—It is somewhat difficult to define. We have, for instance, no such thing as all prices rising at the same time or perhaps all prices falling at the same time. There are causes which affect individual prices, and there are more general causes which, in my opinion, affect all prices taken together. For instance, we might have prices on the whole rising; but if we investigate the problem we may find that there are some commodities actually falling in price, owing perhaps to better methods of production, and to better means of transport and communication. To institute an analogy with the sea: we may have the crest of a wave very high and the trough between the waves very low, but if we strike an average we get the average height of the waves. We may have some of the prices very high and a few prices low compared with ten years ago, and yet on the whole we may say that prices are now, say, 10 per cent. higher than they were ten years ago.

10. Might you put it this way for the sake of illustration: Supposing there are in the market only five commodities; at one time you have certain prices, and you take the average of these and then the average prices at another period. Say A and B have been rising, C has remained stationary, and D and E have been falling in price: you strike the average of the second period of prices and compare it with the average of the first period, and as the second is higher or lower on the average than the first period you thus ascertain whether the general level of prices has risen or fallen?—Yes.

11. What is meant by the term "value of money"?—Simply the purchasing-power of money.

12. The power money has of getting things in exchange?—Yes.

13. I suppose you would understand money to be standard money, such as our gold coin, and also other legal-tender money?—Anything that does the work of money, that facilitates the exchange of goods; anything that sellers generally are willing to take for commodities and buyers are willing to give.

14. I want you to state what the exact relation is between the value of money and the level of prices?—One is just the converse of the other. For instance, if at the present time prices are so high that a sovereign would buy only half as much as it did twenty years ago, then we would say that the value of money is low and prices are high.

15. The general level of prices is not fixed—it fluctuates?—Investigation shows that it seldom remains stationary for any length of time.

16. Is it possible to measure its movements?—Yes; measurement has been made in various countries, but particularly in England, Germany, United States, and Canada; and as the variations in prices, or, to put it in another way, as the variations in the value of gold, revealed by these investigations coincide in different countries, the probability is that the methods adopted to measure the value of gold are correct methods.

17. The tables which you have had published by the Government Printer are an attempt to measure these movements in New Zealand?—Yes.

18. Will you name the agents that determine the position of the level of prices—that is to say, that determines also the degree of the value which money possesses at a given time?—The principal factors would be money on the one hand and the volume of trade on the other. If we have a certain amount of commodities to exchange against a certain amount of money, prices will be at a certain level. If money remains stationary while the volume of trade transactions increases, prices must fall, because each unit of trade can only be balanced against a smaller unit of money. If, on the other hand, the quantity of money increases while the volume of trade remains stationary, each unit of trade is balanced against a bigger supply of money than before; in other words, prices rise. It is, of course, a common thing that both the volume of money and the volume of trade increases at the same time, but it is very seldom that the volume of trade increases at the same rate as the volume of money, or that the volume of money increases at the same rate as the volume of trade. If the volume of money increases at a greater

ratio than the volume of trade, prices will rise. If, on the other hand, the volume of trade increases at a greater ratio than the volume of money, prices will fall.

19. Do you say, on the one side you have to take into account money and on the other side trade?—Yes.

20. On the side of money would you not consider separately certain factors—that is to say, (1) the amount of standard and legal-tender money; (2) the velocity with which that circulates or the rate at which each individual turns over his money during a given time; (3) the amount of credit money, chiefly cheques in this country and bills of exchange; and (4) the velocity with which these circulate?—Yes, all these would have to be taken into consideration in estimating the amount of money. I use the term “money” in a broad sense. We have first metallic currency; and, secondly, paper money—bank-notes, cheques, promissory notes, and bills of exchange. All those must be taken into consideration; and, furthermore, as you have pointed out, the question of velocity must not be ignored.

21. You think that in making an investigation into prices and their changes and the causes of them one should give careful attention to these factors?—Yes.

22. Let us look at them separately. There are, then, at least five causes that operate immediately on the level of prices—namely, the amount of money in circulation, the velocity with which it circulates, the amount of credit money in circulation, the velocity with which that circulates, and the volume of trade?—Yes.

23. Which of these five causes have in the last twenty years worked in the direction of raising the general level of prices?—I should say that the amount of metallic money has certainly increased. The velocity of money, too, seems by certain investigations to have increased very rapidly during the last twenty years; there has been a greater concentration in banks and a greater development of credit; then the system of book credits, instead of cash purchases, has increased the velocity of circulation, for under such a system there is no need to keep money lying idle in readiness for probable purchases. The amount of metallic money and the velocity of circulation, and the credit payments and the velocity of credit money have all increased considerably, and they have had a great effect in raising prices.

24. Then you think that the increase of these four factors—the amount of gold and other legal-tender money in circulation, the amount of credit money in circulation, and the increase of the velocities with which they circulate would account to some degree for the rise in general prices?—Yes.

25. Let us take each of these separately, and see what it is that influences them. Take the amount of standard money in circulation and legal-tender money, which would, of course, include bank-notes if bank-notes were legal tender. Are you of opinion that the state of foreign trade has any influence on the amount of money in use in the country?—Yes.

26. The amount of money in circulation varies with the foreign trade of New Zealand, other things being equal?—Yes. The effect of foreign trade is to prevent the country having too much money or too little. Suppose this country had such an amount of money in circulation that prices within this country rose higher than the level of prices in other countries, there would at once arise a tendency for other countries to sell goods to this country. It would be a good country to sell to and a bad country to buy from. Imports would increase and exports would fall off. The result would be that this country would have to pay a certain sum of money to balance the excess of its imports over its exports to other countries. As it could not send away its paper money to the other countries—for paper money circulates only within its own country—it would have to send away its gold—to deplete part of its currency—and prices would therefore fall. The effect of foreign trade is therefore to keep prices in a country at a fairly uniform level. It is impossible for any country to be depleted of its money, and it is equally impossible for any country to have too much money.

27. You mean that in countries that trade with one another the level of prices must be such as to keep a sufficient supply of money in each country—sufficient for the purposes of trade in that country, making allowance for cost of transport of goods from one country to the other and for such impediments to exchange as tariff duties?—Yes.

28. Has the cost of mining gold any effect on the amount of gold money in circulation in a country?—If the cost of mining gold increases, if the wages of labour increased and also the prices of such requisites of mining as timber, iron, and explosives, if these increase then the lower-grade mines, or mines which are just on the margin of profit, must be abandoned. If, on the other hand, prices are falling—the price of labour and the prices of all the requisites of mining—the tendency must then be for people to reopen these lower-grade mines. They have become cheaper to work. The result is that when prices rise through an excess of money in the commercial world, there is a tendency to close down the mines, and thus put a brake on the supply of gold. On the other hand, when prices are falling there is a tendency to reopen mines, and thus bring a greater amount of gold into the currency, and so raise prices. The process is practically automatic.

29. Then, as to minting gold. Gold is in the form of bullion at a certain stage. It does not become money until it is minted. What is it that determines how much gold shall be minted?—An Act of Parliament, in a way, determines it. The Bank of England is bound to buy at a certain price all gold offered to it.

30. Unlimited quantities of gold?—Yes, at a certain price—that is, the bank coins an ounce of gold into approximately four sovereigns. Gold, in a certain sense, has no price. The Act of Parliament simply states how many sovereigns shall be made out of an ounce of gold.

31. Would it be true to say, in your view, that gold bullion is retained as bullion so long as its purchasing-power as bullion is less than its purchasing-power as money?—I should say so.



32. We produce gold here to the extent of about £2,000,000 worth a year—at least we have done that on the average for many years past: what would be the effect if a law were passed in New Zealand to coin all the gold that is produced here, and put it into circulation?—It might raise prices temporarily, but gold would very soon filter away; it would flow out of the country. We could not keep it in circulation unless we had absolutely nothing to do with any foreign countries.

33. And if we had not, what would be the result?—If we were a self-contained country prices would rise. There would be simply more money balanced against the same amount of commodities.

34. Of course, the character of our banking and monetary systems also influence the amount of money in circulation?—Yes, especially paper money.

35. It has recently been stated, after very careful investigation, that in the United States—the only country in which such an investigation has been carried out on proper lines, I believe—the amount of money in circulation has increased from 0·87 billions of dollars in 1896 to 1·63 billions of dollars in 1909—that is to say, the amount of money in circulation has almost doubled in the United States?—Yes.

36. Are you aware of any similar change in New Zealand?—I cannot say that I am.

37. Has the amount of money in New Zealand increased, not necessarily doubled?—I should say it has. I have not looked up the figures.

38. They can be got from the banking returns, I suppose?—Yes.

39. The velocity with which money circulates, that is another factor under the head of money. You gave it as your opinion that any changes have been in the direction of increasing the velocity. What are some of the influences that have brought about the increased velocity of money?—The aggregation of people in cities. If the country is principally agricultural or pastoral, people live further apart, and they do not co-operate so well. That would apply to a backward country, but wherever population concentrates in cities, banks come more and more into use, and people leave money at the banks, and the banks make it circulate. Then, on the other hand, we have an increasing degree of honesty in the commercial world. I think it is undoubted that the honesty of the commercial world has increased very greatly during the last fifty years. That leads to greater confidence, and to people being more inclined to trust their money to banks than they were previously. Then, again, there has been the growth of the credit system, whereby people get their goods on credit instead of paying cash. If people have to pay cash they have to keep the money lying idle, but if they can get their goods on credit there is no need to keep the money lying idle. That means greater rapidity of circulation. Then, again, we have the fact that people perhaps spend more freely than formerly, or the standard of comfort has been raised, and money circulates more readily. Furthermore, under our labour laws people are paid fortnightly or even weekly instead of monthly. This means that they have money always on hand, and money can thus circulate more rapidly. Those are some of the principal factors. Then we have the development of the banking system, the invention of the telegraph and the telephone. We have quicker and cheaper postal facilities, and trade transactions take place more rapidly than previously.

40. And all this would have the effect of tending to raise prices?—It is equivalent to an increase in the amount of money.

41. Owing to the greater use made of banks and book credits, receipts and payments are probably more synchronized now than before—that is to say, the majority of the receipts and payments are now made at the end of a week or a fortnight or a month. Would that have any influence?—Yes, I should say that would keep money from lying idle, and would enable money to do a great deal more work than previously.

42. In the investigations that have been made in the United States it has been found that the velocity of circulation of money has increased from nineteen to twenty-two times in a year—that is, whereas in 1896 a man turned over his money nineteen times in a year, he now turns it over twenty-two times: have you any knowledge of the number of times money is turned over in New Zealand?—No; that would require very detailed investigation. I have made no investigation on that point.

43. As to the amount of credit money: in New Zealand money is chiefly deposited in banks, and is drawn upon by cheques?—Yes.

44. Has the amount of this credit money any necessary connection with the amount of metallic money in circulation?—Yes.

45. Would you say that it is directly dependent on the amount of metallic money in circulation?—Yes, almost directly dependent.

46. That is rather an important point. Have you proof of that?—Perhaps one of the best proofs is that at the time of the financial panic in the United States in 1907, when credit contracted and people were no longer able to give bills or promissory notes, payment was demanded in metallic money. This credit money is all right so long as it is based on confidence, but if that confidence turns into panic then people will demand metallic money instead of paper money. So banks must be careful that their supply of metallic money may be in a certain sense sufficient to meet the demands that may be made upon it. Bankers finance on the assumption that hardly 3 or 4 per cent. of metallic money will ever be demanded at one time for this paper money. Should a panic seize the people, and if, say, 50 per cent. demanded that the paper money should be converted into metallic money, no bank would stand a drain like that. Our banking seems to be built up on the belief that people will not all come forward at the same time, and demand that paper credits be turned into metallic money.

47. The paper currency is founded on what? There is a solid foundation of metallic money on which it is built?—Yes.

48. In addition to that foundation there is a certain elasticity. Paper money may contract or expand independently of changes in the amount of legal-tender money?—Yes.

49. There is another method of proof that is often used. I would like to know if you agree with it. Suppose, for example, that credit is expanding—that a greater amount of paper money is being put into circulation owing to the expansion of credit; that would mean that prices would rise, and that more money other than paper money would be required in payment of wages—a large proportion of wages still being paid in money proper—and in dealing at retail shops, and so forth, would it not?—Yes.

50. There would therefore be a greater demand for money proper—gold—and ultimately that demand would be satisfied in the case of England, which is the centre of the monetary world, from the vaults of the Bank of England?—Yes.

51. And if the Bank of England finds its gold being depleted in this way it puts up the rate for discount at once, and that has the effect of contracting advances?—Yes, and of inducing people to send in gold for deposit, so as to take advantage of the temporarily high rate of interest.

52. In the second place, we must remember that gold is the one thing whose price is absolutely unchanged. Gold is always worth, subject to one or two slight exceptions, £3 17s. 10½d. per ounce—that is, standard gold?—Yes; the weight of gold in a sovereign never alters.

53. Therefore, if all other things rise, gold becomes cheaper, and people demand more things which are made of gold. There will be a greater demand for gold in bullion, and money coins will be melted down and used as bullion in making watches, ornaments, rings, &c., and this extra amount of gold coin can be satisfied only by the drain from the Bank of England. Are you of that opinion?—Yes.

54. Then, again, there is still another line of proof. If prices rise owing to the greater circulation of credit money, and the country is a good country to sell in and a bad country to buy in, imports increase and exports fall off, and the result is a balance of indebtedness against the country, and that can be discharged usually only by shifting some gold out of the country?—Yes.

55. And the demand for gold for export will fall on the Bank of England, which will put up the rate of discount until a position of equilibrium is again reached?—Yes.

56. That is to say, the amount of credit money then is directly dependent on the amount of standard money?—Yes.

57. Suppose at one time the amount of credit money is three times the amount of money proper, the ratio is three to one: is that ratio constant necessarily?—I said before that there was the factor of public confidence. In fact, the psychological element enters very largely into the question. If you have an honest, industrious nation, a very large superstructure of credits can be built upon a rather small foundation of metallic money. On the other hand, in the case of a very backward country, such as Spain, the amount of credit which can be reared upon a given foundation of metallic money is rather small. I suppose the countries that build up the greatest superstructure of paper money upon gold—build it up successfully, I mean—are countries such as England, America, Germany, and France. The ratio of credit money to metallic money is by no means constant.

58. In other words, you say that the ratio will change with, for example, the development of banking?—Yes, and with the enactment of better bankruptcy, company, and trustee laws.

59. The ratio in the United States, it has been found, has increased from 1896 to 1909; or, rather, to take first the amount of credit money, this in the United States has increased from 2·68 billion dollars to 6·75 billion dollars. That is to say, while the amount of money proper in circulation has about doubled, the amount of credit instruments has about trebled?—Yes.

60. That is to say, the ratio of credit money to money proper has increased in the United States during the last sixteen years or so?—Yes.

61. Do you think, from your own observations, it is correct to say that a similar state of things exists in New Zealand?—Yes; I would not say that the same ratio exists, but I should say that the amount of credit money has been increasing. I do not know the ratio between them, but the ratio between credit money and metallic money has been increasing, although, since New Zealand is primarily a pastoral and agricultural country, it is not to be expected that we have all the factors that will cause the ratio to increase as fast as it will in an industrial country like America.

62. Now, the velocity with which cheques circulate depends on influences much the same as those which affect the velocity of circulation of money proper?—Yes.

63. Influences such as density of population, means of communication, &c.?—Yes.

64. Now we come to the fifth factor—the state of trade: you said that changes that were observable in the other four factors have all worked in the direction of raising the level of prices?—Yes.

65. And you think that the tendency of changes in the volume of trade during the last twenty years has been to lower prices or retard rises?—It has had the effect of retarding rises.

66. What are the factors that bring about changes in the state of trade, because they will indirectly influence the general level of prices? Would you say they are practically all the factors that operate in the production of wealth—say, the discovery of new mines, drainage, deforestation, tunnelling, bridging, harnessing water-power, making irrigation-works, manuring land, the application of scientific methods of cultivation to land, everything that bears on the efficiency of labour, the physique, intelligence, and morality of labour, division of labour, scale of production, the application of machinery to production—everything that induces increased powers of production—would you say all these are factors that operate on production, and through production on the volume of trade, and through the volume of trade on the general levels of prices, and through the general levels of prices on the cost of living?—Yes.

67. We need not go into each of these factors, because if we did it would take us too long; but I simply wanted to know if they bear on the problem, in your opinion?—Yes.

68. What has been the net result of the working of these five great factors on the level of prices during the last twenty years, and more particularly during the last ten years in New Zealand?—The net result has been a rise in prices.

69. You think the volume of trade has been outstripped by the increase in the other factors?—Yes.

70. Can you strengthen this opinion by reference to the history of the supply of money and the history of prices?—Yes; 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.

71. How do you explain that?—That was a period of great development of steam-power. Steam was used for the first time in manufacturing.

72. The rise of the factory system?—Yes. We may assume, then, that the volume of trade increased to an enormous extent, the stock of gold remained stationary, and credit not being highly developed trade outstripped the amount of money.

73. Up to the time of the Bank Charter Act?—Yes. 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.

74. You mean that the rate at which gold increased fell off considerably?—Yes. 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*.

75. Have you any figures to hand in connection with that?—Yes, I have here in greater detail the figures from the year 1865.

#### Gold-production.

The world's gold-production varied thus:—

Prices—			Compared with Average of Decade 1890-99.
Fell $2\frac{1}{2}$ 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
.. $12\frac{1}{2}$	.. 1880 to 1885, a decrease of	7 per cent.	.. .. 48
.. $12\frac{1}{2}$	.. 1885 to 1890, an increase of	8	.. .. 44
.. 4	.. 1890 to 1895, ..	33	.. .. 25
.. $6\frac{2}{3}$	.. 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; £40-£50 annually converted into coin.

76. Have you a note as to the source of that information?—Yes, my information in respect to the gold-supply was received from the Director of the United States Mint at Washington. I communicated direct with him on the subject, and I think he is generally regarded as an authority on the subject.

77. What opinion have you formed of the probable course of gold-values in the immediate future?—That is rather a difficult question to answer.

78. We should like to know if you have formed an opinion, and also to know the grounds of your opinion?—As far as I can see at present, I think the gold-supply will continue to increase. I may state that the gold-supply is rapidly increasing. A year or two ago it increased by about 10 per cent. in one year. We have also the fact that the Russian and Siberian goldfields are increasing their output rapidly. The increase from the Transvaal mines is being well maintained. The Chinese gold-supply, although small at present, is rapidly increasing—at the rate of about 50 per cent. a year. Although China does not produce very much at present—about as much as New Zealand does—there are the possibilities of an enormous development in gold-production in China. There is also the possibility of getting cheaper labour for mines—black or yellow labour—and that would mean that the output would be enormously increased. Then there is the possi-

bility that scientists may yet discover a method of profitably extracting gold from sea-water. It is well known that the ocean is an immense reservoir of gold, and a process may be discovered of obtaining gold from sea-water by a method analogous to the production of nitrogen from the air.

79. Do you think it would be a good thing?—Perhaps it would send prices up one thousand or two thousand times higher than they are at present. It would be simply a universal calamity, and would probably have the effect of making nations discard gold as the foundation of their currency.

80. Do you not think the rise in prices will have a retarding effect?—Yes, it is true that the rise in prices will have the effect of closing down some of the mines. Then, again, we must not lose sight of the fact that China may adopt the gold standard. That would mean that prices would fall. It would mean that practically 50 per cent. more people would require gold for their commercial transactions, and that would make a vast difference in prices.

81. Is not the supply from Australia falling off considerably?—Yes; and the supply from the United States and Canada seems to be stationary. It is one of those things in regard to which it is difficult to forecast the future. In 1886 a Commission sat in England to investigate the cause of low prices, just as this Commission is investigating the cause of high prices. It was then seriously debated whether something should not be devised to take the place of gold in the currency, because gold was then so scarce. Now the problem is whether something cannot be discovered to take the place of gold because gold is threatening to become too plentiful. It is almost impossible to forecast what the future will be.

82. What, in your opinion, would be best—a fall in prices, a rise in prices, or stable prices?—In my opinion, a slow rise in prices is the best thing. A fall in prices, in my opinion, especially if it be a rapid fall, produces gloom. We had an example of that during the eighties. When prices are slightly rising it acts as a stimulus to trade, whereas falling prices act as a drug or narcotic. Stationary prices, I think, have a tendency to check enterprise. The principal evil of a rise in prices is that it is at times impossible to make wages or fixed incomes rise in the same proportion as prices. If there could be devised some means by which incomes and wages could be increased in the same proportion as prices the evil would to a great extent be corrected, and we should still have, in addition, a healthy stimulus given to trade.

83. That could be done by the adoption of a form of the tabular standard?—Yes, if you could get people to adopt it.

84. *Mr. Fairbairn.*] To what extent has the use of credit money supplanted legal tender and coined money during the last fifty years?—Investigations seem to show that in America, where the most detailed investigations have been made, coined money to credit money is in the ratio of about one to ten—there is about ten times as much credit money as metallic money.

85. I am referring to the increase: to what extent has it supplanted legal tender?—I am not prepared to say.

86. If the world's population is practically doubled every fifty years—and the population of Great Britain has doubled in fifty years—and our population is doubled, what would be the position?—I would not undertake to say that; such an increase has occurred in India, China, and Africa.

87. I am referring to white populations. That being so, there must of necessity be a greater demand for coined money?—Yes.

88. Is gold not subject to exactly the same fluctuations as any other commodity in its purchasing-power?—Yes; its fluctuations are only the other side of the fluctuations of prices. If prices doubled the value of gold is only half of what it originally was. If the value of gold is doubled prices are only half.

89. Is not that traceable to the law of supply and demand? The first cause would be the scarcity of a commodity and the demand for it. For instance, some years ago quinine was 27s. an ounce; now it is so plentiful that it can be bought at 1s. an ounce. The law of supply and demand must govern the whole thing. For instance, the scarcity of potatoes must govern the price of the article?—Supply and demand would govern the price of the individual commodity, but not the general price-level. If our bread, meat, and clothing rose very high through the operation of the law of supply and demand, what would be the result? It would mean that we would have less to spend on other things. Therefore our demand for other things would fall off. We would either have to give up using other things, or they would have to be sold to us at a lower price. The effect of the higher prices of things that we could not do without would be counteracted by the lower prices of other things we could do without, and that would tend to maintain prices at the same average or general level.

90. In connection with your investigation in reference to credit money, have you any information to give the Commission in regard to the increased use of credit money all over the world? The bulk of business is now done without the use of coin or legal tender, and that must of itself lead to a considerable displacement of the old gold standard?—Yes, the ratio of transactions discharged by the use of paper currency to those discharged by metallic money is increasing.

91. Is it possible to coin a single sovereign more than is required for circulation except for reserves?—Yes.

92. What will be done with it?—It will go into circulation and raise the price of all things, including labour.

93. There must be a limit to the amount of coined money. We can only use a certain amount?—I think there is no limit. We can keep on coining it. There would be more money put into circulation, which would raise prices, that of labour included. It is possible that we might coin so much money and on it build such a structure of credit that the wages of the ordinary labourer would rise from, say, 10s. a day to £10 a day. The effect of increasing the amount of money would be to increase prices, labour included.

94. I think you have misunderstood my question. It refers more to the limitation of the circulation of bank-notes than to coined money. Take our output of two million pounds' worth of gold: supposing we coined all that gold in New Zealand we could not use it. No one, for example, would hold money in his possession nowadays when he can find use for it by paying it into a bank and getting interest?—Supposing New Zealand was absolutely self-contained, we could coin that money and use it too.

95. I am speaking of New Zealand as it is, and bearing in mind the international overlappings that exist all over the world—that you cannot from a money point of view fix a national limitation?—I maintain this: that no matter how much gold we coin it can all go into circulation. It will simply raise prices, and the more money you put into circulation the higher prices rise. The higher prices rise the more money you want to discharge obligations.

96. You think there is no limit to the amount of coin?—Absolutely none.

97. There is another purpose for keeping reserves in gold. It is more with the view of a possibility of war, is it not, that high reserves are maintained in Europe?—There is a reserve maintained in some of the European countries in case of war. I believe that is so in Russia and Germany. I do not know whether France does so or not. I am inclined to think that the general tendency of monetary science is rather to look with slight contempt upon the laying by of a special reserve of gold for war. War is becoming so much more expensive than it formerly was that these reserves have now become practically trivial.

98. *The Chairman.*] There is an outer or foreign influence and a local influence at work in connection with the rise of prices in New Zealand?—Yes.

99. If the cost of living in England rises, does not the cost of living in New Zealand rise also?—Yes; I should say it does. My investigations have shown that prices in New Zealand follow on almost parallel lines with prices in England.

100. Is it not natural that if our customers have less money to expend on our products they will not bring so large a price?—Yes.

101. The price would fall?—Yes.

102. In your opinion, has not the fact of the existence of heavy armaments at Home added considerably to the cost of living in England and on the Continent?—Yes, in this respect: that it is making the workers maintain a very large number of people in idleness or in comparative idleness—I am referring to soldiers and sailors. Of course, I know that they may be regarded as a form of insurance; still, they are withdrawn from our industrial population, and that means a higher tax upon our people to maintain them.

103. You mention the Wall Street panic: is it not a fact that large supplies of gold were sent from England and France to assist the banks in the United States?—Yes.

104. Is it not a fact that if there were a run on one bank in New Zealand the other banks would come to its assistance?—Yes.

105. Is not the gold standard and the use of paper money much like an army of stage soldiers marching across the stage and behind the scenes and round and round again in order to make people believe that it is a continuous army marching, and similarly is it not sought to make people believe that there is gold behind banks when there often is not so much as many people believe?—Yes; and people act on that belief. So long as their cheques or promissory notes are taken they do not inquire into the matter.

106. Suppose there was a universal demand that all paper money should be met?—Every bank in the world would break.

107. It would be an end of the credit system?—Yes; but I do not think it is likely to happen.

108. Is that practice sound or is it an illusion?—We live largely on illusions. So long as most of us think a thing is all right, then it will be all right.

109. You have heard of the practice of watering stock in the United States?—Yes.

110. Upon whom does the burden of providing interest and working dividend of watered stock fall—on the general public or on the people who hold the shares?—Very often on the shareholders in the end, especially if they have got into a company where stock is much watered, and if the company has not been a sound one.

111. As long as the company goes on paying dividends it would fall on the general public to provide dividends in some cases?—I cannot say it would imply a loss to the general public to maintain it. If the stock was watered it would simply reduce the dividends.

112. Nominally, but not in fact. If you have an issue of one thousand shares at £10, and it is found that too much interest is paid and the public attention had been directed to that stock so that they will compete for it, and then the stock is made into two thousand shares of £5 each so that the interest appears lower, of course, that is hardly perhaps a form of watering stock, but it has the effect of protecting shareholders?—Yes, and deluding the public somewhat.

113. Is that another illusion from the public point of view?—Yes, if they think the company is earning only moderate dividends.

114. There was a case of increase of price of stock in America—a very good example—where the terminus of land at each end of a railway-line had risen very greatly in community-created value. The value of £2,000,000 was added to the assets of the company, and stock was issued for another £2,000,000. Was that community-created wealth?—Yes, you would call it wealth.

115. That is to say, so long as some catastrophe did not spoil the community-created value?—Yes.

116. It could be used as credit?—Yes, and the land itself could be used, otherwise it would not have that value put on it.

117. But, still, would it be considered to have been added to the world's wealth?—I think so.

118. You spoke about gold in the Bank of England: is there enough gold in the Bank of England to pay wages for one single year in Great Britain?—I could not say.

119. If I state that there are only £36,000,000 in gold in the vaults of the Bank of England at the present moment, would that be likely to be untrue?—I should say that those statistics are reliable.

120. So that the amount of gold in England really has the very slightest proportion to the amount of paper money?—Yes, a very small proportion.

121. In America you think it is only one-tenth?—Yes.

122. What is your opinion in regard to the creation of large private fortunes? It has been stated by some American writers that every time a big fortune is made by one of those multi-millionaires it has the effect of reducing the purchasing-power of the wages of the workers?—I do not think that the creation of multi-millionaires' fortunes necessarily raises prices at all. I do not see how it can raise the general level of prices.

123. When a multi-millionaire makes, say, \$26,000,000 in a day, where does the money which he makes come from?—I suppose part of it from the losses of other people.

124. Then the community is poorer for that?—Yes, if the millionaire can so manage affairs as to rig the market.

125. Do not say "rig" the market: it is "high finance"?—Well, if by means of "high finance" he can make a good scoop then other people lose.

126. Does not the community become poorer, and does not that add to the cost of living?—The shareholders that are outwitted perhaps would be poorer. I do not think it adds to the cost of commodities.

127. *Dr. Hight.*] Does it not depend upon what he does with the wealth?—Yes. Money is not necessarily thereby withdrawn from circulation or use, nor is the output of commodities curtailed.

128. The transaction amounts to a transfer of wealth?—Yes, from a number of persons to an individual. Some partial and temporary dislocation of business is perhaps inevitable.

129. And that numbers of persons are poorer?—Yes, they have lost purchasing-power; but I do not think the level of prices will fall.

130. *Mr. Fairbairn.*] Supposing a syndicate controlled shipping, and the immediate effect was to eliminate competition and add 5s. a ton on freights, would not that be an immediate loss to the community?—If we had to pay more for the commodity of shipping our spending-power in other directions would be reduced.

131. Would not the whole community have to pay for it?—If freights played an important part in our expenditure it would reduce our expenditure on other things, and would therefore reduce the price of other things, or the amount of other things we could afford to buy.

132. *The Chairman.*] Is not an easy method of getting credit the means of leading people to get things which are hardly necessary, and may that not add to the cost of living by their purchasing things which are not quite necessary?—Yes, that is one of the evils of the system; but I am inclined to think that the advantages of credit outweigh the disadvantages.

133. You spoke of the rise in prices being a benefit to trade—that means to the people who are getting profits out of trade?—Yes.

134. What about the general public?—If prices show a slight tendency to rise, or are gradually rising, the manufacturers and producers become more confident, and there is a buoyant tone in the industrial community, and that is reflected on all classes. People are more enterprising.

135. Even those with a fixed income?—That is the class that suffers.

136. *Mr. Veitch.*] With regard to the problem of land-values: assuming that the land at the end of a certain railway-line such as you mentioned became valuable, that represents so much increased wealth in the hands of the people that own that land, and it is a community-created value?—Yes.

137. Is it not a fact that that value really represents the power to extract rents from other people?—Yes.

138. And would not that affect the cost of living very materially?—It would affect it in so far as rents are concerned. On the other hand, if there was very much of that land on which rents were rising, the people would have less to spend on other things, and that would reduce the prices of those things, or if the prices were not reduced the consumption of those things would have to be reduced.

139. Supposing that the whole business of the country is controlled by trusts and combines, or the great proportion of it, and they fix prices, would it not have the effect of preventing people buying what they really needed, and making them do with less than what they want?—Yes; that is, if practically all businesses were controlled by trusts, and there were no competition.

140. Then, the greater the extent to which commerce is controlled by combines the greater the evil would be?—Yes; but they could not extract what prices they liked, because the people would not be able to pay them, unless, of course, the people greatly reduced their consumption.

141. We will assume that rent-value or the price of land rises to the extent of £5 per year, the capital value of the land will be roughly increased—say, to the extent of £100?—Yes.

142. A sufficient accumulation of what we might call such spurious capital would render certain individuals independent—that is to say, they could live without work?—Yes.

143. Therefore would not the effect of all this increase in community-created land-values be that a whole lot of people would be affected, and would it not reduce the number of people employed in industry?—It could have that effect, but the proportion of people so unemployed could only be a very small one.

144. *Mr. Robertson.*] Referring to the question of the transfer of wealth from a great number of investors into the hands of one millionaire by means of "high finance," would not the effect of that depend largely on the use to which it was put? Suppose the accumulation of wealth by a number of people by that means, would it not probably mean a larger demand for

luxuries that are within the reach only of such people as millionaires, and thus by diverting employment to the production of those luxuries decrease employment in other directions, and thereby raise the cost of necessary commodities by decreasing the amount of labour employed in them? Is it not a parallel to the keeping-up of an army or navy—a large body of men comparatively idle—and the keeping of a large body of men making luxuries?—Yes. If more men were employed in the production of luxuries it would tend to lower the price of other things. If there was less money to be devoted to necessaries of life, those necessaries would have to fall in price or be reduced in volume. But, practically, the ratio of millionaires to the rest of the community is so small that any such effect is likely to be insignificant.

145. Would not the price tend to rise to the highest point to which it could be taken—that is to say, by the diversion of labour from the production of these necessaries?—You must consider the amount of money that would be spent upon luxuries. If a great deal of money was diverted to luxuries there would be less to be spent upon the purchase of necessaries, and a fall either in volume or in the price of necessaries would occur.

146. If it fell off in volume, of course, the price would rise?—Not necessarily; these necessaries might be produced in the same volume as before, and sold at a lower price, or produced in diminished volume and sold at the same price as before. Or it might happen that a diminished consumption would take place at a slightly higher price than formerly. Much would depend upon the state of the industries producing those necessaries.

147. So in that way it is possible that the fall in the price of necessaries would counter-balance the rise in the price of luxuries?—Yes.

148. *Dr. Hight.*] As a matter of fact, is there ever such a rapid increase in the capital devoted to the production of luxuries?—I do not think so.

149. You consider that the demand for necessaries is a constant demand?—Yes; and I think the amount devoted to luxuries, even by the creation of a thousand millionaires a year, would be trivial compared with the amount devoted to necessaries. We have to remember the enormously greater number of people there are with small incomes than there are with huge incomes; and, after all, the number of luxuries is really slight compared with the number of things we regard as necessaries.

150. *The Chairman.*] The point I wanted to get at is whether the purchasing-power of the salary incomes is impaired by the accumulation of larger volumes of wealth in fewer hands?—I do not think it would be very much impaired.

151. *Mr. Leadley.*] In the case of the accumulation of wealth in the hands of individuals, the depletion of the gross wealth of the community would depend altogether upon the use to which that wealth is put?—Yes.

152. If Rockefeller made a million dollars by one single deal, and spent that million dollars in the erection of another palace, the community would get the benefit of that: it could not be erected without the expenditure on labour, and the greater part of his money would go back into circulation?—Still, if he spent it on the development of the country he would have done much more good than if he had put it into the palace.

153. Then all indulgence in things that are not essential to life is an evil?—It depends upon what you call an evil. It may be a moral evil. Money would not be spent to such an advantage as in production. If you spend money on palaces and things that produce nothing, it is, I should say, of less benefit to the community than devoting it to the development of the country.

154. Will the community get back a great deal of that wealth?—A great deal of it goes into circulation, but it is as if the money were lying idle—it is not producing anything that in its turn will produce something else.

155. *Dr. Hight.*] In the reference the term “the higher standard of living” is used: “standard of comfort” would be a better term probably: do you recognize that the standard of comfort is different from the cost of living?—Yes; quite a different thing.

156. Take New Zealand at the present time: do you think that the standard of comfort of the lowest grade of workers—say, the casual labourer—casual labourer in the city—is such that he has a sufficient supply of the necessaries of life, and, in addition, some little luxuries?—I think so.

157. Have you sufficient personal knowledge of their condition to give a definite answer?—I must say I am not very intimate with it except from my knowledge of the public schools. From observation of the children I should say that the standard is fairly high. Of course, there are other factors to be taken into consideration, such as scientific methods of home management. A wage that would maintain a high standard of comfort in one household might be utterly insufficient in another.

158. Owing to unskilful management?—Yes.

159. You think, I suppose, the standard of comfort of the general workers is such that they can afford something more than the necessaries of life?—Yes.

160. Has that always been the case in New Zealand in the last twenty years?—I should say it has not.

161. Have you noticed changes in the standard of comfort?—Yes.

162. Could you describe in detail any changes you have noticed?—The changes I have noticed are principally in matters of dress. I know practically from my own experience that in a matter of dress and clothing the standard has risen very much. In the matter of food, both as to quantity and quality, the standard has risen considerably. In the matters of education, recreation, travel, and postal and telegraphic conveniences the standard seems, in my opinion, to have risen a great deal. Investigations that I have made into the consumption per head in New Zealand seem to indicate that there has been a very rapid rise during the past twenty years.

163. Have you any detailed information?—I have in my hand a table showing the prosperity of the people in New Zealand in quinquennial periods. According to my investigations, 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. I may say that that same period was the period in which twenty thousand more people left New Zealand than entered it. For that period the standard worked out at 98. The full table is as follows:—

*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—again I would say not in value—as we did during the period from 1887-91. Each person consumed approximately twice the volume that was consumed per person twenty years ago.

164. Can you point out any casual connection between the rise in the standard of comfort and the rise in the general price-level?—The principal connection I see is the extraordinary rise that has taken place in farm products—in the products of the soil.

165. How do you connect that with the rise in the standard of comfort?—The country has produced in volume very much more from the soil than formerly, and the prices of those same commodities have increased by about 40 per cent. This, I think, 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.

166. As to your own index number in your "Course of Prices," have you any corrections to make in it?—Perhaps the principal defect in those index numbers arises from the fact that a commodity such as timber has been omitted. Timber happens to be one of the commodities which has risen very much in price during the last ten or twelve years. The alterations that I would wish to make are at the bottom of page 65. There we have to add "1911, 107; 1912, 110" for the six months of the year. Prices have risen 2 per cent.—that is, without timber. If we include timber the figures are: 1911, 110, instead of 107; 1912, 112. In other words, the addition of timber has during the last few years raised the price-level 3 per cent. I have a number of other tables that might be interesting in showing the rise in certain groups of commodities.

167. Do they throw any light upon the movement in the purchasing-power of wages?—I think they do. I have taken out a table showing the variations in prices of certain groups of commodities for the period 1895-1900, and for the years from 1908 onwards.

*General Level of Prices.*

Year.						Including Timber.	Excluding Timber.
1890-99	..	..	..	..	..	100	100
1911	..	..	..	..	..	107	110
1912	..	..	..	..	..	109	112

*Index Numbers indicating the Variations in Prices of certain Groups of Commodities.*

Year.	Cereals.	Animal Products.	Minerals.	Material for Building.	Foodstuffs.	Exports.	Imports.	Timber.
1895	85	94	92	94	93	91	94	102
1900	84	113	113	115	101	102	100	103
1908	133	134	104	..	103	134	92	..
1909	104	132	99	122	102	121	93	..
1910	110	135	96	122	103	127	94	165
1911	119	131	100	128	107	126	101	165
1912	115	145	104	126	111	131	103	165

These figures seem to indicate that the prices of our imports have lately ranged about 3 per cent. or 4 per cent. higher than they were in the nineties. I have other tables on the matter of prosperity or the standard of comfort, which corroborate what I have already stated. For instance, the marriage-rate has shown a remarkable rise during this century.

168. These tables are founded on data compiled from very wide sources?—Yes.

169. And the commodities included are representative?—Yes.

170. And you consider, as one trained in statistical methods, that the plan you have adopted is in conformity with good methods?—Yes. And I may say that these results seem to be corroborated by the results obtained by English statisticians. There is one exception—that the two principal investigators in England—the editor of the *Economist* and Mr. Sauerbeck—show a somewhat greater rise than is indicated in my table. I put it down to the fact that they include in their tables a greater number of raw products than I do. There seems to be a tendency for raw products to rise faster than what we might call manufactured goods.

171. *The Chairman.*] Do your tables show the variations in the birth-rate as well as in the marriage-rate?—Yes; and at the same time the volume of consumption per head and the bankruptcy-rate.

*Prosperity Tables.*

Year.	Volume of Consumption per Head.	Marriage-rate.	Birth-rate.	Bankruptcy-rate.
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
1892	108	96	103	107
1893	108	96	101	100
1894	106	95	100	129
1895	103	92	99	96
1896	111	106	96	80
1897	121	106	95	79
1898	122	107	95	74
1899	125	113	92	70
1900	146	119	94	56
1901	160	121	96	39
1902	155	124	95	34
1903	174	127	97	31
1904	183	128	99	41
1905	171	128	100	47
1906	187	131	99	52
1907	196	138	100	53
1908	196	137	100	61
1909	171	129	100	71
1910	191	129	96	60
1911	195	..	..	..
1912	..	..	..	..

With regard to the marriage-rate, I have taken as my basis the average marriage-rate per thousand of population during the nineties and called that 100. Everything else is reduced to the percentage of that 100. Our marriage-rate and the prices of the products of the soil in 1905 were the lowest on record in New Zealand; and in 1896 the prices of commodities were the lowest on record in Europe and America.

172. *Mr. Hall.*] Do I gather that when the prices of farm produce were high the marriage-rate was also high?—Yes.

173. And that when the price of farm produce fell the marriage-rate fell?—Yes. Farm products touched their lowest in 1895, and then the marriage-rate was also the lowest on record.

174. Is there a closer connection between the marriage-rate and the cost of farm products than between the marriage-rate and the cost of non-farm products?—Yes, much closer. The marriage-rate rises and falls with the price of farm products. In 90 per cent. of the cases the marriage-rate rises the year after the price of farm products rises, and it falls the year after the price of farm products fall. Then, as to the bankruptcy returns in relation to population: In 1866 the rate stood at 657—that is to say, there were then six times and a half as many people

bankrupt per thousand of population as there were during the eighties. In 1867 it rose to 877. That was because of the crisis of 1866. After the land boom of 1875-77 the rates in three successive years were 338, 330, and 548. The latter figures are shown in my table. In 1893 bankruptcy practically ceased in New Zealand, the figure for that year being only 31. Then it rose to 41, 47, 52, &c. The Wall Street crisis in New York had a good deal to do with that rise. There was a temporary stringency here with a retrenchment policy. I think all these tables, taken together, show that the country has been more prosperous under a period of rising prices than under a period of falling prices, though the fact that the bankruptcy-rate is showing a tendency to rise and the marriage-rate a slight tendency to fall would indicate that the rather abrupt rise in prices of the last two years is having some effect—that the rise in our standard of living has received a slight check. I have here another prosperity table compiled by Mrs. McIlraith, and based upon the figures of the Rev. Edward Walker, in regard to the amount per head expended upon liquor in New Zealand. From the price of liquor and the value consumed per head there has been deduced the volume consumed per head. This table also shows that the volume consumed per head fell away during the eighties down to the nineties, and since then has risen again.

175. *The Chairman.*] You do not think that people drink out of desperation, but rather that they drink when they are prosperous?—The table seems to show that they 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:—

*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.

176. *Mr. Fairbairn.*] Was not the period about 1890 the worst all over the world?—The worst decade all over the world seems to have been that between 1885 and 1895.

177. In speaking of the prosperity of New Zealand, to what extent has cool-storage and improved labour-saving machinery contributed to the prosperity of the last fifteen years?—I should say that one of the great causes of our prosperity has been the invention of the refrigerating process. That has been the invention of inventions for New Zealand.

178. But has not the improvement of labour-saving machinery come along very rapidly in all departments during the last fifteen years?—It has. I attribute our prosperity largely to the fact that while the goods we have been compelled to import have risen only 3 or 4 per cent., the goods we export have risen about 40 per cent.

179. *Dr. Hight.*] Have you any other additions or alterations to make in your published table?—In the first column, on page 73, the gold-production of the world you might add—1910, 217.

180. You have lived in other centres in New Zealand. Have you noticed any difference in the cost of living between Christchurch and Auckland?—I should say that in a matter of boots and shoes Auckland is cheaper than Christchurch; in the matter of gas-supplies it is also cheaper. In the matter of rents, on the other hand, the Christchurch rents are lower than those of Auckland.

181. Do you think that in fixing wages the differences in the cost of living in the various centres should be taken into account?—I think so; but that would necessitate a detailed investigation in each centre.

182. It would have to be done on a scientific basis?—Yes.

183. Do you consider that the statistics of New Zealand, particularly those relating to the economic condition of the country, are in a satisfactory state?—I think they are very unsatisfactory.

184. Can you suggest any method of reform?—In the first place, I think they should be compiled by competent persons—people who are specially trained for that purpose. For instance, when I asked how they obtained the wages paid in the different centres I was informed that they got the information from the police-station in each district. That was some years ago. That I consider unsatisfactory. Then, again, I would like to see some co-ordination amongst the different departments that are collecting statistics. We might very well have a statistician trained in the latest methods of economic investigation. Suppose we imported one from England or America—a man that has been engaged for some time in such investigations. We should have such a man for at least a few years to put us on the right track. We are only a small country, and I dare say our investigators have been at the work for some time, but have really not conducted

it scientifically. I think it would be well if we could import a trained statistician to put our statistical Department in order. Then I think these investigations should be collected over as wide a period as possible. They should be very full, going into detail, and at the same time they should also be published in outline so that everybody should have the opportunity of reading them. It is of the utmost importance that the whole commercial community should be in the closest touch with the statistics of New Zealand. At the present time we can scarcely say that one person in the thousand that visit our libraries ever takes down the volumes of statistics. If we are to progress on sound lines every producer and every consumer should be in the possession of accurate information about such subjects as the cost of living or the rise in the price of commodities, the variations of prices in past years, and the possibilities of further variations. He should also know what is the probable cause of such variations. In that connection I would suggest that when children leave the primary schools, or certainly the secondary schools, they should have a good working knowledge of the laws that govern prices. At the present time it is possible for a boy or girl to leave a high school at the age of eighteen or nineteen and have not the slightest knowledge of economic laws. Some of those laws are of great importance, and children should be interested in them from a fairly early age. There is no reason why even at the primary-school age they should not know something of the subject. From my experience, boys and girls of fourteen are quite able to grasp some of the elementary facts. I would also like to see our university colleges give us more assistance. At the present time a rapidly increasing number of students are studying economics, and their labour is to a certain extent misdirected, in so far that they contribute nothing during their University course to the enlightenment of the public mind upon these important questions. It should be possible for the Government to offer scholarships for economic research. It might be made a post-graduate course. I do not believe in a student going in for research as soon as he enters the University, but after a two-years course in economics the best students should be encouraged to go further. The Government now offer scholarships of £100 or £150 a year to students who devote their energies to manufacturing research. Similar scholarships might be offered for research in economics, so as to train for this work the most promising minds the University possesses. If this were done I am sure the Professors of Economics in Universities would gladly help, and it would give to their work a stimulus that to them would be very welcome.

185. *The Chairman.*] Is it possible for any Government to set up a just tariff, or even to set up just taxation, unless the industrial condition of the people and the conditions of trade and commerce have been thoroughly well ascertained?—It is impossible, and it is impossible also for the Arbitration Court to fix the rate of wages for any length of time. It is impossible also for the Government to fix the rates of rent for the national land. If it fixed its rents for a long period ahead, and the farmers' products rose much higher, the rents might become merely pepper-corn rents. Unless the Government has full and complete information every year it is impossible to fix these rents equitably. Our Old-age Pensions Act will depend largely for its efficiency upon economic search. Up to the present time we have been working absolutely in the dark. We have made important legislative experiments, but through lack of statistical information we cannot say what the results have been. At present it would seem that a large portion of the community are disappointed with the results of some of the experiments. I think the failure, if there has been a failure, has been due to the fact that the experiments have been made in the dark.

186. Would it ever be possible to set up a flexible scale of wages, rising and falling with the result of the Government investigations into prices?—The trouble is that whereas the general level of prices may rise or fall, individual prices may not. The general level may rise, but there may be a few cases of falling prices. Those people concerned in a particular group might suffer, but there is no reason why the State should not group commodities, and make the wages rise or fall in the group. It might not always work out equitably, but the present system does not work out equitably either.

187. *Dr. Hight.*] Would it not be a stimulus to economic research if the Government were to offer positions in its statistical office to those who have passed through the University?—That would train up statisticians with thorough economic knowledge. Probably they would take their M.A. or B.Com. degree in economics, and after that, or during the period of taking the degree, and a year or two afterwards, they could enjoy the benefit of scholarships for economic research. I believe that our University course in economics and commerce is at the present time a truly excellent one, but a greater number of students would take it if they were sure it would lead to something more tangible than at present.

188. You think it would facilitate such work as the Commission is at present engaged upon?—Yes; we would have a number of people engaged upon it, and would possess statistics in which greater confidence would be placed.

189. What have you to say about the cost of education?—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.

193. To what extent has the rise in the price of land in the last twenty years contributed to the cost of commodities?—I do not think it has contributed to any appreciable extent. I would put it the other way: that the rise in the price of commodities has enormously increased the price of land.

194. Have you anything to say as to the effect of our labour legislation?—As far as I can see, increased wages have not affected to any appreciable extent the rise in the price-level. If anything would corroborate that it is the fact that in England, where they have not got our labour legislation, prices have risen even more rapidly than they have risen here.

195. Have you anything to say about the movement of the urban and the rural population, and its effect upon the cost of living?—There has been in New Zealand a movement towards the cities that has, I am inclined to think, tended to raise rents. As the standard of comfort has risen, and with it the desire for more recreation and leisure, people seem to concentrate more in the cities.

196. Touching upon the free reading-books: they are not allowed to be taken out of the school?—No.

197. Do you think that that will ultimately increase the cost of education to the people? Will it result in a falling-off in the quality of the education?—It is rather difficult to say just yet. The system has not been in operation very long, but I know that some of the teachers find spelling a matter of increasing difficulty, especially in the classes in which the books cannot be taken home. It may be the fault of the teacher, and it may partly be the fault of the system. I believe that certain alterations are proposed that may overcome the trouble.

198. Would you consider it a better system if the Government grant now devoted to the purchase of reading-books were devoted to the purchase of stationery?—I believe every child should have a book which it can take home, because many teachers find that their time is fully taken up in school, and they have not time to teach spelling itself, whereas half or three-quarters of an hour spent by the child at home over a book would greatly improve his or her spelling. It also conduces to a child's care of his book if he has a personal interest in it.

199. *The Chairman.*] Have you noticed in the dairying districts that the children in school show any strain compared with other children?—I have noticed some cases where the children have a very drowsy appearance. I have been told that they have to get up very early in the morning to milk—in summer sometimes at 3.30 a.m.—and that they have also to milk in the evening, and feed the calves after that. Of course, home work is an utter impossibility under such conditions. I have noticed particularly that in such cases the speech of the children is affected—that in some purely dairying districts they seem to have no vitality of speech at all. You will find greater vitality of speech in the milling districts, where the children are more concentrated, and greater vitality still in the towns, where there is more social enjoyment. Where the homesteads are widely separated, and the children work night and morning, reading is a subject extremely difficult to deal with. Some teachers put it down entirely to the amount of work the children have to do.

200. *Dr. Hight.*] And the work in reading is a good index of the general intelligence of the child?—Children may be fairly intelligent, but yet have some lack of vitality. That would be natural at their age if they work excessive hours. Teachers have spoken of the children falling asleep in the school in the afternoon, especially in the summer months, when it is difficult to keep some of them awake.

201. Do you consider that the parents of these children occupy similar positions to the owners of special machinery, and therefore that those parents are reaping a quasi-rent?—Yes, especially in districts where the milking-on-shares system obtains. In such districts a man that has half a dozen children has really half a dozen very efficient machines.

202. Since most of them own their land, competition between them for further land would tend to put up the price of land?—Yes.

JAMES THOMAS REID, Printers' Broker, examined on oath. (No. 140.)

1. *The Chairman.*] What is your occupation?—I am a wholesale paper agent and printers' broker.

2. And with what purpose have you come before us?—I wish to make a statement with regard to Scotch herrings. In the Old Country I was connected with the herring-fishing industry. In Scotland we catch every year, on the average, about 1,000,000 barrels of herrings. A barrel contains about 3 cwt. Germany is our principal market. The Germans take 1,000,000 when we have that quantity to sell. Their duty upon herrings is 3s. a barrel—that is, 1s. per hundredweight. But the duty in New Zealand is 10s. per hundredweight, or 30s. per barrel. It is such an extraordinary duty that it hinders trade. Trade can never be built up on an article of food like that where the duty is actually more than the value of the article. There are two qualities of Scotch herrings—one, bearing the Crown brand, consists of herrings with the milt and roe. The value of a barrel of that description is 30s., and the duty here is just about the same. The other quality—young herring, without the milt and roe—sell in Scotland at £1 a barrel; so that the duty in New Zealand on these is actually more than the value of the fish.

3. *Mr. Fairbairn.*] Will the fish carry to New Zealand in 3 cwt. casks?—They come in that state rather better than in smaller casks. I have had a shipment in what we call kegs or firkins, and they have not turned out too well. They have landed in far better condition when sent in the full-sized barrel. The duty on the kipper herring, which is really a food of the people, is such as to make it a luxury in New Zealand.

4. *The Chairman.*] Would you suggest any means other than the alterations of the tariff by which this food-supply could make living cheaper in New Zealand?—In this instance I would not ask that the duty should be removed, but I would plead that it be reduced to what the Germans charge—3s. a barrel.

5. *Mr. Hall.*] Do you think that if the duty were lowered there would be a largely increased import of herrings?—Undoubtedly.

6. And consequently the revenue would be practically the same?—I should reckon that the revenue would be increased, because the present high duty gives no encouragement to business at all.

ROBERT SALMON, Master Butcher, examined on oath. (No. 141.)

1. *The Chairman.*] You are a butcher, carrying on business in Auckland?—Yes, I have been in that occupation for thirty-six or thirty-eight years.

2. Is it a retail business?—I have been both wholesale and retail. It is retail at the present time.

3. Has the retail price of meat risen in Auckland during the last ten years?—There has been no material rise in prices during that period.

4. Do you buy direct from the farmers?—No, direct from the auctioneer, in the public sale-yards.

5. Do you find in your business any bad debts?—There are a great many bad debts if you are not very careful.

6. What do you consider a fair average—1 or 2 per cent.?—2½ per cent. for any one who gives credit. I do not give a lot of credit.

7. Has the cost of labour risen to you very much?—Yes, during the last ten years.

8. What percentage?—I should say some 25 or 30 per cent.

9. Since the price of meat sold to the public has not risen, and the price of labour has, to what do you attribute the fact that you are able to sell at the same price now as ten years ago?—The wholesale price of stock at that period was not what it is at the present time.

10. It was lower then?—Yes.

11. So that the wholesale price of stock counterbalances the increased cost of labour?—That is so.

12. *Mr. Hall.*] What is beef per hundred selling at now?—A good class of beef sells at 27s. per hundred.

13. What was the price ten years ago?—About £1 per hundred.

14. *Mr. Fairbairn.*] Can you give us any prices for mutton and lamb to-day and ten years ago?—Lamb is a thing that varies very much, and is a very short time in the market. It is one of those things which depends upon the export trade. Lamb has kept at a very good price right through this season, on account of the large amount being exported. There has been more demand this season than there was ten years ago.

15. What is the present price of lamb?—I cannot say, because there is no lamb in the market.

16. What is the price of mutton?—Good wethers, on an average, from £1 to £1 2s.

17. What was the price ten years ago?—Wethers were sold at 15s. and 16s.

18. What is the average dead-weight?—65 lb. in each instance.

19. *Dr. Hight.*] Have you any knowledge that there is a great deal of waste in dealing with meat in households?—I have no knowledge of that; all I do know, as a business man, is that a great deal more prime cuts are called for nowadays—sirloin, prime ribs, rump steaks, &c. Still, there is any amount of beef at 3d. and 2½d. a pound; in fact, rough meat it is impossible to get rid of unless you export it out of the country.

20. People demand a better class of meat now?—Yes.

21. What would you estimate the cost of delivering meat in the city?—1d. per pound.

22. *Mr. Robertson.*] in reference to the rise in wages, do you know if the increases have been greatly in regard to labour employed in connection with the distribution of meat or with the slaughtering of cattle?—The wages ten years ago for shopmen were, on an average, £2 12s. 6d. a week; now they are £3 5s. The new demand of the men is for £4 5s.

23. Does that apply to all classes of shopmen?—General hands were £2 ten years ago; now they are £2 10s.; £3 5s. is demanded. You can see that wages have gone up from 25 to 30 per cent. Of course, the hours have been very materially reduced. There has been a reduction of about 15 per cent. in the hours during the last ten years.

24. Ten years ago was there a lot of meat given to the employees?—In some instances only; I never did. I always paid my men the full wage, and let them buy their own meat.

25. Did the award contain such a provision?—Not in Auckland.

26. *The Chairman.*] Is there any information which you can give the Commission in regard to the rise in cost of living, if there has been any?—We know that the cost of living has materially increased all round, not only for labour, but everything has gone up. If you want to buy a horse and cart or harness you find that everything has gone up in price as far as we are concerned. House-rent has gone up. There is a general demand for a better class of house. The labourer wishes to live more decently, and I do not blame him. I say so-much the better. The conditions under which he lives compared with ten years ago have been materially improved. He has a better house and a better class of food. He enjoys himself better than he did ten years

ago; he is not such a slave as he was ten years ago. The hours of work have been materially reduced in our trade.

27. You think there is a higher cost of living, and that it is a legitimate higher cost?—Yes, undoubtedly. As to the increased costs in connection with our business, I may say that when the old abattoirs were at Richmond the cost was very materially different from what it is now. I had my own abattoirs at Mount Roskill. The cost of bringing meat from the time we bought then until it was handed into our shops was 6s. per head for cattle. With the new abattoirs more up-to-date facilities have been given. There has been a very big increase in railway rates for stock. At the present time it costs us something like 14s. or 15s. per head for the same services we could get performed for 6s. ten years ago.

28. *Mr. Fairbairn.*] Can you tell us what the actual cost is for killing sheep and cattle—all charges incurred from the time they leave the saleyard, the abattoir charges, and until the meat is delivered at your premises?—15s. for cattle and 1s. 8d. per head for mutton.

29. Inclusive of inspection and cartage?—Yes, and including insurance, railage, and cartage.

30. Are your abattoirs far from Auckland City?—About seven miles.

31. The charges are very much higher than in Christchurch?—Yes.

32. Do you know why?—We have had a lot of correspondence with Christchurch on this matter—that is, when the new abattoirs were being built here. At that time we based our calculations on Christchurch; but, according to the amount spent in erecting our abattoirs, they have to pay 5 per cent., and the charges have been based on that calculation. I know that we are very materially higher than they are at Christchurch.

33. *Mr. Hall.*] What were the charges on sheep ten years ago?—The charge was 9d. We have an insurance fund now in connection with cattle, and that really saves the small butcher from being practically ruined, because if a small butcher gets a beast that is condemned he is only allowed one-third of the price from the Government, and we pay the balance out of the insurance fund. That fund is controlled by a board consisting of three farmers and three butchers, so that everything is done in an open manner. It is only the small butchers who are in the fund. We do not insure sheep.

*Re* ROBERT SMEETON, Grocer (subpœnaed).

*Robert Smeeton*, grocer, attended and said: I have appeared in answer to a subpœna, and if it had not been a legal holiday my solicitor would have been here to apologize for my absence. I have no evidence to offer to the Commission.

*The Chairman:* That is for us to say. Have you any reasons to give for declining?

*Mr. Smeeton:* I am advised that I should not give any evidence; but to aid the Commission, if it will be of any service, I have taken out a number of price-lists, going back for fifteen years—price-lists showing the retail prices of groceries.

*The Chairman:* We shall be very pleased to have that information. As to your refusal to give evidence, we shall be instructed later on how to deal with that.

ALOYS SCHMITT, Secretary, Farmers' Union, examined on oath. (No. 142.)

1. *The Chairman.*] You are a company manager, and also secretary of the Farmers' Union?—Yes.

2. And you yourself have been a farmer?—Yes, until the last two years, in the Auckland District.

3. So that you can speak first hand on farming matters?—Yes.

4. Has the price of land in the vicinity of your farm gone up of late years?—Decidedly.

5. Can you give us any idea of the percentage land has risen in value in the last ten years—50 or 100 per cent. I should say, on an average, about 50 per cent. in ten years.

6. Have the prices of farm produce gone up very much in that time?—In some things.

7. Have beef and mutton increased considerably in price?—Yes.

8. Do you consider it is in any way owing to the increased price of land?—No.

9. Do you consider that the increased price of land has been caused in a great measure by the increased price of stock?—By the more steady price of stock.

10. Induced by foreign shipment?—Yes.

11. Have you had any difficulty in the country in getting labour?—Not so much myself, but I gather from other farmers that there is a general feeling that labour is scarce.

12. Is it most scarce on dairy farms or on cropping farms?—On both.

13. Have you any suggestion to make as to the means by which labour could be induced to go into the country?—I should say that cottages on small areas of land for farm labourers in country districts would be a good thing, so that farm labourers and their families might have, say, from 10 to 15 or 20 acres each. Labour could then be found for cropping and doing other work in country districts, and failing that, the men could fall back on a little farm on their own account.

14. How do you propose that this land should be given to them? Do you suggest that the Government should form little hamlets, or that the land should be given by or bought from the farmers?—Where there was no Government land available something of that sort would have to be done.

15. You do not think that farmers themselves should assist in this matter?—I think the farmers would do anything that was reasonable.

16. Could you give us any idea of how the farms in your district are generally held, whether freehold or whether there is much land held on mortgage?—It is rather hard to say. I believe that there is a tremendous amount of money owing throughout New Zealand on farms on mortgage.



17. That would make the farmer's life more strenuous, because he has practically to pay a rent?—Yes, and it might also tend to there being easy facilities for getting on the land by private individuals or syndicates holding large tracts of country and letting out the land on easy terms. That may also add to the enhanced prices that are given for land.

18. Putting aside the larger products, such as beef, mutton, and butter, has it been brought to your notice that farmers do not get a fair show for their produce sent into auction—such things as potatoes, onions, fruit, and things of that sort?—I have some figures in regard to potatoes and chaff which I have worked out. I have received the figures from growers of potatoes. There are certain areas of land which are specially suited for growing potatoes. The land is generally valuable land, and it is in districts where values are high. I find that it costs to put on the trucks from those districts £22 17s. per acre, with an extra amount of 6s. a dozen for sacks or 8s. a dozen, because sacks have gone up considerably in price lately. I have put down the average at 7 tons to the acre, but the Government statistics put the average at 5 tons. The net returns for a yield of 7 tons is £3 15s. I have taken a low average price, because I have taken a higher average yield. The figures show a return of £26 5s., leaving a profit of about £1 an acre. There are some cases where farmers are doing well in potato-growing, but that is the average.

19. *Mr. Hall.*] Is £3 15s. the price which a great many potatoes have been sold at this season?—£2 10s., and even less than that—£1 10s. in December and January.

20. *The Chairman.*] That is a dead loss?—Yes.

21. Supposing they were selling at £3 15s., can you follow them into the retail shops, and tell us what the people of Auckland are paying for the same potatoes?—They are probably passed on to the wholesale dealer first. We will say that £1 is the price from the truck into the wholesale store. That would bring them from £3 15s. up to £4 15s. Then I presume there would be added at least £1 10s. a ton for retailing, so that the difference would be £2 10s., between the farmers' price and the retail price.

22. How does it cost £1 for retailing?—There is a wholesale price and a storekeeper's price. The bulk of potatoes are sold in the first place to the wholesaler, who handles the potatoes in large quantities, and they are sold out in tons and half-tons to the grocers as they are wanted.

23. Is there anything within your knowledge which leads you to think that the wholesale dealers have an understanding as to prices?—No.

24. Is there anything which leads you to think that the retailers have an association or understanding as to prices?—No.

25. Does that hold good in regard to fruit being sent to market by the farmer?—I have no knowledge as to fruit.

26. *Mr. Hall.*] Do you propose to submit any further prices of other articles?—In connection with eggs, I may say that to-day'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 farmers—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.

27. Who gets that profit?—I am not prepared to say. It is not the farmers.

28. These are the prices which the shopkeeper gives the farmer?—Yes.

29. And yet they are realizing at that auction 6½d. a dozen more than the market quotation?—Yes.

30. *Mr. Fairbairn.*] I have been informed that there is a system of arranging prices for eggs weekly in the Auckland market, and that in the interim prices go up perhaps 3d. or 4d. a dozen: do you know of any arrangement of that kind?—I have only got a suspicion of a certain ring.

31. Do you know that it was customary to fix prices for eggs—prices to pay the farmer, say on Monday morning, and from then on to Saturday the price would increase, and drop again on the Monday: do you know of such an arrangement?—The quotation would seem to show that that is correct.

32. Have you heard of any explanation such as that eggs are classified according to their size? Do you think that farmers do that?—I do not think it is done regularly. They are generally boxed and sold to grocers in country districts. Some farmers are more careful than others. They test them, and only put in decent-sized eggs.

33. Do you recollect that being given as a reason for prices fluctuating?—No. In regard to the reduced cost in connection with sending in potatoes, I may say that I think there is an unnecessary expense attaching to potatoes through their coming to Auckland City in an ungraded condition. If grading were to be done on the farm where the potatoes were grown, and they came into town as classes 1, 2, and 3, it would save the wholesale merchants a tremendous lot of trouble, and the farmer also, and the potatoes might go straight to the grocers to retail without the extra cost which is now involved. In a great many cases they are bought on speculation, so to speak.

34. *The Chairman.*] You said you would not like to give information or an opinion in regard to there being a ring in connection with eggs: would you rather not do so even confidentially?—I would rather not.

35. *Mr. Hall.*] Could you tell us if there is any marked difference between the prices paid by merchants for factory butter and that paid for farmers' butter in Auckland?—Farmers' butter, I presume, is butter that is not made by the separator. There is very little of that in

existence. Nearly every one has a separator now. We are now getting practically wholesale separator butter from the wholesale merchant at 10½d. to 10½d. Factory butter is quoted in this morning's paper at 1s. 0½d.

36. *Mr. Fairbairn.*] Who gives those prices to the papers?—I think it is those lucky three or four people.

37. Interested people?—Yes. The idea for some time has been that farmers should be allowed to be members of a board, and help to regulate the prices a little.

38. Do you recommend that they should?—I do, most decidedly.

39. *Mr. Hall.*] Is it not a fact that in most country districts around here the grocer says, "I will pay you the price that appears in Monday morning's *Herald*"?—Yes.

40. Farmers' butter is 4d. a pound less than factory butter?—Yes.

41. *Mr. Leadley.*] Can you tell the Commission what is the ordinary rate of auctioneering farmers' produce in that line?—7½ per cent. for eggs and smaller goods, and even up to 10 per cent. in some cases; stock 3½ to 5 per cent.

42. And what on stock?—For beef, sheep, horses, &c., what I have stated. Horses are 5 per cent.

43. There is no farmers' co-operative association here?—There is one in the Waikato, but none operating in Auckland. There is another one at Whangarei.

44. Do they charge the same rates as the others?—They have differential rates, which they give to their shareholders.

45. *Dr. Hight.*] Do the farmers here find the method of valuing land satisfactory generally?—No, not on the whole.

46. Do they object to placing the valuation on the selling-price of the land?—I think the great objection is that there is not much allowed for improvement.

47. Do you know of any reforms which have been suggested?—There have been many reforms suggested, but, speaking for this province, I think the suggestions that have come forward and been most generally approved of have been that some one should be appointed from each district in the interests of the farmer to go round with the Government Valuer.

48. *The Chairman.*] A sort of assessor?—Yes.

49. *Mr. Veitch.*] You mean in the interests of the landowner?—Yes.

50. *Dr. Hight.*] Have you any figures to give the Commission as to changes in the price of land?—No.

51. *The Chairman.*] Is there anything else you would like to tell the Commission in regard to the question of the rise in the cost of living?—I think that rent is showing a very big part in it. I think that is due to the increased cost of timber, which has increased, I think, through protection. Then there is the increased cost of labour.

52. Would you be in favour of letting Oregon pine in free?—Yes.

53. *Mr. Hall.*] You have considerable intercourse with farmers?—Continually.

54. Have you heard many complaints of the difficulty of obtaining sufficient labour to enable farmers to carry on their operations?—Yes, repeatedly.

55. What do you think of the difficulty of obtaining labour in country districts?—I think that in a great measure it is owing to the uncertainty of occupation—that is to say, a farmer cannot give the wages that are demanded for the whole year. Labour is generally wanted in a rush of harvest time, and the men have not the inducement to come into the country for short periods. I should say that irregularity of work is the chief cause.

56. Can you say what is the ruling rate at harvest-time in this district?—1s. an hour.

57. Does that include board?—No.

58. What are the wages ruling ordinarily here for farm labourers—single and married men respectively?—I obtained work for one man the other day. He was offered £2 a week, a cottage, and milk. He was a single man.

59. He kept himself?—Yes. I think that £2 a week would be the ruling rate; and certain perquisites.

60. *Mr. Fairbairn.*] Do you accept that rate for married men as the ruling rate?—Yes.

61. *Mr. Leadley.*] Would that be on a dairy-farm?—There are such a lot of men who live on the share system now. There is a great deal of that done.

62. The hours are generally longer on a dairy-farm than on other farms?—Yes, and the pay for an ordinary dairy man is from 25s. to 35s., according to the ability of the man, with board and lodgings.

63. *Mr. Hall.*] Is it not a fact that some farmers paid considerably more than 1s. an hour last harvest?—It did not come to my knowledge if that was so.

64. *Mr. Veitch.*] When you said that rents have increased, were you referring to the town or country?—I was referring to the town.

65. And you say that is due to the increased cost of the timber and to increased wages?—A good deal. That plays a large part in it.

66. Do you agree that a considerable portion of it is due to increased land-values?—I do not quite see the connection between the two.

67. If a man pays rent for a house on a section, does he not pay rent for the section as well?—That may be so in the city.

68. Then you agree that a considerable portion of the increased rent is due to the increase in site-values in the town?—Yes, it must naturally be so.

69. Can you give us any idea as to what causes the increased land-values in towns?—Speculation a good deal.

70. And population?—Yes, the influx of people from the country to the town a good deal.

71. Is it a fact that, say, twenty years ago most of the men employed in farming districts were single men, on large estates particularly?—From memory, I would say that the usual employee was a single man.

72. And was there accommodation provided in those districts for married men if they chose to go there for work?—I presume in some cases that was so. The accommodation for farm hands was in many cases not very good twenty years ago.

73. And would not that have the effect of keeping married men in the towns, and preventing a rural population growing up in New Zealand?—It might be a factor, but not wholly so.

74. It would have an influence in that direction?—Yes.

75. And might not that account for the shortage of labour in the country at the present time?—No; I do not think that the farmer can really pay the wage that is demanded.

76. Do you think that the farmer is paying too much for his land?—Yes, from a farming point of view.

EDWARD PHELAN, General Secretary, Timber Workers' Union, examined on oath. (No. 143.)

1. *The Chairman.*] You are general secretary of the Auckland Timber Workers' Union?—Yes.

2. What is the number of members in your union?—About sixteen hundred financial members. On the books there are about two thousand members. Our district extends from Gisborne to the North Cape, practically speaking.

3. Are the rates ruling for workers in sawmills higher than they were ten years ago?—The most they have increased is 6 per cent. in ten years. They are absolutely the worst-paid workers in New Zealand at the present time.

4. Could you give us the actual figures?—I will give the Commission a copy of our latest award. I think, without going into the figures, that you will find that the minimum wage is 7s. a day. I think it will be recognized that that is not a living wage. 7s. is the minimum rate for ordinary yardmen. I mention that because it has been stated that it is owing to the high rates of wages paid that timber has increased in price.

5. How many of your men get the minimum wage, and how many get above it?—I think it is only fair to say that a considerable number of the men get more than the minimum wage. They could not get men to work in certain districts unless they paid more than the minimum wage. The minimum wage is from 7s. to 9s. Of course, there are expert workmen engaged in sawmilling. An expert sawmiller will handle thousands of pounds' worth of timber every day, and one faulty cut would perhaps mean the loss of a considerable amount to his employer; so you will realize that it is an important industry.

6. *Mr. Leadley.*] What would he be called on this list?—Head circular man.

7. *The Chairman.*] What sort of accommodation is provided for these men?—In the country it is very bad. The other day we waited on the Minister of Labour to try and get sawmillers' labourers included in the provision which has been made law with respect to the accommodation of shearers, and the Minister promised to do that. At present there is practically no accommodation provided, and the hardships which the men have to undergo are very severe in the country districts.

8. Do the men live in a sort of barrack hut or dwelling, with tiers of bunks?—Yes, in some cases. In other places the huts are divided into two, and there are two men in each room. In certain cases cottages are provided, and they are charged rent for them.

9. Has there been a considerable rise in the price of timber of late years?—Yes, from 25 to 35 per cent. during the last seven or eight years.

10. Could you give us the reasons for that rise in price?—I do not think I could. It is often stated that it is owing to the increase in wages, insurance, and sundry other things; but so far as wages are concerned, they are not the cause of it.

11. Is not the timber getting further back?—The introduction of new machinery has enabled them to get timber out of places which have been hitherto inaccessible.

12. Has not improvement in machinery enabled them to adopt better methods of production?—Yes, the introduction of new machinery enables them to get timber out of the bush which they could not get before. It is costing a little more to get timber out from the bushes. I will now try and illustrate the course of the increased cost of sawing timber. An ordinary producing mill should produce 1,000 superficial feet to every man who is engaged per day. We will take for argument's sake a mill-owner employing forty men, who produce 40,000 ft. per day. Those men have received a rise in wages of 1s. per day. That would be 40s. per day increase in wages, and to make provision for that increase of 1s.—it is a fraction over 1d. it will cost them per 100 ft., or 10d. per 1,000 superficial feet. So that if the men's wages have gone up 10 per cent., in order to make provision for that it is necessary to raise the price of timber a fraction over 1d. per 100 ft. If by some unfortunate circumstances they got a rise of 10s. a day, making 17s. per day, it would simply mean that you would have to only raise the price of timber 1s. per 100 ft. There are other little incidentals which may crop up: the increase in insurance may increase it a little bit more, but put it at 2d. per foot. The argument as to the increase in wages being the reason for the increased cost of timber is really no argument at all.

13. *Mr. Fairbairn.*] What would you consider the increased difficulty of getting timber out of the bush would add to the cost?—I should say, roughly, from 3d. to 9d. per hundred. I would not say there has been that rise.

14. Do you think that 1s. would be too much per 100 superficial feet?—Yes. I am willing to admit that the price of timber standing in the bush has increased, and I am inclined to blame the Government for that increase.

15. *Mr. Hall.*] What are the royalties for kauri?—The upset price is 2s. and 3s. per hundred; it all depends on the locality.

16. *The Chairman.*] Do the men now work the same hours as they did ten years ago?—Ten years ago they were working nine hours; now they are working eight hours.

17. So that wages really have risen with the amount of work done?—Yes. They are doing more work now than ten years ago. The introduction of new machinery enables them to get much more work done.

18. We have been told that New Zealand workmen are falling off in efficiency?—That is not so. We have emigrants coming from other countries, and we find that our own workmen can more than hold their own.

19. Do you think that preference to unionists is of importance to your union?—It is of vital importance.

20. *Mr. Robertson.*] Can you tell the Commission if there is anything, in your opinion, which would account for the increased price of timber beyond the facts we have mentioned?—No, I cannot. There are such things as combines. In the Auckland District there are two associations. The South Auckland Sawmillers' Association has fifteen members. The Auckland Sawmillers' Association have, I think, eleven members. Of course, they can combine together to regulate the price of timber to suit their own purposes.

21. *The Chairman.*] Do you mean that they can combine?—I could not say that they combine to do anything to unduly raise the price of anything.

22. *Mr. Robertson.*] When your union makes an application for an increase in wages, or in respect to anything affecting labour conditions, do you find the sawmillers in combination?—Very much so.

23. Could you give us any idea of what proportion of your workers are paid over award rates?—In the town I do not think there would be more than 15 per cent., but I believe I am safe in saying that 40 per cent. are paid over the minimum wage in the country.

24. Could you give us any idea of the percentage of increase in wages which that award represents on an average?—I do not think I could give you anything authentic in regard to that. Perhaps the average would be about 5 per cent. I am taking the average country worker, but only 40 per cent. of country workers are getting the minimum.

25. What is the percentage on the minimum?—I could not say, because I have never gone into that question.

26. Is there much time lost by the men in their work?—In country mills there is a considerable amount of time lost.

27. Are there always plenty of men available for work there?—Not for country work; the worker generally likes to remain about the city.

28. They are paying a little above the minimum rate owing to the difficulty of getting men at the minimum rate?—Yes.

29. I suppose we could regard those workers as pioneers in going out into the forests?—Yes. I may add that the men who go there very often settle down; they buy a little bit of property if they can get hold of it, and eventually become farmers.

30. *Mr. Leadley.*] How long do they usually take in getting a piece of land with those wages?—The land laws are generally liberal in regard to settlement conditions.

31. If the men are able to get farms, does it not point to the fact that the wages are fairly adequate?—I did not say that the men can live decently on those wages; they exist on them, but they do not live in a condition in which an ordinary human being should live.

32. *Mr. Fairbairn.*] You spoke of two associations of timber merchants: have they issued a uniform price-list?—The South Auckland Association is a limited company of some sort; they send out accounts and collect debts, and I think everything passes through the association.

33. Do they sell timber?—Yes; they will take orders and collect accounts.

34. But you do not know whether a uniform price-list is issued by the two associations?—I know that it is understood that the association meet and regulates the price of timber.

35. Both associations?—Yes; they regulate the price of timber.

36. Can you give us a price-list?—I have one here of one company, which I will hand to the Commission.

37. *Mr. Veitch.*] Kauri is going up in price?—Yes.

38. With regard to the men of the union who are working in the towns, are they casual workers or are they permanently employed?—They are all permanently employed.

39. Are there men in Auckland who are employed casually not making full time?—Not a great number about the mills; the workers are generally permanent.

40. Embracing the whole labour-market, do you think there are many?—Yes, but I cannot say to what extent.

41. In view of the heavy rents, do you think that those men suffer from the increase in the cost of living—suffer more than others?—Yes.

42. That is a class that has not the power to organize for its own defence?—Yes.

43. *Mr. Hall.*] Can you give us any idea how much longer kauri is likely to last according to the present rate of consumption?—I could not say definitely. I think the Government should open up the kauri and other forests at a quicker rate.

44. *The Chairman.*] Get it all removed as quickly as possible?—The argument I put forward is that the land is more valuable with the timber off than with the timber on it.

45. Do they really clear the land when they take the timber out?—I think the land is of considerably more value when the timber is off.

JOHN BYRNE TONAR, Manager, Waitemata Fruit-growers' Co-operative Society, examined on oath. (No. 144.)

1. *The Chairman.*] What is your occupation?—I am manager of the Waitemata Fruit-growers' Co-operative Society, wholesale fruit-brokers and auctioneers.

2. Do you act as auctioneer solely for your own association?—No, for anybody.

3. Are the terms you give to the shareholders in your own association the same terms as you give to the general public?—No. There are two classes of customers that we deal with—those who are shareholders and those who are not. We charge both the same rate on selling, but we give the shareholders a rebate in the form of a share of our profits, besides paying them interest on their share capital.

4. So they are partners in your business?—They are all producers on the co-operative principle.

5. Do you sell to retailers?—To retailers and wholesalers and private people.

6. Have you ever heard any accusation about retailers combining not to bid for certain classes of produce, and then dividing the lot which they have retained for a low price amongst themselves?—Very little of that is done. It might happen once or twice in two or three years, as far as we are concerned.

7. You would look after it in regard to your operations?—We would stop it if we saw it going on. We would refuse to sell.

8. Do you think that that conscientious objection on your part is shared by other auctioneers?—I believe it is.

9. They would stop any system of "ringing the changes"?—I believe they would.

10. Can you account for the difference which has been stated to exist—at any rate, in the south—between the prices received by the farmers for their produce and the prices at which that produce is sold in the retail shops?—The grower is somewhat to blame for bad grading of fruit, and I think the reason for the increased prices before the consumer gets the fruit is due to the very poor system of distributing fruit to the outlying districts.

11. Will you describe the distribution system?—Most of the fruit is sold to the fruiterers, who, as a rule, take it away in their carts. In other cases carriers call for it.

12. Do you think the fruit gets unfairly knocked about, and that that is one of the reasons why such low prices are obtained?—A lot of the fruit that is sent to market ought never to come to it. It is also packed in with the good fruit, which it causes to depreciate in a short time.

13. Do you remonstrate with your shareholders for sending in their fruit in such a condition?—We do, but it is hard to convince some of them. Some of them know very little about the proper method of grading fruit as yet. There has been a marked improvement in the last twelve months or two years, but, still, the buying of a case of fruit is a lottery. There is a heavy cost in the conveyance of single cases to the purchasers' homes. In many cases the carrier charges from 10 to 20 per cent. of the cost of the fruit for delivery.

14. Do people buy in such small quantities?—Many people buy single cases, and the carrier charges 1s. for the delivery of a case that has cost from 4s. to 7s.

15. Who supplies Auckland with vegetables?—The Chinese, as a rule.

16. Do farmers complain of poor prices for such vegetables as cabbages and cauliflowers?—We are not large vegetable-sellers, but in many cases the market is completely glutted with one variety of vegetable. One year there is a shortage of cabbages, and high prices prevail. That induces every farmer to grow cabbages in the following year, and then there is a glut in the market.

17. What chance has a private person in competing when the retailers are present?—He has a very good chance if he is known, but if he is an unknown man he may not. In too many cases private buyers forget to call for their purchases, and the fruit is left on our hands, with the consequence that before the next sale-day it has deteriorated.

18. Is there no chance of the retailers running the price up on the private buyer?—I have not seen it.

19. *Mr. Hall.*] In what way has the formation of your company improved the position of the growers in the district?—We are encouraging a proper system of packing fruit, and also exporting fruit, and putting the industry on a firm basis. We are also trying to lower the prices of every class of material the fruit-grower requires.

20. Is there any proposal to start a packing establishment, which would take in a farmer's fruit and pack it for him?—No, but the Government have sent experts to the fruit-growing centres to give demonstrations of how to pack, and that will make a marked difference in a short time. Eventually, instead of selling fruit by auction, it will be sold at a certain fixed figure, satisfactory to everybody. At least I hope that will be the case. At present the packing is so unreliable that you must sell by auction. I am not speaking of all fruit-growers, but of a percentage.

21. *The Chairman.*] An average?—Yes, a good average.

22. *Mr. Hall.*] Is there any prospect of finding an outside market for local fruit?—Last month we sent over 1,000 cases to South America, and a cable message has been received stating that it arrived in good condition, and ordering 5,000 cases. The price for the class of fruit to send away will, I fear, prohibit the sending of a second lot this season. The growers have not got into the way of grading and wrapping apples. It is the first time it has been done, and he takes a long time about it, but that will soon be overcome.

23. Do you think the orchardists have been growing too many varieties of fruit?—Far too many, and not attending to the flavour of the apple. They have been growing for a showy apple, instead of one which the public would enjoy in the eating.

24. Could not the cost of delivery be reduced if some arrangements were made by a company like yours for delivery to private houses?—I think that if the fruiterers do not take on the busi-

ness of distributing fruit, or if the storekeepers do not develop some such system as there is in America. some company like ours will have to do so. But we prefer that the fruiterers, or wholesale fruiterers, should do the business. Arrangements were made with an American firm, and machinery was imported to manufacture packages suitable for the distribution of fruit-baskets like the "Climax" basket used in America and England, but they have not been turned out this season. Still, all the machinery for making them is in the country. I refer to the Ellis Veneer Company.

25. *Mr. Fairbairn.*] Is fruit put up in suitable quantities for household requirements?—No. I think the baskets I speak of would be far more suitable for selling purposes than the present method. The present package is too heavy. A bushel case of fruit weighs over 50 lb., and a half bushel about 27 lb. Those packages are rather awkward for a householder to take away at times.

26. If any fruit is undisposed of at the end of an auction sale what is done with it?—We sell privately at any time during the day, except when we are too busy in the day.

27. It is not compulsory that fruit must go under the hammer?—By no means.

28. If you had a line of 500 boxes of apples of good sample they might be sold privately, and not go to auction at all?—We often sell a lot that way.

29. Is that the practice in all the fruit auction-rooms here?—I believe it is.

30. *Dr. Hight.*] If an export trade were opened up in fruit, would not that result in an increased price on the local market?—I do not think so, because this season many fruit-growers have decided to turn their attention to cows, and some of them have done so. There is no great profit in fruit under the present methods of working.

31. What sort of turnover has the average fruit retail shop in Auckland and its suburbs?—Candidly, I think there are too many of them, but I have no idea what their turnover is. There are between 100 and 200 in the city and suburbs.

32. It would be an economy to the public if the number were reduced?—I think so, and those remaining would be on a far better footing. I may mention that this has been the worst season for ten years from the growers' point of view.

33. *Mr. Hall.*] I take it that when you say you sell privately you never deal with any one unless you get a satisfactory price for the grower?—Of course, we just study our clients.

34. If the price offered were not considered satisfactory, you would put the fruit up to auction?—Yes.

35. *Mr. Leadley.*] Do you hold daily auctions?—In the early part of the season they are held daily. After that twice or three times a week.

36. What is the average size of the holding of a fruit-grower in this district?—I should say that the average orchard would not exceed five acres, but some go up to 80 acres.

37. What is the number of members in your association?—About three hundred.

38. *Mr. Hall.*] Have you tried cool-storage?—Yes.

39. Have the results been satisfactory?—Not entirely, but partially so. The matter is in an experimental stage.

40. Is that owing to the fact that the fruit grown in this district is softer than that from other centres?—No. It is that owing to lack of knowledge the fruit-growers have put in bruised and immature fruit.

41. Do you think you would get satisfactory results if the fruit were carefully selected and packed at the right stage?—Yes. The returns are in every way satisfactory.

42. In that case you would be able to extend the marketing period during which the Auckland public would be able to buy local fruit?—Yes. I do not speak of cold-storage as not being a success. I mean that our experience has not been satisfactory. The idea is all right.

43. Is any fruit imported to this centre that we could grow ourselves with such an extended season?—I think we could do entirely without Tasmanian apples, but not without the American.

ARTHUR ROSSER, Workers' Union Secretary, examined on oath. (No. 145.)

1. *The Chairman.*] In what capacity do you attend?—As a representative of the Auckland Grocers Assistants' Union, the Auckland Dairy Employees' Union, and representing myself as a citizen.

2. Is it your opinion that the cost of living has increased during the last ten years?—Very much so.

3. Can you state the cause or the causes of that rise?—The enormous increase in the cost of rent. I am not in a position to state whether the cost of commodities has risen largely or not, but I think not. Each time the workers, either by means of a private agreement or through an award of the Arbitration Court, have had an increase of pay, the cost has been passed on to the consumer out of all proportion to the increase in the cost of producing or distributing the article.

4. Can you give specific instances of that?—In the last carters' award there was an increase of 2s. per week to drivers of one horse, and 4s. to drivers of two horses. Immediately afterwards 6d. per load was put on to the cost of carting.

5. How many loads is a carter expected to do each day?—Six.

6. And how much is the load?—An average of 2 tons. I have gone into figures, and I find that 16s. 6d. per week is the amount passed on to the public in respect of the 2s. increase—thirty-three loads at 6d. per load. That, I consider, is out of all proportion to the increase gained by the workers in the industry.

7. Is not 2 tons rather a heavy load?—It is the average load.

8. For one horse?—If they were going uphill they would put on two horses. Last November I conducted a case before the Arbitration Court for the Brickmakers' Union. In some cases the men

got an additional 1d. per hour, and in others 2d.—the majority got 1d. Within a week the price of bricks was raised 2s. 6d. per thousand.

9. *Mr. Fairbairn.*] What would the labour be?—I am not in a position to say what the relative proportion of the cost of production bears to the 2s. 6d. per thousand, because it would be made up by clay-workers, burners, settlers, and flangers, and not being secretary of that union, I am not aware how it would work out.

10. The only way to get at it would be to get the output of the brickworks?—And we union secretaries are not taken sufficiently into the confidence of the employers to be able to give you those particulars.

11. *The Chairman.*] At all events, you consider that the cost of living to the workers has risen considerably in late years?—Yes. I am secretary of the Grocers Assistants' Union, and I know—it is common knowledge—that we are in the hands of a ring or combine in Auckland. For instance, the wholesale merchants meet every week and settle the wholesale prices for the following week. Again, the representatives of the Master Grocers' Union meet every week—I believe, on the Saturday—and make the prices for butter and eggs for the coming week.

12. Do they report those prices to the *New Zealand Herald*?—Yes, they declare what the prices are to be. For instance, the week before last eggs were quoted at 1s. 3d. per dozen; they were sold retail at from 2s. to 2s. 3d. Therefore we, the consumers, pay the piper, and the poor farmer does not get what is paid to the piper. The piper comes between those two parties. I think it would be said that there is a scarcity of eggs, but that scarcity is considerably increased by the demand. The grocer who gave me this information first-hand stated that Wellington, for instance, is a very large consumer of eggs, and Wellington does not supply its own market. A good deal of its supply goes from Auckland. There are five or six retail grocers who “make the price”—that is the term they use—for the eggs. They have perhaps 2,000 dozen to supply to a shopkeeper or merchant in Wellington. There is practically a corner in eggs here, and the small local shopkeeper cannot get eggs for 1s. 3d.; he has to pay higher prices, and those higher prices have to be passed on to the consumers. Even in the season when eggs are plentiful the quotation is made that they are wholesale at 8d. That should be 10d. to retail. The price is oftener 1s. and 1s. 3d., because of the fact I have mentioned—that the markets elsewhere are supplied from here, and our shopkeepers have to take what is left. I think it is unfair that the men who make the price should be able to corner a commodity when they themselves have the first chance of getting eggs in, and furnish local supplies after furnishing big orders such as 2,000 dozen. A grocer told me on Saturday that he had, as every grocer has, one or two cut lines—that is to say, they advertise a cut line in order to draw custom for other commodities. This grocer advertised that he was selling Taniwha soap at 10½d. per bar. It cost him 9½d. He received notice that if he did not conform to the prices fixed by the board, or whatever the controlling body may be called, his supplies would be stopped. The document he received was a slip attached to a notice of a meeting of the Grocers' Union, which read as follows: “Taniwha soap is sold to you on the distinct understanding that you charge a minimum of 1s. per single bar, 5s. 9d. for six bars, and 11s. 6d. for twelve bars.” I think the Commission should have power to subpoena people who could state these facts, and force them to attend. On our side we give to the Commission what we honestly believe to be *bona fide* information; but if the other side keep out of the way, and so avoid cross-examination, there is no chance of getting at the facts. If Mr. King, secretary of the Grocers' Union, were summoned, he would have to admit the truth of what I have just stated.

13. If the accusations of those who accuse the Merchants' Association or the Master Grocers' Union are made public, and the other side are invited to reply and do not do so, the public will know perfectly well what to think of them?—That is the only way we can get at them.

14. *Mr. Hall.*] Who is the maker of Taniwha soap?—I cannot say, further than that it is made in the Dominion.

15. Is it the Union Oil, Soap, and Candle Company?—I think so. Another grocer may make a cut line of certain patent medicines. Amongst others, Scott's emulsion may be a cut line. I have here a notice issued by the Auckland Grocers' Union of Employers, which runs as follows: “The proprietors of Scott's emulsion, being desirous of securing to retail traders a fair margin of profit from the sale thereof, have fixed a minimum selling-price of 2s. 3d. per bottle for the small size, and of 4s. 3d. per bottle for the large size. It is made a condition of the sale of Scott's emulsion to you that the preparation be not sold below the above-mentioned prices. Your co-operation is earnestly solicited.”

16. *The Chairman.*] Have you any knowledge of any discrimination being shown amongst grocers with regard to certain lines?—Yes.

17. Have you any documents to prove it?—No; but I have it from an employer in the grocery trade to whom I was speaking on Saturday. All that I can say of my own knowledge is that in Colombo Street, Christchurch, I saw an advertisement on a board in front of a grocer's shop offering sugar at a lower rate than that at which it is sold in Auckland, because it is a tariff commodity.

18. There is a case pending with regard to the Sugar Refinery Company, so we are not allowed to go into the question of sugar?—Well, that is a pity. However, I can give evidence of my own knowledge with regard to butter. Some three years ago my grocer notified me that he could supply me with first-class Taranaki butter purchased in London cheaper than he could do if he had bought it in New Zealand. But I could not give that man's name, because he is a member of the Master Grocers' Union.

19. *Mr. Hall.*] What quantity did he want you to buy?—1 lb. or ½ lb., whatever I wanted.

20. Was that the year in which there was an unusual shortage, and some of the butter sent Home was shipped back again?—It may have been.

21. Would the same thing apply to the present season?—I do not know. I might mention that there are a number of commodities in which there is a tariff governing the prices at which they must be



sold—such goods as Colman's mustard, and starch, and groats. If they are sold below certain prices, the supplies of the retailers who sell them will be stopped.

22. *Mr. Fairbairn.*] Can all people buy at the fixed prices, or is there a favoured rate for certain people?—Whatever rate is fixed by the wholesale grocers, the retailers must not sell below it. Other lines of the kind are Reckitt's blue, and blacklead, and the Highlander brand of condensed milk, and tea. The merchant must be allowed a profit of 4d. per pound on tea.

23. What kind of tea is that? Is it not one of the proprietary brands?—My informant simply spoke of tea. Then, there are tariffs in regard to tea, candles, and cocoa.

24. The candles of the Union Oil, Soap, and Candle Company?—Yes.

25. And what cocoas?—I believe, all tinned cocoas.

26. Is it within your knowledge that there are certain retail firms in Auckland that are allowed to buy from the manufacturers on the same terms as the wholesalers?—That is because they can afford to import direct. But every grocer cannot afford to import direct.

27. Have you heard of any understanding to prevent such importing?—The wholesalers, such as Entrican and Co., Heather, Robertson, and Co., and some others, practically control the market.

28. But if any retail grocer tries to do his own buying at Home, is there anything to prevent it?—I have not heard of anything, except his want of capital.

29. Are these the same gentlemen who fix the price of butter?—No; that is the wholesale board. There are about six of them who meet and fix the prices of butter and eggs.

30. Could you give us their names?—Messrs. A. W. Page, R. W. Gallagher, H. M. Smeeton, Rew. A. J. Entrican, and the National Trading Company. Now I come to the question of rent; but I do not know that I can supply more information than has already been supplied by the Labour Department. But with another object in view, I issued circulars to the members of the Grocers Assistants' Union calling for the fullest information as to what their wages were, what they paid in rent, the number of rooms in their houses, and the number of each man's dependants, and I have here a list of thirty. More were returned, but a great many were in relation to single men; that does not affect the question of rent, but the question of board. The majority of the single men pay £1 per week for board. The particulars supplied by the thirty married men are as follows, varying as to rent according to the locality in which they live:—

*Wages and Rents paid by Workers, June, 1912.*

No.	Wages, Weekly.			Rent.	Number of Rooms.	Dependants.	No.	Wages, Weekly.			Rent.	Number of Rooms.	Dependants.
	£	s.	d.					£	s.	d.			
1	2	7	6	1 0 0	8	..	16	2	10	0	0 14 0	6	5
2	2	12	6	0 7 0	2	1	17	2	15	0	0 15 0	5	1
3	2	15	0	0 15 0	4	2	18	2	12	6	0 15 0	5	2
4	2	15	0	0 17 0	6	6	19	2	7	6	0 14 0	4	3
5	3	0	0	0 16 0	5	4	20	2	12	6	0 16 0	5	5
6	3	0	0	1 0 0	7	2	21	2	12	6	0 16 0	5	5
7	2	15	0	0 15 0	6	2	22	2	10	0	0 11 0	7	2
8	2	7	6	0 15 0	4	4	23	2	10	0	0 18 0	7	6
9	2	10	0	0 15 0	5	3	24	2	12	6	0 14 0	4	3
10	2	10	0	0 15 0	5	3	25	2	15	0	0 17 6	6	4
11	2	5	0	0 10 6	3	2	26	2	15	0	0 18 0	6	3
12	2	5	0	1 0 0	7	*	27	2	12	6	0 9 0	5	7
13	2	15	0	0 15 0	5	7	28	2	5	0	0 17 6	5	1
14	2	10	0	0 11 6	4	3	29	2	5	0	0 14 0	5	2
15	2	10	0	0 12 0	4	2	30	2	10	0	0 15 0	..	2

\* Not given.

I would like the Commission to notice that in most instances there are very few dependants. The day of large families has gone by—for the present, at any rate.

31. *The Chairman.*] When you get in all the replies, could you supply us with the average rent for the whole lot?—I will run out the average, and let you know how it bears out the particulars contained in the list I have handed in. I do not think the average will be affected very much.

32. *Mr. Veitch.*] Have you any data on which to make a comparison between the rents of the present time and the rents of ten years ago?—I can only state of my own knowledge that they have increased very largely indeed.

33. To what do you attribute that increase?—To the rapacity of the landlords. I do not know what else.

34. Do you think the landlord displays more rapacity than formerly, or is it simply that he has greater power to exercise it?—Of course, he has a bigger field for his labour. When we were getting less in wages he had less chance of getting increased rents.

35. Do you think the increase in land-values has had an influence?—That is really at the bottom of it. Take the cost of building material. I suppose the secretary of the Timber Workers' Union has given you an idea of the rise in the cost of the commodity and the rise in wages. But there are houses that, speaking generally, have not had a nail driven in them for ten or fifteen years, and yet

the prices of those have gone up just the same as new buildings have risen, because of the cost of timber and wages.

36. Would not the condition of those buildings be really worse than formerly?—Yes; but still the owners get the higher rents, because people must have houses to live in.

37. Do you attribute the increase in land-values to the increased population?—Yes.

38. Has the landlord done anything to produce that wealth?—I cannot see that he has. It is community-created value.

39. Can you suggest any means of bringing down the cost of rent?—We have heard for years—ever since the time of the late Sir John McKenzie—of the proposed Fair Rent Bill, but no Government has been courageous enough to introduce it.

40. Can you suggest any other means?—Taxation of the land.

41. You mean taxation of the unearned increment in city land?—Yes. I would like to mention that some three years ago we found that we were paying 4d. for the 2 lb. loaf of bread. Some of the workers got together and formed a co-operative bakery. Since that bakery was started the price has never reached 4d. per loaf. We began with one cart. I may say that the unions took shares in the venture. The Tramways Union took twenty-five shares, the waterside workers fifty shares, and other unions took twenty-five, twelve, ten, and so on to smaller amounts. Individual members of the unions also became shareholders. The amount of the share was £1, of which 2s. 6d. was paid on application, 2s. 6d. on allotment, and the balance at 1s. per share per month until it was paid up. The trade has now increased to such an extent that there are now three or four carts. It is some time since I was on the committee, but at the outset we had to meet a good deal of opposition through pressure being brought to bear upon merchants to refuse to supply us with goods. Three union secretaries, including myself, went as a deputation to the merchants. We went to Mr. A. J. Entrican, because his firm was understood to have a directing position in the business. His foreman had rung up the co-operative bakery and stated that his firm could not supply it with goods any further—that would mean butter and eggs, raisins and currants, and other goods required to produce bread and small goods, and also flour. The manager of the bakery asked whether, if he paid cash—that is to say, paid cash at the end of the month, which is as good as cash over the counter—they would continue to supply us. The dealers said that they could not, because the other bakers were bringing pressure to bear upon them. So we went to Mr. Virtue, manager of the Northern Roller Mill Company. I do not want to advertise Mr. Virtue, but he intimated that he was prepared to let us have all the flour we needed on the ordinary business terms. Consequently, the boycott was broken down. We practically threatened that if they boycotted us, we, as members of the union, would boycott them. Then Mr. Entrican told us that he had given no instructions to his employees to issue the mandate that had been issued to the bakery, and that he would be prepared to continue supplying us. I found when I was a member of the committee that when flour went up £1 per ton bread was raised by the smallest coin in currency here—by  $\frac{1}{2}$ d. per loaf. If you take a ton of the best flour, which produces 1,400 loaves, you will easily see what the 1,400 half-pence would amount to—£2 18s. 4d.; it gives a surplus of about £1 18s. per ton to the master baker after paying the additional £1 per ton. But, as I have stated, since the co-operative bakery was established the cost of bread in Auckland has never touched 4d. per loaf. It is still  $3\frac{1}{2}$ d. Not only the shareholders of the co-operative company benefited, but the whole community has had the advantage of the keeping-down of the price of bread. I am told that in Palmerston North the price is  $2\frac{1}{2}$ d. per 2 lb. loaf.

42. *Mr. Hall.*] Is  $3\frac{1}{2}$ d. your price for bread delivered?—Yes.

43. *Mr. Leadley.*] What profit does the company show?—Up to the time when I left the committee we had been unable to declare any bonus. The profit went into the share capital, because we were hampered for want of share capital.

44. *Mr. Hall.*] Have they been able to declare any bonus since?—No. We want to extend our business, and the profit goes for that purpose. We started with only £80.

45. *Mr. Leadley.*] Can you tell us what the profits are?—I could not give the figures from memory.

46. *Mr. Hall.*] Does the company give any credit?—A week's credit, except in the case of a policeman or Civil servant, who is paid at the end of the month, and in his case the account runs on for the month.

47. Has there been any serious loss in bad debts?—There have been losses from that cause, but not so heavy as those of other bakers.

48. Could you state the percentage?—No.

49. *Dr. Hight.*] With regard to the cases in which you state that the charges for goods or services were increased out of proportion to the rise in wages, are you cognizant of any other changes in the conditions affecting production besides the change in the rate of wages that would warrant the increase in price?—No.

50. Did the employers or merchants, as the case may be, give any other explanation of the rise beyond the increased cost of labour?—No. They always put it down to "owing to the increased cost of labour" the goods have gone up a certain amount.

51. Can you suggest anything with respect to the price of eggs?—Only the free exchange of commodities between the producer and the consumer, without any intermediate board.

52. Have you any knowledge of the prices that eggs were bringing in Wellington at the time you speak of?—None.

52A. If an attempt were made to prevent eggs being sent from Auckland to Wellington, might it not result in the price of eggs in Wellington being forced up?—Yes.

53. As to the price of bread, has 4d. per loaf been reached in any other centre than Auckland—say, Wellington, Christchurch, or Dunedin?—In Dunedin it has, but in Wanganui it has not. I do

not know about Wellington. I believe they have had co-operative bakeries in both Dunedin and Wanganui. In Wanganui the co-operative people have bought out one or two other bakeries.

54. When you say that when flour rises £1 per ton the price of bread goes up  $\frac{1}{2}$ d. per loaf, do you mean that that is the usual movement in the price of bread?—Yes. The Master Bakers' Association has a tariff.

55. *Mr. Robertson.*] Would the co-operative bakery put up the price of bread coincident with a rise in the price of flour?—The co-op. is governed solely by the cost of production. We supplied bread for a time at 3d. per 2 lb. loaf. At that time it came down to  $3\frac{1}{2}$ d. for outsiders, but we could not make the profit we ought to make at 3d. For a time we charged  $3\frac{1}{2}$ d., with a rebate of  $\frac{1}{2}$ d. per loaf if the bill were paid during the week. Now the price is  $3\frac{1}{2}$ d., the same as that of the master bakers.

56. You consider, then, that though it is not selling more cheaply than other bakers, you believe it is keeping the price down?—It is.

57. Previous to the formation of the Co-operative Company, bread did sometimes reach 4d?—Yes. We formed the company when bread was at 4d. That was the reason why we formed it.

58. Did you appoint a manager?—Yes, a manager who is a practical baker.

59. How many men were there when you left the committee?—Three in the bakehouse and three on the carts. We have a shop for the sale of small goods.

60. Would not the cost of distribution be somewhat higher than in the case of the other bakers?—Yes, because they can divide their larger deliveries into districts. One of them has twenty or twenty-two carts.

61. We have had evidence with regard to a scarcity of farm labour in the country districts around Auckland. It has been alleged that the farmers have great difficulty in securing the necessary labour?—The long hours, and the uncertainty of the hours and wages are responsible. The farm labourers are working under no award. The farmers have always refused to come under an award. Another factor is the lesser degree of comfort in which farm labourers live.

62. What do you mean by that?—That there ought to be more inducement for a man to isolate himself away from the city, where there are many comforts that cannot be obtained in the country districts.

63. You mean that there should be compensating inducements?—Yes.

64. Have you noticed much influx of labour from the country districts to the city?—Very little. At any rate, not in the unions with which I am connected. In the Grocers' Union more men come from the Old Country than from anywhere else.

65. Do you believe that if the conditions of country labour were improved—for instance, if more permanent employment could be provided, and a greater degree of comfort assured—there would be the same difficulty in getting labour for the country?—I do not think so.

66. You think that would probably solve the problem?—I think so. Take the case of the city labourers: In connection with the tramways agreement of last December—one of the few that have been concluded at the so-called Round Table Conference, without arbitration—I had a return from the labourers on the roads—the men employed in laying down lines and maintaining those already laid down, showing that in three years, although these men had a constant job, yet with wet weather, holidays, and sickness their average earnings for the three years were 33s. a week.

67. *Mr. Hall.*] Is that without board?—Yes; we board ourselves in the city.

68. And even at that comparatively low wage of 33s. these men prefer to remain in town and work under those conditions rather than go into the country and work under the conditions that rule there?—Yes, because he has a greater range of employers than he would have in the country.

69. In your opinion, are those conditions preferable?—Well, I am a city man, and would not live in the country if I could. Therefore I do not know that I could give an impartial opinion.

70. *Mr. Leadley.*] What personal knowledge have you of the conditions that obtain in the country?—I am the son of a cockatoo farmer.

71. How long is it since you left cockatoo farming to come into the city?—I left it in 1882.

72. Have you any definite personal knowledge of the conditions obtaining in the country in recent years?—I have not said that I have.

73. Then, all your information on the subject is hearsay?—Then, it is of no use for me to give further information. I give it from the men I have to do with—pretty nearly a thousand every week.

74. *Mr. Robertson.*] Are you giving us the impressions you have gathered from coming into contact with these men?—Yes; and I think I am justified in stating them.

75. *Mr. Leadley.*] Are you aware that in a very large majority of cases the farm labourers live with the members of the farmer's family—take their meals in the house with them, but probably have sleeping-accommodation elsewhere? Are you aware that the labourers live practically the same as the farmer himself and his family live?—I believe they do. But are you also aware of how the farmer lives, and the profits that are to be made by him from living under those conditions, whereas the man himself gets only his weekly wage?

76. But the weekly wage also includes living?—Yes.

77. *Mr. Veitch.*] Are you aware that in a great many cases the children and wives of children, as well as the farmer himself, are employed on the farm, particularly in the dairying industry?—Yes; and in the Taranaki District there is a less percentage of passes in the public schools than in any other district.

78. The farmer who has no family would have to employ labour?—Yes.

79. And would he not have to pay the same price for his land as the farmer who had a family to work it?—Yes.

80. Would not the result of that be that the rate of wages in the country would be fixed on the child-labour basis, and the farmer who has no children would only pay the wages which would give him a similar return to that of the man with a family?—Yes.

81. With regard to the distribution of milk, fish, fruit, vegetables, and other perishable commodities, would the members of your unions favour the Municipality taking up that work, and placing it on a thorough scientific basis?—They would. Since the hawkers have been licensed in Auckland we have had cheaper fruit than when we had to buy it from the shops. That kind of work should, I contend, be done by the Municipality. There should be municipal markets.

82. Can you say whether the time-payment system is in operation to any great extent in this district with regard to the purchase of furniture, clothing, &c., for the workers?—Yes, but not to such an extent as formerly.

83. Is it a benefit or a disadvantage to workers to buy under the time-payment system?—A disadvantage.

84. Have you any knowledge of the details of the system?—No. I only once bought anything on time-payment, and I would never have another. It was a sewing-machine, and I know that paying for it that way I paid more than its value.

85. *Mr. Robertson.*] In the list of wages and rents you have handed in I noticed that one worker, earning £2 7s. 6d. per week, is renting an eight-roomed house at £1 a week, and there are several similar cases: can you state whether it is the practice of workers to keep boarders?—Yes, and that is destroying the home life. But that is the only way in which they can get decent houses to live in. There are also cases where two families share one house. I do not know whether the Commission propose to go into the price of coal here, but the selling-price in small lots, 36s. per ton, shows a very large margin of profit compared with the price at the mine. We have no State coal-mine or State coal-depot here.

86. *Dr. Hight.*] What is that price?—I only know the hewing-rate, 2s. 3d. per ton.

87. Has there been any attempt to induce the Government to open a mine here?—Yes; for several years we have tried to get them to do it.

88. Have you any knowledge why the available coal-measures have not been developed?—I have no idea, but I believe the State has ground over which there is an option.

89. *Mr. Veitch.*] Have any of the members of your unions complained that they do not get full weight in a ton of coal?—I have seen a dealer take his ton—12 bags—from the coal-shed, and by some mysterious means, when he has got to the end of his journey there were thirteen bags instead of twelve. I have seen him take a share from each bag to make the thirteenth bag. Coal is not sold by weight. I think it should be.

90. *Mr. Leadley.*] The co-operative bakery has, on the whole, been a success from the baker's point of view?—Yes.

91. In view of that success, have they ever contemplated co-operation in other branches of trade—grocery for instance?—That is provided for in the articles of association. When I say the business has been a success, I mean a success all things considered, but not in the profit to the shareholders. It has been a success in keeping down the price of bread. We have never had the capital to embark in other lines.

92. Do you supply to the general public?—Yes.

TUESDAY, 25TH JUNE, 1912.

EDWARD CORRIGAN BANKS, Farmer, examined on oath. (No. 146.)

1. *The Chairman.*] You are a farmer, residing at Matamata?—Yes.

2. How long have you been farming there?—Since the estate was cut up by the Government, eight years ago.

3. Since that time, has the valuation of the land increased greatly?—Yes.

4. How much per cent. in eight years?—About 40 per cent.

5. Is it a dairying district?—Yes, almost entirely; before we went there it was one of the properties of the Assets Board, and they ran sheep on it.

6. Could you give us any idea of the cause of changing from sheep to dairying?—It was simply owing to the cutting-up of the estate into small farms; it is not suitable for sheep.

7. Is it cropping land?—It is good land for oats, and we can grow wheat, but the climate is not such as to encourage us in wheat-growing.

8. Dairying is safer?—Yes, it is a good paying industry, and we have gone in for it almost wholly.

9. Do you send your milk to factories?—We send to the local creamery belonging to the New Zealand Association, and they pay according to the working-expenses of machinery.

10. Does the company give the farmers an advance?—Yes.

11. Have you any difficulty in getting labour in that district?—I have no difficulty in getting a man and his family to do the milking, but we have generally to teach the work to those who come there. For instance, four years ago I took a man with his family from the coal-mines at Westport and taught them the work, and they became a very good family of milkers. A year ago I took a wagoner from another district—one of the sons was a bootmaker; the family was taught the work of milking and farming, and now they are making a good thing out of it.

12. Are you milking on half-shares?—One-third for milk, one-third for calves, and half the value of the pigs, with a free house and as many potatoes as they liked; a gallon of milk in the summer-time, and at this time of the year they get all their butter and milk. At the present season they milk about a dozen cows.

13. Are there many farmers who give as good terms as those?—That is about the usual thing up our way.

14. Under those conditions, you find you can get a reasonable supply of labour?—We have a good cottage within a mile of a school, and can always get labour. The difficulty is to get families which are good at milking.

15. *Mr. Leadley.*] What would be the money value of those concessions per year?—I think this year they will get an equivalent of £400.

16. That would be amongst how many members of the family actually engaged in working?—Children going to school he does not allow to work. There is one boy of fourteen who milks about eight or ten cows morning and evening.

17. Children below fourteen years of age are not allowed to milk?—No.

18. It has been represented to the Commission that great abuses exist in some country districts with regard to child-labour on dairy farms: can you enlighten us on this matter?—I do not think there is much abuse of child-labour in our district. I do not see why a girl and boy of twelve or fourteen years could not do some milking.

19. We are told that in some cases children only nine years of age are required to milk both early in the morning and also in the evening. Do similar conditions prevail in your district, or have you heard of anything of the kind?—I have heard of it, but I have not seen it.

20. You think those must be isolated instances?—They would be very rare in my district. I would call any one under twelve years of age a child, and no child at that age has been allowed to work on that farm. I can give you pretty well the ages of those who are milking. There is a boy of fourteen, a girl of sixteen who sometimes works for the neighbours in doing household duties, a girl about eighteen, and there are two older girls, and one of them is out at service. There is a son who was brought up as a bootmaker, and who when he came there knew nothing about the work, but who is now a good milker.

21. The son devotes the whole of his time to the work of the farm?—During nine months of the year he has to be there all the time, but at this season of the year only the father is required to be at home.

22. Do you employ any single men on the farm?—Yes, generally as ploughmen.

23. Does he live in your house and board with the family?—Yes.

24. Are those the conditions which generally obtain in your district?—Yes; and the wages are from 25s. to 30s. I have been paying 30s. to one man. It is difficult to get really good men on a farm. I am just arranging about a four-roomed cottage on the farm. I am giving £9 a month for the first year and £10 a month for the second.

25. What are his duties?—I call him a ploughman. He has to put in the crops, and he has to be a good all-round man at farm-work. He has also to look after a valuable draught stallion. I give him a free cottage and the wages I have stated. He has a cow and a horse and will be able to keep a trap.

26. Have you had much difficulty in obtaining the necessary labour?—I can always get a good man for about 30s. and his keep—at least, a fairly good man.

27. Is there any general complaints amongst the farmers in your district of the difficulty of obtaining the necessary labour?—Of course, the more isolated farmers experience that difficulty.

28. But not in the more settled parts?—When the farm is handy to a railway-station, and there are so many comforts such as they have on my place, I experience no difficulty in getting labour; but there is a difficulty in getting families who are good milkers. At Cambridge the other day a farmer sold out several herds of cows because he could not get families to do the milking.

29. Why is that?—I should say that something to do with it is the bolstering up of wages in certain trades in the big towns.

30. Do the long hours have much to do with it?—No, I do not think so. The work of milking is very easy. The easiest work that I do is to sit down and milk a few cows. It is a rest from other work.

31. Can you indicate any cause as to the difficulty as to the getting men to go into the country apart from the isolation and loneliness of country life in many places? Is it the irksomeness of that class of work, or is it the wages or long hours?—People are flocking into the towns, and it is the bolstered-up wages in certain trades that is helping to keep them in the towns. If those bolstered-up wages were done away with, the natural wages would be only about 7s. or 8s. instead of 12s. or 15s. a day. There are a lot of young people who wish to enjoy town life. My ploughman can save from £1 to £1 5s. quite easily. He has got no expense. He can save in the country on his present wages a much larger sum than he would be able save in the town, even although he got in the town 8s. or 10s. a day.

32. *Mr. Robertson.*] Would you advocate making the conditions of workers in the towns less attractive, and let them gravitate to the country in that way?—I would simply say that you should not bolster up trades in the towns.

33. How does bolstering up trades in the town affect the labour question in the country?—Simply because instead of the men making 12s. or 15s. a day in the towns they could make 7s. or 8s. in the country.

34. Do you advocate reducing wages in the towns?—I advocate doing away with the bolstering-up of trade. I would give the men what they are worth for their work.

35. How many members of the family you spoke of are actually engaged in the work of milking—I mean in the season?—There are none of them able-bodied men who could go and earn good wages. Their ages are fourteen years and upwards. There are three men, four girls, and the mother.

36. All engaged in milking?—In the summer-time; but at this season of the year there is only one.

37. How many cows do they milk?—I generally run over 120 cows.

38. You calculate that on the system of working—one-third milk, one-third calves, one-half pigs, with house and so on—it works out at about £400 a year for the family?—Yes, and they can have three months in which to work away from the farm in the winter-time; there are several of the family away from home now.

39. If they can get work?—There is any amount of work for all—even domestic service for the girls. There is plenty of road-work for the men if they want it.

40. As far as the girls are concerned, they would only be available for domestic service a month or two in the winter?—One has been out for two or three months, and will be out for several months yet. The flush of milking is only for half a year.

41. Is not the demand for girls for domestic service greater in the summer than in the winter?—They are wanted all the year round for domestic service.

42. The system you are working on now of one-third shares—is that the prevailing system in your district?—Yes.

43. How long has that prevailed there? Was it not half shares at one time?—It was never half shares in our district. It has been one-third shares for the last eight years.

44. I suppose the values of land have risen considerably during the last seven years in your district?—Yes, about 40 per cent. The dairying has done it. I have improved my farm very considerably—to the extent of from £2 to £3 an acre.

45. Is it not the price of butter-fat that is largely responsible for the increased value of your land?—It is the consumer in England.

46. That is due in a great extent to the improvement in the quality of the butter?—I cannot pay too high a compliment to the directors of the dairy company who give such a large amount of their time to bringing about such good results.

47. How does what you are now getting for butter-fat compare with what you received the previous season?—It is about 1d. higher than it was for the three previous seasons.

48. How much has butter-fat risen since you began dairying?—It was 8½d. about eight years ago, and it has increased about 50 per cent. in the last eight or ten years.

49. And your land-values have risen about 40 per cent.?—Yes.

50. *Dr. Hight.*] Have you had experience as a farmer in any other part of New Zealand?—I was brought up on a farm in Canterbury.

51. You are a member of the Auckland Education Board?—Yes.

52. Can you inform us of any difference as to the cost of primary education?—I have not gone into that very much. I know that the cost of education during the last ten years has gone up to the State, but it has not gone up to the individual. I do not think there is any difference to the parents.

53. You could not say whether the cost of providing books and stationery has increased?—The cost of books is a very little affair, and the stationery is provided by the School Committee from the Board's funds—that is, from the State: it only amounts to a few shillings for books for each child.

54. *The Chairman.*] Eight persons working for £400 a year would have a wage of about 19s. a week each. When you consider that the wages of the men are included, would you consider that a very large income?—If they worked for the other six months of the year as they are working for one six months of the year, they would make nearly double as much.

55. *Mr. Veitch.*] You say that in your opinion tradesmen in the towns should receive 7s. 6d. a day?—I did not say that; I spoke against the bolstering-up of certain industries by means of high duties.

56. To what industries are you referring?—I may mention, for instance, that the engineers have been suggesting that the existing duties on certain manufactures should be increased.

57. You are only referring to something which they propose should be done?—They have got a duty already, and they want it raised.

58. Do you consider that the workers in town are paid too highly?—In certain trades.

59. What trades do you refer to?—I will not name any particular trade, but, as I have said, the engineers, for instance, have asked for higher duties to be imposed.

60. Have you had any experience in engineering?—No.

61. You know nothing about it?—No; I am simply a farmer at present.

62. At the same time, you consider you are a better judge of the work than the Judge of the Arbitration Court?—No; I consider that they should be paid what they are worth. We ought to encourage people to go into the country. We ought to encourage agriculture. We are getting less and less a manufacturing country. We ought to encourage people to go into the country instead of bolstering up trade, and thus encouraging men to live in the towns.

63. Do you advocate starving them out of the town in order to get cheaper labour in the country? Is not that the position?—No, I can get any amount of milkers to do the work I want.

64. You have given us certain figures showing the amount that a family receives on your farm: do those figures mean that the owner of the land must be getting something like £800 a year out of it?—I do not get £80 a year out of it. I have to pay £180 a year for rent out of the £800, and my manure bill was bigger than my rent bill.

65. Do you know whether in times gone by most of the men employed on farms were single men?—Yes.

66. Do most of the farmers now provide accommodation for married men?—No, most of the men on farms are single men.

67. Can you show us any reasonable remedy for this difficulty in getting men to go into the country?—By not bolstering up industries with a big Customs tariff.

68. You want free-trade?—I want free-trade in industries that affect the farmer directly. We ought to encourage agriculture, and not go against it.

69. *Mr. Leadley.*] Assuming that the family you have mentioned came into town, and were working in town, would the total of their wages approach the total value of money or the equivalent which you give them?—No, I am quite certain they would be worse off in the town than they are with me.

70. *Mr. Fairbairn.*] When you mentioned £400 a year, you did not refer to profits—you meant one-third of the whole proceeds?—Yes, one-third of the whole proceeds.

71. *Mr. Robertson.*] Do you do any cropping on your farm?—I have pretty well given it up.

72. You said you do not see more than £80 a year?—I have my living out of it; but my profits are practically nil.

73. In regard to so-called bolstered industries, would you say that the flour-milling industry is a bolstered industry?—I do not see why flour should be protected by duty.

74. If you were growing wheat, would you still be of that opinion?—Yes, I think I would. I am not afraid of Australian butter coming into New Zealand. If one form of agriculture does not pay, then let us go in for something else that will pay. We can compete with any country in the world in dairying.

75. You would be quite willing to advocate the duty coming off butter?—Quite willing.

76. You do not think it would injure the dairying industry in New Zealand?—No, we can hold our own with Australia.

77. You believe in an absolutely free market?—I believe we should encourage the production of butter-fat and other things in regard to which we can hold our own.

78. *The Chairman.*] You said you made your living out of the farm, but made no profit: do you want people to desert the towns, and make no profits in the country?—I make my own living out of the farm. It is a decent living for myself and family and my employees. I think that a man who is on a farm is the happiest individual. At any rate, a man who is working, say, 100 acres will probably in the future be the happiest individual, because he will not be bothered with the labour question. That will be the best class of work for an educated man.

E. C. BANKS further examined.

79. *Mr. Fairbairn.*] We have had evidence to the effect that the cost of curing bacon is 1d. per pound, and that a farmer would get 5½d. for his pigs. I suppose that means dead-weight?—Yes, dead-weight, when bought at the country station. The Co-operative Bacon Company, of which I am a director, has agents at nearly all the railway-stations. The agent buys the pigs over the scales, and deducts about 27½ lb. in the case of the bigger pigs, and 23 lb. from the smaller pigs—the difference between live and dressed weight—and we pay cash on his statement. The price has varied very much this season. The highest price we have given was 5½d., and the lowest 4d. The average price last year was 5d., and the year prior to the formation of the company it was about 4d., and went as low as 3½d.

80. There seems to be a very big cost of distribution if it is sold wholesale at 9d. and retail at 11d., 1s. 1d., and 1s. 2d.?—Well, it takes 140 lb. of pork to make 100 lb. of bacon, so that your 140 lb. pig gives you only 100 lb. at 7d. Then, the cost of curing comes to more than 1d. on the yield of bacon—nearly 1½d. Then the railway carriage is very heavy, both on the pig and on the bacon. It would be about ¼d. a pound on the pig in bringing it to the factory, and another ¼d. bringing it to Auckland. The working-expenses and the carriage bring the price of the bacon up to about 9d.

81. Have you any knowledge of prices being arranged between the Co-operative Bacon Company and the other bacon-curers in Auckland? Are they selling at fixed prices?—There is no understanding with the other factories. In fact, Mr. Dimock, of Wellington, has been doing his best for the last year to beat us on the market. This is one of the reasons why prices have been so high.

82. Competition is perfectly open?—Perfectly.

83. *Mr. Leadley.*] Do you sell wholesale, or in smaller quantities?—We sell wholesale, and we retail to the farmer shareholders.

84. Not to the small storekeepers?—No. We have an agent in the Waikato, and another in Auckland, and all orders come through them.

E. C. BANKS further examined.

85. *The Chairman.*] I understand that you wish to amend a statement which you made when formerly under examination?—I stated that a milking family received £400 a year, including a free house and other benefits. What I wish to say now is that he receives £400 in actual cash, and he has a free house and other benefits for nothing. Moreover, he earns that £400 in about eight months.

GERALD LOFTUS PEACOCKE, Land and Estate Agent, examined on oath. (No. 147.)

1. *The Chairman.*] You are a land and estate agent?—Yes; and for many years I was editor of the *New Zealand Farmer*. I brought out the first number of that journal.

2. You have resided in this district for many years?—Yes, except during an interval when I was in England reading for the Bar, I have been here all my life.

3. You are well acquainted with land-values in the vicinity of Auckland?—Yes.

4. Have those values risen considerably during the last twenty years?—They have risen very much indeed. I may say that I have been very busy, and when I received a notice requesting me to attend the Commission I was not able to hunt up all the figures and statistics to confirm any opinion that I could give, so that the statements which I make must be taken as my general opinion, based upon my knowledge of the rise and fall in values. I cannot give you the exact figures, although I can give you something near it.

5. Can you give us any idea of what percentage in value land has risen in, say, two periods—ten years and twenty years?—The town and suburban land is, of course, in a perfectly different category from country land. Town and suburban land in many cases has tripled and quadrupled in value—that is, land within a few miles of a big centre like Auckland. Country land has increased in value



very much indeed since the establishment of the dairy industry, and the general prosperity that there has been for our agricultural and pastoral industries. Land has increased in some cases 50 per cent., and in many other cases 100 per cent. The increase is unequal, and has been according to the advantages of particular districts. On the average, all agricultural land has increased in value, some, of course, very much more than other land. I have known farms which twenty years ago would not have fetched more than £5 an acre which now fetch £20 an acre. Farming land of that kind has gone up in some cases, where it could be used for residential purposes, to over £100 an acre—land which a comparatively few years ago was sold at £30 an acre. I am referring just now to land, say, within thirty miles of Auckland. That means that a farm has been subdivided, and not sold as a whole.

6. Have these farms changed from being stock farms or cropping farms into dairy farms?—No, that is very greatly the case all over the country. Just now in some cases there has been a return to feeding stock, because for the last two years beef has been very high—up to 25s. and 26s. a hundred, instead of 20s. and 22s.—and that has encouraged some people to go in for beef-grazing as being less troublesome to them than milking.

7. Could you give us any idea of the percentage of persons who own farms, and of how many put down a lump sum and have the rest on mortgage?—I could not give you the percentage, as I do not know everybody's private business, but a very large proportion of the people who buy high-priced farms do not pay more than a small proportion of the purchase-money—sometimes as little as 20 per cent.

8. So that before they can get any profit for themselves they have a large amount of interest to keep on paying?—Yes, they have interest on a large sum to pay, which may be counted as rent. I think that in many cases in some districts land is a great deal dearer than is legitimate for farming purposes, and probably the idea is that the value of the land will rise still higher, and the holders of the land will get the benefit of the rise.

9. Do farms change hands very rapidly? Are there cases where farmers stay two or three years on a farm and then move on to some other farm?—There are a great many cases of that kind where land is rapidly rising in value, and where the owners sell out and take up cheaper land. In fact, a great many farmers make their farming-profits out of selling their farms. I have written down some rough notes with regard to the increased cost of living which, if I may be permitted, I will read to the Commission. "Has the cost of living increased during the past twenty years, and still more during the last ten years?" So far as food and clothing is concerned, I should say there has been no increase in cost worth speaking of. In urban and suburban districts there has been a considerable rise in house-rent, especially in certain favourite localities, such as those close to a railway-station or a tram-line. Part of this rise in rents has been owing to the increased cost of building caused by higher prices for material and labour; also to a higher standard of building being generally demanded. But probably the chief cause of higher rents has been the rapid rise in the value of desirable building lots caused by the rapid increase of the population in cities like Auckland. So long as the demand for houses to live in is ahead, even a little ahead, of the supply there is a keen competition amongst would-be tenants for favourably situated houses; so that the rental-value is really a site-value, which is increased by every facility created for getting in and out of town—such as extension of tramways, improved suburban railway services, better roads, besides the advantages of improved public services such as a good water-supply, gas-mains, drainage, and so forth. A house to let within the twopenny section will have three or four times as many people after it as one beyond that radius, and naturally rents go up in proportion, apart altogether from the comparative cost to build the two houses. This is caused by the natural competition for the most desirable sites; and therefore all rating should be on the unimproved value, and no man should be taxed either by the local or General Government on his expenditure of labour and capital in building a house, and planting a garden and orchard—thus discouraging what is a public benefit. We tax dogs to keep down their numbers. No one would argue that it was an encouragement to a man to keep a dog when you make him pay 5s. or 10s. a year for the privilege—everybody knows it is a discouragement—and so to tax houses is to a certain extent a discouragement to the building of them. On the other hand, by the taxation of site-values you discourage the keeping of the ground vacant, waiting for a boom in the demand for building lots, and the value you tax is the value created by municipal and other public improvements, and by the natural increase in population in any given town or district. Fuel is undoubtedly far more expensive than it need be if the State worked the coal-mines under good management in the interests of the public instead of to earn profits for shareholders, as in the case of private companies. Of course, the companies have a perfect right to do the best they can for their shareholders, and to sell for 32s. a ton coal that can be placed in the trucks and brought to Auckland for about half that rate. But the question is whether the State ought not to own the natural supplies of such a necessity of existence as our coal-deposits, and work them for the benefit of the people as a whole (minimizing the chances of disastrous strikes). If State-owned railways is the right thing so is the State ownership of coal-deposits, and also of natural water-power. The difficulty of the cost of living is in direct ratio to the standard of living. You cannot say the cost of living has increased because we choose to live in a better way than satisfied us in the past. Assuming that food, clothing, shelter, and all reasonable necessaries and common comforts of life cost the same to-day as they did ten or twenty years ago, but to-day we want things we were content to do without then. Under these conditions, unless our income had increased in proportion to our requirements, the cost of living would be a greater difficulty to us. But this only means that a higher standard of living costs more to maintain than a lower standard. I certainly think that the general standard of living in this country, as in many others, has risen, and perhaps more in proportion than the rate of wages. One of the causes is no doubt the more general diffusion of education, and the consequent general raising of human values. It is an inevitable accompaniment of the progress of humanity. A bare animal existence, entailing only the fulfilment of bare animal require-

ments, naturally costs less than the fulfilment of the desires of an existence that is not purely animal in its wants and aspirations, but which feels the needs of intellectual as well as physical food, and the satisfaction of more refined and artistic tastes. The higher existence wants books and pictures and good music, thinks more of health and cleanliness, and therefore wants better houses, and light to read by at night, instead of going to sleep soon after dark. The people are taught hygiene in the schools, and the religion of personal cleanliness, and therefore want bathrooms in their houses, and enough clothes to be able to change them before they "hum," as the boys express it. All this increases the difficulty of the cost of living, without necessarily implying that the cost of commodities has increased. I believe the cost of education is much less than it used to be. Of course, some education costs more than no education at all; and in the days when a man did not think it necessary to educate his children, and was not compelled to do so, he saved the money a man now pays for school-books, besides getting the benefit of any wages the children could earn, instead of going to school as they have to do now. But a far better education can be got now for less money than was the case thirty or forty or even twenty years ago. The rise in the price of farming land, though very great in the last ten or twelve years, has had little or no effect in this country on the price of such commodities as meat, grain, potatoes, butter, milk, and so on, for the reason that we produce far more of all these things than we can consume in New Zealand, and therefore the prices of the products of the land are regulated entirely by the state of our export trade. The London market rules the price of all our staple products from the land. If land were cheaper no doubt the profits on these exports would be greater, unless the cheaper land so stimulated production here as to lower the level of prices in Europe. Such a result might tend to lower prices here, but it is unlikely that any increase of production from the land in New Zealand alone would appreciably affect prices in the markets of the world, where the demand is steadily growing for all such staple commodities as wool, meat, and dairy produce.

10. *Mr. Veitch.*] What do you consider the effect upon land-values of the operations of the Advances to Settlers Department?—I think that must have had an effect of increasing land-values, by reason of the facilities thus afforded for working the land by the capital lent at a low rate of interest. It has had the very best effect in the encouragement of the agricultural industry in New Zealand—perhaps more almost than anything else, except the establishment of the frozen meat and butter industries.

11. What effect do you consider the building of roads and railways would have upon rural land generally adjacent to them?—It directly tends to increase the selling-value of land if a railway runs anywhere near it.

12. Do you consider that the increase in the values of land in New Zealand are entirely due to the selling of our products in the Home markets?—No; I think that in particular districts that are served by public services such as railways, &c., these have had a great effect in raising the value of land in those districts.

13. Who do you think benefit mostly by the extension in suburban areas of railway services?—The owners of land in those areas benefit by the rise in value of the lands affected, undoubtedly; at the same time, so also do the people who use the railways, and who have work to do in town. Then there is the great general hygienic advantage of encouraging the city population to live out of the actual precincts of the town.

14. *Mr. Hall.*] What would be the rental of the allotment in the suburban district in which you live?—The ground-rental for a fifty years' lease in the Dilworth Estate, Remuera, would be about £12 10s. a year for half an acre, but it would be worth a great deal more than that if the land were to be let again now.

15. What would it be worth at the present time?—Valued for rating purposes on its capital value that land would be worth about £1,000 an acre—the freehold, if it could be sold to-day.

16. Are there any allotments still available?—There are a good many, I believe, which have not been offered to the public as yet.

17. Supposing these were offered to the public at a rental on the same lines as the others were, what would the rent be per annum for half-acre allotments?—Of course, there are differences in different parts of the estate. In some places the allotments, instead of being £25 a year rental per acre, would be worth about £35 a year as compared with six or seven years ago.

18. That is £35 for an acre?—Yes, ground-rent.

19. How many cottages are allowed to be built on an acre?—They are not allowed to build on anything less than a quarter of an acre. About three cottages to the acre is about the most they will allow, and they have regulations as to the value of the house.

20. You think that ground-rent has gone up from £25 to £35 an acre?—I think it has in the best places. It is impossible to say, because there has been no actual transaction. They have not offered any land for some time past at any new rentals that I know of.

21. *Dr. Hight.*] You have said that farmers are paying more than you consider a legitimate price for their land?—Yes, I think they are. I mean that their difficulty of making a profit from the land is very much increased by the high rent to which the interest on the purchase-money is equivalent.

22. Is not the cause psychological? Do not the farmers who are paying for the land consider that the good times of the last ten years will continue indefinitely?—Yes. I think that in many cases men with small capital are encouraged to agree to pay the prices they do because they are not asked for much cash down. But they are really working for the landlord, not for themselves and their children. Their interest practically amounts to a ground-rental, and if they never raise the money to complete the purchase the landowner is quite safe, because he will get back the land.

23. Could not that tendency be diminished if wider knowledge were given to the people of the past history of prices generally?—Perhaps so. It depends upon how far they would avail themselves of the knowledge. I think they want to be taught something about the commercial basis of things.

24. Are you of opinion that the system of rating on unimproved values may stimulate overbuilding under certain conditions?—I think I mentioned that as a danger, and that therefore the system should only be applied in urban areas with well-considered building regulations.

25. And when the population is increasing rapidly?—Yes. That evil could not come in if the municipal body made certain regulations, under which every house should have a certain area around it. With that the system is quite safe; without it there is an encouragement to crowd buildings on small pieces of ground.

26. You advocated State ownership and working of coal-mines: do you suggest that the State should have a monopoly of the coal-mining business, or merely that it should compete with private persons and companies?—That is merely a question of method—of how to bring about the change. I do not think it is quite fair or advisable that the State should compete with private people. If possible it would be far better that coal-mining should be run by the State entirely, paying for any working-mines that were taken over; but of course that might not be practicable, unless it were brought about gradually.

27. You would not advocate it unless you were assured that State management would be thoroughly efficient, enterprising, and progressive?—I put in the saving clause, “under good management.” Some people think nothing can be well managed by the State, but that seems to me simply an assumption.

28. You enumerated a number of things that people want now which they did not want some years ago—porcelain baths in houses, &c. I suppose you agree that they must have the money in order to get these things—that the mere desire to have them, in itself, would not bring the things?—Yes.

29. Then you mean that people have a greater command of money than they had ten years ago?—I mean that they have been taught to want things by their experience of life, and better training, and higher development generally.

30. And the possession of money?—Yes. We know that wages have increased, and that has enabled people to live better than they did. There is always a tendency to progress, and their wants multiply. Besides, people are inclined to run to the end of their tether as far as their incomes are concerned.

31. You also say that education is cheaper than it was. For instance, though a parent may have to spend 35s. a year on his child's books and stationery for use in a secondary school, yet he gets in return for that £50 or £60 worth of education, which was not available to him ten years ago?—I think so. I am not taking into account what he pays through his share of taxation. That is understood.

32. *Mr. Robertson.*] Can you give us an example of building regulations being in force to prevent congestion of buildings under the rating-on-unimproved-values system?—An attempt has been made to frame such regulations in a road district not far from where I live—the Epsom Road District; but there has been great opposition to the proposal, and I think the fight is in the balance still. The people who wanted to cut up their land into small pieces opposed any restriction, and those who were thinking only of the interests of the district advocated the regulations. I do not know which side won. At Devonport, which was one of the first suburban districts to adopt rating on unimproved values, there were no such building regulations. There is no doubt that though the system did have a good effect in stimulating the building of houses, still they were crowded on too closely, because no precautions were taken beforehand.

33. You suggest that the regulations should be so framed as to prevent overcrowding?—Decidedly.

34. *Mr. Leadley.*] In the subdivision of estates, is it not the custom for the owners, before selling, to provide for roads and channelling?—Yes.

35. Is that compulsory?—It is, before the local body is compelled to take over the roads, where by-laws have been adopted by the local body to that effect.

36. Would not the cost of such works be charged against the selling-price of the sections?—Certainly.

37. Would not that very materially increase the cost of the sections?—Very much indeed. In fact, in cutting up a block the loss of land set aside for roads, and the cost of making them, is one of the biggest items, and has to be taken into account in regulating the prices.

38. Is not the tendency to pay high prices for country lands largely accounted for by the fact that many men are tempted to go in by the very small deposit?—Yes; I said so.

39. Would it not pay a man taking up land to go in on a small deposit, seeing that he would probably get his money at a lower rate of interest than if he paid a large deposit and crippled himself in regard to the working capital?—Decidedly. If he has to take up the land at high prices the smaller the amount he pays the better.

40. So that there is not such a great disadvantage in paying a small deposit as appears on the surface?—I do not mean that there is a disadvantage in paying a small deposit, except that it encourages people to take up land at too high a price. If they had to pay down a larger proportion, then probably they would not pay so much per acre.

*Re L. D. NATHAN AND Co., and MR. SCHISCHKA, Merchants (subpœnaed).*

*Dr. Bamford*, solicitor, said,—I appear on behalf of Mr. Schischka and L. D. Nathan and Co., who have received subpœnaes to attend the Commission to give evidence. These firms, acting under advice, respectfully decline to give evidence before the Commission. At the same time, if I might be permitted, I would like to make this statement on their behalf: that they, in common with the other

merchants here, are not refusing to give evidence upon the ground that they have anything to hide, but with all respect to the Commission they are taking this stand upon what they consider a matter of principle. I notice that in Christchurch—

*The Chairman* : If neither the person who has been subpoenaed nor his counsel offers any explanation for non-attendance except that he is doing it under advice, we cannot receive any statement from him. Certain accusations have been made. Persons who are responsible do not appear; and if they do not choose to appear the Commission will take its own course in dealing with them afterwards, and the public in the meantime will have their own opinion as to why they refuse to give evidence.

*Dr. Bamford* : Then, I understand that nothing further can be said.

*The Chairman* : Nothing further can be said.

*Dr. Bamford* : May I add a reason?

*The Chairman* : No.

FREDERICK GEORGE EWINGTON, Land and Estate Agent, examined on oath. (No. 148.)

1. *The Chairman*.] What is your occupation?—I am a land and estate agent, and have been in that business for forty-five years.

2. During the last twenty years, have you found the land in Auckland and in the neighbouring rural districts increase greatly in value?—Yes.

3. Can you give us an idea of the percentage by which land in the rural districts has risen?—The following paper which I have prepared will answer that question: This is my fiftieth year in Auckland and forty-fifth year in the land and estate agency business. In 1902 workmen's cottages of four rooms in Auckland were let at 9s. per week; five rooms, at 11s. to 12s.; six-roomed houses, 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 repairs, vacancies, loss of rent, sanitation, legal expenses, rates, and incidental repairs. The discontinuance of building that class of house, and the consequent scarcity, led to keener competition for renting cottages, and that helped to make them dearer. I also think that the demands made by Borough Councils and local bodies for roading of land newly opened for sale in subdivision has something to do with the increased cost of dwellings. Higher prices for land and building material are amongst the principal causes of increased rentals; but greater demands for more conveniences and a better style of house add to the cost. I am of opinion that unrest in the labour world during the last five years has helped to make it more difficult to get small houses for working-men, because of uncertainty as to the result upon such investments. I think the scarcity presses hard on working-men, because it compels them to buy allotments and build cottages with inadequate capital, and that causes them much anxiety, and costs them more than when they paid a straight-out rent to the landlord. For a while, working-men can go on paying weekly instalments, but such payments become a trouble as a family increases, or sickness or slackness of work befall them, and then they risk losing what they have paid. The anxiety thus caused induces unrest, and incapacitates some men from working at their best. Considering the increased cost of living, I am of opinion that twenty years' prosperity in New Zealand has led to improvidence, love of pleasure, and a loss of a sensible and sound estimate of the value of money. Although a section of the working-classes have large savings in the banks, building societies, and friendly societies, their wealth is nothing like what it ought to be in a country like New Zealand, and the numbers of those who have saved are, almost certainly, much fewer than they ought to be. I cannot but think that the ample provision made by the State for old-age pensions, accident insurances, compensation, and by benevolent societies and churches for the relief of distress, has on some minds the bad effect of making them careless to provide for a rainy day. So far as New Zealand is concerned, I believe the people could, if they chose, be the happiest and most prosperous in the world. If the present extension of our railways and the consequent opening-up of more land could be expedited it would, I think, help to deplete our cities of redundant population, and lead to our farmers getting suitable labour at a reasonable cost, and that would increase the production of prime necessaries and reduce the cost of living. I think immense good would result from getting manual workers to live in the country, which cheap train fares would render possible and profitable.

4. *Mr. Hall*.] Are the demands made by local bodies for roading land that is being subdivided much higher than they used to be?—Yes. They demand now that land, when cut up, shall be roaded, and in some cases kerbed and channelled. The cost of new roads at Devonport is about £1 per foot. That, of course, goes on to the cost of the land.

5. You think the enhanced value of the sites is to a great extent due to the demands of the local bodies that the roads shall be metalled to the full width?—I think it is quite right that the people who have cut up the land, and are making the profit, should have to make these improvements, but the cost of them is being shunted on to the buyers.

HENRY GREEN, Waterside Worker, examined on oath. (No. 149.)

*The Chairman*.] What are you?—I am a labourer, and I appear as representative of the Waterside Workers' Union.

2. On what subjects do you propose to address the Commission?—On the cost of living generally. First, as to the price of bread. When I came to New Zealand in 1906 the cost of the 2 lb. loaf was

3d. At the end of 1906 flour went up £1 a ton. Immediately the price of the loaf rose to 3½d. That meant a profit to the bakers of £1 6s. 8d. per ton of flour above the extra £1 of cost. As to potatoes, the cost of prime potatoes now is £6 10s. a ton, and that of medium potatoes £4 10s. to £5. In 1909 the cost was 4s. per hundredweight. At the present time they are sold in small lots at 1d. per pound—that is, over £9 a ton. That means 50 per cent. for distribution—for the auctioneers and shopkeepers and their employees. The price for medium potatoes by the ton is £6 10s. now—that is, by taking the ton off the merchant. In 1909 and 1903 they could be bought by the 2-cwt. sack at 8s. 2d. In 1906 you could get mutton at from 4d. to 5d. a pound: to-day it is 6d. Rump-steak at that time cost 7d. and 8d., and blade-bone steak 7d.; that steak, best varieties, is to-day 9d. Sirloin of beef in 1906 cost from 4½d. to 5d.; you cannot buy it to-day under 6d. Pork in 1906 cost 6d.; to-day it is 8d. If you wanted a sheep's head at that time it cost 3d.; now it is 4d. A fry has risen from 3d. to 4d. A shin of beef from 10 lb. to 14 lb. was then sold at from 8d. to 1s.; it varied in price in accordance with where it was bought; to-day it is sold by the pound, at from 2d. to 3d. per pound. The highest cuts of bacon at the time I speak of cost 10d.; the same to-day would cost 1s. and 1s. 2d., though you can get the belly portions at 6½d. or 7d. If the bacon is cut into rashers it rises 1d. per pound, which makes it a dear picking to the worker. When I lived at Mount Albert up to two years ago I kept a fowl-run, and could buy sharps at 12s. a bag, and maize at 14s. 2d. per sack of 2 cwt. 2 qr. To-day the maize would cost 5s. 6d. a bushel by buying small lots, prices having been worked up by the Grocers' Association and the millers and those connected with the trade. Mixed fowl-wheat used to cost me, nine miles from Auckland, 3s. 6d. a bushel; now it is 5s.; so that it has risen over 40 per cent. Milk is now costing 4d. per quart, as against 3d. when I came here. I call that an extortionate price. I hope to see a municipal depot established for the sale of milk. Last Sunday week I saw in the street where I live, which has only about thirty houses, six carts delivering milk. Before the recent rise of 2d. in the hewing-rate, coal could be purchased from a man named Ferriday at the Auckland Railway-station at 19s. a ton. Newcastle coal was being brought for the Government through Mr. Winstone at £1 a ton. Now the local coal is fetching 32s. a ton. In 1907 I was charged 28s. a ton for Huntly coal; to-day it is 3s. per bag taking it in small quantities, or 36s. a ton. Coal can be put into the trucks at Huntly at 10d. a ton. The freight to Auckland is 6s. 6d., making in all about 11s. 8d. When the hewing-rate went up by 2d. a ton the price of coal was raised by 4s. a ton; but ten miles outside the Auckland ring you can get it for 2s. per ton less than the ring charge. At Henderson, for instance, you can buy coal at 2s. 9d. a bag, as against 3s. in New Lynn, where I live, four miles nearer town. It is time the State took over the coal industry, and sold it to the consumer at a reasonable rate. Now it is the merchant and the middleman who get the profit. Then, as to fish: In 1906 you could get flounder and schnapper, good-sized fish, for 3d. and 4d. each—more than one person could eat. To-day you will pay 6d. for one flounder not more than half the same size, and schnapper are in the same proportion. When the Government stopped trawling in the Hauraki Gulf the price of fish went up. There are as many fish in the gulf now as in the trawling days, but Mr. Sanford has a monopoly of the supply and regulates it. If more than a certain quantity comes in, it goes to the freezer. After it has been a little time in the freezer it may go to the hawkers, and then the public will get it a little cheaper; but it will not keep for more than two or three hours, when it begins to stink, and the purchaser probably has to bury it. With smoked fish it is much the same. They say they pay 2s. 6d. a bundle for wet fish, but it averages 6d. a pound when it gets to the consumer. That evil could be met by having municipal control of a fish-market, or by the Government stepping in with a trawler and giving the catch out to be sold in the open market. Another great item is bricks. In 1906 you could get bricks for from 28s. to 30s. per thousand, according to the class of bricks. In 1909 the price was 35s.; and to-day it is £2 6s. 6d., for the reason that the brickmakers combined to put the price up, in conjunction with the Master Builders' Association, most of whom have big interests in the brickworks. I have worked in the brickyards, and know that the wages of the workers went up by from ¾d. to 1½d. per hour within this last six months. The works were turning out when I was there from 30,000 to 37,000 bricks a day. My remedy for that would be that the Government should open State brickworks, in order to break down the present monopoly. Then, as to the cost of houses in timber: a house 26 ft. by 28 ft., with 11 ft. stud, in four rooms, and scullery, erected on a Government section at New Lynn within four years ago was £172 10s., and there was a little timber left, and with this a little scullery was built. The present price of that house, or a house equal to it, built recently, and without the scullery, is £305. That shows what an increase there has been in the cost of timber, for there has been very little increase in wages in the period. It is the monopoly in timber, bricks, and iron that has done it. I see by the Year-book that the tariff is 2s. per hundredweight, yet iron has recently gone up by £1 a ton. An 8 ft. sheet of iron costs to-day 3s. When my place was built the iron cost 3d. per sheet less than that. Linseed oil has risen in price from 3s. 6d. in 1906 to 5s. 6d. per gallon, by buying it by the 5-gallon drum. In the painting of a house that makes a great difference.

3. There is a reason for that outside New Zealand?—It is just the same with the bricks, coal, and timber.

4. Oh, no?—Well it has a lot to do with it. Coming to the land, land has risen through the operations of speculators. Four years ago land in New Lynn was sold at £30 per acre. A man bought an area adjoining the Hetana Hamlet, and now you cannot buy a section of similar land at less than £80 to £100 for a quarter-acre section. Land that was fetching £10 an acre ten years ago is now being sold at from £60 to £75 for the quarter-acre section. Again, at Mount Albert, land that was selling at 22s. 6d. a foot frontage is now selling at £1 15s. and £2 respectively. My remedy for this would be to give increased facilities for rating on the unimproved value. L. D. Nathan and Co. hold a lot of land on which there is nothing but gorse and tea-tree, and they are allowed to hold it, while the

land alongside is being taxed to the utmost. It is time the unimproved-value rate was struck in nearly all suburban districts, so as to make those who do not improve pay equally with the men who do. Then, as to boots, I have on a pair of boots which two years ago cost 10s. 6d., and are now 12s. 6d.; and with women's boots there has been a similar increase. There is nothing to account for such an increase. Children's boots show an increase of from 15 to 20 per cent. As to rents, there is a house in Grey Terrace which eight years ago brought 7s. 6d. a week, and to-day it lets at 12s. 6d., without any increase in accommodation beyond the addition of a water-closet. When first I came to Auckland I lived in a three-roomed cottage in Nelson Street, which cost me 9s. a week; to-day that same place is let for 12s. 6d. From there I went to a house in Lowe Street, four rooms and scullery, at 11s. 6d. a week, which to-day is let at 18s. 6d. Next I went to a six-roomed house in Ponsonby, with all conveniences, which cost me 16s. a week, but is now let at £1 a week. Out by the brickyards, where I now live, a house that formerly let at 5s. a week is bringing 10s. a week. In my opinion, the State lands have been a great help to the worker, but enough advantage has not been taken of the lease-in-perpetuity provisions. Under the thirty-three years' lease that has taken its place the Government has not been a good landlord to the worker. But compare my own case with that of some of my neighbours. My own rent is £3 12s. 6d. a year, but a storekeeper next to me has to pay between £3 and £4-odd a year for the same area of ground, with the same frontage. He has only a thirty-three years' lease, while mine is for 999 years. Wages have not risen in proportion to the increase in the cost of living.

5. *Mr. Veitch.*] With regard to the brickyard, what proportion do the wages bear to the number of bricks sent out of the yard? Can you state the number of men employed at the works?—About forty, all told, in all departments.

6. What would be the average wages of those men?—I got 1s. an hour in the clay-hole, and the others would be getting about 1s. 0½d., a rise of about 1d. per hour all round; and the boys about twenty years of age, at machines, got the same as the men, and they earned it. There has been about a penny an hour increase all round.

7. What is about the average production of bricks per day from the yard?—They have done over 40,000 in one day since I left; but the output varies according to the weather and the condition of the roads and the machinery.

WILLIAM RANSTEAD, Farmer, examined on oath. (No. 150.)

1. *The Chairman.*] What is your occupation?—I am a dairy-farmer in the Matangi district, Waikato, and have been in the district for about eleven years.

2. Are most of your neighbours dairy-farmers?—Yes.

3. Has the price of land in the district risen?—Very considerably indeed. Until last year the increase had been about 25 per cent. Owing to the good season we have had, and the largeness of the returns from London, there has been a tremendous further increase within the last month or two.

4. Your idea is that the increase in land-values has been due to the increased prices in London?—Absolutely.

5. And the increased prices of land have little influence on prices?—None at all.

6. Have you any difficulty in getting labour?—No, because we do it all ourselves.

7. Do other farmers in your neighbourhood complain of such a difficulty?—No. Good farmers have no difficulty in getting milkers on shares.

8. Are their terms, on the average, the same as those mentioned by Mr. Banks?—Generally.

9. Do you think the families that go milking are well satisfied and well treated?—Yes. Mr. Banks spoke of Mr. Taylor, of Cambridge, having to sell out his 350 cows because he could not get milkers. I happen to know that the people who have milked for him for some years have done so well that they have taken up land on their own account. He has a good herd, and does not want to trust them to new people, so he sold them at auction last week, and is going out of dairying.

10. Do you think many people have been induced to take up land owing to the low deposit required on transfers of expensive land?—Yes.

11. Suppose the price of butter falls in London, what is going to be the position of those people?—They will not be able to get out, or if they do there will be very little left for them.

12. Does not the interest they pay represent one form of rent for the land?—It is practically the same as rent.

13. Though they are called freeholders, are they not really managers for other people?—Yes, for the mortgagees.

14. *Mr. Leadley.*] What would be a fair profit on your operations for the year, allowing something for interest on the capital invested, then the wages and superintendence, then what might be called an assurance or contingent fund for such contingencies as bad seasons or serious fluctuations in prices?—I would reckon that a fair profit would be as much as we could get. We might not be able to get any. The bill for interest comes in every six months, then there is the account for manures, and by the time you have got your monthly cheque and doled it out to the people who are waiting for it there is little left for yourself. If at the end of the year we have got a new suit of clothes, and had a day in Auckland, that is all about there is in it. But we live a good, healthy, and happy life, and for my part I would not change it for life in town.

15. It has its own compensations?—Compensations which you cannot measure by the money standard. If we sold out we should make money, but we would not get cash. Probably we would have to take a mortgage.

16. What area are you farming?—About 500 acres.

17. If you were supervising for an employer a farm of that area, what salary would you expect?—I would want to be provided with a house, and a salary of about £200 a year.

18. Would you be satisfied with £200?—I think so. The manager of a neighbouring estate, which is a big property, had about that, and he was satisfied. It is a gentleman's life.

19. But he would not work as you work for yourself?—No; he would not milk any cows.

20. Are not your services to yourself worth as much to you as they would be to another man and rather more?—No. I could get a man at 25s. a week to do all that I do, and I could earn more than 25s. in town. I do it because I like it. I do not make any money out of it.

21. What would be the profit upon the operations you have been carrying on, if these items are taken into consideration?—There would not be any.

22. Is farming in general carried on on those lines?—I do not know. My neighbours seem to be doing pretty well. They have enough to eat; but we never have any cash. If we ever have any spare money we put it into the land. On the whole, we are happy and comfortable, and what more do you want?

23. As a matter of fact, your own wages are sunk in the land as you go along?—You cannot measure the effect of your work. You put it into the land, or into fruit-trees, and so on.

24. And though there may be a very large increase in the value of the land, if you sell out at the present values you are simply getting deferred wages?—That is it. One has been saving them up.

25. Does the co-operative principle obtain largely in your district?—We have the Co-operative Dairy Association, which handles milk, makes butter, and ships it to London. In consequence of that, we have been able to cut down expenses, and as it is on a large scale, we can handle the business economically. Last year's turnover was over half a million, and I think it is the second largest thing in New Zealand, if not south of the Line; and through keeping down expenses it gives us a big return. Then we have the Co-operative Auctioneering Company, which has reduced the rate of commission for sales by 25 per cent. They also give us a rebate on seeds, and give us 8 per cent. on the capital; and they have put away a reserve fund. We have also a Co-operative Bacon Company. Until we had that we got very little for our pigs. At the beginning of the season we got 4d. per pound; but by January, when the early pigs were ready, the dealers did not seem to want them, so they dropped the price to 3d. We got tired of that, so we formed the co-operative company to take over one of the existing businesses. The company has done very well indeed. By means of the company we have realized up to 5½d. per pound. If we extend the co-operative principle to buying pretty well everything we want, we shall be able to save a lot of money. We are selling co-operatively now, having got rid of the middleman to a considerable extent. We want, for instance, to buy food, boots, clothing, and everything of that kind, just as they do in Canterbury, I believe. There is no big co-operative store in the Auckland District.

26. Do you think the labour difficulty has been very accentuated in your district?—We have a lot of Maoris, whose assistance we can get at harvest-time; but it is very dear labour, and very inefficient.

27. Do you agree with the statement that the prosperity of the country is largely reflected in the towns?—Yes. The more money we get, the more we spend. Three years ago we had a drought in the Waikato, and the shopkeepers in Hamilton were much concerned because the monthly cheques dropped off tremendously. It was a very bad time for them. When we have any money we spend it nearly all, for farmers like to have nice and comfortable things, as well as other people. The money is put into circulation as soon as we get it.

28. *Mr. Robertson.*] When you stated that a man required pretty well all he had to get on to the land, I suppose you meant that he sinks all his available capital for the purpose?—Suppose the vendor of the farm I want asks me for £1,000 to go in. If I have only £750, he will squeeze me for that £750. If I am tied up for money after that, I have to borrow. But if I have not even the £750, he will take as much as he can get. Many owners like to get out of the property, and retire, and live on the interest on their mortgages. Lots of people are retiring from the country now, when land is bringing £30 and £40 an acre.

29. They practically become ground landlords?—Yes.

30. Does not the question of their ability to produce have a direct bearing on the labour side of the matter? Does it not cripple them in their ability to employ labour?—Of course. If they had the money to spend they would employ labour. As a rule, a farmer does all the work himself, because he has no money to spend.

31. Is there not a tendency that with constant trading in land and speculating, the advantages reaped from the co-operative concerns will be nullified by the rises in land-values?—Certainly. They help to put up the value of the land.

32. And the man who retires and lives on the interest gets a larger income in consequence of the advantages obtained from the co-operative concerns?—Yes; but we cannot shut up the concerns because of that.

33. If the co-operative principle could be extended to the land itself, you might make it a complete circle. You agree, at any rate, that the advantages gained from the "co-ops" are nullified to a great extent in the way I have suggested?—Yes; but everybody is after a good bit of land, with a good road, and near a school, and near town. The London market is the thing. If prices drop in London, away go land-values.

34. What do you usually pay for Maori labour?—In my district we pay 1s. an hour, and they want tea and tucker occasionally. And sometimes they come and sometimes they do not. If there is to be a tangi they will go away or stay away, instead of working.



35. *Mr. Hall.*] Do you think the great shortage of pigs in the United States has anything to do with the enhancement of the price of bacon?—Not in New Zealand. We tried exporting pigs two years ago, and did pretty well, and we exported again last year, and did not do so well. It paid better to keep them in the country.

36. Do you think the enhanced values you get in selling out farms are due to any extent to the improvements effected upon them from year to year?—Yes. For instance, in our own neighbourhood we raised a loan of £1,000 to metal the road. The Road Board surcharged the land on both sides of the road for interest and sinking fund. We are responsible for the whole outlay. On that road there is a large area of Native land, which we cannot tax. It is that road that is making the land in the neighbourhood sought after. Then, the settlers wanted a school, but the Education Board had not the money to build one. So the settlers decided to build a hall, and we raised the £400 for the purpose by issuing debentures. We now rent the hall to the Education Board for £39 a year. There is now a good attendance of sixty scholars, and there are two teachers. But we have had to do these things for ourselves, and they have enhanced the value of the land.

37. *The Chairman.*] Still, the added value is only stored away. You can get it some day? If you do not want to sell it has bettered your home?—We have the value. It is not one we can put into cash at present.

38. *Mr. Hall.*] Would the Sedgwick scheme, if gone on with, have been good for the country and for the boys?—It depends upon the lads themselves, and also on the hands they get into. They can be made little drudges, or they can be made very happy. Besides, you must be careful about the kind of boys. When I was in Canada some London boys had arrived in the district I was in, and they certainly were not a good feature for the neighbourhood. When they arrived they were well behaved, but after some time they turned out larrikins.

39. Has that been experienced in this country?—I do not know.

40. *Mr. Veitch.*] What is your opinion as to the effect upon land-values of the reduced rates of interest brought about by the Advances to Settlers system?—That it has assisted people to give more for the land than they would otherwise do.

41. It has put up the value of land?—Yes.

42. So that a farmer who buys now, at a lower rate of interest, is not much better off than he would have been without it?—No, he is not.

43. Except that the man who owned the land has become wealthy?—Yes.

#### WEDNESDAY, 26TH JUNE, 1912.

JAMES WILSON WISEMAN, Wholesale and Retail Saddler, examined on oath. (No. 151.)

1. *The Chairman.*] What is your business?—I am a wholesale and retail saddler. My family have been in business in Auckland for a long period.

2. Have you been acquainted with the business for many years?—Yes.

3. Has there been any material increase in the cost of leather during the last few years?—Yes, and there have been rises in all lines of our manufactures—in the raw materials.

4. Could you give the percentage of rise in the last ten years?—I have not the figures by me, but I should say 15 per cent., perhaps 20 per cent. Leathers, on the average, have gone up about 10 per cent. in the last three years.

5. To what do you attribute that rise?—To the shortage of hides, due to outside competitors buying the hides up.

6. Is there a shortage of leather all over the world?—Certainly.

7. To what do you attribute that? Is it due to the extended use of leather in the lining of railway-carriages, motor-cars, &c.—I presume it is due to leather being used for more purposes than in former days.

8. Has the cost of labour increased materially in late years?—Yes, I should suppose by about 10 per cent.—perhaps 15 or 20 per cent.; but I have not gone into the question, and cannot give accurate figures. Our last award gave another 1d. per hour; but I do not think that affected labour 10 per cent., though it was really 10 per cent. on the old one.

9. Have you any knowledge of the existence of any ring or understanding amongst the sellers of hides as to limitation of price?—That is a question upon which I do not wish to have anything to say. We have an open market. We can go to Australia for hides if we want them.

10. If you buy hides in Australia, do you buy at any disadvantage compared with persons who are buying as favoured buyers in New Zealand?—No; there is always a certain amount of leather coming in from other sources.

11. You do not know of any discrimination being exercised by certain sellers in New Zealand in relation to certain customers?—No.

12. It is a free market?—Yes.

13. *Mr. Hall.*] Does the rise in the cost of wages lead to any increased importation of goods which you used to manufacture?—It has that tendency.

14. In what particular lines?—In general.

15. *Dr. Hight.*] Do you mean that the increase in the labour-cost has put up the prices?—Certainly. The consumer has to pay for it.

16. Can you give us an idea of the extent to which prices have been affected by that increase?—No.

17. Has the rise in wages stimulated the use of better machinery, and improvements in other directions?—To a certain extent it has.

18. *Mr. Robertson.*] Do you think the 10 per cent. rise in the last award has added 10 per cent. to the cost of manufacturing?—I do not think it does.

19. How do you account for that? Has there been an improvement in methods, or what?—Most people were giving more than the minimum wages before.

20. It does not mean actually 10 per cent. over what you were paying?—No. I think altogether the labour must have gone up 20 per cent. in the last ten years. That would be about the average.

21. *Mr. Leadley.*] Is there limitation of apprentices in your business?—Yes.

22. Has that had any prejudicial effect upon the supply of efficient labour or on the carrying-on of the business?—To a certain extent. Latterly we have not been able to get enough boys.

23. What causes have led to that? Do they go to easier businesses?—I do not think boys like going to trades like they did. They prefer easier billets—clerking, and something clean.

24. What has been the general effect of the labour legislation upon your business?—We have no objection to it.

25. It does not affect you?—It is rather better for us, because we know that other people have to pay the same wages as we do under the awards.

26. Has the character of the labour either improved or depreciated through it?—It is much about the same.

27. The legislation has not had any appreciable effect?—No.

28. Is the output as great?—It is about the same.

29. *Mr. Robertson.*] As there is difficulty in getting boys, any limitation of the number of apprentices would hardly have any effect?—There are times when we could put more on, and we are then hampered.

30. But at the present time you would not be able to get them in any case?—At present the market is fairly scarce.

31. If there were no restriction of apprentices is there not a danger that lads would be taken on indiscriminately, and after a few years be turned off when they are becoming useful and want higher wages?—There might be.

32. Do you not think that might have an effect in reducing the general standard of quality of the work?—I do not think it would make any difference.

33. Would you not think the fact that the employer had them for only a short time, and then turned them off, would mean that he would not give the same care to teaching them the trade that he otherwise would do?—I do not think there would be any difference.

34. Are you aware that there has been a suggestion made to fix an export duty on hides and sheep-skins?—I am not aware of it.

35. Would you be in favour of it?—I do not think I would. I think we want to consider the good of the community as well as of ourselves.

36. *The Chairman.*] Do you know of anything else that would assist the Commission in ascertaining the cause of the rise in the cost of living?—The general rise in the prices of labour and material naturally increases the cost of production, and if the cost of labour goes on increasing it goes without saying that an increase in the cost of living will naturally follow.

37. Have you had experience of a slight rise in the cost of labour being made an excuse for a considerable addition to the price of an article?—I cannot say that I have. With reference to the limitation of the number of boys, I was speaking of extreme limitation. I think our limitation is too small at the present time.

38. What is it: one to three?—Practically. It varies in the different departments. I think it could be altered without detriment to any one. We are a growing community, and want to provide labour.

39. *Mr. Robertson.*] Do you find any difficulty in getting journeymen?—Yes.

40. Would an increase in the number of apprentices relieve that?—To a large extent it would.

41. At the same time, you believe the principle of having some limitation is a good one?—In some businesses.

42. It is a good principle as a whole?—I have no objection to limitation provided that it is within reason.

HUGH WILLIAM SEGAR, Professor of Mathematics, examined on oath. (No. 152.)

1. *The Chairman.*] What is your position?—I am Professor of Mathematics at the Auckland University College.

2. I understand that you are prepared to make a statement to the Commission?—It was not my original intention to offer evidence, but I was requested by the Commission to do so. I was uncertain as to the points upon which the Commission would wish to hear me, but I have prepared a short statement giving my opinions and conclusions. It will be understood that it is necessarily brief for such a subject, to which justice could not be done in anything short of a treatise. I propose to deal with questions 1, 2, and 4 in the order of reference together, as they deal with the fact of the increase in the cost of living. Then I will take questions 3, 5, 6, 7, 8, and 9, which relate to suggested causes. Next I will take questions 10 and 12, which bear closely upon the question of gold-production; and, lastly, I will take question 13, though it is perhaps going beyond my province and trespassing upon what is properly the work of the Government. 1. The cost of

iving in New Zealand has increased during the last twenty years. During the first three years or so of the period the cost of living and prices generally were falling; since then there has been a considerable rise both in the level of general prices and in the cost of living. The rise in the latter cannot be less than 20 per cent. 2. This increase has not been any more marked in New Zealand than in other English-speaking countries as a whole. It is, I think, certainly less considerable than in Canada and the United States. 4. In Auckland the increase in the cost of living has been most marked in rent, the foods which are pastoral or agricultural products of this country, clothing, and fuel. Taking actual index numbers of reputation, the increases in the prices of commodities in different countries were as follows, taking the years 1896-1910. It must be understood that about 1896 prices touched bottom. These figures therefore represent the increase of prices from that period. I am not giving a comparison with an average of years, as is frequently done, but I give the rise since the rise started. The figures are—United States, 45 per cent.; Germany, 42 per cent.; Canada, 35 per cent.; France, 31½ per cent.; England, 28 per cent.; Belgium, 27 per cent. This is on commodities in general. Taking food only, and comparing the year 1910 with the average from 1890-99, the increases were—United States, 34 per cent.; Canada, 28 per cent.; Germany, 25 per cent.; United Kingdom, 8 per cent.; France, 1 per cent. Taking the New Zealand figures available, we have the work of Dr. McIlraith, which is of very high value, and no doubt will become the classical basis for reference in such matters for a long time to come. It traces back for fifty years the prices of the majority of some forty-five commodities. But I cannot myself accept the index numbers which Dr. McIlraith derives from those prices, especially for the purpose of comparison with the index numbers of other countries, for these reasons chiefly: Dr. McIlraith omits certain important commodities. Of course, there were reasons for that—the difficulties in tracing them back. Take potatoes, for example. They vary so much in price and quality from season to season as well as from year to year that it is difficult to get a fair average price current, let alone going back over a series of years. Still, notwithstanding that there is such a good reason for the omission, I consider that it vitiates the result. Again, cotton, a commodity of enormous importance in the commercial world, is omitted. There is hardly any commodity enumerated in the list that exceeds cotton in importance. Copper, tin, and timber are also omitted. But the real point that makes the omission of these commodities of importance is this: it is not merely the importance of the commodities, but it is the fact, as I deem it, that these commodities, in their respective classes, are the commodities which have risen most. For instance, potatoes—I speak of Auckland in respect of that commodity—have risen more than any other agricultural product. Cotton has risen much more than wool, although if you take it as represented by cotton goods in New Zealand the increase would be diminished to a very appreciable extent by the relief afforded in the alteration in the tariff a few years ago. Then, coming to the metals included under the heading of minerals, copper—which is the metal next in importance to iron—has risen more than any other mineral except tin. Then, coming to materials, I reckon that timber is more important than any three of the materials enumerated, and it is the material that has risen most. There is an understanding in the text-books that the commodities chosen on which to found index numbers do not really matter, so long as you take a reasonable number of commodities which will give you a fair average. That is, after all, trusting to luck. It assumes that some items will counterbalance others—that, if some would raise the average, others would lower it. Possibly Dr. McIlraith has settled the point in that way, and has not been circumspect enough to examine the chief omissions. I am speaking about his figures, because they are the only figures available for New Zealand, and considerable attention is bound to be given to them and considerable argument based upon them, and it seems to me that as the final results stand they will lead to misapprehension of the real position in New Zealand. As regards Auckland, the figures given for coal are utterly misrepresentative. Of course, he does not pretend that they are the figures for Auckland. They are the figures for Canterbury. Still, as a matter of fact, they are misrepresentative of Auckland. According to Dr. McIlraith's figures, coal dropped in Canterbury at the ship's side from 30s. in 1896 and the years thereabout to 20s. 6d. in 1910. Now, from the point of view of the householder in Auckland the only coal that matters is Taupiri coal, which is in universal use. If you take household coal proper, in 1895 that coal stood at 25s. per ton, with 1s. discount for cash, making it 24s. for the average purchaser, delivered by the ton in sacks. It now stands, and has stood for two or three years, at 32s. or 31s. net. That is an increase of 7s. per ton in Taupiri coal as compared with Canterbury coal, which represented a decrease of 9s. 6d. per ton. I say that if you apply those figures to Auckland there is that special defect, for which he is not to blame. I am pointing it out in case his figures should be used in application to Auckland. Then, I consider that Dr. McIlraith inadvisedly "weights" certain relatively unimportant commodities—unintentionally, of course. It is the custom—not universally, but still commonly—in compiling these index numbers, to "weight" certain commodities—commodities of special importance. In doing this statisticians sometimes quote different varieties of one commodity, and each counts as a commodity. That roughly makes up for the importance of the commodity, and Dr. McIlraith rightly does that in his tables. For instance, in connection with iron, he takes two varieties of iron in order to give some weight to iron on account of its special importance as a commodity. He, however, includes also a number of comparatively unimportant commodities, some of which one is somewhat surprised to see in the list, which comprises only forty-five in the total. But what I object to chiefly in that respect is that some should be "weighted." For instance, take soda and soda crystals. Each of these is counted as a separate commodity, and receives the same weight as some very important commodities. That practically gives double weight to soda. Of course, there is a slight variation in the prices of soda and soda crystals, because of varying market conditions. I do not know that soda crystals are manufactured in the country.

3. *Mr. Fairbairn.*] Yes?—Then, I do not know the quantity used. Only £70 worth was imported in 1910. Then, rice and sago are quoted as separate commodities. I think it is a mistake to duplicate

them. If they are quoted they should be averaged and taken as one. The real objection is that all these—I do not like to say defects, but I cannot get the exact word I want—tend in the same direction. Suppose they are defects, and suppose that they were rectified, then every one of the rectifications would tend to increase the increase in prices shown by the index numbers. They do not counteract one another, but are all in the same direction.

4. *The Chairman.*] The effect is to make the rise greater?—To make it greater than Dr. McLraith's index numbers show. It is not a reflection upon his work. You could not expect a man to do the work and not complete the argument as he did. I am sure that he is conscious of the effect of the omissions, but he has not recognized that they affected the final figures to a rather unexpected degree. I have taken out Dr. McLraith's figures as to the separate foods, and classified them according to the recommendations of the committee of the British Association, a very distinguished committee that was appointed about a quarter of a century ago to consider the matter and make certain recommendations as to what commodities should be included in index numbers, and what weight should be given to them. These are for the average of the years 1908–10, as compared with the years 1894–6, giving the average of the three years in each case. In breadstuffs the items include wheat, flour, barley, rice, sago, oats, oatmeal, and the increase is 14 per cent. According to the classification of the committee, potatoes would be included, and that would still further raise—certainly in Auckland—the percentage very considerably. Then, meat and fish—beef, mutton, lamb, and salmon (the only fish available from Dr. McLraith's figures)—15 per cent.; dairy products (butter and cheese), 49 per cent. If these be taken together, and weighted according to the recommendations of the committee of the British Association, we get a rise in these foods of 21 per cent.

5. *Mr. Fairbairn.*] That is, the aggregate result?—It is the average of the lot. Milk also is omitted. That would come under dairy products in the committee's classification. The increase in the cost of milk in Auckland is such that it would not affect the result appreciably. I happened to give a lecture recently upon the increase in the cost of living—one which I had resolved upon before this Commission was appointed—and for the purpose of that lecture I made some investigation. Mr. Ward Baker, who is a land agent in Auckland with long experience, especially in the letting of houses, volunteered to look up figures from his books comparing the rents ruling at the present time with those in 1896. He was able to trace back twenty-two houses for the whole period, and to say that in that time the houses have not been improved. They were mostly in more or less central positions. Mr. Baker's impression before he made the investigation was that the rents of such houses had not increased—that rents had increased only in the suburbs. The result shows that impressions are not to be trusted.

6. *Dr. Hight.*] And he probably would have said so if he had come before this Commission?—I think so, because he seemed to be quite confident on the point. Mr. Baker confined his attention to houses that might be called working-class houses, inhabited by people with small incomes. The figures with which he supplied me are:—

Sample Rents in Auckland, supplied by Mr. W. Baker, of Samuel Vaile and Sons, Land and Estate Agents.

Years.	1896.		1912.		1896.		1912.		1896.		1912.		Totals.																	
	1896.		1912.		1896.		1912.		1896.		1912.		1896.		1912.		1896.		1912.											
Sample rents	£	s.	d.	£	s.	d.	£	s.	d.	£	s.	d.	£	s.	d.	£	s.	d.	£	s.	d.	£	s.	d.						
	0	3	6	0	7	0	0	6	0	0	7	6	0	7	6	0	10	0	0	6	6	0	10	0	1	3	6	1	14	6
	0	2	0	0	8	0	0	6	0	0	8	6	0	12	6	0	18	6	0	5	0	0	10	0	1	5	6	2	5	0
	0	3	0	0	8	0	0	7	0	0	6	0	0	7	0	0	13	0	0	8	0	0	12	0	1	5	0	1	19	0
	0	8	0	0	10	6	0	15	0	0	17	0	1	2	6	1	15	6*	0	5	0	0	12	6	2	10	6	3	15	6
	0	13	0	0	16	0	0	6	6	0	10	0	0	7	6	0	10	0	..	..	..	1	7	0	1	16	0			
	0	6	0	0	7	6	0	6	6	0	10	0	0	8	6	0	12	6	..	..	..	1	1	0	1	10	0			
Totals	1	15	6	..	..	..	2	7	0	..	..	..	3	5	6	..	..	..	1	4	6	..	..	..	8	12	6	..	..	..
	..	..	..	2	17	0	..	..	..	2	19	0	..	..	..	4	19	6	..	..	..	2	4	6	..	..	..	13	0	0
Increase	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	51%

The total rents of the twenty-two properties in 1896 were £8 12s. 6d., and in 1912 they are £13, representing an increase of 51 per cent.† That corresponds very closely with what I would expect, after watching the changes in the value of land and the increase in the cost of building. I may mention, as it comes in appropriately here, that undressed first-class kauri timber has increased in cost since 1895 from 12s. to 25s., an increase of more than 100 per cent. Other timbers have not increased so much, but the increases have been very considerable. I do not think any timber has increased less than 50 per cent.

7. *The Chairman.*] These figures are for the same houses?—Yes; each pair of rents applied to the same property.

\* A working-class boarding-house. † Not only is there this average increase in the rents, but the majority of the increases also are in the neighbourhood of 50 per cent.

8. Then the advance in the price of timber in the meantime would have hardly any effect upon their rents?—It would, decidedly. If you have a quantity of flour which cost you £2, and the price of the flour rises to £4, you would not sell it for the £2, but would want the £4. It is the same with houses. Passing to another matter, I have made an estimate of the increase in the cost of living in the sense of the expenses of the people dealt with in the "Inquiry into the Cost of Living in New Zealand," written by Mr. J. W. Collins, of the Labour Department. 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 these 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 table comes out in this way—

*Estimate of increase in Cost of Living in Auckland, from 1894-96 to 1908-10.*

	1894-96.			1908-10.			1894-96.			1908-10.		
	£	s.	d.	£	s.	d.	£	s.	d.	£	s.	d.
Rent .. .. .	0	7	11½	0	12	0	0	3	6¼	0	3	8
Bread .. .. .	0	1	9½	0	2	2¼	0	6	10	0	8	2½
Meat .. .. .	0	3	11	0	4	7¼	0	3	0	0	3	1
Vegetables ..	0	1	1½	0	2	5½	0	2	1	0	2	2
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				1	16	7¼	2	5	7½
Clothing .. .. .	0	6	10							0	13	5½
Fuel and light .. ..	0	3	0									
Groceries other than food	0	2	1									
Total .. .. .												
Miscellaneous .. ..												
Total, with miscellaneous ..												

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. 7¼d. to £2 5s. 7½d., an increase of 24·6 per cent. 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. That is all I have to say with reference to questions 1, 2, and 4.

9. *Mr. Hall.*] Were rents at the normal level in 1896, or was it a time of depression?—There had been a depression, but it was just then lifting. Certainly within two years after that I found myself unable to get a house in Auckland. Whether at that actual date the depression was seriously affecting rents I could not say.

10. Do not rents as low as 2s., 3s., and 3s. 6d. seem abnormally low?—Yes.

11. In speaking of potatoes, are you taking the wholesale or the retail prices?—I take the wholesale price, which shows a very big increase.

12. Potatoes have been selling in Auckland at £3 per ton?—I did not know that.

13. *Mr. Fairbairn.*] Would not 1912 be high-water mark in connection with rents in Auckland, as compared with the past?—I think so, decidedly.

14. In making these calculations, was any attention paid to the rates ruling in the period between 1895 and 1912?—No; I just compared the two years.

15. Is it not possible that in taking the two you exaggerated the difference?—Possibly, I freely admit.

16. So that spread over the whole period the increase of 51 per cent. that you indicate might not be quite accurate?—Accurate for the two years, but possibly misleading. There is a possibility that in the first of the two years the rents were abnormal.

17. That increase, for instance, might not hold good for the last ten years?—I had no figures and was glad to get what Mr. Baker volunteered. I happened to have a special interest in this particular period, because I arrived in the Dominion in 1894, and married and started housekeeping

in 1895, and I know that I had to pay a heavy rent, so I do not think the rents could have been very much depressed for the class of house I wanted.

18. But the 2s. a week suggests it?—Yes.

19. Is not one of the essentials in arriving at an index number to have accurate values of all the commodities dealt with?—As accurate as possible.

20. Is not the next thing to find the proportionate consumption of all commodities in different groups of homes—say, the home of a working-man earning £2 a week, that of a family living at £4 a week, and that of a family living at £6 a week—in order to work it down to its true terms? Has that been done?—I do not know of it.

21. It seems that if you took the six leading commodities, and attempted on that to fix the index number, it would fail to be accurate?—A perfect index number is impossible.

22. Would it not be a better basis to work upon to take the commodities consumed in an average family, spread over twelve months?—If it is from the point of view of the cost of living of the people in general, undoubtedly. I was thinking of the prices of commodities in general, which is not quite the same thing.

23. If there was an attempt to put the statistics on a proper foundation would not that be necessary in regard to the cost of living?—I might not go so far as to say it was necessary, but it would be a very good method. There might be other ways of arriving at the same result.

24. *Dr. Hight.*] As a matter of fact, have not nearly all inquiries into the cost of living had reference to what we term "the workers"?—That is so.

25. For instance, the United States Bureau of Labour, in their investigations, weight the prices according to the amounts consumed, as estimated from some thousands of working-class budgets?—Yes.

26. The figures you have given seem to lead to the conclusion that the increase in the prices of food-products is very much less than the increase in the prices of commodities in general?—You have to take into account the different periods. I have pointed out that the different basis of comparison lowered the percentages. As a matter of fact, taking the United States, Canada, and Germany, the advance in food-prices is shown to be much the same as that in other materials, but in the United Kingdom it seems to be decidedly lower, and in France remarkably lower. At the same time one has to bear in mind that index numbers are only approximate, and may easily vary by 10 per cent.—different index numbers dealing with the same country and the same period, because one calculator may take different commodities from those of another, and may weight them or not, or may weight them differently. Different commodities change differently in price, and the consequence is that you get different results. A perfect index number has never been compiled, and I am afraid never will be. Such calculations are only rough, necessarily.

27. Assuming that they do give, roughly, a true picture of the relative increases in foods as compared with commodities in general, have you any explanation to offer as to the difference observable—as to why the increase in food should be very much less in the case of England and France than in the United States, Germany, and Canada?—That is a point upon which I would myself like to get some information. One wants to be more or less intimately familiar with the commercial conditions of the several countries.

28. Do you know of any explanation of it?—I have not seen any.

29. The articles omitted in arriving at Dr. McIlraith's index numbers have all risen greatly in price during the last fifteen years: do you think the fact that there have been drops in prices in the case of other articles would counterbalance those increases?—I was thinking largely of Dr. McIlraith's tables as compared with other index numbers derived from a comparatively small number of commodities. The commodities I took were those you find invariably in such lists. They are important commodities. Tin is not so important as the others, but potatoes, cotton, and timber are specially important. Of course, there are a number of important commodities that are not in any of these short lists from which some index numbers are derived, and it is quite possible that your suggestion would apply to all the index numbers derived from short lists. I was pointing out where Dr. McIlraith's differs from well-known lists in other places.

30. Dr. McIlraith's index number for 1911 is 107, and that for 1912 is 109. For those two years he has modified the index number by including timber?—I am glad to hear that, but I had not received the addition.

31. The result is to alter the 107 to 110, and the 109 to 112. Those increases would be in accordance with what you would expect?—Exactly.

32. With reference to the Labour Department's investigations into the cost of living, do you consider the distribution of expenditure given there to be representative of the way in which income is expended by the workers generally?—I should say it is.

33. Do you think the number of returns received is sufficient?—Sufficient for the purpose. The use I made of it is for the purpose of weighting, and it is sufficient for that.

34. *Mr. Robertson.*] You gave the price of coal for 1896 as 25s. per ton: was that in ton lots, or selling by the sack?—By the ton in each case. It comes to more than that by the sack. Steam coal, which is used in many houses—my own for example—has gone up in the same period from about 20s. or 21s. to 28s. net, showing a more than proportionate increase.

35. Is it possible to get that coal in Auckland now?—Yes, Taupiri steam coal. There is also a still cheaper grade of steam coal, but you could not use it for household purposes. I now come to the next division of my subject, contained in questions 3 and 5 to 9 in the order of reference. 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. The point of the suggestion that a higher standard of living is largely or wholly responsible for the increased cost of living seems to be that people are buying commodities of better quality, and, having to pay more for that better quality than previously for an inferior quality, get the impression and complain that things are getting dearer. This may be so to some extent, and may aggravate the grievance felt, but statistics also show clearly that the rise in the prices of goods of fixed or given qualities is on the average very pronounced. Many purchasers are unwittingly getting poorer and not better quality in some of their purchases, as it is the practice in certain lines for shopkeepers to supply a progressively poorer quality of goods in order to be able to supply their customers with an article at the price to which they have been accustomed. Whilst monopolies, combines, trusts, and other associations of manufacturers or sellers of the necessaries of life may have raised prices of certain commodities beyond the level that would have been reached under free competition, I do not think they can be held responsible for a large proportion of the increase in the cost of living as a whole. The effect of the tariff reductions made in New Zealand has reduced the increase in the cost of living relatively to what otherwise would have obtained. The rise in the price of land in New Zealand has not contributed to the rise in the price of commodities. It is itself largely the result of the same causes that have produced the rise in the prices of commodities, acting through those prices. The price of land, given the rate of interest the same, is but a measure of its advantages relatively to the other land in use. It is certain that no farmer in New Zealand gets more for his produce in London on account of the price he gave for his land, or the price he could get for his land. The notion that the price of country lands directly affects the prices of their products is a wrong way of looking upon the fact that, as population increases, poorer or less accessible lands have to be taken into cultivation, tending to increased cost of production. In the poorer or less accessible lands this is the result of the poorer quality or diminished accessibility ; the purchasers of the richer and more convenient lands have merely to pay more for escaping these disabilities. The cause of any consequent rise in price of the products of the land then is the necessity of taking up the less eligible lands. I do not think that there is any conclusive evidence that as yet there is any serious influence towards increasing the cost of living, arising from this cause, that is not counterbalanced by improvements in agriculture and the science and practice of the land generally. Certain of our exported products have, during the period under investigation, become more popular and more firmly established in reputation in the Home market, and this has tended in the direction of hardening their prices in the Home market and consequently in the local market. This question, however, is pre-eminently one for those expert in the commercial history of the several products concerned. Labour legislation has facilitated a rise in wages fairly corresponding to the rise in the cost of living. Without it wages might have lagged behind considerably as has been the case, *e.g.*, in Great Britain. On the other hand, the great advances in wages in some other countries, as the United States and France, show that such labour legislation is not an absolutely necessary means of obtaining increasing wages. The increased cost of labour has increased the cost of such services and commodities as are independent of foreign competition.

36. You say that the increased price of labour has increased the price of such commodities as are independent of foreign competition : would not the factor of competition within New Zealand itself induce employers, when wages are raised, to adopt improved methods, which would have the effect of counteracting any increase which might arise from the increased price of labour ?—Of course, there is always a tendency that way. It is notorious, for instance, that the great cost of labour in America has led to marvellous developments in machinery, both in connection with agriculture and manufactures ; but I do not think it could be depended upon ; and I doubt whether it has taken place in this instance.

37. We have had evidence before us in regard to one or two industries. The industries I am referring to are industries that are highly protected ; but in spite of the protection from foreign competition, we had evidence that the increase in wages was counteracted almost entirely by improvements in methods and machinery ?—I quite believe it in certain instances—at least, I am not surprised to hear it in certain instances ; but it does not follow generally.

38. In regard to the cost of services in connection with distributive processes, would you say that the increase of wages has been more marked in connection with distributive processes than in connection with production—that is, whether the increase has been more marked in increasing the cost of distribution ?—It would vary considerably with the actual commodity—the cost of labour, the cost of the raw material, and so on. I would not like to give a general opinion offhand.

39. In regard to the price of land, the price of land you said was the measure of its value relative to other land in cultivation. Did you say this also : that the increase of population meant that land was brought into cultivation which it was previously unprofitable to cultivate—that that had a tendency, in raising prices, to make it profitable to cultivate that land ?—Yes, that is so.

40. Do you believe that these increases have been counteracted by the improvements which have been made in connection with agricultural methods ?—Yes, that is my opinion.

41. Could you give us any data in regard to that ?—No, I have not got any data available.

42. If those improvements did not take place in connection with agriculture, having a counteracting effect in that way, would you say that the forcing of that particular land into cultivation would have the effect of raising the prices of commodities ?—The tendency would be that way, particularly in the absence of counteracting influences. These would have to be taken into account.

43. The principal counteracting tendency would be the improvements in agriculture ?—And in handling and in communications.



44. *Dr. Hight.*] You think, evidently, from what you said, that a rise in prices may take place in several ways. You may pay more money for the same commodity, or you may pay the same amount of money and get an inferior article called by the same name, or you may pay the same amount of money and get smaller discounts?—Yes.

45. All these imply a rise in prices?—Yes.

46. As to the relations between a rise in wages, and the use of machinery, and the price of the product: given a rise in wages, there may be a stimulus to improved methods of production on the part of the employer?—Yes.

47. And this may counteract the increased labour-cost, so that there may be no observable effect on the prices?—It may counteract them either wholly, partially, or not at all.

48. But in time may it not be that more economical methods of production would have been introduced apart from the stimulus of higher wages?—Undoubtedly in many cases it simply brings about improvements at an earlier period.

49. In that case the ultimate effect of the rise in wages has been to prevent a fall in the price of the product?—That is so.

50. Have you any statistics to give us as to the comparative rates of increase of wages in an industry with the rates of the increase in the price of the product?—There are such, but I have not got them in my possession.

51. Such, for example, as this: say, that for a rise of 2s. a week in drivers' rates of pay the cartage rates were advanced 16s. a week approximately. You have no statistics of that character?—No, not of that character.

52. You have no first-hand knowledge of the relation between the increased rates of wages to miners and the consequent increase in the price of coal?—No, you would want to get that information from the man in the trade.

53. The increase in the price of coal is alleged to be the result of the increased price of labour in the mine?—I have no first-hand knowledge of that.

54. *The Chairman.*] Question No. 6 is, "What has been the effect on prices on the tariff reduction?" Can you say if the people have benefited by reductions in the tariff, or whether the reductions have been restricted in their passage to the people—the consumers?—Only from the Press and from one's own experience. I think, for instance, we know from our own purchases that when the duty was removed from cotton goods the prices, as a whole, were reduced correspondingly.

55. They were reduced?—Yes, undoubtedly; that is my own experience.

56. Was that the case with kerosene?—I am not a consumer of kerosene.

57. Of course, if the tariff reduction was not carried on to the public there might have been outside influences?—The price of any commodity fluctuates, and sometimes a reduction in the tariff might be made just at the time when the commodity was about to rise, and so the reduction in the tariff would prevent a rise in the price of that particular commodity.

58. I am informed that is the case with cotton goods, and that the price is very nearly what it was before the tariff reduction came about. Would it be a reasonable thing to say that that was on account of the increased price of cotton outside?—Yes, it would be quite reasonable. Raw cotton has increased enormously in price, and cotton goods were increasing in price when the duty was changed.

59. *Mr. Fairbairn.*] We have had very definite evidence both from manufacturers and also from labour sources that in two important industries the increased cost of wages has been counterbalanced by improved methods and by improved machinery during the last fifteen years—inventions have not ceased in regard to labour-saving appliances; and in each instance the admission has been that the cost of production has not increased in consequence of wages, although wages have been increased approximately 25 per cent.?—There is more or less a fallacy in the argument. The question is whether the increase of wages produces an improvement in machinery. The improvement might have taken place without the increase in wages.

60. How has it affected the consumer?—You have two opposing influences, and they more or less counteract one another.

61. In those two industries there is no net increase in the cost of production?—Yes.

62. We had another illustration in connection with the increase of wages to slaughtermen at the abattoirs. It was found on close investigation that the actual increase of cost was a farthing per carcase—60 lb. dead-weight mutton—*i.e.*, an increase which you cannot determine by any coinage in the world because it is so small, yet there has been an increase in the cost of mutton to the consumer?—Yes; but, as the Scotchman says, "Every little makes a muckle." "A bucket of water is made up of drops."

63. It would be decimal 0·2, and is not worth considering?—Still, it is an increase.

64. I mention that because it might have had some influence in your investigations?—No, I recognize that an increase in wages—that is, a reasonably small increase—will often make a very small increase in the price of commodities.

65. We have a still further illustration in connection with coal. Witnesses in the South Island stated that there had been an increase of 8d. per ton added on account of the increase in the cost of labour, yet the consumers were charged an increased price of 3s.?—The same thing practically has taken place in Auckland. The figures resemble those very closely.

66. What extent would the alteration in the tariff have on the value of the index numbers. The New Zealand tariff has been altered three times within the last twenty years. For example, there was a reduction of 2d. per pound on Mediterranean fruit, which would mean reducing the price more than half on most lines. The loss in duty would have to be made up in some other way. It would be regarded as a saving?—Not necessarily as a saving.

67. My point is this: that these particular items which would show an index price as being stationary would really represent an increase if one took into consideration the 2d. per pound duty?—The taking-away of the duty would reduce the index numbers.

68. But it would not be a fair reduction in one sense, but it is a reduction that ought to have been explained and provided for?—Yes, the money has to come in other directions, but possibly not on the part of the same purchasers. If you take a duty off, say, flour and put it on motor-cars you have reduced the cost of living to the working-man, and increased the cost of living to the comparatively rich man. That has to be taken into account.

69. *Mr. Leadley.*] With regard to the tariff reductions, where these are not followed by corresponding reductions in the price of the goods on account of the rise in the cost of the article occurring simultaneously with the tariff reduction, have you any local instances of that?—No, I would prefer that local instances should be brought forward by the people concerned.

70. *Dr. Hight.*] Suppose that flour advances £1 a ton, and the bakers raise the price of a loaf of bread by  $\frac{1}{2}$ d., and this gives them surplus profits more than is necessary to reimburse them for the increased price of flour—if they can do this, does it not imply that they are in combination to fix prices?—There is a presumption, certainly. The presumption is strong.

71. *Mr. Veitch.*] You have dealt with the causes of increases in the values of country land: do you propose further to deal with city land?—No, I did not go into that; but the argument is similar. Precisely the same argument will apply to either case. It is a question partly of accessibility. There is the difference in quality in the one case, and in the position of the site in the other. The same principle will apply both to town and country land.

72. Can you suggest a remedy for this difficulty—that is, for the increase in the cost of living—the enhanced value of land in the city, for example?—I am afraid we will have to put up with that.

73. You cannot suggest any remedy?—There is no getting away from the rent. One difference might be made in the State owning the land, but the occupier of the land would still have to pay rent. From the occupier's point of view there is no getting away from it. A man must pay, unfortunately, in this world for what he gets. If he gets a better site or better land he has to pay for it.

74. *Mr. Robertson.*] Might not there be a slight difference from the taxpayer's point of view?—Yes, that is where it would come in. In regard to questions 10, 11, and 12, the meaning of question 10 is uncertain. If it means to what extent the rise in the cost of living is but a part of the general rise in the price-level of commodities, it may be stated in reply that, in the world generally, it may be broadly affirmed that the proportional increase in the cost of living is about equal to that of the average prices of commodities. Great Britain appears to be an exception, as there the cost of living has not advanced quite as rapidly as average general prices. Growing urban districts have the effect, of course, of tending to increase average rents. No other very appreciable influence on the cost of living seems to be directly traceable to the movements of the urban and rural populations of the Dominion. But the increase of urban populations and denser settling of the country in many parts of the world assists to promote the use of banking facilities with a result to be considered in the next question. The commodities dealt in in any country may be divided into two main divisions—(a) those of international commerce dependent for their relative prices on world conditions; (b) those of local production free from foreign influence. Another class is sometimes affected by foreign competition, sometimes not. Foreign competition thus determines the relative prices of certain commodities, and then local conditions those of the rest relatively to the first and to one another. There are very numerous causes which may thus affect the prices of commodities relatively to one another. Sometimes the price of a particular commodity is inflated, sometimes depressed, according to the influences of some of these causes. But, whilst relative prices are thus determined, the average level of prices in the commercial world—whether as a whole they are high or low—depends on the amount of currency compared with the business and trade to be effected. The increased cost of living also is mainly due to the great increase in the currency of the world as compared with the increase of its trade and commerce. The chief factor in the increase of the currency is the output of gold, which has increased no less than a little over fivefold in the last twenty-four years, and more than fourfold in the last twenty years. The next important factor is probably the extension of banking facilities and the increased use made of them, resulting in considerable economizing in the use of the rapidly growing stock of money. In regard to the question of the gold-supply, I have here a diagram showing the gold-supply of the world from 1851 to 1911 (see Exhibit No. 5). I do not know whether the Commission cares for me to say anything as to what occurred in America in connection with the growth of credit instruments. Professor Fisher, in an extremely interesting and valuable volume on "The Purchasing-power of Money," arrives at certain conclusions as a result of very elaborate statistical investigation, and, although his conclusions are not supported accurately by figures, the results are sufficiently close to be striking. There are four elements that come in. There is, first of all, money—that would include bank-notes; and then there is credit—largely cheques drawn on bank deposits.

75. *The Chairman.*] Is not a bank-note a cheque?—They are not quite the same. There is a legal difference. A bank-note is classed with money, and not with cheques. Each of these quantities have what they call a velocity of circulation or an average turnover. A man has so-much in the bank, which he is really turning over by drawing cheques on it, and replacing it so many times a year. Professor Fisher just remodels the old quantity theory of the connection between money and prices, and shows how prices depend on those four quantities—the two forms of currency with their respective velocities of circulation; and then at great trouble—with some assistance from some of his best students—he investigates the figures and shows how his conclusions were arrived at. I have brought his figures further than they are shown in his text. The period referred to is from 1896 to 1910. The money in circulation nearly doubled in those fourteen years. This is in the United States only. What is of particular interest is this: that this is the first work of the kind, and no doubt the work will have

a profound influence on the science of money in the near future. The velocity of money increased by 10 per cent. That was a very considerable increase. Remarkable figures are given in connection with the deposit currency; that nearly trebled in fourteen years. What is equally remarkable is that the velocity of circulation increased by 50 per cent.—that is, of the deposit currency. The volume of trade nearly doubled. If you take the product of the money in use and the circulation of the money that gives you what you might call the money circulation—the actual business carried out by money payments. That rather more than doubled. Rather more than twice as much business was done with money—money was paid for it, not cheques. But if you take the credit circulation that would be the product of the credit currency and its velocity of circulation you will find that it almost quadrupled. Whereas a little more than double the amount of business was done with money, almost four times the amount was done with credit in 1910 as compared with 1896. That shows that in the case of the United States the development of the credit system in connection with banks is supporting the output of gold in producing increase in prices. If you take the sum of those two—that is, the total amount of work done by both money and credit—the increase comes out about 270 per cent. Altogether there was an increase in the currency that changed hands in the period of fourteen years of 270 per cent., and trade scarcely doubled—that is, the volume of trade apart from its money value. If you take the trade of the later year, and reckon the prices of commodities on the earlier year, you would find that there was not quite twice the value of trade done; but in the meantime prices had gone up. That gives the relations of the two—currency increased 270 per cent., and trade itself had scarcely doubled.

76. The result of that would have been that it would add greatly to the price?—Yes. Then Professor Fisher investigates the influence of each commodity in another way; but I have modified that again with the view of making it clearer, and these are the results. Supposing the other three quantities had remained constant, and money only had increased in the way it did, the increase in the total circulation would have been 89 per cent. So that 89 per cent. of the increased currency was due to the change in the money only. If the velocity of the money only had changed, and none of the other three, there would have been an increase in the amount of currency that changed hands of  $1\frac{1}{2}$  per cent. only. If the ratio of the credit currency to the money only had changed, that requires a little explanation; but Professor Fisher shows, and there is no need now to go into the argument, that the result of an increase in money would be to produce a corresponding proportional increase in the credit currency, and apart from other influences would tend to increase the credit currency. The mere increase in money currency would produce an approximate proportional increase in the amount of credit currency. So when we want to distinguish the effect of the change in credit currency from that of the change in money we have to consider the ratio of the one to the other. If this ratio of the credit currency to the money currency only had changed it would have resulted only in a change of 37 per cent. in the total amount of currency that changed hands. And, lastly, if the velocity of the credit currency had been the only factor of the four to change, it would have produced a change of  $41\frac{1}{2}$  per cent. in the amount of currency that changed hands. If we take the first two together, and also the last two—this is the point I wish to draw special attention to, and it is the last point—if you suppose the money had changed and its velocity of circulation, but that the credit currency had not changed at all or its velocity, that would have produced an increase in the currency that changed hands of 92 per cent. On the other hand, if the other two quantities—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.

77. Could you tell us in a few plain words what is the result of that intricate calculation from the popular point of view, so that plain people may understand? Does it mean, on account of the velocity, the amount of credit has expanded so enormously that prices rise? Does it mean, notwithstanding the enormous rise in the gold-production, which you have shown us on the graph, that the prices still continue to rise on account of credit having expanded so tremendously? Or is it the result of both?—It is the result of both. But what is new—and this is a revelation—is the extent to which the development of credit is supplementing ordinary money.

78. That is, the development of credit is forcing up the prices of the necessaries of life without having anything except paper behind it—is that it?—There is more than paper behind it. There are always securities. You have either to draw on money in the bank or have some security in the form of property or bonds.

79. The paper in the bank is about as valuable as paper floated on credit, is it not, if there was a sudden call upon it?—If there was a sudden call for money, and nothing but money; but, of course, the whole banking system is built on the assumption that that kind of thing will never come about. When it comes about on a small scale in one locality we know the result—the bank closes its doors, and it fails unless some other bank comes to its assistance.

80. It seems that we are paying high prices for a lot of things on account of the credit system?—Not that singly, but that combined with the greatly increased output of gold.

81. Where does the extra money that we are paying for this—where does that go?—Increased prices.

82. Who gets the benefit of the increased prices?—No one. Prices go up.

83. *Dr. Hight.*] Does not credit perform certain necessary functions?—Undoubtedly, in facilitating business.

84. *The Chairman.*] Facilitating business and getting money out of the public, because the public seem to lose in the whole matter?—If no one got credit some people would be in a bad way.

85. *Mr. Fairbairn.*] Is not the extended use of credit money a more scientific method of handling business; that is what it amounts to?—Yes, undoubtedly, it is the machinery of business.

86. And the use of coinage, so far as business is concerned, is generally relegated to persons who have no bank account?—Yes, except the money used in retail business.

87. The enormous increase in credit money is accountable for the fact that business had developed all over the world. It is merely an interchange of international credit?—Yes, the tendency is very marked. Business is becoming more a matter of credit. Would the Commission care to hear anything about what I think as to the future of the supply of gold? The supply of gold being such a large factor in the rise of prices, it should be of interest to consider what chance there is of this output diminishing in the near future. Early in the nineties of the last century MacArthur and the Forests brought the modern perfected cyanide process to bear on the mining industry. Since then very little new ground has been discovered or opened out. Klondike is the only new area of importance which has been added to those from which the yield of gold is obtained. With this exception the cream of the world's goldfields had previously been skimmed as far as was possible by the older methods. The lower-grade deposits were formerly passed over, but were known, and were lying waiting for the application of any improved processes that would make them payable. It is chiefly the application of the cyanide process to these innumerable widely dispersed reefs which has raised the output of gold to the very considerable dimensions of the present time, and accordingly it is these low-grade deposits which provide the greater portion of this large supply, and which will mainly have to provide the supply of the future in the absence of the discovery of other considerable virgin areas. So far the output has increased steadily and continuously except for the set-back in 1900 due to the practical stoppage of operations in the Transvaal as a result of the South African war. Progress was rapid, for known explored fields and reefs were lying waiting for the application of the improved processes. The result has been that since 1887, when the value was as low as a little over £19,000,000, the output of gold has mounted to a value of no less than £95,000,000, nearly three times the maximum production in any one year in the previous era of expanding output that followed the discoveries in Australasia and California in the middle of the last century. When is this influence of the new methods going to reach its maximum? No one can say for certain; but there are reasons which I shall now bring forward for thinking that this event will take place in the near future—*i.e.*, it is probable that we are now nearly approaching the time when the output of gold will reach its maximum. Speaking generally, gold can be exhausted much more rapidly than any other metal. Taking copper as an example, though our remarks will apply to the case of any other metal, an abnormal increase in the output of this metal immediately overtakes the demand and reduces the price, with the result that the output has to be reduced and inferior mines closed. This effect is quickly brought about. These mines then form a reserve to come in again at a later stage. In the case of gold, however, it is only by the gradual accumulation year after year that prices can be affected sufficiently to make a substantial difference in the cost of production, and, the process being slow, more time is afforded for improvements in the processes of mining and extraction to wholly or partially nullify the effect of increasing prices. Consequently all the mines go on working, and the richer mines do not force the poorer ones to close down except very gradually, and, possibly after a few years in which little change will take place, will begin to fall off, not improbably with some rapidity. In 1903 the output of gold in Australia reached over £16,000,000, only some £3,000,000 less than that of the whole world in 1887. Last year the output was only £10,500,000, or two-thirds of the maximum output. Not only is there this great fall in eight years, but the fall that was and is still taking place is remarkable for its regularity and consistency. Every State in the Commonwealth contributes to the decrease, and if we take the returns month by month in any State and compare the results with those of the corresponding month of the previous year, or with those of the previous month in the same year, the rule is that a decrease is shown, and this is a rule to which the exceptions are only occasional. New Zealand continued to increase its output much longer than any of the Australian States, but now at last it has joined forces with them. But even previously the increase in New Zealand was by no means sufficient to counteract the deficiency in Australia, and since 1903 the output for the whole of Australasia has fallen regularly and rather rapidly. The principal causes of this falling production may be stated to be—(1.) The lessened productivity, or, in other words, the progressing exhaustion of the mine. Reefs sometimes are found richer at depth, but the rule is the other way. Also reefs reach to various depths; the majority do not reach a depth of 1,000 ft.; and the value of a reef may vanish as a result either of the disappearance of the reef itself or of the gold which it carries. The shallower mines are being worked out, and the others are for the most part yielding poorer returns. (2.) That the Australian yield should be the first to reach its maximum was only to be expected. Its great previous history had led to its being well known, and it was possible to bring the cyanide process into operation rapidly to the extent of which the field was capable. Expenses have been increasing as a result of the greater average depth of the mining and of the increasing cost of operations arising from higher wages and cost of materials. No further very substantial improvement on the best present methods of mining and extraction can be anticipated. Thus it is becoming a contest between the increasing output of gold and the increasing prices; an increasing quantity of gold is raising prices, and rising prices are restricting the output of gold. Of course, a great number of mines have a large margin of profit, and do not as yet feel these influences seriously, but others again—and these are the more numerous—have only a small margin of profit or are carrying on at a loss in the hope of better things, and it is these mines that are feeling the pinch and being driven gradually into the hands of the liquidator. No other of the great gold-yielding continents has yet reached the stage of declining output. But the United States seems to have reached that stage of very slow increase which is usually the immediate precursor of decreasing production. The output in 1910 was less than that

of the previous year by some £600,000, and greater than that of 1906 by only some £400,000. Up till this latter year the increase of the total output in the United States during the cyanide era had been regular and rapid. It would certainly appear that the United States is about to join Australasia in producing a smaller amount of gold year by year. The Transvaal is the most important goldfield of all. Except for the interruption of production during the South African war its output has not failed at any time to increase year by year. No inference can be drawn from the mere figures of production in the direction of concluding that the output was likely to fall off, or even its increase to slacken. This increase, in fact, was £3,000,000 last year as against only £1,000,000 the year before. But of all the gold-fields of the world this is perhaps watched most closely on the London market, and is certainly the one whose future can be foreseen and calculated with most certainty or probability. Now, the feeling on the London Stock Exchange has latterly been that the Transvaal has reached or is just about to reach the best period of its production. In fact, the field is only given a total future life of from thirty to forty years, and although a single mine may peter out somewhat suddenly, the end of a very extensive field like that of the Transvaal must be very gradual. Many of the mines have only some ten years or so during which they can continue production. A rise in expenses in that period may even curtail it appreciably. The dividends are already falling very rapidly, there being a fall of about £2,000,000 in the last two years. They amounted last year to only £7,750,000, only about one-fifth of the annual output, the margin thus evidently becoming very small in many of the mines for increased cost of working. New properties are not being taken up readily, though existing properties will of course be worked while they yield a profit, or even longer in the hope of a profit, although the profit may be inadequate. Thus, on the whole, there is an anticipation of lessened production in the comparatively near future. The development of agriculture in the Transvaal is creating a rival demand to that of the mines for the limited available amount of black labour. This will tend to increase the scarcity of labour that has sometimes been experienced, and at the same time to raise the cost of what is obtainable. We have now considered the three greatest sources of gold at the present time in the inverse order of their importance. Their total outputs constitute three-quarters of the total output for the world, so that all the remaining fields scattered about the world—in Klondike, South America, India, Russia, and elsewhere—only jointly produce the remaining quarter. None of them have given grounds for any anticipation that they will develop so as to take the places of the sources we have considered. Being smaller and scattered, their development no doubt, on the average, has been behind those of the larger and better-known fields. For this reason they may reasonably be expected in the total to continue to increase their output for some years after the larger fields are showing signs of exhaustion, but once this latter process has well set in the fall in production in the larger fields may be expected to largely outweigh the increase in that of the others. Already, in fact, in the most recent year 1911, the increase in the output of gold was dependent on the increase in the Transvaal, which greatly exceeded the falling-off that appeared in the output of the rest of the world combined. 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 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 appear 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.

88. *The Chairman.*] So that labour and prices will fall if the output of gold does not increase any more?—That does not follow. It is not because so much that the output of gold is increasing as because

of the amount of the output of gold. Prices might be increasing when the output of gold was diminishing, so long as that output was sufficient to produce the increase. In the meantime trade may overtake the gold. We cannot foresee the future altogether.

89. There are millions of pounds paid to shareholders of the Australian banks in dividends: where does that money come from?—The profits of the banks.

90. Who pays this money?—The borrowers from the banks. You cannot expect any one to carry on a bank without making a profit, and if shareholders have shares in a bank they must have their profit.

91. The public has to pay it all in the rise in the cost of living; is not that it?—No, I would not put it that way. The profit of banks comes from tradespeople generally. They get credit from the bank.

92. Then, the tradespeople are getting it out of the public?—Yes, that is part of the expenses of capital. If capital is used, capital gets its interest.

93. Then, the rise in the cost of living is owing to capital getting its interest?—No, I do not say that. It is one of the expenses of business paying for capital, whether it is in the form of credit or in the form of actual cash. If you could get capital for nothing no doubt it would result in a decrease in the prices of some commodities at all events.

94. *Mr. Veitch.*] Assuming that the quantity of gold produced is only very moderately increased in the near future, as you seem to think it will be, would not that have at least a tendency to reduce prices?—If the annual output were diminished?

95. Yes?—It will tend to prevent the rise being so rapid.

96. Is it not reasonable to suppose that if there is a falling-off in the gold-supply, there will be an agitation for the bimetallic system?—The agitation for bimetallicism is bound to come up again. It was not successful last time, and it will be more difficult to make it successful in the future, because practically the whole world is now establishing its business on the mono-metallic system—viz., gold.

97. It simply means, in fact, that it is hardly worth looking for any improvement in that direction in the cost of living—that is, as to the diminished output of gold?—Not in the very near future.

98. Around the City of Auckland the capital created by the people must amount to a very large amount of capital; is not that to a very large extent an increase in the cost of living, apart altogether from the gold standard?—In a sense it is; but there is a difference in the right way and the wrong way of putting it.

99. If I have put it in the wrong way, how would you put it?—Owing to the assembling of a community of 100,000 people, they have to occupy a certain area of land, and in that area of land there are some particular spots which are of greater value than others; and the users of those spots have to pay for using them.

100. If I understand you correctly, you say that to a very great extent the increased cost of living is due to the increased output of gold. I cannot in my own mind establish any connection between the prices of the site-value and the increased gold-value?—I know your point. My difficulty is to give my reply to a complex problem in a few words. As I expressed very briefly in my remarks on prices, various commodities are affected by an endless number of causes relatively to one another; and the sites that you mention are one class of those commodities. When you have got your relative prices fixed in respect to one another, and the relative values of the commodities, then the general level of the whole is dependent upon gold and credit.

101. The increased output of gold really means a reduction in the value of each unit of gold-value?—That is so, and you have to pay on a larger scale. But the whole thing is more or less complicated when you bring in other ideas.

102. It seems to me that we have to look to these land-values more than to gold to get us over the trouble?—The conditions which bring into existence land-values, diminish the return to the worker. If the land-values went to the State the user of the land would not get directly any benefit. On the other hand, if the State owned the land and got the proceeds of the land, the State could use it for the benefit of the public.

103. Instead of taxing the people?—Yes.

104. *Mr. Hall.*] Do you think that the main part of the rise in prices is due to the increase in gold? Has that been the dominant factor in the position?—Gold and credit, absolutely so.

105. *Mr. Fairbairn.*] Has the depreciation of gold-value been followed by increased prosperity to the whole of the community? Has that been noticeably the case?—Yes, I think so; it is usually the case.

106. In regard to any question of the rapid depreciation or rise in gold-values, has not the issue of free paper currency—I mean by that unstamped cheques, bills of exchange—has not that in a large measure supplemented the use of coins, or stamped money? Is it likely that that exercises a steady influence in the event of any disparity in future years in the output of gold? Is it not supplanting the use of gold? Your own evidence indicated that?—Yes, it is tending that way. The figures which I gave you might be put in this way: in 1896 14 per cent. of business was done under conditions I have stated, and 8½ per cent. in 1910; in the previous year it was 9 per cent.

107. That confirms the statement that credit money is replacing the other?—Yes, to a large extent.

108. In regard to the values of commodities, the law of supply and demand is the final determining factor as to relative values?—Yes.

109. It is the most important factor beyond the mere existence of mediums of exchange?—Yes; but it itself is governed by other important factors.

110. The scarcity in any particular commodity is immediately followed by an increase in prices?—Yes, as a rule.



111. And quite apart from any consideration whether, as to gold or other currency, its value is determined by its scarcity?—Even then the currency has its influence; but the influence of scarcity may outweigh altogether the influence of the currency, of course.

112. *Dr. Hight.*] The banker's profit is derived from the difference in the rate of interest which he charges the borrowers and the rate of interest which he gives the depositors?—Yes, that is so; the latter to a large extent is nil—the interest to depositors—unless it is money on fixed deposit.

113. That is the main source of the banker's profit?—Yes.

114. Do you consider that banking as carried on in most countries nowadays is a necessary link in the chain of production?—Yes, absolutely so.

115. And if the capital invested in banking did not get an adequate return the banking facilities would not be provided?—Certainly not.

116. And production and trade would fall off?—If banks disappeared at all rapidly, I am afraid so.

117. And therefore the cost of living would increase enormously at once, would it not?—I would not say that. The trouble would be that many people would not have the money. That is the way it would work probably.

118. Shareholders in banks, or banks, would get their dividends whether the general level of prices is high or low?—Yes; of course a diminishing currency or fall in prices may affect the prosperity of a bank as it may affect other businesses.

119. Do you consider that credit is tending to be substituted altogether for gold?—No, not altogether.

120. Do you consider that the gold standard is a necessary foundation for credit?—That is my opinion. Of course, something depends upon the habits, practices, and character of the people.

121. There is certainly a limit beyond which credit cannot go—it is an elastic limit; but still it is there?—Yes.

122. And the fact that it is there is capable of proof?—I think so.

123. As to rent—that is, the price for land the site for a house or other building—that is the price of a special commodity, so to speak?—That is so.

124. And if rents increased greatly relatively to other commodities, you may say that land and house-room are drawing to themselves a greater proportion of the money-supply?—Just so.

125. *Mr. Hall.*] With regard to your views on question No. 11, some American economists have urged that the great rise in food products is largely due to the movement of rural populations to the cities—by decreasing the number of people who produce food, and increasing the number of mouths to be fed: what is your view on that? Do you think that is sound?—I did not quite catch the latter part of your statement. You spoke of workers leaving the country for the cities.

126. Yes; it decreases the number of producers, and increases the number of consumers of food?—A feature that is never taken into account in the argument is this: that a person only wants a certain amount of food, and after that he can eat no more. But if he has the means he may buy other things. He may look forward to the time when he can buy a motor-car. You have to allow for the increased efficiency of agricultural labour; and in America the increased efficiency in agricultural methods has been enormous. You have to take all that into account. That means that you do not want the same amount of labour to produce the same amount of food. Food can be produced by a smaller amount of labour. That is why people are leaving the country districts.

127. That does not apply to the last ten years, to a large extent?—I could not give the various dates when the various improvements were made; but, in my opinion, there have been improvements made in the last ten years.

128. I heard Professor Hill lecture on this subject, and he said that the population was increasing much faster than the supply of food—I am referring to America only?—Yes; I was dealing with the world problem.

129. He expressed the opinion that if the population of America continued to increase during the next twenty years as it has done during the past twenty years, there would be no wheat to export from the United States?—It seems to be so, in that particular instance.

130. Perhaps that may account for the rise in the cost of food products?—That would no doubt have something to do with it, especially when you consider the tariff barrier between United States and other countries.

131. *Mr. Veitch.*] Is it not a fact that the general wealth of the whole world has very largely increased of late?—Yes; more in proportion than the population.

132. The extra workmen in the towns are really required to provide luxuries for those people who have become more wealthy owing to the increase in the world's wealth?—I should say, briefly, all classes have become more wealthy. Real wages have increased, though perhaps not in the most recent years—and there is a greater margin for luxuries. The requisite amounts of food and other necessities have been obtained with less labour, owing to the development of new countries, improvements in agriculture, &c. More labour is thus available for the production of luxuries for all classes. The smaller average family is also a considerable factor in producing the relatively greater demand for luxuries as compared with necessities.

133. *Mr. Leadley.*] Can you throw any light on the 13th question—viz., "What steps should be taken with a view to reducing the costs of the necessities of life?"—The main causes of the increase in the cost of living may be regarded as certain to operate as effectively as it has done in recent years for some years to come. Unfortunately they are beyond the sphere of action of the Legislature. Any practicable methods of alleviating the situation must deal mainly with the production, distribution, or taxation of the commodities themselves. I consider the Government missed an excellent chance of cheapening coal in Auckland in not acquiring and working the Waipa Coalfield; but it is right that advances in the field of production by Government should be considered with the utmost caution. In



the field of distribution much might be done by co-operation in the direction of diminishing even the present normal costs of distribution, which are a tax on the community of a magnitude not generally realized. In relation both to production and distribution it is urgent upon the Government to do all that is possible to prevent the growth of monopoly—an evil that is capable of reaching relatively great dimensions in the small and protected market that this country constitutes. It is, however, in the region of taxation, by further concessions in the matter of Customs duties, that we find the simplest, most effective, and most immediately operative method of lowering the cost of living. On the other side of the problem, it should be borne in mind that increased efficiency in production and distribution increases or tends very strongly to produce increase of wages. May I suggest, before leaving, that I think the Government ought to start two index numbers—one of the cost of commodities, and the other of labour—companion index numbers, as published by the English Board of Trade. I think it would be a good thing if the Commission made their recommendation in that direction. I would like also to say that I am fully in sympathy with what Dr. McLraith said the other day about the promotion of the study of economics and statistics. We are improving—for instance, the introduction of methods of statistics in our Civil Service examinations, and we have a few students who every year give attention to this subject; but I think strongly that it ought to be introduced into the schools—even the elementary schools. There are some elementary truths, too, that you can teach children, which will dissipate some fallacies which, if they do not get rid of when they are young, they will retain through life; and all argument and reasoning on many matters will never lead them to a right conclusion unless they are taught those elementary truths, and unless they have proper notions on certain elementary theorems of economics. When I left Home eighteen years ago economics was taught in many schools. The subject of economics in school examinations was not a compulsory subject, but many students took it up. There were little shilling primers published for the younger students, and half-crown primers for the students of secondary schools, and books costing, say, about 10s. 6d., for university students. I do not think there is any study which deserves more encouragement than that of economics, and the more advanced study of the subject in the universities should be taken in conjunction with the study of statistical methods. I hope the Commission will consider the advisability of making some recommendation in that direction.

GEORGE WINSTONE, jun., Coal-merchant, examined on oath. (No. 153.)

1. *To the Chairman.*] Witness said he was a coal-merchant, carrying on business in Auckland. His firm has been established for about forty years. It was one of the oldest businesses of the kind in Auckland. The cost of distribution, so far as driving was concerned, had risen very much in Auckland during the past ten or twenty years. There had been an increase of wages, the cost of handling had increased, and the price of horses had also increased. The latter, he supposed, had increased about 40 per cent. during the last eighteen years. Horse-feed fluctuated in price, but it had risen very considerably—he thought, about 30 per cent. In addition to the increase in wages, the men did not do so much work now per day of the same number of hours as twenty years ago. He did not say that in former years the men did not work too hard, but what he said was that they did not do so much now as formerly. They worked longer hours in former years, and they also worked harder when they were at it. The greater cost of delivery, charges for driving, &c., had added, in his opinion, to the cost of living. He did not know that it would be advisable to reduce wages. He believed that men should be well paid. They should, however, do their utmost during the time they were working. There was too much of this agitation of each one doing as little as he could, with the idea that his employer was robbing him. Socialistic teaching by some persons was inculcating that spirit amongst labour.

2. *To Mr. Veitch.*] There was no association of coal-merchants in Auckland, but there was an association of coal-distributors. They practised the principle of charging a fair price for a fair article. In his opinion, the retailers were not making a fair profit from the supply of coal, and he could give the Commission figures to prove that. There were 214 members in the Auckland Coal-dealers' Association. Any man could become a member of that association who was a seller of coal by paying a 5s. subscription per annum, provided there was nothing against his character; and he might say that no man had ever been rejected on that ground. Not a single man had been refused admission in thirteen years. The dealers paid the merchants 24s. 9d. net for house coal; that was the price at any of the depots in the city and suburbs—at the railway sidings. They received for the coal 31s. net, which gave them a margin of 6s. 3d. a ton for Taupiri coal. That only meant 6s. 3d. a ton for taking coal from the depots and putting it into the householders' coal-bin. The charge was a little higher in proportion for smaller quantities. It took longer to deliver smaller quantities. He might say that his firm two years ago seriously considered the question as to whether they could not cut out quarter-tons, because it was not paying them. Dealers had a loss in the wear-and-tear of sacks. The average life of a sack was three trips. Dealers had also to stand losses in bad debts.

3. *To Mr. Fairbairn.*] There had been one alteration in the price of coal since 1908, but the dealers did not benefit by it. He might say that nobody sold coal underweight—not a single report as to selling short weight had come to this knowledge with respect to any of the 214 dealers he had referred to.

4. *To Mr. Veitch.*] He thought that more coal was now being sold in small lots than was the case formerly, and that meant less profit to the dealer. In regard to the increase in the price of coal, he had the figures since 1900. The coal-dealer had only put his cost of delivery up 1s. a ton. The wholesale merchant had only put it up 1s. a ton. They considered one another in connection with their prices. The coal-merchants of Auckland treated the dealers with the utmost respect, and assisted them in every way. The Railway Department charged an excessive rate from the country—viz., 6s. 6d. He thought that in New South Wales the carriage of coal for a similar distance would only

cost 2s. 6d. The Department had charged the same price all along. There had been no increase in the charge. Fees were paid to the Railway Department in different ways—for demurrage and delay in discharging. He thought that the mine-owners had increased their charge of coal on the truck by about 3s. during the last ten years. With regard to the increased charges of putting coal on trucks: In 1900 the price on trucks to the public was 13s. at Huntly; now it is 16s. there; there has been a rise of 3s. in the twelve years. In 1907 it rose 1s.; 1908, 1s.; 1910, 1s. The retail price of coal in 1906 was 28s., 27s. net to householders; 1907, 28s. net; 1908, 30s.; 1912, 31s.; it rose in 1910. It has remained the same since 1910.

5. *To Mr. Hall.*] That includes delivery anywhere; it can be taken from different parts of the railway-line to Huntly. Our association affected only Auckland and suburbs; outside of that we have nothing to do.

6. *To the Chairman.*] We bag it in Auckland for the most part; some dealers bag their own coal. It was stated that coal should be sold at 2s. per ton less; the object of the association was to charge a fair price for a fair article. Figures produced show this.

7. *To Mr. Veitch.*] You fixed prices to get a fair profit?—Yes.

7A. Does that not apply to the trade-unionists?—Probably. The following figures show the prices at Wellington and Auckland:—

	Auckland Coal-dealers' Association.		Prices at Wellington, where there is no Coal-dealers' Association.	
	s.	d.	s.	d.
Taupiri (house, steam) .. .. .	28	0	..	..
Taupiri (house) .. .. .	31	0	..	..
State coal .. .. .	..	..	32	0
Newcastle coal .. .. .	33	0	37	0
Westport .. .. .	34	6	37	0

8. These figures show Wellington coal is 4s. per ton dearer?—That is so. And the reason is because the Auckland dealers are not getting a fair profit; the price is less here in spite of the association. We are bound to raise the prices, but we await the Arbitration award *re* carters. The dealers are losing money on the business now, and have been doing so for the best part of twelve months. The mines have raised the coal 3s., and we have raised it an additional 1s.; that 1s. does not now cover the increased cost to us at present. The cost of Newcastle to Auckland is the same as to Wellington, and therefore the prices should be the same. The charges are 9s. 6d. freight and 1s. 3d. wharfage. The standard price for household coal is 11s. in Newcastle to us, which is a better class of coal. Insurance and exchange costs 3d. per ton; the cost of receiving and cartage is 1s. 9d. per ton; handling on to store is 6d., plus cost of storage, bagging, and delivery to private houses. Then there is 5 per cent. loss in weight; it is weighed in Newcastle. The Wellington man would have to stand that loss too, and would have to pay the same expenses. The loss in weight is due to handling on ship and on wharves, and so forth. The coal is wetter when straight from the mines, and evaporation is also a source of loss of weight.

9. *To Mr. Fairbairn.*] I do not know the cost of Westport coal at the mines. The retail price is 34s. 6d. per ton net.

10. And in Wellington?—37s. per ton net. I mentioned this because it was alleged that Newcastle could be bought at prices at which it could not be bought. We get no discount off the prices I have mentioned. The prices of State coal are more than ours. [Witness produced figures, and left them with Commissioners, substantiated by the manager of the State mines, showing Taupiri coal was retailed one grade 4s. per ton lower than State, and another 1s. per ton lower.]

11. *Mr. Veitch.*] You cannot class State coal with Taupiri coal?—Yes, I do; I have brought State coal up here, and have had replies from the buyers that the results are no better than obtained from Taupiri. I have no other knowledge. Quality does not affect the cost of mining the State coal. The comparison is: the Taupiri coal is mined and delivered to the homes of the people cheaper than the State is doing in Wellington, though the cost of freightage and hewing is practically the same. I produce also a clipping from the newspapers, in which it is stated that the present price of State coal is not paying [clipping produced].

12. The reasons for that increase do not apply to Huntly?—No. State coal has increased in price very considerably since the mine was opened—I do not know how much.

13. With regard to your association, are there any other functions performed?—We make it a happy association, and have an annual dinner, and so forth.

14. Business functions, I mean?—We meet to protect one another from bad debts, to arrange prices, and to generally conduct our business.

15. Any means of punishing a man who does not conform to the rules?—Yes; but in the whole thirteen years no one has been punished. Some breaches have been committed, and in every case when interviewed the trader has agreed to conform to the rules.

16. Suppose your association did agree to put on a wrongful increase?—There are 214 of them who have to do it; the majority might agree, and then the minority would have to agree; but other dealers would then be encouraged to come on the market.

17. If there were fewer distributors, could the coal be sold cheaper than now?—A man works better for himself than for his employer, and I do not think there could be better distributing means than now—free competition.

18. *To Mr. Hall.*] The dealers and the public can buy direct from the mine.

19. What is the freight on coal in New South Wales, say, on Newcastle for a similar mileage to Taupiri?—I have no definite data *re* freights, but I understand that within fifty miles the freight is 2s. 6d. in Newcastle.

20. *Mr. Fairbairn.*] What percentage of Newcastle is sold in comparison with Taupiri?—2 tons in 100; 50 Taupiri to 1 ton Newcastle for retail purposes. Hotels and suchlike use a good deal more, but we do not supply them.

21. What percentage of Newcastle is used in Wellington?—I do not know.

22. Does it not seem that the low price of Newcastle is not an important factor in the Auckland price of Newcastle?—But in hotels there are many tons of Newcastle used. Perhaps I am out in my figures.

23. Is any penalty fixed by your association for not selling at given prices?—I am not sure what the penalty is; there is a fine for underselling or breaking other rules; but it has never been enforced.

24. *Mr. Robertson.*] *Re extra 1s. you put on, that was only for increased cost to you?*—Yes, extra distribution; there was a general rise in horse-fodder, in handling coal; carters and deliverers' wages went up in 1908. One large item affects coal just now—the sack question; we pay 7s. per dozen for our sacks, and up to last year we were paying 3s. 6d. The life of a sack is three trips. That puts on 1s. per ton on coal. I have a shipment of sacks from Adelaide, and they are a little over 7s. per dozen. At present we are faced with a loss of 1s. through the sack question. We do not buy new sacks for the coal, but it does not pay to buy worn-out sacks.

25. Some of the members of your association just take out coal from yards, bag at yards, and deliver to customers?—Yes, the majority.

26. How many buy direct from mines?—I should say three-fourths buy from the sheds; all in Auckland buy at sheds, because it costs less—that is, they buy through us.

27. Does all the coal leave the yard bagged?—Yes, for private houses, even if in 3-ton lots.

28. *Mr. Leadley.*] Are you in a large way of business?—Yes, we keep over a hundred carts.

29. Have many dealers only one cart, and drive themselves?—200 of our 214 own only one or, at most, two carts.

30. How much would a single cart deliver in a day?—From 3 to 4 tons per day. I have figures of our own men's work. One man drove in 1909 and another in 1912; he delivered 4 tons in a day, 3½ tons, 3¼ tons, 3⅓ tons a day, and so on. The average would be a little over 3 tons per day. His wages are £2 4s. per week full time. He earns overtime. His average weekly wage with overtime would be about £2 8s. In 1909 the average was 4½ tons; the average in 1912 is 3½ tons. The "beats" on which the coal was delivered were almost similar. The wages were the same in 1909 as in 1912. The incidental expenses were lighter in 1909.

31. Repairs and maintenance are more now?—Yes; vehicles cost more, horses cost more. The depreciation of horses is very heavy. For every three horses we have in work we have one out to grass; we have only three-fourths of our horses in work; on the average, the horses last five or six years; at any rate, they would depreciate 50 per cent. in five years. The horses generally cost £50 or £45; the depreciation per pair of horses would be about £10 per year.

32. Do the trade-unions impress on their men the need of giving full value for the wages?—They should not encourage the spirit of giving as little as possible for the wage. There is an inclination for the men to drop into a slow rate of work. I do not accuse the unions as unions of encouraging this, but individuals do so. The majority of the men do a fair day's work, but not all of them.

33. *Mr. Robertson.*] Do you mean that unions or organizations try to get the men to slow down?—I have no knowledge of this being done by unions as unions, but I know of individual officers of the unions doing this. Our own particular men are a good lot of men, and I do not want to reflect on them as a body; but many of them have got the idea it is the duty of all unionists to do as little work as possible.

34. *The Chairman.*] But you said your men do not work as well as they did years ago?—That is so, but they used to work longer hours. I am not talking about the whole body of men; taken as a class, they are good workers.

35. *Mr. Robertson.*] But you said the average delivery in 1909 was 4½ tons, and now it is 3½ tons?—That is a fact. But the present driver is a good man, all the same; and I do not say he is not doing a fair day's work.

36. Did he do more than a fair day's work before?—I think there was more push in years gone by than now.

37. Is there not a difficulty in the way of delivery—houses in more inaccessible places?—Yes; it is most difficult to compare accurately, because of these differences; one man has a coal-bin built in a good place, and another man wants his coal carried to an inconvenient place.

38. *The Chairman.*] But you volunteered the statement of less work relatively?—No, sir, I was asked the question.

39. *Mr. Robertson.*] Then, you say there are difficulties of delivery to account for this?—There are men who do not do the right amount of work, a proportion of them will not work properly, and I think the proportion of such men is much bigger than it used to be; the spread of the suburbs would account to some extent for increased cost of delivery.

40. *Dr. Hight.*] The men worked longer hours in 1909?—I did not mean to say so; the hours are the same, but about ten years ago they worked longer.

41. *Mr. Veitch.*] Is not a large proportion of the coal delivered in smaller quantities?—About ten years ago people bought bigger quantities, I think; there is not much difference between 1909 and 1912. People generally now just ring up and order, without asking the price.

42. *To the Chairman.*] We weigh each individual bag. We put in 3 lb. extra to make up for weight of sack. Each individual sack is put on the scale, and the weight adjusted.

43. *Mr. Leadley.*] What is the average wage of the men?—£2 8s. per week, with overtime, I think; they do not own their horses and carts; these are our own employees.

44. *To Mr. Fairbairn.*] I have been working hard on figures to get my figures out, and I think I am correct.

45. Your figures make an increase of 8d. per ton?—I have not worked out what the actual cost of the difference is. We have not added on any price for additional cartage; I have not gone into that at all, though it is a matter that requires immediate consideration.

ANDREW CLARKE CAUGHEY, Draper and Clothier, examined on oath. (No. 154.)

1. *To the Chairman.*] He had been in business in Auckland over thirty years, and had a good knowledge of the trade.

2. Have you any knowledge of the increase of prices?—I have two price-lists [put in], one for 1911–12 and one for some six years back; they deal with clothing and drapery.

3. Can you give us an idea of other goods?—In 1902 an all-wool suit was 21s., coat, vest, and trousers; to-day the price of that is 25s. 6d.—that is, an advance of 4s. 6d. A suit we sold for 29s. 6d. we are getting the same for to-day, but it is costing us 2s. more; on that we do not get as much profit as we did, and that applies to a number of articles; the cost has increased 10 per cent., but the selling-price has not been advanced proportionally. Trousers we are selling to-day at 6s. 11d., and ten years ago the price was the same.

4. Can you give us the percentages?—In several cases the cost has increased 10 per cent., but the selling-price has not increased proportionally, owing to keen competition; these are goods that we purchase direct from the mills. So far as the New-Zealand-made goods are concerned, the cost to us has increased, but the percentage of profit is not so great by from 5 to 10 per cent. as ten years ago; that applies to all-round popular standard lines for working-men. I am not dealing with the higher-class goods—*e.g.*, denim trousers of a well-known brand, a first-class article which must be kept by us, has increased 46 per cent. in cost to the consumer.

5. *Mr. Fairbairn.*] Is that to do with duty?—Yes, to some extent; they cannot be or are not made here, and there is a considerable demand for the goods.\* With regard to other suits: ten years ago the charge for making chart suits was 21s.; to-day the price is 30s., an increase of 48 per cent.

6. *The Chairman.*] Is that increase in labour charges?—Yes. We are paying also an advance for tailor-made suits of quite 20 per cent. We keep tailors and tailoresses of our own, but the chart suits we do not make on the premises. With regard to clothing generally, we are selling higher-grade goods. The character of the trade is improving all the time, and folks are not satisfied with what they were satisfied with years ago. That may be true economy, to get better-class goods.

7. *Dr. Hight.*] Do you cater for the same class?—Not altogether; our trade is on the up grade all the time. We do perhaps cater for a better class of trade than we used to. The denim trousers we sell chiefly to country customers. We find that the character of our business is rising all the time; in every department there is a demand for better class of goods. Our being in Queen Street would affect that to some extent; the suburban shops cater more for the cheaper classes of goods.

8. Do the women also want a higher class of goods, as well as the men?—Yes.

9. Has the cost risen to you for drapery?—Yes; the cost of cotton goods particularly has risen to us. I have a few notes regarding that, as follows:—Drills: We sell a good deal of these, and our price is the same as ten years ago, although the duty has been dropped; we do not get as much profit; we buy direct from the manufacturers in the Old Country; sometimes we might buy from the merchants here, but we do not do much of that; that is a typical cotton-goods line; there has been an advance all round in the cost of these goods. Linen: The duty is removed; they are all admitted free for the last twelve months, and they are the same price as ten years ago, but they have been higher in the interval; we get our linens direct from the makers; there are no middlemen in that line, so far as our company is concerned. Crockery: The head of this department says that white saucers, plates, wringing-machines, &c., the retail price has not been advanced, although the cost to us is increased; the ordinary bread-and-butter goods are sold at practically cost. The increase in the cost of china is 15 per cent., and on ironmongery 25 per cent.

10. Why keep this kind of stuff at all?—Well, we hope for better things. That does not apply to all lines; on fancy lines we can get more. We are forced into this position by competition. Sometimes things are sold at less than cost-price. Clark's cotton is a very big business indeed, and it runs to a lot of money in the twelve months; and the lowest price we can buy in big quantities from the makers is 1½d. per dozen higher than I saw listed in a retail catalogue yesterday. The merchants' wholesale price is 1s. 10½d. and the retail price 1s. 6d. That is one of the things we have to compete with. This is done for the purpose of creating an impression. This price-list I saw was issued two years ago. Now that firm charges 1s. 9d., but still that is 1½d. lower than the lowest merchants' wholesale price.

11. You are not bound to sell at certain prices?—No; there is no arrangement of that sort. There used to be boycotts tried; that is long ago, and we have outlived it.

12. Is there no ring now, or trust?—None at all; there is an association, chiefly for arranging terms.

13. You know of no combination in restraint of trade?—No.

14. *Mr. Veitch.*] You said the percentage of profit is not so great; but the turnover?—That is greater, of course.

15. Do people buy finer or stronger quality?—Both.

16. *Mr. Fairbairn.*] In connection with our scope, we cover the last twenty years: hardly any of the increases in ironmongery and crockery have reached New Zealand yet?—That may be. I got these figures from my departmental manager; he is a Londoner. I would modify my evidence by saying that this is merely what I was told by my departmental manager.

\* Witness stated later that the increase in cost was not due to increase in duty, as inadvertently stated above.

17. *The Chairman.*] Have you anything else to tell the Commission?—I do not think so, sir; land-values are going up, and rents, and wages. These are important factors; but the greatest is that modern civilization is not satisfied with the simple life. Better conditions are wanted all round.

18. And therefore the cost of living goes up?—Yes; people spend more on luxuries and amusements.

SAMUEL WING, Manager for R. W. Hellaby and Co., Butchers, examined on oath. (No. 155.)

1. *The Chairman.*] How long have you been connected with the firm?—Twenty-five years.

2. How have your prices fluctuated?—I have prepared the following statement, which covers a period of nine years:—

Wholesale price of beef, June, 1903 .. .. .	28s. per 100 lb.
Sheep, wethers, costing from .. .. .	10s. 3d. to 20s. 3d. each.
" ewes, .. .. .	8s. 9d. to 15s. 0d. "
Wholesale price of beef, June, 1912 .. .. .	27s. 6d. per 100 lb.
Sheep, wethers, costing from .. .. .	16s. 0d. to 24s. 0d. each.
" ewes, .. .. .	14s. 0d. to 21s. 0d. "

Retail price charged for meat per pound,—	1903.	1912.
	d.	d.
Sirloin of beef .. .. .	7	6
Ribs of beef .. .. .	6	5
Rump steak .. .. .	9	9
Beef steak .. .. .	6	6
Top side beef .. .. .	5	5
Gravy beef .. .. .	5	4
Corned beef, average .. .. .	5½	5
Legs of mutton .. .. .	6	5
Mutton chops .. .. .	6	6
Fore quarter of mutton .. .. .	3	2½
Sausages .. .. .	5	5
Veal .. .. .	6	6
Pork .. .. .	6	6½

3. That is practically a reduction?—There is. These are retail prices.

4. *Mr. Fairbairn.*] How long have they prevailed?—We take the average of live-stock once a month, and fix the prices on the preceding month. These prices are a reduction on the prices prevailing in April. In winter the stuff is rather higher. It would hardly be fair to accept them as an average for a long period.

5. *The Chairman.*] Have you any difficulty in getting workers?—No; any amount.

6. Have your costs of trading increased?—Yes; the price of horse-feed and other incidentals. We have twenty-six establishments in the various suburbs, all retail.

7. Do you find there is any change in the last ten years in the quality of meat demanded?—The conditions are much the same as always; they only buy the best cuts.

8. What do you do with the worst cuts?—Can them. The meat is just as good, only it does not look so good.

9. Has the export trade affected you? Do the Auckland people get the "rejects"?—We are not freezing.

10. Do the freezers buy the prime meat?—It has naturally put up the price of live-stock all over the Dominion.

11. *Mr. Leadley.*] You do a considerable trade in potted meats and preserved meats?—We have one shop. We do a large export business in beef. There has been a shortage of canned meats in New Zealand; therefore we have not been able to fill the outside orders. We have rather allowed the local trade to slip from us, and have cultivated the islands business; 90 per cent. of our goods go there.

12. Is the increasing demand locally owing to the difficulty of obtaining domestic help?—I do not think so. Five years ago we opened a shop for these goods particularly; it was not a success here.

13. Then, the suggestion that the ladies buy a tin of tongues or roast-beef for the husband's tea is not warranted?—We do a lot of that class of trade; it is done mostly in the summer, and for picnics.

14. You fix the prices once a month, as you explained?—Yes; a good many of the butchers do the same thing.

15. In association?—No; there is a Butchers' Association, but we do not belong to it.

16. You have twenty-six shops?—Yes.

17. How many retail butchers' shops are there in Auckland?—About a hundred, I should think.

18. Do your shops all carry your name?—Yes, they carry our name, but other names as well sometimes, for convenience of accounts.

19. The number given in the Labour Department return for retail shops is eighty-nine?—That may be right; a hundred was a guess.

20. Are the prices free?—Yes, all the retail shops have a free hand; we charge what we like, but the prices have to be low, on account of competition.

21. Do you know of any fine inflicted for undercutting?—No, I do not know of that.

22. You keep a large number of carts on the road distributing?—About a hundred horses.

23. Has there been much increase of wages of distribution?—Yes, well over 20 per cent. all round to all hands—those men inside and those outside on the carts.

24. What is the difference in delivered meat and cash meat over the counter?— $\frac{1}{2}$ d. per pound. For booking or delivery we charge  $\frac{1}{2}$ d. per pound— $\frac{1}{2}$ d. for the two. If booked and delivered, the cost is  $\frac{1}{2}$ d. extra to the customer; but the cost to us for these two services is 1d. per pound.

25. You do not act in conjunction with any other firm *in re* prices?—Oh, no.

26. *Dr. Hight.*] Are the prices you handed in average prices for the year?—Oh, no; only for the actual dates they are given on. They refer to the particular months I have noted down. It would not be fair to take a summer month and a winter month, and contrast them.

27. *Mr. Fairbairn.*] They are approximate prices?—Those are actual prices for the given dates, but they would be approximate for a period.

28. Have you any figures *re* bad debts?—It is not more than  $1\frac{1}{2}$  per cent.; I think it is  $1\frac{1}{2}$  per cent. If taken on the whole turnover, it would not be  $\frac{1}{2}$  per cent. We do not take in the export trade, of course. The  $1\frac{1}{2}$  per cent. is taken on the whole retail trade—cash and credit.

29. *Mr. Leadley.*] Is your killing done at the abattoirs?—No, we have our own; we have a Government Inspector in charge all the time.

30. What is the cost of killing?—For slaughtering and inspecting a bullock, 5s. 6d. all weights; the average would be 600 lb. That is the actual cost, including inspection, in our own slaughterhouse; delivery would cost us another 1s. 6d.; that makes 7s. altogether. A carcass of mutton would be 60 lb. average weight, and average cost 1s. 5d. delivered into Auckland—that is, delivered to Railway Wharf. Another 2d. per carcass would be required per sheep for delivery to shop.

31. *Dr. Hight.*] You carry back the comparison to 1903?—Yes; the auctioneers could not go back any further, and I had no records.

32. Our records would indicate that there was a considerable increase in 1903?—I do not think there was much difference.

33. *Mr. Hall.*] Are your slaughtering fees lower than abattoirs?—We do our own work, but pay the same fees for inspection. We pay slaughtering fee and inspecting, the same as other butchers do, I believe. I do not know anything about the charges at the public abattoirs. Our carcasses come in in very large quantities, and so we can handle cheaper.

34. *Mr. Leadley.*] But the public abattoirs charge more?—I do not think so. We pay 3s. 6d. to the Council for every bullock we slaughter. The inspection is 4d. per bullock; the slaughtering is 2s.; 4d. is for inspection, and 3s. 2d. is for abattoir fees. We kill about 14,000 head of cattle per year.

35. *Mr. Fairbairn.*] A witness states definitely the cost is 15s. per head?—There is an error somewhere; moving small weights on the railway would be more expensive. My rates of freight are right; the 5s. 6d. is an actual payment. I believe there are some few charges for collection of fat, &c.

36. *Mr. Hall.*] You think the difference is in freight?—Yes, and for looking after the small goods and offal.

37. *Mr. Leadley.*] Is your meat delivered by train?—Yes; it is a very satisfactory service.

38. *Mr. Veitch.*] Are there any other wholesalers supplying the market?—We supply one shop, but I think every other butcher buys his meat, and kills for himself at the abattoirs. The butchers will not buy dead meat; they buy live stock.

GEORGE GEORGE, Director of Technical Education for Auckland District, examined on oath. (No. 156.)

1. *Dr. Hight.*] Could you give us some information with regard to the cost of education now as compared with some years ago—actual cost to the parent?—I do not think there has been any change since I have been here; books and stationery have not changed much. Nine years ago there was no free-place system, either for day or evening technical-school students; now there is, but that does not cover cost of books, &c.

2. Can the cost of books be borne by the average worker?—It would depend very largely upon the number in the family; sometimes it becomes a burden. Pupils have, I know, been compelled to go to work, even with a free place, because of the cost of books. There is the actual loss in earning-power, too.

3. What would be the average cost of books?—I can hand in the cost. About 30s. for the first year; the second year is not quite so much, because some of the books are available for the second year.

4. We had a statement that a parent had a list of books, &c., including uniform, and that these things came to over £3?—I do not think it could come to quite that. The uniform is an ordinary suit of clothes, which is fairly cheap. [Details given.] A large number of the pupils are already wearing that uniform when they come to us. Probably 75 per cent. of the boys in Auckland are wearing that costume. It has become very popular. The object of the uniform is for the general good of the institution. We have a tremendous demand for students from our College, and the uniform ensures that if anything goes wrong we can hear about it easily, and so a higher standard of manners and general behaviour is engendered. In the manual training department we include domestic science, and the course for the girls is two years. [Syllabuses handed in.] This is for the Fifth and Sixth Standard girls. We have eight or nine centres going in the Auckland Province, and that is having an effect. The girls can make better use of the income available. The chief function of a girl is to become a wife and mother, and we have not given half enough time to that department of education. That is where education for girls must be improved. In the Technical College we have a limited number of girls, and the education there is given on more advanced lines than indicated in the syllabus for school girls. A girl who takes a course in our day school is well set up to make a start in dressmaking and other branches of women's work. We are also trying to train domestic helpers, and have some association whereby the girls would

be paid a better rate of wage than the ordinary domestic worker, who is often very inefficient. These girls we want to be recognized as something more than the ordinary domestic drudge.

5. You come into close contact with workers, plumbers, carpenters, and others: what opinion have you of their efficiency?—I have had a good deal of outside commercial work, and have come into contact with building operations, and there seems to be a tendency for less work and poorer quality. There are an increasing number of people who receive good technical training. But the provisions of the Arbitration Act have increased the cost of living. There has been a lack of grading; there has been too much levelling down to a minimum wage. I believe in arbitration, but it has had this effect. A highly paid man is not the most expensive. The highest-paid boot operatives live in Massachusetts, but the boots from there compete with other boots.

6. *The Chairman.*] Are you speaking of your own knowledge in Arbitration awards? Do you know that about 60 per cent. of the men are paid above the minimum wage?—I should not think it was that. In Birmingham, for instance, the men are moved from one grade to another; there are four grades. This applies to brassfounders. The Conciliation Council makes the changes, and there are sixteen men's representatives and sixteen employers' representatives on this Council. A system of fines prevails for wrongful classification. Something of that sort would tend to increase the efficiency of the workmen. Another thing that increases the cost is that there are different awards for different trades, such as cabinetmakers and carpenters. Different wages in different branches often mean that workers demand the higher wage of one branch, and so the cost of the work goes up.

7. But the minimum merely shows a point below which a man shall not work: is not that efficient?—No, it does not seem to work. Often there are not 5 per cent. of the men getting more than the minimum, so the employers tell me. I have discussed this with employees too, and the efficient ones favour this grading idea. There is a very large percentage of inefficient workmen that have to be employed, on account of the great demand, and many employers will tell you they make the money out of the less efficient. In my opinion artificial salaries would be detrimental in the country. The whole prosperity of New Zealand depends on the produce. The prices are regulated outside New Zealand, and by bolstering up many trades to employ a few workmen we have every time landed the extra cost on to the man on the land. This is responsible for the "white slavery" in the country districts—in dairy districts. The children have to milk night and morning, because the farmer cannot get cheap labour otherwise, and then the children were not in a suitable state for educating. I have this direct from the teachers themselves. [Witness referred to a scheme instituted in South Africa to overcome these difficulties.]

8. *Mr. Veitch.*] How do you propose to get labour to go to the country districts?—That is the problem of the world at the present time. I merely say that I think the bolstering up of trades in which a small number of workers only are engaged has tended to make labour more difficult in the country. Naturally, this country should be the cheapest to live in, and the fact that it is expensive to live in is brought about by artificial means.

9. In what way?—By import duties—by protection.

10. Then, you propose free trade?—Not universally, but in some trades it is better to have an open market.

11. But if there are only a few men employed that will not supply country labour?—But everybody has to pay for these trades.

12. *Mr. Hall.*] Have you a large number of young people going to the domestic-science classes?—All the girls in the schools are compelled to take a certain amount, but the number doing domestic work only is not large—about forty or fifty. I think more should do so. I am afraid the girls do not think it is important.

13. *Mr. Fairbairn.*] The compulsory stage is confined to the public schools—primary and secondary schools?—In all the primary schools in Auckland City and suburbs, but in the backblocks we cannot provide it. It is compulsory wherever there is a technical school. In the secondary school every girl has to devote a certain number of hours per week to this subject, taken from ordinary school work. Less time is devoted to, say, arithmetic or English. Two hours per week is given to domestic science for the girls, and the boys go to manual work. The pupils are keenly interested in this, and the natural function of every girl is to become a wife and mother.

14. But beyond the compulsory stage the girls will not go in for the work?—A comparatively small number of girls follow up the full course; the opportunities for girls in commercial life are so great.

15. *Mr. Robertson.*] You thought there was a decline in efficiency of different trades?—Yes; I refer to both quality and quantity. The men do less work, and work of a poorer quality. I was speaking from my own experience as builder of schools, and in association with employers who have informed me of the general conditions.

16. Do you not think the machinery work in the way of making mouldings, &c., tends to give the worker less training?—Yes, that is so; but there are various things which every man has to do, and the tendency to do these things less well is apparent all round; they do not bother so much.

17. But is there not a tendency to prefer the man who can saw and drive nails quickly?—Yes, that is so. Employers do make this selection. The employers are largely to blame for this decrease in efficiency. Even in unskilled labour, such as weatherboarding, there are grades of good and bad work.

18. *The Chairman.*] But do you not want the men all paid the same—the first-class weatherboarder and the first-class joiner?—Yes, for first-class men.

19. *Mr. Robertson.*] With regard to the effect of high wages—the increase of cost of production: would that not apply to flaxmilling and other trades not so protected?—The coal-miners are paid by Arbitration awards, or their wages are the outcome of other wages fixed by the Arbitration Act.



The flaxmillers are outside the protection, but they have to compete with the world's supply, on [the world's market.

20. You do not think high land-values have anything to do with the cost of living?—I think they have a great deal to do with it.

ARCHIBALD KENT, Baker, Newmarket, examined on oath. (No. 157.)

1. *The Chairman.*] Have you been a baker long?—Since I was a boy.

2. Over ten years?—Yes, more than that. The price of bread was lowered in June, 1910, for a 2 lb. loaf on account of lowering of flour; it was lowered from 4d. to 3½d. per 2 lb. loaf; and five months previous to the commencement of the Co-operative Bakery in Auckland, and subsequent to the Co-operative Bakery starting, it was lowered to 3d. per 2 lb. loaf. It was stated the bakers put on ½d. per loaf when there is a £1 rise in flour. No rise takes place until £2 10s. is put on the flour. Say, the bread is 3½d. per loaf; then, say, £2 10s. is put on flour; then we would call a meeting to consider putting on ½d. per loaf.

3. *Mr. Fairbairn.*] Does flour ever go up £2 10s.?—No, not at once; it goes up 10s. per ton at a time, as a rule.

4. *Mr. Leadley.*] When would you reduce the price?—When it goes down the £2 10s.; but generally we are compelled to bring the price down before we should, through competition of non-employers among the bakers. There are seventy-four master bakers in Auckland. The reduction would be ½d. per 2 lb. loaf. It has been stated that the delivery was dearer to the Co-operative than to the master bakers; that is not the case. I received this evidence from one of the directors of the Co-operative. He said he was doing 1,000 loaves per day, with three carts—over 300 per day per cart. I find on inquiry that the general delivery is 200 small loaves per day per cart; that is the average. Most of those workers who joined the Co-operative are men who have families. Two loaves a day is a good customer; and many such customers belong to the Co-operative. In many cases the shops sell at the same prices as the carts. The general price to boarding-houses is 3s. per dozen—that is, ½d. per loaf less. Practically speaking, a baker does not get more than 3¼d. per loaf. The majority of the trade is wholesale trade. Almost every grocer sells bread.

5. *Mr. Fairbairn.*] What area would the deliveries cover?—We have a cart that does one district alone; he might go into one place with a 1 lb. loaf, then miss several places, and go to another house. Down south the 4 lb. loaf is recognized as a loaf; in Auckland the 2 lb. is reckoned the standard; and many of our customers take 1 lb. loaves. The 200 loaves delivered were 2 lb. loaves.

6. *Dr. Hight.*] Less bread is taken now than formerly?—Yes. One lady gave me the explanation that it was no use cutting lunches for her sons; they go to the restaurants. The servant-girl problem induces families to dine at restaurants.

*The Chairman.*] But they would eat the bread at the restaurant?—Yes, but that is wholesale trade. The bread there is sold as low as 2½d. sometimes. There is no regulation price about that at all. The Co-operative director gave me some further information. A witness stated that the profits were first devoted to make the capital larger in the Co-operative. As a fact, there was a loss; there were no profits. I am referring to the first year's operations of the Co-operative Association. This is only hearsay evidence. It would be better to get the balance-sheet for the year ending June, 1911. The reason the bread was raised was because it did not pay at 3d. per loaf. Flour is dearer by 50 per cent. than in 1901. It was £6 10s. to £7; it is now £9 10s. to £10. 1901 was an exceptional year; there was a great surplus of flour in Australia. There has been no great fluctuation in prices for the last three years.

8. *Mr. Robertson.*] The drop in the bread was owing to the drop in the flour?—Yes, I am sure of that.

9. The figures for flour in 1909, ten guineas, and 1910, £10, are given to us by a miller: does that justify a difference of ½d. per loaf?—That depends on the rate of decrease or increase in flour, as I explained before.

10. Can you give us the price of flour in June, 1910?—No.

11. What are the objects of the Bakers' Association?—To assist the trade generally; to discuss labour laws and the Arbitration Act. The association is registered, and any one can see the regulations.

12. What are the declared objects?—I could pass the rules in to the Commission.

13. *Dr. Hight.*] The price of flour is not the only item?—No; horse-feed has gone up.

14. Do you find that before the £2 10s. increase applies to flour you have to raise the prices of bread?—It is so long since there was an increase I can hardly say that. It has been proved here conclusively that even the Co-operative could not sell at 3d. per 2 lb. loaf.

15. *Mr. Leadley.*] Was there any attempt at boycott?—No, none whatever.

16. *Mr. Robertson.*] Do you know any flour-merchants that refused to supply the Co-operative?—No. Two refused to supply flour because they thought the Co-operative was not solvent. We charge the same prices delivered or over the counter. Customers residing next to the shop would not give more than the counter price.

17. *Mr. Fairbairn.*] When the price of flour was £6 10s., what was bread?—2½d.

18. *Mr. Hall.*] Is there much loss through bad debts?—It varies greatly according to locality. The "boss" bears the whole responsibility of that.

THURSDAY, 27TH JUNE, 1912.

WILLIAM MORGAN EVANS, Fruit-merchant, Retail and Wholesale, examined on oath. (No. 158.)

1. *The Chairman.*] What have you to say?—The fruit business is ruled by climate and supply and demand.

2. Has fruit risen much in price?—The island fruit has, owing to cyclones; local fruit is much the same. We buy local fruit at auction, and for island fruit we deal on the wharf.

3. What is the difference between the price growers get and the price retail?—About 100 per cent. on some lines; on the lower-class fruit—cooking fruit—it would not average 25 per cent. With dessert and soft fruit a great deal goes bad.

4. Is there any understanding among buyers as to not bidding up—a ring?—Oh, no; I buy all the grapes in the town one day, and another man the next day; we do not buy up the lot, and share.

5. If farmers complain that they get very small prices, why is that?—Because of poor quality sometimes, because of being “topped”—the top is good, but the middle and lower portion of the case are poor quality; that practice is very prevalent.

6. Would it be of benefit to have grading of fruit?—Yes: There should be regulations as to size of cases, too. Many growers cut down the cases, and inexperienced buyers buy at, say, 6s.; but that might be very dear, because the case holds so-much less.

7. What is the price of 40 lb. cases for apples?—The custom is to buy by the case. The bushel cases cost the grower 6s. 6d. per dozen; smaller cases less. There should be a law to have a uniform size of case.

8. Uniform size of case and uniform grade of fruit is what you want?—Yes. That grading would have to be done in the man's own orchard; and the cases should be all the same size. The prohibition of Tonga Islands through blight is the cause of oranges going up in price; we get only one boat per month with oranges from Rarotonga. The hurricanes have spoilt the bananas, too, for the last two years. We expect to get a full supply of bananas from November onwards.

9. *Mr. Hall.*] What size of case do you recommend?—Bushel and half-bushels.

10. What size would that be?—I could not give you the measurements offhand; I could do so later.

11. If graded the fruit would secure a better price?—Yes.

12. Do the “topped” fruits bear any special brand?—Mostly unbranded. If a man grades his fruit and brands it, he would get a better price. There are several brands we always go for now.

13. *Mr. Fairbairn.*] The island fruit is sold by dealing on the wharf: is that always so?—Yes; I think the Harbour Board do allow an auction of overripe fruit.

14. The best fruit is sold on the wharf?—Yes.

15. Do you deal privately for the fruit on the wharf?—Yes.

16. *Dr. Hight.*] Have you been in your present premises long?—Twelve years. The rise in rent has been 50 per cent. The premises are in Queen Street. The rates and taxes have increased too—I pay £10 more than I did ten years ago, I think. The amount is £45 now, as compared with £35.

17. Have the hawkers tended to keep down the price of fruit?—Some say they do, some say they do not; I think it lowers the price myself. The majority of counter-sales are for 6d. worth of fruit—6d. up to 5s.; my 6d. cash-register key is worn out.

18. *Mr. Robertson.*] Is there much loss through bad fruit?—Only in the summer months; I could not say what it works out at. I have bought a thousand bunches of bananas, and have had to get them carted away; they went bad in a night.

19. *Mr. Leadley.*] Do you try to stop this “topping”?—The auctioneers do not seem to care, and we cannot stop it.

20. The cases are opened at auction?—Experienced buyers know the cases which are packed like this; inexperienced buyers do not. The practice is very common. The auctioneers do not take any steps to stop it, in my opinion. We can trace the “topping” fruit—that is, the auctioneers could, but they simply will not concern themselves.

21. *The Chairman.*] The rise in your rent and rates has made fruit dearer to the general public?—I do not think so.

22. *Mr. Hall.*] Do you think some arrangement could be made to put the fruit in cold-storage, and so lengthen the season?—A thousand cases were put in cooler last season; pears do very well; apples come out all right; it all depends on how they are packed.

23. Will not that have a tendency to keep out imported fruit?—My experience of local-grown fruit is that 75 per cent. of it should never come on the market at all. The class of fruit we put in the freezer would fetch as much when it went in as when it came out. Only the best class can be put in. When the public are “biting,” pears might fetch 7s. or 8s. per case; then, perhaps, 10s. per case. Then the pears are put into the market. The public's taste has declined; they are eating something else; and so the pears go down in price. We get about 6d. per pound for the pears when they come out of the freezer.

24. Are any apples imported from Tasmania?—Oh, yes; the Hobart sturmer is the apple with the public.

25. Could not these be supplied locally?—No; we cannot grow as good an apple—not so good in flavour; our climate is against the winter apple.

HORATIO NELSON BAGNALL, Tea and Coffee Merchant, examined on oath. (No. 159.)

1. *The Chairman.*—Have you been in business long?—Yes, many years; but I am here as a consumer. I have some books showing prices over the last eighteen years, which I thought would be valuable to you. I have made the following abstract of the prices: they are cash prices to me, as a consumer:—

Article.	1894.		1898.		1912.	
	s.	d.	s.	d.	s.	d.
Cream of tartar, per lb.	1	4	1	4	1	2
Soda, per lb.	0	4	0	4	0	4
Rice, per lb.	0	2 $\frac{1}{3}$	0	2 $\frac{2}{3}$	0	2
Tapioca, per lb.	0	2 $\frac{1}{2}$	..	..	0	3
Marmalade, per lb.	0	7	..	..	0	8
Sugar, per lb.	0	3	0	3	0	2
Raisins, per lb.	0	7	0	7	0	5
Jam, per lb.	0	5	0	5	4 $\frac{1}{2}$ d.	to 5d.
Butter, per lb.	0	11	0	9	1	2
Tea, per lb.	1	8	1	8	1	8
Barley, per lb.	0	2 $\frac{1}{2}$	..	..	0	2
Beef, any part, per lb.	0	3 $\frac{1}{2}$	0	3 $\frac{1}{2}$	from 0	3 $\frac{1}{2}$ *
Kerosene, tin	6	0	6	6	6	0
Oatmeal, per 25 lb.	2	9	3	9	3	6
Starch, packet..	2	4	2	3	2	3
Flour, 100 lb.	10	0	15	0	11	0
Bread, 2 lb.	0	3	0	3 $\frac{1}{2}$	0	3 $\frac{1}{2}$
Currants, per lb.	0	5	0	6	0	5
Candles, per lb.	0	8	0	8	0	6
Matches, doz. tins	1	0	1	6	1	6
Potatoes, cwt.	..	..	9	0	6	0

2. What is the general tendency of that?—In seven articles there has been a small rise; in seven a small fall, and seven are about the same. I have taken twenty-one articles altogether. The prices are therefore practically the same as they were eighteen years ago. Sugar is cheaper now than then; bread is the same; flour is cheaper. With regard to the cost of living, my experience is that clothing is about the same as thirty years ago—or, rather, cheaper. A pound will go further in cash than at any previous time; boots of the same quality can be bought cheaper; writing-materials are cheaper; books are much cheaper; timber is much higher. Nowadays men are buying pianos and sewing-machines on the instalment plan; also for jewellery; also industrial insurance, insurance for children, payments being made from week to week; these are all coming out of the wages class, not the salaried man.

3. On the whole, do you think the time-payment system is bad?—Oh, no, it is a good thing; it enables people to buy necessaries they could not otherwise get; leaving out the jewelleries, the things bought are necessaries. The amount spent on amusements and entertainments and sport has much increased; these things are much more favoured.

4. Do you not think the Press encourages this, giving columns and columns to football?—No, the people want this; they of their own accord spend much more on races and games and sports. These are avenues of expenditure, and eat up the income of the people. But, notwithstanding all these avenues of expenditure, while the population has increased 52 $\frac{1}{2}$  per cent. since 1895, the accounts in the Savings-bank have increased 250 per cent., or thereabouts; while the total credits have increased over 300 per cent. Savings-banks are used by the class mostly interested in the cost of living—wage class and small shopkeepers. The total credit increased from £462,000 to £1,410,000; that was from the Year-book for 1910. The average credit per head rose from £28 5s. in 1895 to £37 1s. 3d. in 1910. It seems to me, therefore, that the cost of living cannot have increased so phenomenally.

5. They can afford to go to sport more, you say, and yet save more?—Yes, that is so. Out of every twenty persons you meet in the street, nine of them have a savings-bank account. In 1895 the number was 163,513; in 1910, 408,770; that is from Year-book for 1910.

6. *Mr. Fairbairn.*] I think there is something inconsistent in these figures: the figures will not balance, if each depositor has £37?—The deposits are £14,104,000, not £1,410,000 as given above. During the same period the totalisator investments went up 290 per cent.

ALFRED GEORGE TOOLEY, Caretaker of Grammar School, examined on oath. (No. 160.)

1. *The Chairman.*] You have some evidence *re* buying fruit, I believe?—Yes, I have bought fruit for home consumption.

2. Do you bid at the auction sales?—Yes.

3. Was there a free hand given you? Was there any suspicion of any ring?—No, I have never noticed one.

4. What condition did you get the fruit in?—Sometimes they were good on top and poor underneath; but generally the fruit was according to the sample.

5. Has the price of fruit gone up in late years?—Slightly; not very much; not to add greatly to the cost of living.

6. Have you noticed any rise in cost of living generally?—Generally speaking, it costs more to live now.

7. Because you want better things, or has the price risen very much?—The latter. Milk and bread and butter have risen in price.

8. *Mr. Hall.*] Have you bought much fruit this season?—Twenty or thirty cases—apples, plums, peaches, and pears. The average price would depend on the time of the season; sometimes it was very cheap; and it would vary in quality. At present apples are 3s. to 7s. per bushel case.

9. And in the height of the season, what is the price?—About 2s. to 4s. The 2s. case would be a poor, small case.

10. *Mr. Fairbairn.*] Have you ever bought island fruit?—Only oranges; that was from the auction sales.

11. Is not most of it sold on the wharves?—Oranges are sold on Tuesdays and Fridays in the auction-marts. I have seen oranges and bananas on many occasions sold by auction, I know.

12. *Dr. Hight.*] What do you save per week by buying fruit and vegetables at auction rather than at shops?—Several shillings per week, I should say, approximately.

13. What would you spend on fruit and vegetables?—That would depend on the season.

14. Would 2s. 6d. per week all the year round be too low?—Too low, taking the average all the year round. I have six in my household—four children. You can buy a dozen bunches of carrots and parsnips; cauliflowers are put up in dozen lots, and also in sacks.

15. Do you have to take a dozen?—No; sometimes six at a time.

16. The ordinary householder has equal chance with shopkeepers?—In two marts, at least. I buy in several marts, but only in two as a rule.

17. *Mr. Leadley.*] You think living has increased in cost?—Yes; bread and butter and milk are more; rent does not affect me.

18. Is the rise due to other articles demanded, regarded formerly as luxuries?—Bread and butter are necessaries.

19. Is the rise attributable to rise in necessaries, or attributable to luxuries and recreations?—I think the increase is chiefly on the necessaries—in articles of everyday use.

20. *Mr. Hall.*] You speak of making a considerable saving: what does it cost for delivery?—We are living so close that practically delivery costs me nothing; I get the fruit myself, or my boys do. As a rule, delivery costs 1s. or 1s. 6d. for several cases.

21. Could the auctioneers make some arrangement to deliver?—I fancy the auctioneers do deliver fruit for any householders.

22. Suppose you go early in the morning, can you buy privately?—Oh, yes; the storeman will sell at market value. I generally bid for my fruit under the hammer.

JAMES HENRY GUNSON, Grain and Produce Merchant, Chairman of Harbour Board, examined on oath. (No. 161.)

1. *The Chairman.*] Have you a statement to make?—Yes. The cost of living I would term as the monetary cost to the individual or to the family to reasonably and adequately provide in a general way for—(1) The articles of food and clothing which are necessary to maintain sound health; (2) comfortable and sanitary housing, with attendant conveniences; (3) a liberal education to children and youth; (4) an excess of revenue over expenditure sufficient to meet the claims arising from the vicissitudes of life and provide for old age. I have been connected with the grain and produce trade of this city for twenty years; the principal lines handled are potatoes, onions, cereals, flour, chaff. Prices fluctuate considerably, markets are always changing; the principal and main factor in such is that of supply and demand. Instancing potatoes as a staple and principal food, the prices depend upon—(1) The season's crops, (2) the export trade. When the area is large and the yields good, prices are, as a rule, low. For the first three months of this year values were down to a figure £3 to £4 per ton—cheap to the public, but unprofitable alike to the grower and the merchant. The markets were glutted with no export outlet, under those conditions prices are always low. Prices are higher now by 50 per cent., owing to the North Island crops being exhausted and the South Island yield light. Also, there is a prospect of continued Australian trade, in which market prices are at present abnormally high. Prices are just as likely to be low as they are likely to be high, say, in December next; it is a matter entirely of season and crops. One, therefore, could not say that there has been any marked increase in cost to the consumer during the last ten or fifteen years. Low prices are felt more both by the grower and merchant to-day owing to the increased cost of labour. The cost of distributing the produce from the grower to the consumer is reasonable. Onions and cereals might be referred to in the same manner. The farmer wins his livelihood from the land; upon his produce the city population largely subsists. In this young country, fortunately, the farmer is protected by Customs tariff—take chaff, for instance. Last year, despite a duty of £1 per ton, thousands of tons of chaff were imported into New Zealand. Under an ordinary system, Australia, at our door, with her extensive and abundant crops, would, were there no New Zealand duty against her, completely wipe out our farming industry, demoralize our trade, and absorb annually from this country a very large amount of money. This also refers to flour-milling and many kindred industries. Speaking broadly, there has not been any appreciable increase during the last two decades in the cost of living as far as the main articles of produce, such as potatoes, onions, &c., are concerned. Possibly, given similar conditions of markets and export trade in 1913 as existed, say, in 1895 or 1900, prices to the public would show some slight increase, which would be due to the increased cost of handling, but this on produce lines would not be appreciable.

2. Have you found that the cost of living generally has increased?—Generally speaking, I think it has, but not to the extent commonly thought.

3. Do you attribute that to increased rents?—Undoubtedly increased rents form a large factor in the increase.

4. Is it due to the higher standard of living?—Yes.

5. People are not content with what they were content with ten or twenty years ago?—That is my view.

6. You are in favour of protective duties?—Yes, protection is necessary to ensure stability of industry and protection to the farming community in a young country.

7. *Mr. Veitch.*] *Re* your statement as to Australia wiping out our farming industry?—Yes, I believe that. I refer largely to produce lines—cereals, grains, and root crops; I do not refer to the dairying industry.

8. That only applies to grain and produce?—Yes, my evidence is confined to those lines.

9. *Mr. Hall.*] Do you think the farmers can afford to grow potatoes at the prices realized during the recent glut?—No; it costs £5 or £6 per acre to grow potatoes, and they did not get that in many cases. I think the cost would be £1 per ton to the farmer, and the yield about 6 tons; perhaps it cost £2 10s. to £3 to place potatoes on the market from the farm. The cost on the farm might be £1 10s.

10. *Dr. Hight.*] Has scarcity of labour affected production of potatoes?—No, I think not.

11. What is the cost between wholesaler and retailer?—Presuming merchants gets £6 per ton for potatoes, those would cost the consumer £7 10s.—that is, add on £1 10s. per ton for distributing from wholesaler to retailer, and the retailer's profit. That is, assuming the retailer sells in small quantities, speaking generally, of average lines.

12. You say Australia would wipe out our farming industry, &c.: if we took a great quantity of produce from Australia would we not have to send other stuff to Australia?—Not necessarily. If our produce is drawn from Australia the profit on the growing goes to Australia.

13. If we import all our farm produce, we must give something in return?—We must pay either in cash or kind.

14. Ultimately we must pay in kind—the people must find some employment?—Yes, employment would be directed into other channels.

15. Have the harbour costs and handling costs increased?—Not in harbour charges; there has been no increase for ten years; but the costs of handling have increased.

16. The facilities for landing goods have increased?—Oh, yes; the value of the service we render is very much greater.

17. *Mr. Robertson.*] You excluded the dairy industry, what did you mean?—Take potatoes, they can be grown here at such time as there is a profit for the grower; otherwise they are imported from places where production is cheaper. The dairy industry is different; it is an export trade; we are dependent on European markets for our values in dairy trade. The removal of protective duties would not affect the dairy trade; but with produce the case is different. There would ultimately be a difference caused by removal of butter duty, but at first it would not affect the matter.

18. *Mr. Leadley.*] Do you think, taking a number of years, that the Australian farmers could compete against the New-Zealanders?—Yes; the history of the markets proves conclusively that they could.

19. How do the freight charges affect the matter, as contrasted with freights from southern ports?—They are approximately the same. That should not be so. That is a disadvantage to the New Zealand farmer. The coastal freights are too high. That is due to a monopoly. The freight charge on chaff from Australia is 15s. per ton, and from Lyttelton it is £1 2s. 6d. per ton; there is only the Union Company to carry that from Lyttelton; all opposition that comes along is squashed.

20. What is freight from Australia on wheat?—9s. to 10s.; and from Lyttelton, 9s.; practically the same.

21. Are the supplies chiefly drawn from Australia?—No, not to any appreciable extent; chiefly from the South Island.

22. You said the removal of duty on agricultural produce would destroy our agricultural industry?—I referred to produce.

23. Take wheat—would that be the case in *re* wheat?—It would.

24. Have you any knowledge of cost of growing wheat in Australia and in New Zealand?—From my general knowledge, Australia is much the cheaper place to grow wheat; the conditions are better. There is no question that the Australian farmer could drive out the New Zealand farmer from wheat-growing. I know the average production of wheat in Australia and in New Zealand.

25. What is the average price?—Probably over a period of years, 3s. 3d. to 3s. 6d.

26. If we eat 6,000,000 bushels of wheat at 3s. 4d., it means we consumed a million pounds' worth of wheat in New Zealand?—Yes.

27. It would be a national calamity if we had to send out a million sovereigns for wheat?—It would, and there would be many industries affected.

28. The ramifications and benefits are so great you mean?—Yes.

29. Felt by every branch of trade?—Yes; and therefore I would strongly oppose the remission of duty.

30. Can you suggest how the unfair advantage can be removed?—I cannot suggest anything; the monopoly is so strong inside and outside the Government that I do not know what to do. Look at the mail contracts and island fruit contracts; undoubtedly the Union Company can wield great influence in high quarters.

31. *The Chairman.*] What about nationalization?—It might be good, but I do not favour nationalization where private enterprise can carry on the business.

32. Supposing the farmers, the wheat-growers, could not grow the wheat so cheaply in New Zealand as in Australia: is it worth while bolstering up the New Zealand grower?—I believe that the position would be greatly prejudiced, owing to the number of industries involved.

33. *Mr. Leadley.*] Supposing the farmers devoted their land to other things, and there was a shortage of wheat in Australia?—If the wheat-growing in New Zealand was substituted by growing other grains, with the same ramifications in other industries, the effect would not be detrimental. If there was a drought in Australia, we might have to turn to Canada and India and other places; we might have to get it from places where there was sweated labour.

34. *Dr. Hight.*] You consider the trade would be much more unstable with a system of free trade ?—Yes, our supply would be uncertain, and our business would be spread to every quarter of the globe.

35. If we imported all our wheat you do not hold we should have to send out so many million sovereigns ?—Oh, no, that would be absurd.

36. *Mr. Fairbairn.*] Is much wheat imported from Australia ?—Not very much. Between New Zealand and Australia there exists considerable feeling, and much improvement might be effected in the tariffs, to the advantage of both countries.

37. *Mr. Veitch.*] Do you think the wheat-growing is declining in New Zealand ?—I do not think statistics bear that out.

38. Assuming your prediction is sound, that the price of wheat would go up if you took off the tariff, would not the New Zealand farmers go in for wheat-growing ?—Yes, during a year of high prices ; but the prices would vary, and the farmers would not go in for wheat-growing regularly.

39. You think the bringing in of cheap Australian wheat would bring down the price here ?—Yes.

40. And the farmer would cease to produce ?—Yes. Nothing we could do would influence the world's price ; the Australian prices and the New Zealand prices are governed by that. Our wheat would be imported without the duty from Australia at lower prices than it can be grown in New Zealand. It is not only the question of wheat ; flour is manufactured in Australia cheaper than in New Zealand ; and the importation of Australian flour would knock out the New Zealand millers. Australian prices are, as a rule, very much lower than New Zealand prices ; the New Zealand millers work under greater costs.

41. The prices here are higher than the world's market, you infer ?—Yes.

42. Where can the famine price come in ?—If it were only the matter of flour alone, undoubtedly the New Zealand public could get cheaper flour from Australia ; in face of the duty the Australian can now be sold cheaper ; if it were only the flour, remove the duty I should say ; but the ramifications are so wide in the industrial world here that remitting the duty would be a bad thing.

43. So long as supplies are available from Australia there would not be famine prices ?—No ; I did not mean to infer that there would be.

44. *Mr. Hall.*] Is any flour dumped into this market ?—They do not dump their surpluses, but Australian flour is sold here lower than in the Australian markets this year ; generally that is not so.

45. If prices for grain were unremunerative, farmers might divert their work into other channels : would they not be more likely to leave New Zealand for Australia if prices there were better ?—There might be a tendency ; farmers to-day are abandoning grain-growing and taking up dairying, because that is more profitable to-day.

46. *To Mr. Leadley.*] The freight on chaff was 15s. per ton for 1,000 tons from Victoria, and £1 2s. 6d. per ton from Lyttelton, subject to 10 per cent. advance.

THOMAS BELL, Manager, Union Soap, Oil, and Candle Factory, examined on oath. (No. 162.)

1. *The Chairman.*] Has there been any discrimination to customers ?—There has, and there has not ; it is a wide question. The larger portion of the common soaps are open to anybody ; retailers can buy half a ton of soap, and take delivery within six months with 10 per cent. and 2½ per cent. ; there is no advantage to the merchants. In other lines we have worked up a trade, and now labour and timber is higher, and we try to get a fair profit, and to let retailers get a fair profit too. We think we have a right to say what price the goods should be sold at. There are hundreds of other brands on the market for soaps, &c.

2. Do you issue instructions to sell at certain rates ?—Yes ; not below certain prices. There is an agreement\* to that effect.

3. *Mr. Veitch.*] Is there a retailers' association ?—I do not know.

4. Are you associated with the Merchants' Association ?—Yes, the wholesale association gets certain discounts on two proprietary lines that the retail man does not. We do not keep travellers on the road at all, and we trust the wholesalers to get orders, and they get a special discount on that account. We supply retailers as well, as explained.

5. Do you fix the selling-prices in order that retailers shall not undersell ?—The retailers can sell at what prices they wish, provided they do not go below a certain price.

6. Do you insist on retailers selling at such a price as will guarantee wholesalers a profit ?—With certain lines we expect the retailers to sell at certain prices ; that applies to some lines only ; say, 90 per cent. is sold as the retailers wish, 10 per cent. of it is sold on fixed prices ; that is to prevent the soaps being sold at less than cost price. There are always people in business who cut on particular lines, and we want to prevent that. Candles have been sold at ¼d. per pound below cost.

7. Why should you prevent retailers making some of the lines cutting lines ?—We have been for years trying to get a good trade on certain lines, and why should we allow soap to be sold at ½d. per bar below cost. We cannot fix prices on all lines, because there is so much competition.

8. With free and open competition, would not soap find its way cheaper to the consumer ?—No, it is as cheap now as it can be made, and the price is brought down by competition.

9. *Mr. Fairbairn.*] You spoke of the market being free—with English, American, and German soaps—what protection have you got on imported soaps ?—I do not know what it is on Australian soap ; on toilet soap it is one duty, on common soap another. On common soap it is £5 per ton. That would not be a £10 protection. There is an imported soap that is sold 50 per cent. higher than our price for similar quality.

10. Is there any common understanding between your firm and the merchants *re* certain discounts ?—No, nothing beyond the usual trade relations, and my reply to a former question *re* the Merchants' Association.

\* Witness subsequently altered this word to "understanding."

11. Have you discontinued a wholesale discount to a certain firm who agreed to your selling conditions, but are not members of the Merchants' Association?—T. H. Hall has nothing to complain of; they are getting goods on the same terms.

12. We have your letters saying you refused to supply candles?—He is getting them now at the same prices as others. We were asked to supply at the same price for two years, but if the price went down he was to get the benefit.

13. There is no reference in the correspondence to this?—Perhaps not; but if he was not a member of the Wholesale Merchants' Association he would not get the discount. He was refused on that account.

14. *Mr. Leadley.*] You said if a retailer were to sell your soaps at  $\frac{1}{2}$ d. per bar below cost, that would ruin your trade?—Because the grocers would not sell our goods on those terms; one man would undercut, and the others would drop that line out; unless the public absolutely demanded the goods, the grocers would not keep them. The undercutting would drive the other grocers out; they would not want it from us; and so our trade would suffer.

15. *Mr. Fairbairn.*] Do you mean the supplier of an article, after disposal of goods, should dictate the prices?—I think we have that right; I would sell it with the understanding that you should sell at certain prices.

THOMAS LONG, Workers' Union Secretary, examined on oath. (No. 163.)

*Witness:* I desire to say at the outset that I regret I have not had the opportunity of going into this matter fully, as I have been absent from Auckland for ten days.

1. *The Chairman.*] You have been resident here for some years?—Eighteen years.

2. Have a wide acquaintance with the workers?—Yes.

3. Has the cost of living increased, in your opinion?—Yes.

4. What are the main increases?—Rents.

5. Can you give us any information as to the rise in cost of living?—I know of cottages that twelve years ago were rented at 8s. per week, and to-day the tenant—the same tenant sometimes—is paying 14s.

6. Have improvements been made in the meantime?—At least two, so far as the inside of the house is concerned, have not been improved at all; they have simply been painted outside, and connected with drainage and sewage systems.

7. Do you think clothing has gone up?—It is some years ago since I have worn dungarees, so I cannot say if they have increased.

8. What about food?—I might refer particularly to the price of coal. Mr. Winstone made much of the fact that the retailers were only making 6s. 3d. per ton profit—gross profit. I want to place this fact on record: coal was retailed in Auckland at 24s. per ton.

9. Per sack, or whole ton, or what?—That was the price per quarter ton, three sacks, delivered by coal-dealers; that was Taupiri coal—household coal. This was the best household coal. If you bought a single sack; you paid more. Now we pay extra for quarter-ton lots. I think it is 34s. per ton—34s. per ton for quarter-ton lots.

10. *Dr. Hight.*] The price for 1902 was given at 27s. per ton?—I have not that price—only the price for 1904 as given.

11. *Mr. Fairbairn.*] Have you anything to support your prices?—My authority is the man who delivered the coal. I will undertake to get some documentary evidence as to this.

12. *The Chairman.*] Have you anything more to tell us about coal?—In the opinion of our people, there is a ring controlling the coal. The Coal-dealers' Association is a very close corporation; it is not possible for anybody to obtain supplies unless he is a member of that association; further, he has to enter into a bond not to sell coal below that price, and if he violates that agreement the supplies are stopped, and there is a penalty of £25, I understand.

13. You are speaking of your belief: of your own knowledge, can you state these facts, or can you produce anybody?—I have this from a man who was until recently in the coal-dealing business.

14. Can you give his name?—I will hand it to the Chairman in writing, not for publication.

15. Is that man still in business?—No, he has retired; but he was in business here.

16. Have you anything more to say?—In one of the unions of which I am secretary the majority of the members are working at two guineas per week—the Brewers' and Aerated Water Employees—they are bottling-house labourers, and are getting only two guineas per week. That is not a living wage. Some of these men take on other jobs at night, for the purpose of being able to live in decency—they are doorkeepers at theatres, and some fold newspapers, and so on. Certainly, 42s. to 45s. per week does not give a man an opportunity of living decently and making provision for sickness and unemployment.

17. If the cost of living has increased, these wages should have been increased?—That is my contention. The wages of the men in the aerated-water factories have not increased since 1907. This notwithstanding the fact that we placed before the Arbitration Court facts not refuted by employers as to increased cost of living and house rent in general; and the Court did not see its way to give the increase.

18. This Commission cannot listen to reflections on the Arbitration Court, you will understand?—Oh, yes; I do not desire to cast reflections; but merely to point out that the cost of living has gone up and the wages have not.

19. Have you copies of any statements in regard to cost of living?—I have one man's statement, as made in the Arbitration Court; it has been sworn to. I can produce that, I believe.

20. Have you observed men at work lately?—Yes; I am often in the factories and other places,



21. Do the men work in less efficient and less hearty manner than years ago?—No, certainly not.
22. *Mr. Veitch.*] To what do you attribute high rents?—Inflated land-values.
23. You spoke of wages of brewery and aerated-water employees: the increase in the price of beer has not benefited those workers?—There has been no increase in the price of beer; but aerated waters have increased. Some considerable time ago there was an association like the Coal-dealers' Association, and the aerated-water sellers were under agreement not to sell below certain rates. I know this for a fact. Then cut-throat competition was started, and the prices went down to 7d. per dozen, after the ring burst.
24. What was that for?—1s. 7d. for bottles and contents—1s. for bottles and 7d. for contents. It was 2s. per dozen before—the drop was 5d.
25. Do you know anything about casual labour?—I have seen a good deal of this, some four years ago, but not since then.
26. It has been stated that there is a great shortage of farm labour: why do not the town labourers go into the country?—My explanation is that the farm labourer has no protection—not the same protection as other classes of labour; he has no scale of wages or schedule of hours; they are at the mercy of their employers as to hours and wages.
27. Would the effect be that a man with a good employer would be well off, and with a poor employer he would be badly off?—Yes. There is no certainty of regular employment. The farmers have made a great howl of scarcity of labour, but wherever the trades-unions have tried to fill that scarcity they are up in arms. The conditions regarding farm labourers will not entice men to leave the cities; the conditions in the cities are better.
28. *Mr. Hall.*] If there is the scarcity of labour, cannot a man get work on another farm?—Well, round about our district there are no agricultural labourers employed, except men on dairy farms. These are the men required particularly, and I believe they have a good deal of difficulty in getting men for this, because the wages are so poor, and the conditions are not of such a character as would induce them to start at 3 a.m. or 4 a.m., and work late at night. I know what these conditions are from quite recent knowledge.
29. But cannot a man save more money in the country than in the town?—Maybe he is perhaps in an outlying district where there is no possibility of spending it; but there is no analogy between the farm labourer and the city worker at, say, £3 per week.
30. I have worked on farms, and I did not find the conditions such as you describe?—Perhaps you had a good and reasonable farmer as employer. The majority of them are such.
31. What district were the rents in to which you referred?—Parnell. The houses were four and five rooms and kitchen.
32. *Mr. Fairbairn.*] We are told that any one can get a truck of household coal delivered at railway, and take delivery on their own account?—My information leads me to believe that this is not possible, if you are going to retail the coal. I know business people do get their own coal, but not if they are to retail it. This is to the best of my knowledge.
33. Can you get us this information?—Yes. But the working-man does not want to buy a truck.
34. *The Chairman.*] Could a group buy a truck-load and divide among themselves?—I do not know; to the best of my knowledge, they could not get it.
35. *Mr. Fairbairn.*] Could you buy truck lots, and please yourself what you did with it?—I do not think so.
36. *Dr. Hight.*] Can you say why the wages of the bottlers have not increased?—I wish I could. I can advance strong reasons why they should have been increased. The Arbitration Court did not advance them, and it does not give any reasons for its decisions.
37. *Mr. Leadley.*—You say the coal-dealers have a close corporation: it has been represented to us that any man with a horse and cart can go into the coal-dealing business?—He cannot obtain his supply unless he is a member of the association, and complies with the rules.
38. You have no recent personal acquaintance with conditions of country life?—Within the past two years I have not worked as a farm labourer, but I have been on farms and have seen the conditions—have seen the shanties in which the men were compelled to live in Helensville, shanties that were a disgrace to civilization. I have no knowledge myself of southern conditions.
39. *The Chairman.*] Have you anything else to add?—We people in the trades-union movement have not had a great deal of opportunity to go into these matters, but we feel that this Commission has not had sufficient power, or has not used it to compel some people to give accurate information. Unless this is done, the report of the Commission will not be so valuable as it might be.
- The Chairman:* Of course, the Commission is fully aware of its powers, and is the best guide as to its own conduct.
- Witness:* I was merely referring to some witnesses who have refused to give evidence.
- The Chairman:* The Commission will deal with those people later.
- Witness:* We believe the workers' wives should have been called to give evidence as to cost of living: they are more conversant with the exact cost of living.
- The Chairman:* It is the rise we want, the exact accurate rise; but we find we cannot get very much accurate information by documentary evidence of such rises from the housewives. Perhaps you could give us such a comparative statement, and that would be very valuable to us.
- Witness:* Yes, I can get such statements from a number of workers' wives.

GEORGE CHARLES GARLICK, Furniture Warehouseman, examined on oath. (No. 164.)

1. *The Chairman.*] Could you tell us if the cost of furniture has risen during the last ten or twenty years?—It must have risen on account of wages rising.
2. They have risen considerably?—Yes.
3. And the timber?—That has risen. Materials generally fluctuate up and down.

4. How much have wages risen during the last ten years?—I could not say.
  5. You know they have risen considerably?—Yes.
  6. Is the furniture trade an absolutely open market? There is no understanding between furniture-trade makers to limit the output?—It is perfectly free.
  7. Do you sell retail as well as wholesale?—Yes.
  8. Do you find a greater difficulty in getting material of good character than formerly—in seasoned timbers?—No, we get just as good now as formerly; but the price is more. I could not say how much more percentage.
  9. The increased price of furniture would increase the cost of living generally?—It is only natural if wages rise, the cost of furniture must rise, I think.
  10. Is there a more general demand for better class of furniture?—Not from our experience.
  11. Do you work on time-payment system at all?—That wants defining.
  12. Cash down, and monthly payments?—We give ordinary credit.
  13. What is that ordinary credit?—That I could not say exactly.
  14. You have no business of letting furniture go for small deposit and the remainder paid in instalments?—I could not say anything about this.
  15. *Mr. Leadley.*] Is the class of goods demanded of a more expensive and luxurious character than formerly by the wage-earning classes?—I could not say. We do not cater for that class of trade. Ours is high-class trade.
  16. *Mr. Robertson.*] How much have wages risen in the last ten years?—I could not say.
  17. Nor as to the rise in cost of materials?—No.
  18. You are sure the rise in wages has caused prices to go up?—It could not do otherwise. The awards of the Arbitration Court advance every time, and so the price must go up.
  19. But sometimes these rises are counteracted by improvements in machinery?—Not in ours.
  20. You use a good deal of timber?—Yes; that fluctuates every season in prices.
  21. Do you use much flax-tow?—Very little; I do not know anything about the prices.
  22. Rents have increased in the meantime?—They say so; I do not rent any premises. Ours is all freehold.
  23. The site-value has increased?—Yes.
  24. And you allow 5 per cent. for capital value?—Yes, about that.
  25. How much has that amount increased?—I could not say.
  26. *Dr. Hight.*] You say the materials fluctuate in price: is there a perceptible trend upwards?—Yes. That is brought about by the strikes at the present time.
  27. Does the labour-cost form a large proportion of the total cost of producing furniture?—That I cannot say offhand.
  28. *Mr. Fairbairn.*] In connection with the cost of timber, it is a matter of common knowledge that kauri and figured red-pine has increased?—Nearly all our timber is that.
  29. Then your timber-charges have gone up?—Yes. There has been no advance in oak or walnut—it is the other way about: they are lower. Veneers are at a discount, because they are out of date.
  30. Mostly, you use kauri and figured red-pine?—Yes, and they have advanced.
  31. When goods are sold on time payments, there is a bailment, and the seller never parts with his property until the last payment is made?—I am not prepared to answer that question. It has nothing to do with the cost of living. I have been advised not to answer this question.
  32. We do not wish to probe into your affairs?—It is probing into our private business affairs, I think.
  33. You said you did not sell on time payments?—I did.
  34. And now you are not prepared to answer the question?—I have given the answer, No.
  35. Do you not sell furniture on bailments?—I refuse to answer that question.
  36. *Mr. Veitch.*] Your business is protected by tariff: why should that tariff not be removed?—I cannot give any reason.
  37. *Mr. Fairbairn.*] You state that the rise in wages has led to increase of furniture?—Yes.
  38. But the increased cost of timber has had the same effect?—Yes, naturally.
  39. What is the extra cost due to increase of wages?—I could not answer that question.
  40. Could you get that?—I do not feel called upon to get it either.
- Mr. Fairbairn:* I think the Commission had better go into committee. [The Commission adjourned, and considered the matter in committee.]

ARTHUR TOOMAN, Auctioneer of Fruit, &c., examined on oath. (No. 165.)

1. *The Chairman.*] Have you been in Auckland long?—All my life.
2. What is your experience of fruit from the country? Is there good fruit on tops and sides, and poorer in quality in the middle?—Not altogether; it is not dishonestly packed, as a rule; the packing has improved greatly in the last five years. There is still room for improvement. With the large commercial people there is nothing to complain about, but the smaller inexperienced people give some trouble. At present nearly all growers have brands, and the brands are known to the auctioneers.
3. Have you ever remarked that any of the retailers had a conspiracy of silence, and then divided the purchases?—There is more said about that than necessary, speaking from my experience.
4. Can you give us any idea of the percentage put on between auctioneer's hammer and retail-shop price?—About 20 per cent., and I do not consider that too much. I know of no fruiterer who has retired with much money. A great many fruiterers do not pay much rent, except in Queen Street; the city fruiterers have to pay very high rents, particularly at the bottom of Queen Street.
5. *Mr. Hall.*] What sort of season has it been this year?—The prices have been very low this year, owing to surplus supply. All lines are the lowest we have known, and they still keep down; never before in New Zealand have apples been so low. They have realized about 5s. per case. They

have not been much lower for good fruit; but there has been a very large crop of inferior fruit, due to bad season; two-thirds of the apple-supply is second and third class, first class is very short.

6. Could any steps be taken to get the consumer a better supply of fruit?—Not better than the auctioneers' hammer, I think. If the same system were adopted in other parts the people would be better off. I do not think grading could be adopted without great experience. I think cool-storage is satisfactory up to a certain point. The market could be extended in this way, but there is a limit to how long fruit can stand in the cool-storage. Fruit must deteriorate in the cool store after a certain time. Apples are on the market now that have not been put in cool store. Auckland apples do not keep so well as South Island apples.

7. Is much imported fruit brought in here that could be grown here?—There is a fair quantity coming, but the imports are being reduced every year, as local production increases. This season we expect very few apples from Tasmania, because the Sydney market will be higher than the New Zealand. There is a protection of 4s. per case on Tasmanian apples for duty and freight, &c.

8. Do you deliver fruit?—Yes; but we have no regular rate for customers.

9. *Mr. Fairbairn.*] Do you sell island fruit?—Yes; the bulk is sold privately at the ship's side. People can buy a case or more at auction. The average gross profit over cost would be about 20 per cent. on fruit. There are many fruiterers cutting in the trade.

10. We had evidence that a case of 40 lb. at 7s. was sold at 6d. per pound?—That might be; in some shops 6d. per pound would be charged, and the same fruit might be sold further up the street for 3d. or 4d.

11. What is the usual quantity of fruit sold?—75 per cent. of the sales [would be for 6d. worth.

12. *Mr. Leadley.*] Did you say that never had prices been so low as this year?—Yes.

13. Does that refer to fruit generally?—Yes, and to apples in particular.

14. *Mr. Hall.*] Do you attribute that to there being far more orchards planted and coming into bearing?—Yes, and there is very poor hope of getting outside markets; we can never export canned fruit or pulp, &c. The only shipment that brought any satisfactory prices fetched only 7s. per case gross in London.

15. *To Mr. Leadley.*] The price of grapes was rather better, I think.

16. Do you mean prices to the grower?—To the grower; but the growers' and consumers' prices should keep pace.

17. *Mr. Hall.*] What would be the charges on this shipment of 7s. apples?—About 4s. per case for charges, I should say; and therefore the grower would get only 3s.

*Re A. J. ENTRICAN, Merchant (subpœnaed).*

*A. J. Entrican*, merchant, declined to give evidence, owing to being a member of the Merchants' Association, and being involved in a case now under consideration by the law-courts of New Zealand.

*Mr. Entrican* was excused on this ground.

*Re E. LANGGUTH, Merchant (subpœnaed).*

*Eugene Langguth*, general merchant, also refused to give evidence, because a member of the Commission in a letter to Parliament—

*The Chairman:* I cannot accept any statement of that kind.

*Mr. Fairbairn:* If I retire, will you give evidence?

*Witness:* No. [Witness withdrew.]

EWAN WILLIAM ALISON, Chairman of Directors of Taupiri Coal-mines, examined on oath. (No. 166.)

1. *The Chairman.*] Can you give us any information *re* prices of coal?—I cannot give you the prices for twenty years, because the Taupiri Coal-mine has only been in existence since 1899, but since then I can quote prices. The following are the relative prices of household and steam coal, per ton, for the years 1900, 1907, 1908, and 1909: 1900—household, 13s.; steam, 9s.; 1907—household, 14s.; steam, 9s. 6d.; 1908—household, 15s.; steam, 10s. 6d.; 1909—household, 16s.; steam, 11s. 6d. The output of the company was—1900, 78,000 tons; 1912, 261,000 tons. The annual dividends paid by the company since its formation thirteen years ago (with the exception of one year when 10 per cent. was paid) have been 7½ per cent., no allowance being made for the exhaustion of coal.

2. What about the surplus profits?—Surplus profit is carried to reserve; that is an ordinary business provision. At the present time the company has a considerable indebtedness, and its capital has been increased from £75,000 in 1899 to £122,000 in 1912. Machinery with increased power has been provided to cope with the greater demand for coal.

3. Is that transaction finished?—Yes; the capital is now £122,000, as compared with £75,000 when the company started.

4. Were the prices per ton you gave the prices at the pit-mouth?—Yes, delivered on railway-trucks at Huntly.

5. *Mr. Veitch.*] Has there been any increase since 1909?—No, not on household or steam coal.

6. *The Chairman.*] Is there any restraint exercised by the company in choosing its customers?—No.

7. Do you know of the Coal-dealers' Association?—Yes, I know of it. We sell on the conditions the company has redelivery of coal—the greater the quantity up to a certain limit the greater the discount. A differential discount based upon the quantity ordered is allowed. There is no understanding of any kind by which coal-merchants or coal-dealers at Auckland are favoured in regard to the price of coal.

8. *Mr. Robertson.*] Those prices you have given are subject to discount?—Yes.

9. *Dr. Hight.*] Can you give us any information as to the causes of increase in prices?—Yes; to the increase in cost of hewing-rates, to increase of wages to both underground and surface workers, and to shortening of hours of labour. In 1909 the hours were eight hours underground, exclusive of meal times; now the hours are eight hours from pit-mouth to pit-mouth, resulting in a reduction of one and a half working-hours. Also there has been passed legislation affecting the working of mines, adding to the cost of production. There is also the increase of mining expenses, a rise in the price of mining materials, increase of taxation, increase of insurance under Workers' Compensation Act, and to loss through strikes.

10. What has been the change in the hewing-rate?—In 1900-3 it was 2s. per ton; from 1903-7, 2s. 2d. per ton; from 1907-12, 2s. 3d. per ton. The wages for miners for the same period were 9s. per shift in 1903 award; in 1907, 10s. per shift; in 1910, 10s. 6d. Only one shift per day is worked on coal, excepting when headings are being driven. The other workers' wages were also raised. I will give the figures for 1903, 1907, and 1910. They are as follows: In the industrial award which took effect on the 17th March, 1903, and continued in operation for two years—to 1905—the hours of labour for underground workers were eight hours per day for five days a week, and on Saturday the men ceased work at 2.30 p.m. The Coal-mines Act then made provision that, subject to the provisions of the Act (1891), a miner shall not be employed underground for a longer period in any day than eight hours, exclusive of meal times; such period of eight hours shall be deemed to commence from the time the miner enters the mine, and to finish when he leaves the mine. Wages: In 1903 the minimum wages for miners were as follows—Miners, 9s. per shift; roadmen, 8s. 6d. per shift; bankers-off, 8s. per shift; onsetters, 8s. per shift; horse-drivers, 7s. per day; youths up to the age of seventeen employed as horse-drivers or for any other class of work not coming within clause 8 hereof shall be paid from 4s. to 6s. a day, according to experience and ability. In 1907 the new award provided that the minimum wages for similar work were as follows: Miners, 10s. per shift; roadmen, 9s. 6d. per shift; rope roadmen, 9s. per shift; onsetters, 9s. per shift; horse-drivers, 7s. 6d. per shift; youths the age of sixteen to eighteen employed as horse-drivers or for any other class of work not coming within clause 8 hereof shall be paid from 4s. 3d. to 6s. 6d. per day, according to experience and ability; over eighteen years of age, if experienced, 7s. 6d. per day. During the first year of this award the union demanded an increase in the wages fixed, and to obviate a strike the company agreed to increase the wages 5 per cent., which increased the total wages for the year by over £2,500. In 1910 the award fixed the miners' minimum wages as follows: Other underground workers shall be paid not less than the following wages—Miners and workers engaged on general shift work, 10s. 6d. per shift; roadmen, 10s. per shift; rope roadmen, 9s. 6d. per shift; onsetters, 9s. 6d. per shift; banksmen, 9s. per shift; horse-drivers, 7s. 10d. per shift; youths of the age of sixteen to eighteen years employed as horse-drivers or on any other class of work not coming within clause 8 hereof shall be paid from 4s. 6d. to 6s. 10d. per day, according to experience and ability; over eighteen years of age, if experienced, 7s. 10d. per day. In the 1903 award the wage of truckers was 8s. per day; in 1907, 8s. 6d. per day; and in 1910, 9s. per day. Double shifting: In 1903 the tonnage rate for hewing coal was 2s. per ton; in 1907 the tonnage rate was 2s. 2d. per ton, and where the grade was one in six or over, 2d. per ton extra; in 1910 the tonnage rate was fixed at 2s. 3d. per ton, and where the grade was one in six or over, 2d. per ton extra. Wet places: The wages paid for miners working in wet places were—In 1903, 9s. per shift, and the hours fixed at six; in 1907 the wages were 10s. per shift, and the hours fixed at six; in 1910 the wages were 10s. 6d. per shift, and the hours fixed at five and a half. Truckers' wages (1903):—"Truckers shall be paid the following rates: From sixteen to seventeen years of age, 4s. per day for the first three months and thereafter 5s. a day. From seventeen to eighteen years of age, if without three months' prior experience, 5s. a day for the first three months and thereafter 6s. a day; if with three months' prior experience, they shall be paid 6s. a day. From eighteen to nineteen years of age, if without three months' prior experience, 6s. a day for the first three months and thereafter 7s. a day; if with three months' prior experience, they shall be paid 7s. a day. Nineteen years and over, if without prior experience, 7s. per day for the first three months and thereafter 8s. per day. Experienced truckers over the age of nineteen years shall be paid 8s. per day." (1907):—"Truckers shall be paid at the following rates: From sixteen to seventeen years of age, 4s. 3d. per day. From seventeen to eighteen years of age, if without three months' prior experience, 5s. 3d. per day for the first three months and thereafter 6s. 3d. per day; if with three months' prior experience, they shall be paid 6s. 3d. per day. From eighteen to nineteen years of age, if without three months' prior experience, 6s. 6d. per day for the first three months and thereafter 7s. 6d. per day. Nineteen years and over, if without prior experience, 7s. 6d. per day for the first three months and thereafter 8s. 6d. per day. Experienced truckers over the age of nineteen shall be paid 8s. 6d. per day. Clippers working on endless rope to be paid the same rate as truckers. (1910):—"Truckers shall be paid at not less than the following rates: From sixteen to seventeen years of age, 4s. 6d. per day. From seventeen to eighteen years of age, if without three months' previous experience, 5s. 6d. per day for the first three months and thereafter 6s. 7d. per day; if they have had three months' previous experience they shall be paid 6s. 7d. per day. From eighteen to nineteen years of age, if without three months' previous experience, 6s. 10d. per day for the first three months and thereafter 7s. 10d. per day. Nineteen years and over, if without previous experience, 7s. 10d. per day for the first three months and thereafter 9s. per day. Experience truckers over the age of nineteen years, 9s. per day. Clippers working on endless rope to be paid at the same rate as truckers. Surface hands:—The wages for surface hands were as follows: Bracemen—1903, 8s. per day; 1907, 8s. 6d. per day; 1910, 9s. per day. Tippers—1903, 8s. per day; 1907, 8s. 6d. per day; 1910, 9s. per day. Blacksmiths—1903, 9s. per day; 1907, 10s. per day; 1910, 10s. 6d. per day. Engine-drivers (first-class certificate)—1903, 9s. per day; 1907, 9s. 6d. per day; 1910, 10s. per day. Winding-engine drivers—1907, 10s. per day; 1910, 10s. 6d. per day. Uncertificated engine-drivers and

firemen—1903, 7s. 6d. per day; 1907, 8s. 6d. per day; 1910, 9s. per day. Carpenters—1903, 9s. per day; 1907, 10s. per day; 1910, 10s. 6d. per day. Holidays:—In 1903 the recognized holidays were: Good Friday, Easter Monday, King's Birthday, Labour Day, Christmas Day; double time being paid for Good Friday, Christmas Day, and New Year's Day, and ordinary time for the other days. In 1907 the recognized holidays were: Ngaruawahia regatta day, Good Friday and Saturday following, Easter Monday, King's Birthday, Labour Day, Christmas Day, and 1st and 2nd January; double time being paid for Good Friday, Christmas Day, and New Year's Day, and ordinary time for the others. In 1910 the holidays were fixed as follows: Ngaruawahia regatta day, Good Friday and Saturday following, Easter Monday, King's Birthday, Labour Day, Christmas Day, Boxing Day, and 1st and 2nd January. For work done on Good Friday, Christmas Day, and New Year's Day double time to be allowed, and ordinary time for the others; the rate of pay on Saturdays being fixed by an amendment of the Coal-mines Act at time and a half. These are extracted from the several awards. I might also mention that in the industrial award made in 1900 not only were the hours of labour fixed at eight hours, but on Saturday the men knocked off at 2.30 p.m.; now the men work six hours and a half and knock off at midday one Saturday, and the next (pay Saturday) they do not work at all.

11. *Mr. Leadley.*] How many hours per week do they work?—The award fixed eight hours bank to bank for miners; their actual working-time is six hours and a half per day for five days, and five hours and half every alternate Saturday.

12. *Dr. Hight.*] Have the increased wages and shorter hours had any effect on the output per man?—Yes, a lessening of the output. For the hours worked I think the output per hour would average about the same as when they worked eight hours.

13. *Mr. Leadley.*] What is the total increase of all these disabilities—the increased cost due to lessened time, &c.?—I could not give that extending over the whole period, but Mr. Justice Cooper remarked in the first award as follows: "In January, 1900, an industrial agreement came into operation; this was the outcome of a dispute which was heard by the Board of Conciliation in November, 1899. The Board then recommended considerable increases in the hewing-rate heretofore paid by the company, and the agreement is almost identical with the particulars recommended. In consequence of such increase the company raised the price of coal. The result of the company's operations since this industrial agreement is that, although the price of coal has been raised by them, the whole of the increased return has been absorbed in the increased cost of production, and the figures appearing in their balance-sheets show a decrease now amounting to about 4,000 tons in their year's production and sales, as compared with the production and sales for the year ending the 31st March, 1900. It does not appear to us that the employees of the company have been underpaid, and the operations of the company will not permit them to pay a higher rate and obtain any reasonable return for the capital invested." That shows that because of the increase of wages for the 1900 award, a rise of 1s. per ton did not compensate for the altered working conditions. In 1907 came fresh demands for increased wages and working conditions, the contention being that a further rise in the price of coal should be made to cover this. Since then there has been a further award made, necessitating another advance of 1s. per ton, but the cost of production to-day is considerably increased.

14. *Dr. Hight.*] Has your company tried to discourage or restrain competition?—It has not encouraged competition, of course.

15. There is an all-round increase?—Yes. Whilst the 1907 award was in operation the men threatened to strike, and the company increased the wages 5 per cent. all round, which cost £2,800 or thereabouts; that was during the currency of an award.

16. *Mr. Fairbairn.*] Your company is a limited liability one?—Yes.

17. With balance-sheets available?—Yes.

18. Does the increase of capital come from profits?—None whatever.

19. What is your reserve fund at present?—From memory, I think it is about £5,000.

20. There has been no disposal of profits except as dividends?—No payment to shareholders, except the 7½ per cent. and the 10 per cent. one year. This year there was a bonus of 3d. per share—this year only.

21. You spoke of improved machinery: has that reduced the cost of getting coal?—The better the working appliances, the less the cost of production; it has reduced the cost, but not appreciably.

22. Manufacturers in other businesses have admitted that although wages have increased 25 per cent. the production has decreased owing to improved machinery?—I cannot say that; our costs have increased every time a new award is made; I cannot offhand say by how much.

23. You gave particulars of prices at Huntly: those are subject to special discounts for quantities?—Yes.

24. If a man wanted to start as a coal-dealer, could he buy on exactly the same terms as his competitors, and be unrestricted as to selling?—Certainly. The company is under no obligations to any one, and the company has never refused any supplies; but it will not supply 20 tons at the same price as 1,000 tons.

25. There is a Coal-dealers' Association: how do they buy?—Through merchants. The merchants have accommodation and yardage, and it would be inadvisable for dealers to buy in any other way; they can buy more conveniently from the merchants. The company has no agreement with the Coal-dealers' Association, and no preference is shown by the company to individuals. The company would not be a party to such agreements. We have had pressure brought to bear to prevent us selling along the railway-line, and there were endeavours to make us sell to dealers only; in fact, they refused for some time to buy because we would not accede to their wishes. Anybody can buy a truck of coal along the railway-line.

26. *Mr. Veitch.*] It would not make any difference a person being or not being a member of the Dealers' Association?—Not to any dealer. None at all, but differential rates apply to quantities.

27. Is  $7\frac{1}{2}$  per cent. paid on original value of shares?—Yes, on existing capital, par value.
28. Are the shares above par?—They are selling at 21s. for £1 share; they are generally under par. The  $7\frac{1}{2}$  per cent. is on the par value.
29. *Mr. Leadley.*] Have the surface-men received increases?—Yes, that is shown on the return read in. There was an all-round increase. Horse-drivers in 1903 got 7s.; in 1907, 7s. 6d.; in 1910, 7s. 10d. per shift. The engine-drivers also had an increase.
30. There is nothing to prevent a group of workmen clubbing together and buying a truck of coal?—We do not deal in that way; to do so would necessitate an altered system of dealing with the coal. The company would require to have yards, and further accommodation. There are two ways of dealing with output—to sell to coal-merchants with discounts, or to distribute retail. The directors are of opinion that it is not in the interests of the company to become retailers, because the expenses in connection with the retail business are very heavy, and entail considerable responsibilities.
31. *Mr. Veitch.*] With regard to machinery, this was partly paid for out of increased share capital?—I said the share capital of the company had been increased from £75,000 to £120,000.
32. You called up fresh capital?—Yes.
33. None of the profits went into that?—A certain amount of the working-expenses always goes into plant and development.
34. A considerable amount of expenditure in the mines is due to increased wages?—Yes.
35. Could you give the Commission a statement showing exactly to what extent that applies—approximately?—That would take a good deal of working out; it would mean going over the whole working business of the company from the start. The reasons I have given for increased cost of production are not merely due to increase of wages. If machinery works six hours and a half it will not give the same result as if worked for eight hours. The company's output has considerably increased, necessitating the installation of more powerful machinery. I do not think I could provide the statement you asked for. I have given you information which would enable you to take out such an analysis.
36. *Mr. Leadley.*] You would sell small lots of coal to any one ordering it along the railway-line?—Yes, that would be 6 to 10 tons dependent on the capacity of the truck. There would be no objection to any farmer, or any one else on the Main Trunk line, getting a truck of coal. That could not be done for the town worker. The conditions differ in the town. There is only a certain area to which the railway can deliver direct. The trucks are shunted into the merchants' yards, and there unloaded.
37. If a farmer ordered a truck of coal he would take delivery at the station?—Yes; but at Auckland the Railway Department could not put on one side single trucks, and allow a party of workers to come along and each take a share.
38. If one man ordered for the rest, could not this one man take delivery?—Yes, he could take delivery, but all coal goes through the dealers' hands at present. Unless the company had a place where the coal could be received direct from the railway yards, the system of delivery of single trucks could not be beneficially carried out.

GEORGE COURT, Draper, examined on oath. (No. 167.)

1. *The Chairman.*] Where is your business?—In Karangahape Road, I have been there for twenty-six years. Drapery has gone up very much during the last five years.
- Can you give us any idea of the percentage of increase on, say, a man's tweed suit?—10 per cent. in the last five years.
3. And on a man's working-suit—dungarees, &c.?—I do not deal in these.
4. Has the cost of drapery generally risen?—All round, we average increase at 10 per cent. in the last five years.
5. Do you notice application made for superior articles?—Very much so.
6. Does that extend to all classes?—More so in the working-classes.
7. Do they want more elegant looking clothes, or clothes of better quality?—Fashion is more studied than it used to be.
8. Have you noticed much difference made by reductions in tariff? Is there much effect to the buyer?—We do not import; we make all our own clothing, and deal in colonial stuff only, practically speaking. Sometimes we buy up cheap English lines, but usually we stick to the colonial lines.
9. Can you give us any idea of the cause of the rise in living?—Rents are the chief cause; meat and everything is dearer, or they are all thinking so.

HERBERT GOLDSTEIN, Medical Practitioner, examined on oath. (No. 168.)

1. *The Chairman.*] We are inquiring into the rise of cost of living: do you know anything about the practice of lodge doctors?—I have had experience in lodge work.
2. Is it within your knowledge that the cost of medical attendance has risen?—Not of the medical attendance. The position in Auckland for over twenty years is: the cost per head per annum has been £1; formerly it was £1; some few years ago there was an attempt to separate expense of attendance and the drugs. The medical men had averaged their expenses down to 4s. as cost of the drugs—that was, 16s. for medical attendance and 4s. for drugs. Some time ago a dispensary was formed, and they said they could not run this under 6s. or 7s. for the drugs.
3. Who formed the dispensaries?—Friendly societies. In order to still keep the rate at £1, they offered the medical men the difference—13s. or 14s. That was really lowering the attendance. There was some trouble over this. Some of the doctors resigned the work, and other medical men new to New Zealand took on the work. There has been no increase to the medical men, but a distinct decrease. That is the position as regards half the friendly societies; about half of the societies keep on the £1 per head per annum. The medical men have not asked for more than £1, although everything has gone up considerably the last five years.

4. Most of the doctors have to use motor-cars?—Yes; and the increase in rents is great. The whole cost of running a practice has increased; but the medical men have not asked for any increase in the lodge rates.

5. Are the maternity expenses borne by the lodges?—Yes, the lodges have always paid two guineas for maternity cases; that has prevailed for twenty-five years.

6. Have you reason to believe that the establishment of St. Helens hospitals has lowered the cost?—I do not think it has to any great extent; very few people take advantage of these homes; the feeling is so strong to remain in their own home; the women object to going either to these St. Helens homes or into private homes.

7. Why?—Just a personal feeling, I think, a sentiment; there is no real tangible reason for their objection.

8. Has the cost of drugs increased greatly?—I really could not say. There has been a tendency, not very marked, for a rise; the difference is that much more expensive drugs are used; that is a necessity. Where one was content with rough drugs, nowadays purer drugs are used. That is part of the advancement of scientific treatment. As far as I can see, the general public has not met that increase.

9. Has the cost of living risen through drugs or medical attendance?—Any increase is due to the fact that there is more disease nowadays, more illness. There is no increase of cost taking it per attendance; but the amount of illness seems to be on the increase.

10. Through want of health or through a more decided readiness to run to the doctor?—I do not think it is the latter. There is an increase in the amount of disease; I have no doubt of that myself.

11. Is there anything within your knowledge which would tend to increase the cost of living?—I myself have been markedly struck with the increase in rent that the working-man has to pay; that is the most striking thing to my mind.

12. Does that tend to keep him in unhealthy surroundings?—No, I do not think so.

13. Does it add to his mental trouble, having to pay so much rent, inducing neurosis?—I can hardly say; I have not studied the disease "worry" sufficiently to be able to say.

14. *Mr. Leadley.*] Is the general air of comfort and independence among the working-classes more noticeable than formerly?—I think so, decidedly.

15. *Mr. Robertson.*] Is the increase of disease more noticeable in one class?—No, all round.

16. In the country districts?—It is more in the cities.

17. To what do you attribute this?—The general opinion is that the luxurious way of living in the cities has much to do with the matter.

18. *The Chairman.*] Want of exercise, late hours, self-indulgence?—I would include all those.

19. *Mr. Robertson.*] Is it amongst the children?—Yes, especially. It is due to luxurious feeding in the way of sweets and cakes; those were once luxuries. The child considers sweets an everyday occurrence.

20. Indulgence in sweets produces other evils?—Yes, it renders the stomach incapable of assimilating other more wholesome foods.

21. *Dr. Hight.*] Do you consider that the ordinary housewife is economical and efficient?—I think she is, on the whole.

22. What percentage of increase is paid for rents by the doctors?—That would be hard to say exactly. I cannot speak for myself, but I have heard that mentioned several times. I think there has been £25 per year increase on each £100 spent on rents.

JOHN GALLAGHER, Fisherman, examined on oath. (No. 169.)

1. *The Chairman.*] Are you a fisherman?—Yes, have been all my life; at present I have an oil-launch. I have nets, but fish with lines at present. Just at present I am working ashore, but usually I catch snapper.

2. How are the fish sold?—To the various dealers. I break the agreement when it suits me, and the dealer breaks it if it suits him; otherwise I supply for a certain period. Seventy-five per cent. of the boats deal in that way. A fisherman gets the same price for his fish, whether there is a loan on the boat or not.

3. How do you sell to the dealers?—Just at present I am in an auction, but the fishermen will not supply the auction; that was set up by private individuals to sell fish, but the fishermen will not patronize it, because all the fish did not fetch the same price on the same day. I generally sold the fish myself to a dealer—big dealer, who would take all I caught.

4. Was there any understanding to keep down the prices?—No; sometimes they give better prices than others; there is quite open competition, I think.

5. What is the difference between the price given by dealers and the price to consumers?—Sometimes there is not much difference; we might get 2s. 6d. for fourteen; and last night I bought enough fish for a family for 9d. The middleman has to be paid, and the shopkeeper has to get his profit, and I do not think the shopman gets too much profit, and the middlemen have great expenses; they have £40 expenses per week sometimes, and have to make it up somehow.

6. If you were told it was 4d. worth of fish and 8d. worth of delivery?—I can quite believe it; the fish must be nicely cleaned and delivered to the door, and sometimes they want it cooked, too. It has to go through several people's hands before it gets to the consumer. When I started fishing, thirty years ago, I could go out in a little craft; now I have a £450 boat, and have to go out a hundred miles to get my fish. Trawlers would not be a success; it would exhaust the beds. We have exhausted the beds near at hand, and now we have to go a greater distance. It is only in 30-fathom water and less that we can catch fish. We had to drop the nets and take to hand-fishing because of various



changes in the fishing-beds. The housewives will not go to the trouble of cleaning their fish nowadays, and the fisherman has not time to clean them, and so the middleman has to come in.

7. *Mr. Robertson.*] What was the strike about some time ago?—Because the dealer would not take all our supplies; and then we tried to sell direct, and the people would not go to the wharf. We were catching more fish than the dealers could handle, and they would not take what we caught, and so we struck. Cold-storage would get over the difficulty to some extent.

8. Were there a number of dealers involved in the strike?—Yes, they wanted to reduce the price; they wanted bigger bundles for the same money.

9. How many wholesale dealers are there?—Six or eight.

10. Who started the auction?—Best; I am working for him at present. We are packing fish for Australia now, and we get a better price than we do locally. We put this in the freezer—hapuka and flounders. We cannot sell locally at such good prices. Flounders have been very scarce lately, and there has been great difficulty in getting bait. I have seen a thousand lines out in the summer-time with fishing pleasure-boats. That means so-much less for the fishermen to catch.

11. *Mr. Leadley.*] Why cannot you take the surplus to the freezer?—There would not be space; there has not been sufficient fish caught for the local demand at times; but through all the year there would not be space enough to store the surplus, and we get better prices in Australia. A large amount of fish is imported, and we could not catch enough to replace this.

12. How long is it since the people have been so particular about the fish delivered?—About fifteen years.

13. What is that owing to?—Disinclination to work, I think, is the cause.

*The Chairman.*] Who owns the freezer?—It is owned by a large company, and they let space to various people.

14. Who takes the space?—The fish-dealers; they each hire a special room.

15. Does the fish-dealer put fish in after it is bought at auction?—The auction has fallen through; he buys from the boat.

16. Does that not give him the power of refusing to buy at certain prices?—We can always sell to the public. Providing the weather is suitable, the people will come.

17. Supposing there was a market?—The fishermen would have to keep the men working at the market, and pay their wages.

18. But the clerk's expense might be cheap as compared with the middleman?—Government interference harassed us. Every fisherman now has to get a master's ticket; now everybody can go without a ticket on the same ground. Everybody has to have an oil-engineman's certificate. The fisherman should be allowed to go where he liked. A man should be able to take a 6-ton boat or a bigger one, as he thinks fit. We are restricted by Government regulations. We have regulations as to size of nets.

19. And as to the nets?—We are depleting the fishing-grounds, I know; there are very few nets going. We cannot make a living at it at all, except in Thames and further out. The restriction as to dry nets is foolish in my opinion. We should have bigger boats, and go further, if we wished, without let or hindrance as to Government regulations.

*Re H. BANFIELD, Union Secretary (subpœnaed).*

*H. Banfield*, secretary, Carpenters' Union of Workers, attended, and stated that his union had instructed him to decline to give evidence.

Later *Mr. Banfield* attended and gave evidence in his private capacity (see p. 352).

WILLIAM RICHARDSON, Journalist, examined on oath. (No. 170.)

1. *The Chairman.*] Is it within your knowledge that the cost of living has increased?—No. I am a family man, of forty-six years' experience, and have been a general storekeeper; and the increase of prices would be impossible to prove by investigation of price of stores, or investigation of any house-keeping bills. There have been small fluctuations, such as in cheese, bacon, &c. I am an exceedingly thrifty man, and would notice any change. I know the value of wholesale and retail prices. It is a political statement made and repeated by a number of new chums that there has been a considerable increase in the price of foodstuffs. I could say, further, that the whole of the grocery lines have never been as cheap as they are now. Sugar has advanced  $\frac{1}{2}$ d., cheese 1d.; but these are exceptional. Other lines are very low. For £1 you can get a wheelbarrowful of groceries. In my storekeeping days such goods would cost 50s.

2. The cost of living is lower in food commodities?—Flour has advanced a little; but it is so cheap that the cultivation of wheat is going out in the South Island. I was an importer of flour for many years, and the profit is more on imported flour. That is a serious fact that wheat-growing is going out. When flour was imported, altogether the price would go up in consequence, as is always the case with imported stuff. If you were here on a race-day you would see where the money was going. I have been to see the phenomena; gambling is done wholesale. From pay-day, all through Sunday till next morning gambling is in full fling on the railway-works; it is on all the railway-works. I know men who smoke at a cost of from 1s. to 14s. per week, owing to the cigarette habit; 7s. 6d. is common for cigarette-smokers. I did an electoral canvass in different districts, and the women told me that their husbands spend in drink from 10s. to 15s. and 25s. per week. Of course, in cases like that, money runs short, and then some excuse has to be got. A business man told me that after the races no money was available for weeks.

3. I know from my own personal knowledge that men drink less now than they used to?—There was drinking done heavily on the goldfields; but the drink bill per head is increasing, I am sure. Then, we have eleven picture-shows, and they are crowded every night of the week. The trouble is that the

extravagance of the people has increased, and the thriftiness has declined. I was speaking to a gang of workmen, and one of them said to me, "I am not going to save a penny; I am going to get the best out of life, and when I am ill you will have to keep me." I know more about the working-man than most men, and I know their minds; and they have the idea that they must have cheap food, free hospitals, old-age pensions, and high wages at the same time. They will say boldly: "We will do as little as possible for our wages," and they are cheered by the hundred on Sunday afternoon. I attend their meetings, and I am loyal to the working-classes; but I point out that they should not be dishonest; but I am only laughed at for saying this. These are facts I thought I would tell you. I meet the workers twice every Sunday in the streets, and tell them that their want of thrift, their gambling, and their extravagance will prevent any one helping them.

ARTHUR MORTON CARTER, Dentist, examined on oath. (No. 171.)

1. *The Chairman.*] Has the average cost of dentistry gone up in late years to the public?—Not for the same class of work done twenty years ago—if anything, it has gone down; but so many new lines of work have been introduced. The dentistry is on a totally different footing from that of twenty years ago. For the same class of work the price is lower.

2. The general class of work has been raised?—Yes, the standard of work is raised. There is an entirely different class of work; we save thousands of teeth nowadays that twenty years ago would have been extracted.

3. Is that increase in quality shared by all classes of the population: do classes which would not have availed themselves of it avail themselves now?—Only to a certain extent, on account of extra cost.

4. Has dentistry added much to the cost of living?—No; I do not think that is a fair way of putting it. In many ways it is a saving in cost of living. In our Dental Hospital we have treated forty-five thousand patients in two years and nine months. Those people have been treated gratuitously, or practically so. Only to a limited extent could those people have been treated by dentists at all without the Hospital.

5. There is nothing amongst dentists answering to the lodge doctors?—Nothing at all. We have a Dental Association, but the question of prices has not entered in. We have three-fourths of the men in the association, and the question of prices has been raised, and we have no restriction; there are the highest-price men and the lowest-price; there is no restriction or arrangement of any kind.

6. As certain friendly societies have doctors, is there any arrangement with the dentists?—Well, we have the Dental Hospital, and the dentists set that up themselves; and that does the work of many benevolent institutions. That is the only provision we have similar to the lodge-doctor's work. Auckland is the only place in which we have a Dental Hospital on this footing.

7. Most of the patients from these institutions are treated free?—The district hospital is under the Charitable Aid Board, and for free work there must be a report from relieving officer; other patients are admitted from other dentists—patients who cannot afford to have the work done by a private dentist. These patients are sent to the Hospital after inquiry made by the individual dentist whom the patient has first consulted; treatment is then given at the Hospital on one-fourth or less of lowest-price work.

8. *Mr. Fairbairn.*] Do many cases of that nature come before you—where you fill in application for the Dental Hospital?—Yes, a great many, particularly school-children. Some thirty children were treated from two schools recently. We have put in eighteen hundred fillings and extracted fifteen hundred teeth in the last two to three years that the Dental Hospital has been in existence.

9. *Dr. Hight.*] Do you think a general system of dental inspection would be advantageous?—We have here obtained permission for examining school-children's teeth; we have examined two schools already, with the permission of Education Board and Charitable Aid Board. The mouths of the children are charted, in duplicate, so that we are already well into that work in Auckland. No scheme will be beneficial unless some further scheme is formulated to carry out the necessary treatment. Any children not able to pay ordinary dentist's charges, and can prove that, can get their teeth filled and treated. We initiated this scheme for the benefit of the community; we do not benefit at all personally. Out of two hundred children examined in Chapel Street school, one child had a clean mouth, and most of the mouths wanted considerable attention. They would not have their mouths attended to without some such scheme as ours.

10. *Mr. Hall.*] Do the children's teeth go more quickly in this country than in other parts of the world?—Not so much as is supposed. The teeth of the children at Home—of the younger generation, that is—have become worse; the army regulations have had to be lowered for this reason. The establishment of institutions at Home to treat teeth has become common. The teeth seem to be practically as bad at Home as in the colonies; possibly this is more due to diet than to climatic conditions, in my opinion.

FRIDAY, 28TH JUNE, 1912.

WILLIAM EDWARD SILL, Secretary, Butchers' Union, examined on oath. (No. 172.)

1. *The Chairman.*] In your occupation have you taken notice of the changes in the cost of labour?—Yes. The wages have increased from 15 to 20 per cent. during the last ten years, and there is great room in other centres particularly. I was, prior to taking my present situation, a practical butcher myself.

2. Have you reason to believe that the cost of labour has added to the cost of the meat?—No. Owing to the fluctuations, it can be shown that the wages have had nothing to do with prices to the

public. The wholesale price of meat in Auckland is governed to the butcher by the price at Home ; a high Home market means a high local market.

3. Is the supply to the local market the residue of what is imported ?—That is so. The meat sold in Auckland generally is of inferior quality—from medium to inferior. That applies to both beef and mutton. The prime portions are sent Home ; only a small percentage of prime quality is sold here ; and the price of meat is fixed on this highest price to the butcher. Considering the inferior meat sold, the price is very dear here. The price of meat in Auckland is governed by the Butchers' Association. One large firm is not in the association—Hellaby's ; but the butchers all co-operate. As regards the price of meat, Hellaby's co-operate with the other butchers, although outside the association.

4. Who are the members of that association ?—All the butchers in Auckland, except four or five. Dalziel, C. Brooks, Reed, and Hellaby's are outside the association. The other butchers (excepting Hellaby's) are very small butchers. The association fixes the prices, and the members accept it. I have price-lists which I can submit from different butchers ; they are issued by the Butchers' Association. In June, 1909, the butchers received a considerable increase in wages. About that time meat to the consumer was fairly high ; but D. Reed was operating in Auckland, and the association members were beginning to go back on their own prices ; each butcher started to sell on his own account at lower rates. The prices were somewhat similar to what they are now. They went down about 3d. per pound in August, 1909. I was selling rump-steak at 9d. or 10d., and although an increase in wages was granted two or three months previously, the price went down to 7d. and 6d.

5. The cause was that the price-list being for the time abolished, free competition allowed the prices to fall ?—Yes.

6. *Mr. Hall.*] Did this refer only to rump-steak ?—No ; that is shown in the list I have here. I can produce a list which was issued to me previous to August, 1909 [handed in].

7. After September, 1909, you have another list ?—Yes. Mr. Reed was then rendered inoperative. Owing to some consignments of his meat being placed unsuccessfully in London he went bankrupt. Then the prices rose, as shown in the price-list I hand in dated the 1st May, 1911.

8. *The Chairman.*] Was it not a fact that Reed was selling meat at so low a price that he became bankrupt ?—Oh, no ; his Auckland business did not bankrupt him ; it was his London business. He is still selling meat low ; but perhaps not so low as before. His output was fifty bullocks a week. He bought his meat up the country, not in the Auckland market. The competition is not in the retail market, but in the markets. The small butcher is generally retailing the best meat.

9. *Mr. Leadley.*] Is there any attempt made to block small men getting supplies ?—Yes.

10. And this man bought his supplies partly in the country ?—Yes. He has been known to buy live-stock up the country, and put it on the market. He would buy it on better terms than in the market with people who were trying to cut him out. It was not the best quality of meat he was selling ; but it was a fair average of the meat sold in Auckland. The prices are based in Auckland on highest-quality meat ; but there is a large quantity of inferior meat sold at the highest prices ; canning-meat is sold as best meat. The brands are cut off, and the meat sold in the shops.

11. That can only obtain during part of the year—there is no export at times of the year ?—I do not say the best quality is always sent Home ; but I know that the carcasses of meat in the shops are far below what are sent Home. I have sold more inferior meat in Auckland during my six years in shops than ever I sold at Home.

12. The statement that the best meat is sent Home is only true when Home buyers are not operating ?—That is so. When no exporting is going on the whole supply is available. In 1910 there was a larger supply exported than the district could afford. Till 1911 they were selling meat as in the price-list I have, at highest prices. The local prices as shown in the list are not regulated by the price of the carcass ; the prices are ruled by the association locally. Meat is cheaper in the wholesale market than in other places, such as Christchurch ; but to the consumer it is dearer. It is selling at present from 20s. to 27s. 6d. The prices are quoted for the market from such-and-such a price to such-and-such, and you do not know how much goes at the low rate.

13. *To Mr. Fairbairn.*] The price has been as high as 32s. and 33s. for primest meat ; at present the market is unstable. I have seen it quoted recently as 24s. ; that was for best quality available.

14. *To Mr. Hall.*] He could ascertain the various market prices, and would hand them in.

15. *Mr. Fairbairn.*] Our evidence is that meat is higher than two years ago ?—The cost was something similar to 1903 I think ; in 1903 the article was very low value, and there was very little trouble taken to see even to the weighing. I cannot give the wholesale prices. It may be true that meat generally is not higher than it was ten years ago, but the price-lists I produce show that rises have taken place. Delivery is now charged for  $\frac{1}{2}$ d. per pound ; at first only 1d. per pound was put on for higher cuts. The 1911 list is in operation now. Delivery charges have to be added.

16. *Mr. Leadley.*] Do the butchers fix the prices ?—Yes ; they issue a price-list once a month, and these lists I produce are the price-lists they issue.

17. It is claimed that the butchers have an absolutely free hand to-day ?—It is not so. Very probably I can supply the actual lists issued, with the heading "Auckland Master Butchers' Association."\*

*The Chairman.*] Is this a registered industrial union ?—Yes. Unless they immediately revised their rules, a man votes according to the number of shops he has—twenty votes for twenty shops. There are about sixty shops ; the Auckland Meat Company have fourteen votes, and Hellaby's shops would have twenty-six votes.

19. Do they vote without being in the association ?—No, but they are represented. Mr. Wing represents the small butchers, as an assessor, for example, and keeps to his instructions. All the rising suburbs have branch butcher shops in them ; there are no small independent shop set up. The small

\* These lists subsequently came to hand, headed as indicated.

shops are dying out, five or six have died in the last three years. There are restrictions as to having no hawking carts; that is absolutely an emphatic rule. They fine their members if they run hawking-carts. The free butchers observe this rule. There is a common understanding even among the butchers not in the association. They have to do so in regard to hawking, because the big butchers would cut them out.

20. *Mr. Leadley.*] What does the  $\frac{1}{2}$ d. per pound include?—Booking or delivering, or both. It is far easier to charge that  $\frac{1}{2}$ d. per pound than to organize the business to lower this. Better management would decrease the cost of delivery. The small proprietor's name is kept on the shop often, although the big firms have bought out the shops. Probably half the shops owned by Hellaby have been absorbed from smaller butchers, but the old name is often kept up.

21. *Mr. Hall.*] When did these small men give up?—Not within the last two years altogether. They took over a business at Epsom of a bankrupt butcher; they took over a Newmarket shop recently. The small men are not usually put in as managers. The Auckland Meat Company also took over several small shops within the last four years. The small man is hampered in various ways. The worker goes often for the best joints, such as sirloin, when he could get brisket for far less. There is only one cutting shop in Auckland at present; there have not been others, except when the association was suspended.

22. *Mr. Leadley.*] A cutting shop is a shop where dead meat is bought from big butchers, and cuts it up?—There are no shops like that. I meant a price-cutting shop.

23. Are there cutting-butchers' shops?—I do not know of any shop except perhaps one, and I believe he now goes on to the market himself. This man gets the best stuff; he has to do so to make his reputation.

24. *Mr. Hall.*] Is there difficulty in getting rid of inferior cuts?—Yes. The small man sells these to a large man for canning; he sustains a loss. The canners can give just what they like. Hellaby's charge a fair price, say, for a side, but for the offcuts you have to take what they like to give.

25. Is there a tendency to buy better quality?—Yes, they ask for the best cuts; they have to do so, because of the inferior quality of the whole carcase.

26. What did sirloin go down to when the low prices prevailed?—It was sold for 4d. and 5d., according to the locality—poor neighbourhood or good suburb. When there is no cutting, the shops get what they think their own customers will give. Sirloin here in September has been 7d., and delivery 8d. At present it is 6d. delivered. When there was no price-list prevailing there was a price of 3d. or 4d.

27. *Dr. Hight.*] Are the wages of butchers' assistants the same as elsewhere?—No, lower; they are more in Dunedin, Wellington, and Christchurch, and Gisborne. Excepting Wanganui, the wages here are lower than elsewhere. It is recognized generally that the butchering trade here is more favourable to the employer than elsewhere.

28. Supposing living is different in Auckland from that in other centres, would it be a good thing that the wages should be the same over the four centres?—The cost of living being less in Auckland, say, the wages should not necessarily be lower; if the profits are higher here, the employees should share in them. The employer fixes the wages on the cost of living, but not his profits on that basis.

29. Do you believe that, generally speaking, the prices of meat are independent of wages?—Yes; I have shown that so far as Auckland is concerned. The wages have never governed the price of meat. The shopmen got a rise of 10s., and the other hands 7s. 6d., and yet the prices went down.

30. There are other expenses?—Yes; but the shops are doing more trade owing to increase of population. I say it is far easier for the butchers to have a meeting and raise the prices than to effect economies of management and organization.

31. The prices locally are governed by the Butchers' Association?—Yes, and in proof I hand in the price-lists.

32. Have you any other proof?—When I know the association are disunited the prices are low, when they are united the prices are high; that is so for nine years. I know that the big butchers run the association; the small butchers have very little to do with it.

33. In August, 1909, there was a cutting price?—Yes; I think the butchers still made profits; they seemed to be satisfied.

34. Were they selling below cost price?—No; not for the whole period; perhaps for a month or so they might, but not for one year and nine months.

35. Is it better to have butchering on a large or a small scale?—If the large business will consider the public interest, that is best; but he does not—he takes advantage of his position of monopoly for his own private advancement. It depends on the kind of man running the large business. Given competition, the large scale of business is better.

36. There are certain advantages of conducting a butchery on a small scale because of personal attention—to prevent waste, and so forth?—But that would prevail in the big shops, where there is a capable shopman.

37. You think the ordinary housewife is ignorant of different qualities of meat?—Yes, they are absolutely ignorant. That is a disadvantage to the buyer; she might think a nice lean-looking piece of meat is good quality.

38. If it were possible to include instruction in purchasing meats in the domestic-economy course of the public schools, would that be a good thing?—No; you could not teach it theoretically. I do not think it could be taught even practically in the schools. If you just show a joint there are plenty of butchers who could not tell good meat from bad. There is often a wide scope of judgment wanted.

39. You could instruct as to the difficulty between very good and very bad meat?—Perhaps so, as far as the inferior is concerned, but even then it would be difficult. I can see that a steak is apt to be dry, but I would need to see the whole carcase perhaps. I would want to know whether it was

a cow or a heifer. You could not teach the public to tell this from the joints. The meat should be graded first, second, and third for the public. There are hundreds of ewes sold, and the public do not know that. The meat could easily be graded. I do not think that need increase the cost much to the consumer. Beef could be graded in the same way.

40. Would there be any possibility of the public still being deceived with the grading?—Well, if a man is bent on gulling the public he will do it; the grading would lessen the chance perhaps.

41. Can you tell us anything about the small-goods trade?—No, nothing in particular. There is a good price for the small goods, and usually they are good quality. A good deal of mutton is put in pork sausages, but still they are wholesome. Sausages vary in price; I was selling at 3d. per lb. once.

42. *To Mr. Leadley.*] Pork sausages are often made of mutton.

43. *Mr. Fairbairn.*] In regard to inferior parts, what is the loss there through canning?—It is a big loss. Where the man does his own canning it is not so much loss, but to the small butcher it is a loss.

44. What weight of meat is carted by the delivery-cart?—I could not say approximately; perhaps a man would deliver only 100 lb. per day, because he is engaged in other work. The big shops might keep a man on exclusively.

45. *Mr. Hall.*] Can you give us any idea of the quantity of beef shipped from this centre?—I could not say; there has only been a little shipped.

46. When grading sheep for export, are they graded by weight?—By weight and by quality. Some of the lighter ones are kept here, and some medium ones.

THOMAS DONALD McNAB, Grocer, examined on oath. (No. 173.)

1. *The Chairman.*] Have you been long in business?—Eight years. The National Trading Company bought my business, and I am manager for them.

2. Have you any knowledge of any ring controlling prices, say in eggs, e.g.? Do you know of any combination?—There are two or three wholesalers and two or three retailers who fix the price every Saturday morning. One firm will ring up the others and ask what is the price. Entrican and Co. do this. The National Traders (wholesalers), Gallagher and Co., Page, and Smeeton (retailers) fix the price of eggs. I used to have a cut in it myself. I think there is another firm—Hutchinson, I fancy—but I cannot swear to that.

3. You were in that ring yourself?—Yes.

4. What is the effect of that ring to the producer? Has it not a very depressing effect on his prices?—Yes.

5. A low price may be fixed on the Saturday, and then for the following week the prices to the public may be above?—Last week they were quoted at 1s. 3d. on Saturday.

6. Who gives the newspaper that information?—Mr. Entrican.

7. And the retailer?—He has to give 1d. over that—the 1s. 3d. is the market price. The wholesalers give 1s. 3d. and the retailer 1s. 4d.

8. *Mr. Hall.*] Do not the country growers agree to supply at newspaper rates?—They know too much now; it used to be customary for the country people to take from the storekeeper the price quoted in the newspapers. The farmer had no say in fixing this price. That price was published in Monday's papers.

9. Is it within your knowledge that, whilst eggs were quoted at 1s. 3d. by the auctioneers, 1s. is stated to be the selling price?—Oh, it might be; I was asked from a wholesaler 1s. 7½d., although eggs were supposed to be 1s. 3d.

10. Have you known any southern firm, such as Aitken, Wilson, and Co., of Wellington, which has bought up the eggs here, and so influenced prices?—I know they have contracted beforehand to buy up the Auckland eggs, and Thomas has done this too. They have made a contract for 100,000 dozen eggs for a season.

11. *The Chairman.*] The effect would be to make eggs dearer to householders here?—Yes.

12. Are you aware of similar operations in other lines?—No, the eggs are the only line I know of.

13. Are other prices tariffed?—I think the farmers should get the benefit. I have known grocers give 10d. for eggs, and they are sold for 1s. 6d. to the consumers.

14. Are you aware that there are certain lines obtainable only through the Wholesale Merchants' Association?—Yes, tariff lines, such as mustard, condensed milk, and various other lines—pretty well all cocoas.

15. Have certain retail firms the benefit of being able to buy direct?—Yes, if they have the money. A good few of them do so.

16. They are able, then, to have merchants' profit as well?—Yes.

17. That means a handicap against firms dealing with the merchants?—Yes.

18. Generally in regard to a great many lines there is not a free and open market?—No; sugar, tea, Colman's goods, groats, cocoa, soap (you cannot sell these at what you like), and so with other lines. The prices are fixed by the Master Grocers' Association.

19. *Mr. Hall.*] With regard to the eggs, last Christmas the price fixed was 9d. per dozen, and they were selling at 1s. 4d. at auction?—I do not think that is correct.

20. Have you ever noticed a difference in Monday's quoted prices and the auction price?—Yes, a difference of 3d. per dozen sometimes.

21. *Mr. Leadley.*] A drop from Saturday to Monday?—Yes; sometimes the eggs are put on the market and not shipped.

22. *Mr. Fairbairn.*] In re tariff lines, you thought any one wishing to import could do so?—I think so.

23. Is it not impossible to import except as a member of the Merchants' Association?—I know a grocer here who has imported most of his goods. I could not say whether that is within the last few months.

24. *Dr. Hight.*] The price of eggs is not fixed as a bargain between seller and buyer?—No.

25. Would not the present method discourage the production of eggs?—Yes.

26. You said eggs were purchased for Wellington here?—Yes. I could not say what the price of eggs would be in Wellington; it must be higher there.

27. Auckland and Wellington are competing for eggs perhaps?—It may be.

28. You must sell certain goods at fixed prices?—Yes. I know the prices are fixed by the Merchants' Association. I belong to the association myself.

29. *Mr. Hall.*] This association approached the Agricultural Association to assist in appointing representatives to fix prices?—Yes; they were never consulted, though. They complained of this.

30. *Mr. Leadley.*] Does not the position in *re* eggs arise through export trade?—Yes; but that has been going on for twelve or fifteen years. There are some sent Home, too.

ERNEST ARTHUR CRAIG, of Craig (Limited), Carrying and Coal Merchants, examined on oath.  
(No. 174.)

1. *The Chairman.*] You have a large establishment?—Yes.

2. Has there been a distinct advance of late years in the cost of carrying?—There has been a spasmodic increase.

3. Due to labour-costs?—Yes, it has coincided with these.

4. What percentage would labour-cost bear to cost of delivery?—I could not say.

5. Has there been a rise in the prices of horses and horse-feed?—Yes, that has been a factor in increasing the rates, too.

6. You would consider such a rise in the cost of delivery would have an effect on the cost of living?—Yes, indirectly; not markedly enough for us to follow.

7. The rise in coal would hardly be noticeable?—There have been rises in the cost of coal during the last eight or ten years, but not very much.

8. Has living increased in cost?—I could not say. I can only speak in *re* my own business.

9. *Mr. Leadley.*] What has been the effect of recent labour legislation on your business?—The margin of profit gets less; the cost of labour is increasing—the cost has increased, and the output of labour has decreased. That means we are not getting to-day the same labour from our men as we were getting years ago. Unfortunately we cannot pass that on to our customers; we have borne that burden ourselves so far; sometimes it must be passed on to the customers. The position is getting more acute. The men are working under an award; they are affiliated to the Drivers' Federation of New Zealand.

10. *The Chairman.*] Would not the cost of delivery be more because the distances have grown greater?—He certainly would have farther to go; but the man to-day does not do the same amount of work as years ago. This is due to slowing down—an intentional slowing down.

11. Has not a worker as much need to stand well in his employer's eyes as before?—No. The men depend largely on an organization for protection, not to their own merits. He trusts to the organization now more than to his own individual effort.

12. *Dr. Hight.*] Can you give us any facts bearing on that point?—I would be able to give general instances.

13. The statement is a well-considered one?—Absolutely. We have over four hundred horses working and about two hundred men in the carrying trade. In the various businesses we employ approximately four hundred men.

14. Were the wages increased in the last award?—Yes, from £2 2s. to £2 4s., and 3s. on double teams.

15. When that increase was made carting went up 6d. per ton, it is stated?—In some cases it might. Each firm carts on the merits of the cases—difficult or easy.

16. This 6d. per ton would bring in an additional 16s. 6d. per ton?—It is possible if those figures were correct, but I dispute that 6d. per ton was added on every ton carted—not by any means. It was put on a certain proportion; I could not say what.

17. Why was the increase put on?—Owing to increased wages, and possibly produce was dearer—horse-feed. This is an important factor.

18. Do you do sea-carriage?—Yes. We trade locally—to Whangarei, Thames, &c. We have intercolonial traders taking timber, produce, and coal.

19. What are the changes in freight rates?—The coastal freights are arranged by the Auckland Coastal Masters' Association; we have to abide by that. That is as far as Whangarei.

20. What is a coastal master?—The master of a little coastal vessel; he is not always the owner; very often he is either owner or part owner. There are plenty of other owners besides ourselves in the trade.

21. Those who navigate the boats fix the cargo rates?—To a large extent they do. Some of them are owners and part owners, but only a very small proportion.

22. What are the changes in the freight rates?—I could not say; I could only quote for shingle and such stuff as we deal in ourselves. Shingle is used for concrete work.

23. And the intercolonial freights?—They have risen. Produce from Australia and timber to Australia are fixed by supply and demand. There is competition between the various lines, and no agreement between firms.

24. As a result the freight rates are cheaper between Auckland and Australia than between Auckland and Lyttelton?—It may be. Flour from Victoria to Auckland would be 10s. to 12s. 6d., and chaff 15s. to 17s. 6d.

25. What is the rate on Newcastle coal?—9s. 6d.

26. Do you own any coal areas?—We own a lot of land, and we assume some of it is coal-bearing; it is within the coal-bearing area, close to Huntly.

27. Why not work it?—It costs too much to open a coal-mine, and would not pay.

28. *Mr. Fairbairn.*] Does much Newcastle coal come in here?—There is a certain amount of ordinary household coal for hotels and boardinghouses—about 2 per cent. compared with Taupiri coal. There is a considerable amount of Newcastle steam-coal.

29. Is there a common understanding between coal-merchants as to prices?—We have a stated price for Taupiri coal only, not other coals.

30. You work with the dealers?—The dealers fix the price, not the merchants.

31. Could an independent man start as coal-dealer in Auckland and draw supplies from merchants as members of the association?—There is nothing to stop him ordering from a mine direct, and he can become a member of our association, but he must conform to our prices—he could not sell at less. We would not allow him to sell at less, nor would it pay him to do so.

32. Can he join freely?—Yes, by ballot; but we do not refuse anybody. There is no question of high moral character. Our association is made up largely of storekeepers and grocers. A man simply makes application, pays 5s., and is accepted, and sells at fixed rates. He can buy any quantities he likes, from a sack to a ton.

33. *To Mr. Leadley.*] The people who buy must be sellers, not private persons.

34. *Mr. Hall.*] What are the freights on chaff from Lyttelton?—I do not know anything about that; we rarely freight chaff from there. I would like to pass one or two remarks *re* Taupiri coal. The cost of the coal at the mines in 1900–6 was 13s. net for household coal (the discount is off that according to the quantity). Up to 20 tons the discount is 6d. per ton; over 20 tons, 1s. per ton; over a large quantity on house-coal, up to 2,000 tons per month, 1s. 9d.; on steam coal, 1s. 3d.; those are maximum discounts. The selling-price was 27s. when the price was 13s. The figures in full are: 1900–1906—Cost at mine, 13s.; retail delivered price, 27s. 1907—Cost at mine, 14s.; retail delivered price, 28s. 1908–9—Cost at mine, 15s.; retail delivered price, 30s. 1910–12—Cost at mine, 16s.; retail delivered price, 31s.

35. *Mr. Fairbairn.*] These are net prices?—The net price is delivered, and there is a discount per ton to come off at the mine, according to quantity bought. It has been stated there is an exorbitant profit in the coal business. I am willing the Chairman should inspect our books, and he will see the small profits. Going back ten years, our profit is 6½d. per ton; the profit comes in the large turnover. From 1902–12 the profit is 6½d. per ton. Of course, the coal business in a great measure is a branch line, and the coal-dealers are content if they make wages. We are both merchants and dealers. I do not think the profit is enhanced by short weights. I have never heard of this; we have had no complaints ourselves. The figures I have given cover the whole of our coal trade, including all kinds of coal. Some of these lines we do not handle ashore; they come over the ship's side. Here is a copy of a statement made by the Hon. Mr. R. Mackenzie *re* State coal: "The Hon. Mr. R. McKenzie to-day informed Mr. Myers that coal has always been sold much cheaper in Auckland than in any other part of the Dominion, and that it has been ascertained that the establishment of a State coal-depot there could not reduce the current market rate of coal; consequently, it is not proposed at the present time to open a depot in Auckland." A statement was made by Mr. Long last night *re* prices of coal; but from 1900 to 1906 the price did not vary, and there has been no rise since 1910. With regard to other statements made, that it was not possible to get coal at the pit by outside persons, that is not so. There is no such thing as a bond in the Auckland Coal-dealers' Association. The whole crux of the matter is the question of the extravagant and high standard of living of the working-man. They are entitled to comforts; but at present they live in a style that some employers cannot do. Pleasure seems to rank first; loyalty to employer follows. The savings are greater than they used to be, and therefore the standard of payment must be better; it shows a high standard of prosperity. I think we are nearing a very dangerous financial zone, owing to recklessly high extravagance in the standard of living and the exorbitant demands of labour.

36. *Mr. Leadley.*] The less work you do the longer you will live, I see, is said by some labour agitator in this morning's paper?—They are advised to do this by their leaders against their better natures. That bears out my experience.

WILLIAM JOHN HOLDSWORTH, Manager of Holdsworth and Son (Limited), Boot Retailers, examined on oath. (No. 175.)

1. *The Chairman.*] Have you had experience in the boot business?—Yes, all my life. The price of boots has gone up very little, considering the big advance in raw materials.

2. That has had to be passed on to the consumer?—That and the increased tariff have a great deal to do with the increased price of boots. Unfortunately, the tariff hits heaviest the very stuff not manufactured in New Zealand.

3. Some lines cannot be manufactured in New Zealand, which should not have been included?—Yes; the whole population of New Zealand are handicapped.

4. Are not those cheap lines used by the working-classes?—Just so, slippers and evening shoes particularly; they are all taxed fairly heavily.

5. The duty would be a large part of a cheap shoe, but a small proportion of a high-priced shoe?—Yes, that is so.



6. A shilling per pair might constitute 50 per cent. of the price?—Yes, and on some classes of slippers; the bar on the slipper means it comes in as a shoe. Since the tariff has come in we do not know the difference between shoe and slipper. A shoe with a bow in front might come in at one duty; another with a few lace-holes comes in higher.

7. Have you any knowledge of devices for deceiving the public—Parisian boots made in Auckland, e.g.?—Some of the brands bear a striking resemblance to names of European and American cities.

8. Have you any knowledge of cardboard in imported shoes?—That was so years ago more than now. It would not pay to import it now.

9. Have you noticed any composition in the heels?—Yes, in lower-grade shoes of the imported shoe; but that does not affect the wearing-qualities, unless it gets very wet. I saw some rather sweeping statements about this made in Christchurch. We have a Boot Retailers' Association, and they asked me to express a doubt about such statements; such conditions do not exist in Auckland, at any rate. The increase of boots is not due to the retailer, as was stated. A 22s. 6d. shoe was quoted as being made for 10s. Retailers would not do much business on those lines.

10. *Mr. Fairbairn.*] What is the price?—Clarke's peg shoe was quoted as above. They made a wide range of shoes. Our association was formed for regulating hours, &c., not for regulating prices. It was formed with that in view—hours, wages, &c. The boot retailers got up a requisition *re* hours of closing. Now the drapers stock boots and keep open later. The Labour Department told us the drapers were not boot retailers, and we formed an association to get things on a better footing.

11. It is difficult to decide what a shop is sometimes, so many kinds of goods are kept?—Yes.

12. There is nothing in the way of banding together to put up prices?—No, nothing; it would be impossible; there are so many grades. The boot trade has been as well catered for as any trade you could mention, and competition is keen. A blucher retails at 4s. 11d.; years ago it was retailed for 4s. 2d. Even in a warehouse it is sold at 5s. 3d.; and retailed below cost at 4s. 6d., and so on. That is a cutting line, of course. The public have given 4s. 11d. for so many years that they will not pay more. Nugget Polish was sold for 4½d. retail in London, and in Auckland it was sold for 4d., and even 3½d.

13. The general effect of the tariff is deleterious to the public?—Yes. ¶Fours to sixes in infants come in duty-free. A lady might pay 2s. 11d. for a pair, and then if she wants a size larger she has to pay 4s. 6d. You have to explain that it is the tariff. The manufacturers of New Zealand do not want to make children's stuff, and they simply oblige you; they are busy on larger stuff; and I think the larger sizes should be put on the free list. You want special machinery for children's shoes, and the country is not large enough to warrant this.

14. *Dr. Hight.*] If the factories amalgamated and manufactured special kinds, would that not get over the difficulty?—It might; they are doing that in Australia. Wages are about the same as in New Zealand, and yet you can land the Australian goods here about one-third cheaper.

15. *Mr. Hall.*] You are of opinion, if the duty were remitted on special lines, the public would benefit?—Yes, and no hardship be inflicted on workers.

16. *Mr. Fairbairn.*] The heavy duty is really on the whole of the goods the workers use?—Yes; heavier in proportion.

17. Would you recommend that the tariff be altered?—Yes, the *ad valorem* duty is better than a fixed duty.

18. You spoke of Nugget Polish: has there been any change in buying conditions?—No; 3s. 9d. is the finest you can buy.

19. Is it a scaled line?—We buy only through the association. They have a representative in Christchurch, I think, and I believe it is tinned there. I think it is a tariffed line. We always buy it locally, through the warehouses, and they have a fixed price for it. The increase in boots is largely due to increase of raw materials; the increase in sole leather is over 80 per cent.; kips, over 50 per cent.; sheepskin, over 50 per cent.; French calf, 50 per cent.; and in everything that goes to the make-up there has been increase. The boots have not gone up owing to labour-saving machinery. The wages have advanced about 20 per cent., I think. The increases have not been passed on, owing to competition.

20. *Mr. Fairbairn.*] Has there been any advance on home supplies?—Yes, 3d. on men's, and 2d. on ladies' goods.

21. *Dr. Hight.*] Do you find changes in fashion affect your trade?—Yes, it has almost turned our trade upside down, as compared with ten or fifteen years ago; you stand to have a great deal more stuff on hand.

22. Wholesale prices are much the same, owing to efficient machinery?—Not the same, but the prices have been kept down. The boots made by hand have increased—the heavier sorts. That is a class of goods we have no outside competition with, and the manufacturers here will not make it because they say there is no profit on it. On the materials there has been an upward grade of prices.

DAVID ALEXANDER HEADLEY, Grocer, Mount Eden Road, examined on oath. (No. 176.)

1. *The Chairman.*] Were you present when Mr. McNab gave evidence about the eggs?—Yes. The egg market is a very funny market to handle. I have been doing business for twenty years. The price is fixed every Monday morning, as published.

2. Do you fix the prices? Are eggs sold above that?—We allow ½d. over the price—that is, 1½d. altogether. Through the summer I handle 2,000 dozen per week.

3. Have you got higher rates than quoted in the papers?—Yes, sometimes.

4. How much higher? Supposing 1s. 3d. was quoted?—Sometimes we would rise to 1s. 5d. or 1s. 6d.

5. For large quantities?—Yes.

6. *Mr. Fairbairn.*] Is that a wholesale price?—Yes, we handle wholesale.
7. *To Mr. Hall.*] It costs us 1½d. per dozen more than newspaper price.
8. *The Chairman.*] Do the persons who fix the price also buy at the fixed price?—Yes.
9. Is that price put in with the idea of making growers think that is the price?—Certainly not; the growers understand the game. I lost £7 on eggs. They came down 4d. There will be another fall. I have to make this up on the rise. I cannot get any contracts yet.
10. Do you know anything of lines tariffed "groceries only" bought from the Merchants' Association?—Yes, matches are tariffed. We used to buy for 2s. 9d. once. Now we pay 4s.
11. Reckitt's blue?—Yes; and candles and soap. We buy imported candles at 5½d.; you have to buy 250 cases to get them locally at the price. There is also tea and cocoa tariffed; Colman's mustard is a fixed price. On twenty-five cases of condensed milk you get the discount.
12. Do you know of any retailers buying for themselves?—They do not import; they must buy certain lines through the merchants.
13. *Mr. Fairbairn.*] Have you known of a tariffed line being reduced in price?—No, I do not.
14. Do you know any that have been increased?—Matches. I have to buy fifty cases to get them for 3s. 6d.
15. *Mr. Hall.*] Have you been refused goods?—Mr. Page tried to stop me selling certain lines cheap—tea and other lines. I sell soap on scale rates.
16. Was a circular issued saying soap would not be sold under certain rates?—No.
17. We have a witness saying the retailers could not obtain soap without this agreement?—We would buy through the merchants; they do not refuse to sell, so long as you pay the bill; I am sure of that; you could give it away if you liked.
18. *The Chairman.*] Did you ever sell tea at less than 4d. per pound profit?—Yes, at 2d.
19. Was any attempt made to stop that?—No, the merchants did not try to stop me.
20. Was there any attempt made to find out where you got the tea?—They wrote to the National Trading Company; but I bought for cash. I found that was the best scheme to work on.

JAMES WILLIAM GARRETT, Butcher, examined on oath. (No. 177).

1. *The Chairman.*] Are you well acquainted with prices?—I have been in business eight years.
2. Can you tell us about those eight years?—Prices have gone up and down more than once.
3. Does any association control the prices?—No; speaking for myself the trade is free.
4. Do not the prices follow the lines of the Retail Butchers' Association?—Not always.
5. You are free to sell at any prices?—Yes.
6. Are you aware there was an understanding as to prices?—There is not very much now.
7. You know of no regulation of prices of meat?—No; I buy from anywhere I like.
8. *To Mr. Leadley.*] The names of people I buy from are Buckland, Loan and Mercantile, and Dalgety.
9. What do you do with your left-over meat?—Very seldom have any; sometimes in summer we have to throw it out.
10. Do you sell it to larger firms?—If it is in good order they would take it.
11. *The Chairman.*] I am informed that you could give information as to butchers being bound to sell at certain prices under deposit?—No, I have never deposited £20; I know nothing of this.

DOUGLAS REID, Grocer and Butcher, examined on oath. (No. 178.)

1. *The Chairman.*] Have you found any of your lines could only be purchased through certain persons?—Yes, certainly.
2. What are the lines?—The lines Mr. Headley said—matches, and so on; also pepper. A pepper ring has been formed lately, and the price fixed. Last week I could buy it 1d. per pound less than to-day; and the association have put on 1d. on the pepper, I believe.
3. The other lines are?—Matches, condensed milk, and candles, and other lines. There are other lines I know are tariffed.
4. *Mr. Fairbairn.*] *Re Taniwha Soap*, do you know anything?—I do not know anything about that. I just do a little cash trade. My meat business is the main thing; I sell the other things as side lines.
5. *The Chairman.*] Supposing a retail firm were allowed to buy at merchants' prices, would not that be unfair competition?—Some lines I buy as well as the merchants—seeded raisins I landed at 3s. 6d.; the merchants to-day charge 4s. 3d. to 4s. 6d.; I retail them at 4d. I sell one-dozen packets at 3s. 9d. Therefore I can sell cheaper than the other grocers. These are 1 lb. packets.
6. An open market means the public will get the benefit?—Yes; if they come to me they get that benefit as far as I can give it to them. At the present time I am extending my business, and hope to give the public the benefits. The grocers have been building the warehouses for the merchants here, and if the grocers combined they would do away with the double profit. There is a Grocers' Association here.
7. *Mr. Hall.*] Do they issue price-lists?—I believe they do; I do not belong either to the Butchers' Association or the Grocers' Association.
8. Is there any attempt to interfere with you with regard to the supply of other goods?—No; if one merchant would not supply, I would go to another or to an outside merchant.
9. *The Chairman.*] Have you ever heard of New Zealand merchants getting manufacturers in England to refuse to deliver goods here to retailers?—No. I believe Fry's cocoa could be bought and shipped and retailed cheaper than the association were buying at, but not through that channel. I have heard that said.

10. *Mr. Fairbairn.*] You could not buy these goods as you suggest.

11. *The Chairman.*] Were you present when it was said by the Butchers' Union secretary that prices fell when prices were free, in spite of increase of wages—that the Butchers' Association regulated the prices; and that for nearly two years there was a free market, when prices of meat were dear?—No; last year small butchers were selling very low in spite of meat being dear; I kept my prices right, and so continued. Lots of other small butchers had to sell out and clear out. They tried to crush me out. I do not think the Auckland Company or Hellaby's belonged to the association then; but there is a combine among the butchers to fix prices, and they are under penalty to sell at certain prices; I am the only free man.

12. *To Mr. Hall.*] I was selling very low last winter; for about three months the meat was sold at a loss, taking in trade expenses.

13. *Dr. Hight.*] You said there was a penalty?—I know that of my own knowledge. There is supposed to be a bond put up in Auckland, and they have come to me repeatedly and asked me to join, and I have refused. I reckon I have been a champion to Auckland people so far as keeping down prices.

14. *Mr. Leadley.*] Have they told you there was a bond?—They have told me. There is £25 bond down. I have been asked to put it down myself, to join the association—I was told that was the bond to be put down. I was asked to put down a bond of £25 and come in with the rest.

15. *The Chairman.*] Do you believe any such understanding is against the public interest?—Certainly. I would have put up my money if I did not think so. I do not think there is much "plunder" to share. The expenses of delivery are very great. I do not think all the shops prosper; some of them will not pay their way.

16. *Dr. Hight.*] Has the combination any effect?—Certainly, the people have to pay the prices. I could guarantee 1d. per pound all round decrease on the combination prices. The expenses are reckless in the combination, I think; that is why they do not make very much profit.

17. They are not effecting the economies in their business that combination is supposed to lead to?—No, I think not.

18. They are secure of high prices, and reckless in expenditure?—Yes.

19. *Mr. Fairbairn.*] That 1d. per pound might mean 15 per cent.?—I can prove that the public buy the same quality, the best quality available, from me at 1d. per pound cheaper. I give a weekly credit to boardinghouses. Mine is a cash trade otherwise. I get a fair profit at present.

20. *To Mr. Hall.*] I know of several butchers who have gone out of trade in Auckland. I could not say why they had to close up.

21. *Mr. Leadley.*] Are your prices lower?—Yes; but you cannot get an all-round price from the butchers—the same for sirloin, prime ribs, mutton, all at the same price. Sirloin might be booked at 6½d., cash 6d.; fore quarter mutton, 3d.; rump steak, 9d. or 10d. per pound; but an all-round price would come from me at 5d. say. I give the same price for all the meat.

22. *Mr. Fairbairn.*] Is not that rather speculative?—No, I give a customer a week's trial, and quote accordingly 4d. or 5d. I could extend that to the family trade.

23. *Mr. Hall.*] Have you any difficulty in getting rid of cheaper lines?—I can never get enough sausages; I make over 1 ton a week, 1,500 lb. was made by me on one Saturday; that is where the cheaper meat goes. In the winter time the meat goes into soups, but in summer we have it left. I have no wastage whatever. If I buy bullocks cheap to-day I give the public the benefit.

24. Do you buy at auction?—Yes, at auction-sales. There are three auction-sales here. I used to get a fortnight's credit from them, as did other butchers. When the price-lists were formed I was told by note that if I did not join I could not have any further benefit of the fortnight's credit, and had to pay cash before I took delivery. That meant I was buying £150 worth of meat per week; I had to find £300 at once—really find about £500 at a day's notice. We buy under the hammer. I am the only one paying spot cash for my meat. If I join the association I get the benefit.

25. *Dr. Hight.*] There are other butchers outside the association?—They are in the combine. At present I am the only one crushed in this way, to make me join the Butchers' Association and the butchers' price-list combine.

26. The secretary of the Butchers' Union says there are others outside the association?—There may be, but the auctioneers told me I was the only one; perhaps they have to pay cash, too; I can only speak for myself.

27. *The Chairman.*] Does the association call for £25?—No; the combine that makes out the price-list. There is an executive committee that fixes up the prices.

28. *Mr. Leadley.*] Do you get a copy of that?—Yes, sometimes; I do not always get it. I have asked for it. They generally print their price-list in the *Star*. I stick it up in my shop, and put up my own beside it. I could get the letter referred to, asking me to pay cash. The following is a copy of notice published in the *Star* recently:—"Public Notice—Retail Price of Meat.—The Auckland Master Butchers' Association hereby notify the public that no advance will be made in the retail prices of meat for the month of July.—C. GROSVENOR, Secretary.—29th June, 1912."

29. *Mr. Hall.*] Was any reason assigned for the letter?—I know what the reason was.

30. *The Chairman.*] What is the Auctioneers' Association?—The three companies joined to keep up one yard, and they charge *pro rata* for that. They work in with the butchers. The other work out at the yards. There is a boardinghouse, which supplies three hundred with dinner, and one of the butchers noticed a difference in quality of meat—I was not serving all the time. They asked the boardinghouse-keeper to knock off getting meat from me, or they would boycott her. The woman consulted me about the matter, and I suggested that she knocked off getting meat from me, and dealt with the association.

31. *Mr. Leadley.*] Who own the saleyards?—The Auctioneers' Association. Mrs. Mason came to me with this story, and I said she should knock me off, as I did not want to see her bread-and-butter taken away. I said I would make her come back to me. I rang up an association-executive officer, and told him the facts. This member of the executive said he had heard nothing about it. I said the boardinghouse-keeper had been told this, and she went to the telephone and told him the facts. I said that if they did not let her get her meat from me I would start an auctioneering business myself, and split up the rings. The woman is getting her meat from me now. I have been in the meat-auctioneering business before.

32. *Mr. Hall.*] Was it admitted this was done by the executive?—No, it was done by some individual butcher; the woman would not give the man's name; it was not done officially by the association.

33. Would they have countenanced it?—I do not think so. They knew I would carry out my threats.

PATRICK JOSEPH NERHENY, Contractor and Commission Agent, examined on oath. (No. 179.)

*Witness:* The fact that I have been in New Zealand for thirty years, in Auckland District for that time, has given me a knowledge of the place. I have been president of Liberal and Labour League, and member of various societies. Regarding rent, there has been a big increase during the last twenty years, it is alleged. I took list of properties under my charge for twenty-six years. There are fifty-three houses connected with this property. The rent was higher more than twenty years ago than to-day. Eighteen years ago houses were practically empty throughout the city, and owners had often to pay caretakers to look after the houses. Gradually the houses became tenanted, and the rents began to increase as population increased and times improved. To-day the rents are certainly much higher than sixteen years ago. Here is a property of fifty houses, which I hand in, to show rents fifteen years ago and to-day. There are actually twenty-one houses the same rent in both periods. Others have had the rents increased, owing to large expenditure and increased accommodation.

1. *The Chairman.*] Are the houses all together?—No, they are scattered all over the city; they are mostly small cottages for working-men.

2. You think there has not been much increase of rent?—Not in houses built twenty years ago, except where the landlords are extra greedy; but with houses built the last twelve years, owing to enormous increase in the price of timber they cannot be let at the same price. You have to have more accommodation and sanitary arrangements, &c., and therefore the rents are dearer.

3. You must acknowledge that it is proper to have good sanitary arrangements and breathing-space?—Yes; what is done is much required. Formerly there was merely a wooden shoot for the sink-water; that is all abolished, and rightly so. But the timber has gone up enormously in the last twenty years.

4. *Mr. Hall.*] Does the list give the previous rents?—Yes.

5. *Mr. Fairbairn.*] Are they all old properties?—None under twenty years old.

6. *Mr. Leadley.*] Any been remodelled?—Oh, several of them have the sanitary arrangements, and the increases are due to this. Drainage is compulsory now.

7. *The Chairman.*] Has there been great rise in cost of labour of building houses?—Just about ten years ago a carpenter was getting 10s. per day. I have known them work for 6s. per day; that was before the Arbitration awards. When I came here first I got 12s. per day. So that really they are no better off than twenty-six years ago so far as wages are concerned. The wages, then, need not be taken into account, but the timber must. I have a bill which I will put in showing costs of timber for house.

8. What are the present prices of timber?—I put this in, too. I put in these to show the enormous rise. In some cases there is 9s. per hundred in first-class timber, and 7s. 6d. in rough and medium. The difference in a house is very much against low rents to-day. I have bought rough timber for 8s. 6d., less 10 per cent.

9. Supposing you had to build a house at £200 thirteen years ago, what would be the price of such a house built to-day?—Taking everything into consideration, it would cost twice that amount.

10. *Mr. Fairbairn.*] Offering no more conveniences? On the same specification?—That might want explaining. Previously iron was cheaper; bricks were 32s. then, and now are 64s.

11. *The Chairman.*] In the cost of building a house what percentage is for labour?—About 50 per cent. we reckon.

12. *Mr. Fairbairn.*] What increase would you estimate there has been in wages during that period?—During the last thirteen years there seems to be very little increase in wages; about 10 per cent. would be plenty to allow for the increase.

13. The actual increase owing to labour would be 5 per cent. in cost of building?—You have to put more work into a building now.

14. But the same building, I am speaking of?—I do not know that I could give you that. A carpenter twelve years ago would give more work because he would not be required to do it so well; not that he worked harder than now, but because he puts in a better class of work.

15. *Dr. Hight.*] You mean in the rate of pay?—Yes. A good man always commanded a good salary; but of late years they are somewhat all put on the same level, because the employers will not go beyond the Arbitration award, and the good man is ground down, and has to work the same as the others. I think if a man were paid something to encourage him it would be better; but now a man taking it easy, or not so good a worker, gets as much as the good man, and so the good man will not exert himself.

16. You think there has been a general slowing-down?—Hardly; I think I can get as much work as ever I did. There is no slowing-down on the part of the men individually; but the quantity is less,

because they do a better class of work. The increased cost in the building of houses, the timber-costs, is not justified. The Arbitration award is given because it is made clear that the industry is able to stand the increase. Supposing timber-workers get an increase, then you get a notice that timbers are up 1s. per hundred; whereas if the Judge is satisfied that the industry can stand the strain, then that should be binding on both parties—the prices should not be put up. The men might as well ask for an increase of wages because prices are put up the next month. The insurance for fire is a good illustration. When there was a big fire the premiums were raised, and that continued till we had the State Insurance Department. Something will have to be done to stop the prices being bumped up simply because it is decided that the present prices are good enough to stand an increase of wages. There are hundreds of people whose purchasing-power has gone down because the prices are put up artificially in this way. I believe our Arbitration Court law ought to be amended, and the Conciliation Commissioner should have attached to him one or two practical commercial business men; and when they awarded an increase in pay it would be on the understanding that the industry would not be crippled; and they should then have the power to fix that the price should remain for the same length of time as the wage lasted.

17. That is, that an increase in price would be a contradiction of the award?—Yes; the Court says the industry can stand 6d. per day extra for the men for, say, two or three years, and it should then be said there shall be no increase in the price of the commodity produced. Now the awards are very little use. The increase is “passed” on. The merchants were in a humble way years and years ago, and they are in a position that a hundred years’ work should not bring them to.

18. Could you tell us anything of a combination among timber-merchants to raise prices?—I could not say that; but I know that some fourteen or fifteen years ago, if you were not satisfied with one mill’s prices, you could go to another, and get a reduction; to-day you get the same price from all the mills; they all give the same quotations.

19. You think from that there is a regulation of prices?—Yes; formerly we could get 9d. per hundred difference; now there is not a penny difference in the prices. Some sixteen years ago I added coal and firewood business to my own, and carried it on for eight or ten years, and then dropped it owing to having other matters in hand. I give the price-list, in which my name is given as one of the association; and I was in that “ring,” if you call it so. At that time the association was for various purposes. This list was drawn up in 1900, and Taupiri coal was then £1 2s. 6d. per ton with 1s. discount, £1 5s. net, best bagged coal. You got 12 bags to the ton from the merchants, and the price was £1 5s. net. At that time screened coal for household purposes was used; and nuggety coal was used then, that was sold for £1 2s. per ton less discount; a sack was sold then for 2s. 3d., with 3d. discount; the bigger coal, that fetched £1 5s. per ton, was sold at 2s. 4d. net. Previous to that, thirteen years ago, that coal was sold for £1 3s., less 1s.—£1 2s. net. That was in 1899. The nuggety coal was sold for £1 per ton. At the time the list was drawn up there were a good many hawkers going about; they got six sacks from the merchants, and made it into eight sacks, and they sold this per sack, under the dealers’ prices, of course. The dealers used to say they could sell cheaper if they had no yard; that is what the hawkers used to contend. The association was formed to bring those men into line, and to force them to sell the right weight. Then the merchants had a big advantage over a smaller dealer, because of the larger discount allowed at the mine; so that they were able to sell cheaper to the customer than the dealer who had only a small yard. The people whose names are on the list went to the merchants, and threatened the merchants they would join together and order the large quantity, and get the bigger discounts. The merchants then joined in with the small retailers, and they supplied the coal to the retailers for 19s. per ton, and it was retailed at £1 5s. per ton. So that the coal, in my opinion, has gone up altogether beyond what there was any need for.

20. *The Chairman.*] Could you tell us something about the persons who control the sale of bricks? Is there any reason for bricks having doubled in price?—I do not know of any. Men were getting as good wages on the brickyards years ago as now. I know Lancashire men who came out, and were getting, working with a little puddling-machine, 12s. per day; and they still sell for the £1 12s. I am not aware of any ring. I know there are only a few men brickmaking. The price has gone up enormously. The men got a little increase in wages, and then straightaway 2s. 6d. per thousand was put on the bricks. I would like to refer to the enormous increase in the price of land in the city. The increase in land, excepting in Queen Street and Karangahape Road, has not been so great as some people have alleged. The side-street areas have not trebled. It is a steady increase, that is not extraordinary outside the principal streets. On Karangahape Road there is a house at £1 5s. per week rent; that was rated at £39 per year for rate-paying; owing to a property being sold at £130 per foot next door, then the value went up; the rates were increased from £39 to £200. That house will have to pay £30 per year rates. Of course, the rent is gone in rates. In that case the owner has no power to sell, and so hardship is inflicted on him. The rates before were £39 at 2s. 9½d. in the pound. The rate is still 2s. 9½d. in the pound. I think it would lower the rents of this city if our present laws allowed a man to buy a house by paying down £10, not only on the Government areas; when the Valuer valued it the man should be given a right to buy in any part of the city on the same conditions. Then hundreds of people would be able to become their own landlords. We have hundreds of acres of leasehold, but under the Glasgow lease; and on that money cannot be borrowed, even from the Government, for house-building. I think the Glasgow lease should be included in property for Government advances.

21. *Dr. Hight.*] Suppose the timber-worker got 6d. per day in wages, you get a notice that timber goes up, say, 1s. per hundred?—Yes, I have received such notices.

22. You want the prices fixed for the same period as the wages are fixed?—Yes.

23. Is wages the only element in the price of a product?—I take it that as long as the worker has to show to the Court that the industry can stand the increase, it is not fair for the other side to be at liberty the day after to increase the price of the commodity.

24. But supposing there are changes in the other elements of producing that commodity—take the cost of timber: there are freight rates to be counted?—Instead of going for three years, you could make the award for one year or two years, and when the producer could show his inability to pay the wages the award should be reconsidered by the Conciliation Commissioner. The wages-man has to abide by the wages for three years, but the seller, the timber-man, can put up his prices whenever he likes.

25. *Mr. Fairbairn.*] Did the coal-dealers, when they made the threat to the merchants, get any concession?—Yes; they gave in, and supplied the retailers at the same price.

26. From the coal-dealers, do they all get the same price?—Yes; and they all have to sell at the same price. I note that the retailers have to pay £1 5s. to the merchants for what he formerly got for 19s.; if the merchant could sell at a profit at 19s. formerly, why not now? The expenses have not increased enough to warrant the increased prices to £1 5s.

JOHN ROWE, Builder and Contractor, examined on oath. (No. 180.)

1. *The Chairman.*] Have you noticed a rise in building materials?—Yes, through the last twenty years.

2. What are the principal items that have gone up?—There are several reasons other than wages. For the thirty years I have been building the recognized wages for carpenters have been 10s. per day, excepting the last few years, when it is 1s. 4½d. per hour. For a few years, probably up to 1889, things were bad in New Zealand, and carpenters' wages went down; but those conditions are not a criterion. The carpenters' wages are always 10s. per day, and always have been up to lately; now they are 11s. But the rise in timber is considerable. I could produce a price-list of 1898–99 showing 14s. 6d. for rimu, with 10 per cent. discount, and 2½ per cent. To-day for the same material you pay 14s. 6d., with only 5 per cent. discount. The kauri has risen about 9s. per hundred. In 1898 kauri was 12s. to 14s., heart of kauri and rough heart. I produce price-lists to show this. Kauri is now 25s. and 26s. per hundred. The ordinary door in 1900 was 13s.; to-day that same door is 20s. The whole of the joinery-list shows a rise in comparison with the rise in timber. The rise in values of land has to be considered as well. Oregon pine is imported, and I maintain it is unjust for us to export the native products, and not allow something like this Oregon to come in instead—Oregon and jarrah. Oregon pine could be imported for 11s., instead of 22s. per hundred, as is the local price for planed tongued and grooved. There is a duty on it; I do not know what it is. Oregon has advanced with the other timbers. There is a differential rate on the railway for Oregon. Take all the mills in the Waikato: you do not pay the individual man, but you pay the Sawmillers' Association—the bill always comes from the one office. In Auckland you get the individual bills. But the Waikato mills are all in one association; you pay the association for the timber, no matter what Waikato mill you get the timber from. The cost of land has gone up considerably, probably double in some cases.

3. *Mr. Hall.*] What portion of the rent is due to enhanced site-value?—Say, 1s. per week.

4. *The Chairman.*] Is there a duty of 4s. per hundred on Oregon?—I think that is so. I think Oregon should be let in free, seeing that there is practically free exportation. That is the only way to get cheap timber.

5. What about the bricks? Has there been a rise?—Yes, a considerable rise. In Dunedin bricks are sold much below the prices in Auckland. The present price is 63s. per thousand, I think; twenty years ago it was 28s. to 30s. I do not know of any reason for the rise; I do not think it is scarcity of clay or rise in wages. In Sydney there is a State brickyard, and they could give the costs of production. In Auckland all the bricks are the same price. There are only two or three yards making bricks. Certainly, increase of coal-cost is one reason. I think, without doubt, the State should start a brickyard.

6. *Mr. Hall.*] Have bricks been reduced since the State yard was started in Sydney?—Oh, yes, considerably.

7. *Mr. Leadley.*] I thought the Government were making bricks for themselves?—Well, I know bricks are less in Sydney now, perhaps because the brickyards have lost the custom of the Government.

8. *Mr. Fairbairn.*] What has the increased cost of wages added to the cost of building?—There is 1s. per day increase; but we do not get the same amount of work. I do not wish to say anything disrespectful of working-men, but we do not get the same amount of work. It used to be recognized for a builder to allow 6s. to 7s. per hundred for working up timber; to-day no builder would be safe in allowing less than 10s.

9. *The Chairman.*] You said that men were getting small pay because it was difficult to get employment at one time?—Yes.

10. Consequently there was pressure for work, and there was no protection from the Arbitration Court, so with free competition the men might have to put forth their strongest effort, as they did under the whip of necessity?—I do not take those years into account. I take the ordinary years when 10s. per day was paid.

11. *Mr. Fairbairn.*] To what extent has labour-saving machinery militated against this?—That should make timber cheaper to work up. I am taking the whole thing when I count the 10s. per hundred. We say 20,000 ft. of timber at 6s.—£60 for carpenters; to-day we say £100 for labour. The value of the building would be £400. That has added 10 per cent. for labour. I am reckoning the extra 1s. That is not for the same kind of house that there would be 10 per cent. extra.

12. *Dr. Hight.*] What would such a house cost twenty years ago?—Twenty cottages built in 1891 cost £280 each; off the same plan, with exactly the same specifications, they cost £347 now. They consisted of four rooms and scullery. Some of these houses are in Onehunga and some in

Parnell. The material was bought at 12s. per hundred all round, medium. Now the same cottages, with ordinary building rimu, cost 15s. 6d. per hundred.

13. A house at £450 would have cost £360?—Yes, about that.

14. Labour would be one-sixth twenty years ago, and now it would be about one-fourth?—That is so.

15. *Mr. Hall.*] What about plumbing and painting?—The wages of painters have gone up 1s. to 1s. 6d. per day, and materials are about the same, on the average. Plumbing has gone up.

16. What would the plumbing be in a £340 house?—£28 it used to be, and now £35 would be the cost. These prices are without bath and hot-water services.

17. *Mr. Fairbairn.*] You show an advance of timber of 25 per cent., and other materials 25 per cent.: would wages have increased 25 per cent.?—I should say they have gone up 10 per cent. on the total cost of the building.

18. *The Chairman.*] In spite of the protection given by the Arbitration Act in 1894 and onwards, you still think the efficiency of the men has fallen off?—Yes. I ascribe it to this fact: that you hear the men say themselves, "I am not going to do more than So-an-so because I'm getting no more." I think a minimum wage should be given, but no maximum wage should be fixed. That is not fixed by the Court. The men do so, and they want to know at once why such-and-such a man is getting more, and will pick up their tools if they do not get the same. It introduces discontent if the employers differentiate in this way, according to merit.

19. *Mr. Hall.*] The men now consider if you pay one more than the other you are doing it to speed up the others?—It would be a good idea, if practicable, to classify the men, but they will not recognize the grading principle.

20. *Dr. Hight.*] As to Customs tariff, you favour the removal of the import duty?—Certainly; that is better than imposition of export duty. I should like to add that if Oregon and jarrah were allowed into New Zealand free of duty, or a very much increased export duty on kauri, you would soon see the cost of building considerably reduced; but I think free Oregon and jarrah the best course to pursue.

J. W. HALL, Wholesale Grocer, further examined on oath.\* (No. 181.)

*Witness:* The reason I am here is because of the published report of evidence given by a previous witness. My first attendance at this Commission was under subpoena, and the only evidence I tendered was the submission to the Commission of correspondence between my firm and a company—the Union Oil, Soap, and Candle Company. In the published report of the evidence of the manager of that company, in the *Auckland Star* of 27th June, he is reported to have said, in answer to a question, certain things. "We have letters here saying you refused to supply a certain firm with candles?—They are getting them now at the same price elsewhere. We were asked to supply at the same price for two years, but if the price went down the firm in question was to get the benefit." The "firm in question" I assume to apply to T. H. Hall and Co.

*The Chairman:* That was the firm; it was mentioned by the manager of the Soap and Candle Company.

*Witness:* I have to say that my firm have no knowledge of this whatever. There is nothing in the correspondence suggesting any idea of getting a contract for a period, nor was that in our minds, nor ever proposed by us. It is quite possible that the witness who made the statement may have mixed up our firm with another; but it certainly does not apply to our firm. I wish to have particular record made of that. It is an unhappy position for us. This evidence referred to candles.

1. *Mr. Fairbairn.*] As applied to your firm, the statement is untrue?—It is. I communicated with the manager of the Union Oil, Soap, and Candle Company on the 22nd June, saying that I was handing in the correspondence between his company and my firm of June and July, 1910. I have had no acknowledgment from the Union Oil, Soap, and Candle Company of receipt of this communication. To-day I wrote to the company's manager that I would attend the Commission respecting the evidence reported as given by him. The manager has perhaps not had time to reply to this note of to-day's date. My presence here to-day is due to a natural and proper desire on my part to assure the Commission that there was no condition whatever as to any forward contract in our correspondence, or in any other way, the non-acceptance of which would have justified the refusal of supplies.

FREDERICK WILLIAM ARNS, Secretary, General Labourers' Union, examined on oath. (No. 182.)

1. *The Chairman.*] Is your union a strong one?—Yes, about 1,300 members.

2. Has the remuneration for general labourers' work increased of late?—No. I could not say whether it is the same as ten years ago; I have been in Auckland only four years.

3. In that period you have been thrown into connection with many working-men?—Yes.

4. Do you find their lot so comfortable in the town that if they had free quarters and milk and vegetables in the country do you think they would go?—Yes, 75 per cent. would go.

5. Say regular employment, accommodation, and decent rate of wages—if they had these, would they go?—Yes, 75 per cent. of them would rush it.

6. Do you hear much complaint among your members as to cost of living?—The greatest bogey with us is the rent question; workers cannot get a house in agreement with their earnings. Statistics I compiled showed that the average wage was 32s. per week, counting broken time, &c. We find the average rent is 14s. 6d. per week for a house in any way habitable at all. There are many instances where two or three families take a house together; they get a £1 or 22s. house, and all the families live together. That is a very bad thing for the workers. There are plenty of the

\* For main evidence see page 258.



workers I represent who are packed away in the slums, and even there the rents they have to pay for the hovels, the insanitary hovels, they live in are abominably high.

7. *Mr. Fairbairn.*] That rent of 14s. 6d.: is that a fair average rent for a cottage?—The lowest rent I have heard of, when compiling my statistics for the Arbitration Court, was shown on the list. A good deal of our stuff was sent to the destructor on removal of the union offices. What I state to-day is based on actual facts. The lowest rent, was 9s. for two rooms. I could easily obtain statistics and forward to the Commission. In compiling statistics you may strike a house where two families live: that would reduce the cost per family. I could state in my list how many families were living in the house. As near as we could say, the rent here is 14s. 6d. per week per family.

8. *Dr. Hight.*] The average rents according to census are 10s. 6d. for four rooms, and so on; and the Labour Department say 11s.?—I think those figures are too low. If we could get five-roomed houses for 13s. we could place five hundred tenants in them to-morrow.

9. *The Chairman.*] Here is a report made on the 8th August, 1910, by an officer of the Labour Department: "In some cases in Auckland City one pan-closet has to do duty for more than one house, and the small back yard is often the common playground for children resident in two separate homes, and in one case there is but one back yard (about 50 ft. by 30 ft.) for five houses. Worst of all, it is found that in some of these so-called dwellings there is undoubted evidence of overcrowding. In Auckland, for instance, the following cases might be quoted: Eleven, ten, and eight persons, comprising one family in each case, occupying average six-roomed and four-roomed houses, with no conveniences, and a two-roomed house, old and decayed, with no conveniences, occupied by a family of five. In Vernon Street—a side street—there are two two-roomed houses at 6s. and a three-roomed at 9s., all dilapidated old places, having one dirty yard about 36 ft. by 18 ft. between them; no conveniences. Two dirty and old pan-closets serve for the three houses. One of these houses is occupied by a married couple, another by two bachelors, and a third by a man, wife, and two children. Other houses dilapidated, worm-eaten, &c., with no conveniences. In Sale Street there is a block of dwellings—a low neighbourhood—consisting of two, three, and four roomed houses—two rooms at 6s. 6d., three rooms at 7s., four rooms at 7s., 8s., 10s. 6d., and five rooms at 10s. These are all old places, cramped for space, no conveniences, and decidedly unhealthy. There are also two others of three rooms at 8s. 6d. and four rooms at 6s. up a right-of-way 4 ft. wide; and another two rooms at 6s. 6d. up a 6 ft. right-of-way; all very old, with no conveniences. 'No conveniences' mean no bath, no wash-tubs, and no copper. The tenant of an old three-roomed house in Parnell, the rent of which is 10s., complained that the place was infested with ants, fleas, and other vermin. Others were overrun with rats, while one at 16s. per week was very damp and unhealthy through defective and insufficient drainage. In another case a five-roomed house in Phillipps Street, very old and dirty, was said to be infested with bugs, and there was one small yard about 12 ft. by 15 ft. to do duty for two families. Again, in Gloucester Street complaint was made that the house—a six-roomed one at 15s.—has no conveniences, and is overrun with rats; the latter is a very frequent complaint. In Manning Street a two-roomed house, very old and decaying, was found to be occupied by five persons; a three-roomed place, also by five persons; and one of four rooms by eight people. All these are old, and none of them have conveniences. In Marmon Street, off Upper Queen Street, is a number of poor, dilapidated, and old places of four rooms at 8s. to 12s. 6d. a week rent, with practically no conveniences, in some cases not even a scullery, and in all cases very small and cramped back yards. In Yelverton Terrace there is a number of three, four, and five roomed houses built very close together, spaced not more than 3 ft. apart, some of which are quite unfit for habitation, being in an advanced state of decay, and to which there are practically no conveniences. Similar conditions exist in York Street. In Vermont Street a very old house of five rooms, at 10s., is in a bad state of repair; in fact, is literally falling to pieces. The floor-joists are riddled by the borer. This house was inspected from underneath, and found to be in a deplorable state. In a very short time the whole structure must collapse. The position in regard to rented houses at Auckland was peculiar. At the time the inquiry was conducted (May, 1910) there was an unsatisfied demand for houses suitable for working-men, and it was reported by several tenants that they were afraid to ask for repairs or additions, as they would be liable to receive notice to quit. There was no difficulty in letting houses of any size or in any condition, and after the rent-collectors had finished their day's work there was usually a crowd of people awaiting their report as to whether a house was available through failure of a tenant to pay his rent promptly. The comparatively low rents ruling in the suburbs of Auckland are partly due to the fact that land can be placed on the market for building purposes without the necessity of forming metalled roads and footpaths and providing kerbing and channelling, as are insisted upon by other municipalities." This is the sort of house you describe as being in the slums?—Yes. In the average I have struck, it is for members of my organization, not for all workers.

10. *Mr. Fairbairn.*] Could you make further investigations, and send us a statement?—I should be very pleased.

11. *Mr. Leadley.*] There are 1,300 members of the union?—Yes. There is not free admission; they pay initiation fee. Anybody can get in provided he is a man at labouring work. If a man comes from another organization he comes on his clearance card. A new arrival in New Zealand can become a member on payment of 2s. 6d.; there is an open door.

12. Are the members mostly past the prime of life?—Oh, no; mostly on the young side.

13. Have you seen the statement regarding advice tendered to workers—advising them not to work too hard, &c.?—That is not the general ethics of unionism. Those statements are made by irresponsible men; they are not advocated by trade-union leaders to my knowledge.

HENRY BANFIELD, Organizing Secretary, Amalgamated Society of Carpenters and Joiners, examined on oath. (No. 183.)

1. *The Chairman.*] As a private citizen you now appear?—Yes. I am a carpenter and joiner.
2. Has there been any rise in wages for carpenters?—Twenty-five years ago I was getting about the same wage. The standard rate during twenty-five years was 10s. per day; then the rate went up recently 1s. per day. I have been secretary of the society for eight years. There is no falling-off in efficiency; that is simply the talk of employers who fancy they are not getting enough work. I have seen men work very, very hard, fussing, and not do as much as men who work along steadily and quietly. A great deal of work is done by machinery nowadays. The class of work done now is a great deal better than ever it was. The architects are more modern; anything used to do at one time—the architects did not know any better; now every architect and every builder tries to make his job the best. The men are required to do more work at times, but they are required to do a better class of work, and so apparently they do less.
3. Has the class of labour increased in the house?—The cost of construction, owing to extra rise in wages, would not mean more than £5 extra as compared with what it cost ten years ago. Ten years ago the standard wage was 9s. 4d. as fixed by the Court—1s. 2d. per hour. Then they worked forty-four hours—£2 11s. 4d. per week. Then we got a rise to 10s., in 1907. Twenty years ago I was getting 11s.; then there was a depression, and it was a job to get up the wages again to the old level. The hours are the same now.
4. You mean that is the minimum wage?—Yes, at all times I speak of the minimum wage. It is only human nature that all men are not equal, and if an employer finds he has a man who can do half as much work as another he offers inducement to the man to stop. With the majority of unscrupulous employers the minimum wage is made the maximum wage. If the employers would give the man what he can earn it would be all right, but they will not. A man's wage is fixed according to the standard of living. We endeavour to fix a wage as a minimum under which a man cannot live; the employer should fix the maximum wage.
5. *Mr. Hall.*] Would there be dissatisfaction if there were differential wages?—Every man would try to get up to the higher standard. The minimum wage man would realize he must earn the extra amount if he wanted to get it. It is nonsense to say the work is slowing down; they are working as hard as they ever did. I could take you to see the men working.
6. *Mr. Fairbairn.*] Have you ever taken out estimates of labour for cottages?—Not recently.
7. What amount of carpenters' labour would be required in a £350 cottage?—£35 for the carpenters' work, I should say. There is a house just built in the suburbs; a friend of mine was working on it; it was a private job, not a contract. It was a four-roomed house, scullery, and bathroom, and the labour was £35 for the man and his mate. I am now speaking of actual cost of carpenters' labour itself, not for what the builder charges for that labour.
8. Could you obtain in any contract you know the carpenters' time in a building of £800 value?—Provided I gave this I do not suppose you would publish the names.

*The Chairman.* Certainly not, if you mark it confidential. You need not even give us the names unless you wish.

*To Mr. Hall.*] A good deal of work was done by piecework—floor-laying, &c. We used to get 2s. per square for lining twenty years ago, and about 1s. 6d. per square for flooring. The doors were not hung in those days. Advertisements might be inserted for carpenters' work, and men would apply not knowing the work, and all sorts of prices would be given. I might be out of work for a month; another man with a bigger family might be putting in a price. I might put in £40, and the other man would do it for £25, and the job is worth perhaps £85. That was on the principle that half a loaf is better than none. Nowadays there is no piecework and sweating of this description.

#### BOOT-MANUFACTURER.

A boot-manufacturer, examined on oath (No. 184), gave confidential evidence.

JAMES SLATOR, Architect and Engineer, examined on oath. (No. 185.)

1. *The Chairman.*] Has building increased?—Yes, it has increased considerably. It would be 33 per cent. increase as compared with ten years ago. A house you could build then for £175 would cost £300 now.
2. Is part of that increase owing to site?—No, not the ground.
3. What proportion does the labour bear?—The labour runs into pretty nearly half. It goes a long way towards half. I dare say it would be half ten or fifteen years ago, counting increase in timber and bricks. Materials have advanced immensely.
4. Why have bricks risen so much?—Labour is dearer, and there is a difficulty in supplying the demand.
5. They have the "drop" on the public?—Well, the brick-merchants say they cannot supply any cheaper; but the Auckland bricks are the worst in the world, I should think, taking them all through. They say it is the clay, but I believe it is in the burning and making. You cannot get a brick wall tight here unless you plaster it. I have worked at the trade all over the world, and I never saw such bad bricks anywhere as here. I could not say what bricks were ten years ago—I think it was £2 per thousand; now they are £3 4s.
6. *Mr. Leadley.*] Are all the firms' bricks alike?—There are a few good bricks to be picked up, but there are only two firms making them. The Maraiti bricks were no good; they would crumble to pieces. They were pressed bricks, I think.
7. *The Chairman.*] Have you noticed a great falling-off in the efficiency of the men?—Oh, yes; if you level down, and pay the same wages to good men as bad, you cannot expect them to take pride in their work. The inferior man is paid the same as the good man.

8. The Arbitration Court fixed a minimum wage; above that the employer can give what he likes?—They all get the same wage. When I worked at the trade the best man got the best wages. Lots of carpenters nowadays are only fit to nail up lining-boards. There are a lot of very poor men in the trade. There are some good men. I believe the employers give the same wages—good, bad, and indifferent workers alike. That is the fault of the unions, and the Government, and the Arbitration Court.

9. That is not the fault of the Arbitration Act: that only lays down the minimum wage?—I think it is the fault of the unions and the Government. I never heard of the Act fixing only the minimum wage, and allowing employers to go as much higher as they liked.

10. *Dr. Hight.*] You mean the minimum wage is fixed too high?—I think so. I am certain, with plenty of jobs, that the contractor could not clear the expenses.

11. Then, the men have to suffer?—I do not think they have to suffer; they get the Arbitration Court wages. I do not think 1s. 4d. per hour is a bare living wage; I think it is a good wage.

12. *Mr. Leadley.*] Do you think the men are paid too highly?—The employer must have some good men on the job, but he has to pay them all too highly. Probably to those one or two good men a higher wage is given.

13. *Mr. Hall.*] An employer stated that if he gives more than award rates there is discontent?—He cannot do it openly. I believe it is done sometimes, but there would be discontent if it were done openly.

WILLIAM HENRY WHITEHEAD, Boardinghouse-keeper, examined on oath. (No. 186.)

1. *The Chairman.*] How many lodgers have you?—My business fluctuates a good deal. I keep a restaurant too. I have good acquaintance with the cost of commodities extending over sixteen years. The cost has increased very much of late years.

2. What is the price of fish?—The fish industry for the last thirty-eight years has been controlled by two men in this city. I pay for schnapper 3s. 6d. per dozen. I could not say how many pounds that would be; we judge by the eye.

3. Are they dearer now?—I do not think so. I pay 4s. for smoked fish and 3s. 6d. for fresh. With respect to flounders, I have two sons, who use a great many, and they pay 3s. 6d. to 4s. 6d. per dozen. We have to buy through Mr. Sandford; he has a depot at Thames and also at Tauranga. He has practically the whole fish trade in his own hands.

4. Do the Chinese provide most of the vegetables here?—Yes, they grow them and sell by auction.

5. Do none of the farmers send in produce?—Very few; only one or two from Avondale, because the prices they get would not pay them.

6. When they sell wholesale they get such a small return?—I only know one or two growers besides the Chinese, and they are pig-keepers as well.

7. Has the price of vegetables increased?—Not besides potatoes, and they fluctuate. I bought at 30s. recently, and now we pay £9.

8. Has the cost of meat gone up?—Yes, through the association. I buy from Mr. Reed, and save 1d. per pound all round, and sometimes 2d. I have an invoice six years old, and this man has toured round the world on the profits of his business. They will not give me an all-round price.

9. *Mr. Leadley.*] What are the increases in?—In almost everything—I mean everything in the way of meat. If we could get cheap fish we could use twice the quantity. I have a note for trevalli, because they had no schnapper. I prefer schnapper to trevalli. Many people prefer schnapper to mullet. Every restaurant could use twice the quantity they do. My boardinghouse is just a working-man's boardinghouse. I charge 18s. and 20s. for board and lodging. I have nothing to do with the washing. Fifteen years ago I used to supply board and lodging for 15s. The £1 now is for a private room. Eggs and milk and butter have all gone up, and the wages of my assistants have gone up. I used to pay £3 10s. rent, and now I pay £5 for the same place, and the rates have gone up proportionately.

10. Then, the profits are not so good to you?—We made as much money at 15s. years ago. The rent of one of my boy's shops was raised recently from £6 10s. to £9 10s., and he is a weekly tenant. They will not give him a lease, either.

SAMUEL COCHRANE MACKY, ex-Farmer, examined on oath. (No. 187.)

*Witness:* In giving my evidence I will endeavour to be as brief as the importance of the subject will allow me to be. (1.) In endeavouring to answer the first question upon the order of reference, I may state that I can only give the flour and wheat quotations the first Friday in August of each year from 1891 to 1901 inclusive, taken from the *New Zealand Herald* files:—

Year.	Flour, per Ton.			Wheat, per Bushel.	Year.	Flour, per Ton.			Wheat, per Bushel.		
	£	s.	d.			£	s.	d.			
1891	12	10	0	3	9	1897	12	0	0	4	0
1892	11	0	0	3	9	1898	12	0	0	4	3
1893	8	10	0	2	6	1899	7	10	0	2	6
1894	8	10	0	2	9	1900	7	15	0	2	9
1895	10	0	0	2	9	1901	7	15	0	2	10
1896	10	0	0	2	6	1901 (southern flour)	6	15	0	..	..

I prepared this table and published it in the *Herald* as a reply to an officious M.H.R. who had asked the Government whether they would introduce a Bill "to render illegal the flour and other trusts whose objects are to destroy competition and exact an artificial price from the

people for the necessaries of life." The table made it quite clear that there did not seem to be a rapid fortune in flour-milling. I wrote again on the flour question in 1907, and showed the relative prices for wheat per bushel in the middle of May, as follows:—

Year.	Sydney.	Melbourne.	Adelaide.	Auckland.	South.
1901—	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
Wheat .. ..	0 2 8½	0 2 9¼	0 2 7	0 2 11	0 2 7
Flour .. ..	6 7 6	Not given	6 5 0	7 10 0	7 0 0
1903—					
Wheat .. ..	0 5 11	0 6 0	0 5 8	0 4 4	0 4 0
Flour .. ..	12 10 0	12 10 0	12 0 0	11 15 0	10 7 6
<i>From Farmers' Advocate.</i>					
1905—					
Wheat .. ..	0 3 5	0 3 5	0 3 5	..	0 2 10*
Flour .. ..	8 0 0	7 15 0	7 10 0	..	8 10 0*
1906—					
Wheat .. ..	0 3 6	0 3 4½	0 3 4	..	0 3 5
Flour .. ..	8 0 0	7 10 0	7 5 0	9 15 0	9 10 0
1907—					
Wheat .. ..	0 3 6	0 3 7	0 3 5	..	0 3 9
Flour .. ..	8 0 0	8 0 0	7 10 6	10 10 0	9 5 0†
<i>Took out what follows from files lately.</i>					
1908—					
Wheat .. ..	0 4 7	0 4 6	0 4 3	..	..
Flour .. ..	9 15 0	10 0 0	8 15 0	..	..
1909—					
Wheat .. ..	0 5 4¼	0 5 1	0 5 1	..	..
Flour .. ..	12 10 0	11 10 0	11 0 0	..	..
1910—					
Wheat .. ..	0 3 5	0 3 6	0 3 4¼	..	..
Flour .. ..	8 10 0	8 10 0	8 5 0	11 15 0	10 0 0‡
1911—					
Wheat .. ..	0 3 6	0 3 6	0 3 5½	0 4 2	0 3 6½‡
Flour .. ..	8 10 0	8 0 0	8 0 0	10 15 0	9 15 0‡
1912—					
Wheat .. ..	0 4 5½	0 4 4½	4s. 1d. to 4s. 2d.	0 3 5§	..
Flour .. ..	10 0 0	9 5 0	£8 17s. 6d. to £9 2s. 6d.	10 15 0	9 15 0‡

In the first table I have only given the quotations of the price of wheat and flour in Auckland. In the second table I have endeavoured to give the prices in the chief towns of Australia also. You will notice in 1905 I took the quotation from the *Farmers' Advocate*, and up to this New Zealand wheat was always lower in price than Australian. Being anxious to get the southern farmers to become members of the Empire and Tariff Reform League, I drew their attention to the fact that, as they had not hitherto availed themselves of the protective duty of 9d. per cental, they would be better to join the league and assist us to get rid of protective duties and go in for preferential trade with Britain and her self-governing colonies. Instead of doing so they decided, at the summer conference of the New Zealand Farmers' Union, to raise the price of their wheat, and they have kept on top ever since. I had occasion to prepare another table showing the price of some farm-products:—

	April, 1901.			August, 1907.		
	£	s.	d.	£	s.	d.
Flour .. ..	7	10	0 less discount	11	0	0 less discount.
Dun Southern..	7	0	0 net in Auckland	10	10	0 net.
Oatmeal .. ..	11	0	0	14	0	0
Wheat .. ..	0	2	6 per bushel	0	4	10 fowl-wheat.
Oats .. ..	0	1	10 ..	0	3	6
Maize .. ..	0	2	2 ..	0	3	6
Potatoes .. ..	2	5	0	5	5	0
Leg mutton ..	0	0	4 per lb.	0	0	6 per lb.

The last column might be taken as to-day's prices, being just on a par with them, proving that there has been a considerable increase in prices of farm-produce. In *re* questions (2), (3), (4) on the order of reference, I will leave them. (5.) Will also hold over. (6.) The public have not had the benefit they were entitled to as the result of tariff remissions. Sugar (No. 1A) was down to 8s. 3d., now it is 10s. 3d. per 56 lb. bag; and tea is much worse in quality and higher in price. Members of the Commission may remember that a return called for was laid on the table of the House of Representatives in 1907, showing

\* Christchurch.

† Dunedin.

‡ Auckland.

§ F.o.b.

|| South.

that the average price of the bulk tea imported was only 8d. per pound, some of it being only 4½d. and 6d. per pound, yet there is no tea worth drinking under 1s. 6d. per pound in the market. (7.) I do not think the rise in the price of land has contributed to the rise in the price of commodities. (8.) The price of agricultural produce either in England or Australia is bound to affect prices here. A drought in Australia would likely cause a great increase in the price of produce. The protective tariff, together with (9) labour legislation, has been the cause of the increased cost of living. Those working protected industries did not seem to think it necessary to try for higher wages, and it was only after the maritime strike that there was any feeling of discontent. Then, in 1894, the first Industrial Conciliation and Arbitration Act was passed, and amended in 1895, 1896, and 1898. A new Act was passed in 1900, which was to remedy the defects of all the previous attempts at conciliation and arbitration. I think tailoresses were the first to take advantage of the Acts. The seventh case before the Conciliation Board was the paper-hangers and painters, where twenty-five employees cited seventeen employers. As most of the employers were working at their trade they did not require the intervention of the Board, but agreed to higher pay and better conditions, getting the Board to confirm it, notwithstanding the protest of Mr. John Mitchell, architect for the Board of Education, who represented that body, and under whose superintendence the painters employed permanently by the Board worked. And so it has been ever since. Where the employers and employees agree to increased wages and better conditions the increase is always passed on to the consumers, who must pay the increased cost, and they have absolutely no redress. The professional labour agitator has taken good care that every trades and labour union has been before the Arbitration Court, and then they wonder why the cost of living has increased. That heaven-born legislator Keir Hardie, M.P., told his audience at Christchurch on the 7th January, 1908, "It was most unfair to attribute the increased cost of living to increased wages." He evidently thought that only his own particular friends were to get increased wages, whilst all others who provided them with the necessaries of life should work on at the old wages. How different was that prince of labour members, Mr. Ramsay McDonald, M.P., whose visit must be fresh in your memory. By circumstances over which he had no control he could not speak freely here, but upon arriving in Melbourne he let himself out. He told a reporter, who cabled his words of wisdom to our daily papers—I will quote a passage: "The great problem the New Zealand worker has to consider is the purchasing-power of money. In the past he has been trying too much for increased wages without thinking what the increased wages would purchase." He then advised us not to try for higher wages, as the cost of living would go up out of all proportion to the increased wages. After an address I gave at Waihi I was asked, "Why is our beef dearer here than in England?" Because the butcher must pay wages as fixed by the Arbitration Court to his slaughtermen, shopmen, drivers, and butcher boys doing their rounds. His carts and wagons are either built by Arbitration Court labour—as also the harness, horse-covers, cart-covers—or else imported, paying a high protective duty. These employees of his are living in houses built of timber which is 4s. per hundred dearer than it ought to be, on account of the protective duty. They have been papered and painted by arbitration-award painters. His horses are shod and vehicles tired by blacksmiths working under an award. He and his employees are eating bread where the wheat has been carted from railway-station to mill, flour delivered, and baked and delivered by bakers' bread-cart, all done by men working under awards of the Court; so it is not a matter for wonder if the price of both meat and bread are higher here than in London. (5.) After showing up this close labour trust, I will repeat what a prominent grocer—now retired—told me about twelve months after one of the grocers' awards, "We used to make sugar a leading article, now we make about £20 per week out of it." The late Government are more to blame for the rise in the price of land than even the land agents. At the last valuation of Devonport the price or valuation of property went up 100 per cent. in some cases. One property, 5 acres, leased by auction by the Harbour Board, Glasgow lease, rental £25 per annum, was valued by the Department at £1,500. I objected on behalf of owners or lessees, and the valuer sustained his objection by making a plan of it, putting streets on plan and so many allotments at £— each. It transpired that there had been a conference of Government Valuers in Wellington a few months previous, where they received their instructions. In my opinion, there is no doubt that it was the increased protection of what are called local industries, at the expense of the workers in the four great staple industries—flax-dressing, gum-digging, gold-mining; and agricultural industries—that has enabled the machinery of the Arbitration Act to be used to get higher wages for those working under it. Even when the Tariff Bill of 1907 was passed, the Government boasted that they, through it, had just benefited forty local industries. For over twenty years successive Ministries have been legislating for the towns, claiming that the more labour employed in the towns the better for the country. The 1907 tariff increased the duty on steam-boilers for gold-mining, flax-milling, and farming purposes from 5 to 20 per cent.; candles, from 1d. to 1½d. per pound; whilst three pages of *Hansard* are occupied with a discussion on whether tea will be dutiable if imported in less than 5 lb. packages, the object being to find work for our poor girls, and allow some of our merchants to gain notoriety as expert tea-blenders. To reduce the cost of living we must get rid of protective duties, which is causing the young people to leave the country to get the higher wages ruling in the cities and pleasanter conditions of life. The Government has been building workers' cottages, but, unfortunately, they have selected the wrong sites, as the proper place for these is right away in the backblocks. The primary industries cannot get protection, neither do they require it; but the unprotected workers are going to stop paying bonuses to those who are working for them in these protected industries.

MONTAGUE GARNAUT, Fisherman, examined on oath. (No. 188.)

1. *Mr. Fairbairn.*] Have you any statement to make?—There is 200 per cent. increase in the price of fish to the consumer during the last fourteen years.

2. To the public?—Yes. Boardinghouses buy a little better, I think. The fishermen have received 160 per cent. increase in the prices of the bundles; there are no wages-men in the fishing trade.

3. Then fishing pays better?—No, the fish are scarcer than before, and benzine is a considerable item. Benzine was never more than 6s. 8d. per case in former years; to-day it is £1 temporarily, and ordinarily it is 11s.

4. Is there any arrangement to limit the catch of fish?—There has been no limit for two years; there has been a scarcity of fish.

5. Have you any arrangement in regard to prices?—The fishermen fix the wholesale price to the dealer. There would be upwards of twelve dealers to whom the fishermen can sell.

6. How do the dealers dispose of the fish?—All the dealers have a wholesale establishment and retail branches as well. Auctioning fish was tried, and has proved a failure.

7. Do you know of any combination among the dealers?—No, I know of reckless and keen competition there has been for some considerable time. I have some knowledge of the distributing trade; I do not think the cost charged is unnecessarily high for distributing.

8. Do you think people get fourpence worth of fish to eightpence worth of service?—That is inevitable, owing to bad weather and scarcity of fish. That proportion is too high, I think.

9. What is the proportion?—We get for schnapper 2s. 6d. per bundle; that is sold on the average to the public at 85 per cent. increase, say, 4s. 6d. per bundle. 6s. to 7s. would apply to fried-fish shops. I was surprised to hear that said. I believe the information you have had is unreliable. I think 4s. 6d. is about right.

10. What about flounders?—I do not know much about them; the fishermen get 3s. 6d. per dozen for fair-sized fish, big and small together.

11. What do the public pay?—A dealer told me he could not sell these profitably off the barrow. Schnapper is most plentiful here; and flounders are scarce, and in strong demand. The average person will not buy three or four small flounders; they will have schnapper, because it is bigger.

12. *Mr. Leadley.*] The distance you go out is greater?—It should be, but the Government has compelled us to work these waters, owing to restrictions as to handling a small boat. A man can manage a big boat much easier than a small boat. We are handicapped by these restrictions, and things are so complicated that very few fishermen know what is the position. The regulations are frequently changed. The Government pass regulations and then revoke them, and the certificates are continually being changed. I think plenty of the fishermen would have bigger boats if they knew they could under the regulations. I think the fishermen should not be interfered with at all. Binding down men to a small boat does not conserve the fish.

13. What do you recommend?—I do not think there should be any limit at all; I think the fisherman should be able to go to sea in any boat he likes. I do not think the fishing excursionists take much of the local supply, and I think there is plenty of fish further afield.

14. *Mr. Hall.*] We have had it stated that the fishing picnics do harm?—I do not think they do. The fishermen do not like to see the boating parties catching fish and giving them round to their friends. There are upwards of two hundred fish-boats working here. More than that are registered, but there are two hundred working in the trade. The Fish-cleaners' Union does not allow the employment of casual labour by the fish-dealers. I believe that is the cause of the fishermen being limited in certain months of the year. The arrangement with regard to casual labour is that if a man is employed for one hour he has to be kept on for the week, or paid the week's wages, at any rate.

SATURDAY, 29TH JUNE, 1912.

GEORGE DAVIS, Secretary, Drivers' Union, examined on oath. (No. 189.)

1. *The Chairman.*] What is the minimum wage for drivers?—There are three sets of drivers—one-horse driver, 44s. per week; two-horse driver, 48s.; three-horse driver, 50s. Those rates are lower than those ruling in the South.

2. Do the drivers have difficulty in living on those wages?—Yes, great difficulty, for several reasons. In the "Cost of Living Inquiry," issued by the Labour Department, page 13, I notice that families having over four children, and receiving under £143 per year, are shown to spend 2s. 6d. weekly over their incomes. A driver's wage is £114 8s., provided he loses no time; and for a two-horse driver, £124 16s. A driver works 50½ hours, exclusive of stable attendance; there is 47½ hours and fifteen minutes travelling time each way—half an hour per day. There has been no increase in wages since 1902—not practically. Our last award did give an increase of 2s. per week—that was in 1908; but prior to that there was no travelling time, and the hours were increased by travelling time three hours per week, and practically, therefore, the men got a reduction. Under the old award they would have got 1s. 3d. per hour for extra time. The two-horse driver got 2s. extra, and three-horse driver 4s. extra.

3. Are there many drivers outside the union?—Not many. We do not govern grocers, butchers, and milkmen; they are in their own respective trades here. The cab-drivers are the same.

4. What percentage of your men are working over the minimum wage?—Most of the small firms, where the work is clean and not so constant, pay considerably over the award wages.

5. Do you ascribe that to the individual employer knowing more about the men?—No, I do not think so. Men working at such firms as Craig's and Winstone's could not be beaten: they are first-class men, and yet they are on the minimum wage, whilst men of less ability in smaller firms get more money. In some of the smaller firms they give an additional fortnight's holiday, on pay, per year.

6. Do you not think that in the small firms there is a closer bond between employer and employee than is possible in a large firm?—I do not think that is the cause. I think the question is this: a man in a small business realizes more fully the value of his men. The large men look upon the worker as a machine.

7. *Mr. Leadley.*] What is the rate paid over the minimum wage?—I know of one man getting 50s. for driving one horse, and he is not required to do stable work; another firm pays £3 per week for a two-horse driver. There are a large number of single drivers getting 50s. to 55s., but they have to attend to their horses.

8. *The Chairman.*] What percentage do these men represent of the number of drivers?—I cannot say.

9. *Mr. Leadley.*] They are isolated cases?—Hardly. Most of the ironmongers and general merchants pay above the award rates.

10. *Dr. Hight.*] Is that because they make higher profits than the carriers?—No. The men doing the carrying for shipping, &c., pay higher wages, and they have a lot of lost time. These are permanent carriers on the independent carters' stand I am talking about. As a rule, such drivers get 50s. per week for one horse.

11. *Mr. Hall.*] Does the merchant feed the horse?—The driver.

12. *Mr. Fairbairn.*] Who owns the horse?—The merchant does, and the independent carriers do too—not the drivers themselves. There are a number of drivers getting above the minimum wage in such circumstances.

13. *Mr. Leadley.*] How many members are there in your union?—Seven hundred.

14. *Mr. Fairbairn.*] Are the men employed by the merchants employed by the week?—Yes. The master carrier owns the horse and cart. The master carrier gets so-much per ton for carting. There are a number of men known as independent carters. These men engage drivers on weekly wage, to do the work of one, two, or three firms at so-much per ton; but they pay the driver they engage 50s. per week. The merchant does not pay the wage; the independent carter pays him. The boardinghouse-keepers charge a special rate for drivers—2s. per week more, on the average. That is because it is necessary for the landlady to rise so much earlier for the breakfast, and they never know when the man is going home for meals. Sometimes boardinghouse-keepers refuse to take carters as boarders. It has been said there was slowing down; that is not so. It is possible that there is not the same amount of work done as there used to be, but that is due to other reasons. It is common to see vehicles belonging to different firms outside one warehouse; men are often detained at the railway for two hours at a time. The men are anxious enough to get through their work, but they cannot do it. If a man tries to jump another driver's claim at the railway-station there is trouble.

15. The increasing loss of time is caused by increasing pressure of business?—Yes.

16. *Mr. Leadley.*] Is there not some faulty arrangement in keeping the men waiting?—No. If you go to the railway after 3 p.m., you will find a continual stream of carts. Many of the goods could be sent in the morning, but they are kept back till the afternoon, with the view of making up a full load.—

17. *The Chairman.*] Could you tell us why the cost of living has increased? Is there anything in regard to driving to add to cost of living?—In 1902 an award was given the Auckland Drivers, whereby one section received an increase of 4s. The employers said that owing to the increase they would raise the price of carting. They did so 3d. per ton.

18. Raised all round 3d. per ton?—Yes; that was in 1902.

19. *Mr. Hall.*] Was it an all-round rise?—It was published as a general thing. I know that appeared in the papers. The position is that it is a small day's work for a man to take six loads a day; that would be 6d. per load—3d. per ton, and two loads to the ton. I mean six loads from the wharf. That would be one-horse loads.

20. *The Chairman.*] Mr. Craig said that applied only to long distances?—Oh, no, that is not so. The advance has been made generally, and as an outcome of that several merchants have put on their own vehicles. Of late years they are introducing the lorry system on the wharf, and that would carry anything from 3 to 5 tons. Two horses would draw the lorry.

21. Anything else you would like to tell us?—The question of cost of living is rather a large order. A good deal has been said in reference to the subject generally. One feature is very noticeable in this city—in the grocery lines. In the past few years all the merchants have put up new buildings worth thousands of pounds. I contend that shows there must be some enormous amount of profit to allow them to do this. I could mention many of the firms—Nathan, Entrican, Christie, Smeeton and Co.—who have all built large new premises; so have Hutchison Bros. and A. H. Nathan, too. That would show the prosperity is general. You have had some evidence in reference to fish. I have had a little experience of that trade, and I think the Government should do something in respect to our salt-water fish. At certain times of the year kerosene-tins full of roe are found in the shed; each represent hundreds and hundreds of fish. It is not right to allow fish to be taken from the water at this time of the year. The fish in the harbour are dying out fast. In England the fish-supply is very important, and we should keep our fish looked after here—*i.e.*, there should be a close season, I mean. The late Minister of Labour (Mr. Millar) stated that the discontent in labour circles was amongst the unskilled trades. I have been connected with the labour movement for years, as secretary of skilled organizations. The Arbitration Court base their awards upon the cost of living, we are told. Many trades get £3 per week, and unskilled workers get £2 2s. and upwards. I am satisfied that if a man is expected to be honest, and rear his family respectably, he cannot do it under £3 per week; it is impossible. Mr. Craig referred to the question of pleasure. The pleasure does not apply to the carter, because he leaves home before daylight, and it is after dark when he returns at night, and then he goes to bed. Drivers have no time for pleasure of any kind. The men require to do all the heavy and dirty work, and have the greatest wear-and-tear on their bodies. They have the lowest wages, too. A



horse required to do heavy work gets more oats than the one doing light work, but that does not apply to human beings, apparently. I am satisfied to-day there are many men who will not marry because of the risk on the small wages they now receive.

WILLIAM FREDERICK BINES, Coal-dealer and General Carrier, examined on oath. (No. 190.)

1. *The Chairman.*] Did you belong to the Coal-dealers' Association?—Yes.
2. Was there any attempt to fix prices?—The prices were always fixed; they were fixed for retailers by the association.
3. Selling-prices as well as buying?—Yes.
4. If any member sold below these prices?—His supplies were stopped, after representations by some of the members to the association.
5. Did that ever happen?—There was a man selling below the tariff price, and, of course, he was called to order, and the result was he went out of the business altogether. That was about eight years ago. This man was a hawker, so he had no fixed place of business. He was not allowed to buy any more coal.
6. How long is it since you were in business?—I sold out last month.
7. During the previous ten years did you notice any great falling-off in the efficiency of the men employed?—Yes; during the first ten years in which I was in business I only had two regular men; they each stayed about five years in my employ; they were real good men. I did not increase the staff; they left my employ to better themselves, although they were treated exceptionally well. I did the stable-work, so that they could get off on Sunday; and I let them off when work was light. Since the second man left I have had four different men, and these I found very much below the grade of the former men.
8. Was that bad luck, or was it the general tendency to slacken off?—My opinion is that to-day a great number of the men take it easy.
9. What is the cause of that?—I think the cause is that some of their leaders have taught them that the employers are getting "fat" on their labour, and that they ought to take a pull at their work.
10. Do they lean on the collective strength of the union?—Yes, I think they do. They feel more secure as unionists.
11. *Dr. Hight.*] This hawker who went out of business, I suppose, could not get the coal from the mine?—No, because he was not a member of the association; the mine will not supply anybody outside the association.
12. Is that the position at present?—Ever since I have been in business—twelve years—I have always got my coal direct from the mine. Of course, the order has to go through one of the three merchants—Craig, Winstone, or Carpenter.
13. *The Chairman.*] The orders of any member of the association?—Yes.
14. Do they get a commission on these orders?—I know nothing about the arrangements between the merchants and the mine. During all these years there have only been four members of the association who have availed themselves of this privilege.
15. *Mr. Leadley.*] What is the advantage?—We got our coal about 1s. 6d. per ton cheaper.
16. *Dr. Hight.*] You could buy from the mine, but not on good terms?—I bought from the mine, and shovelled it up myself, and thus saved 1s. 6d. more per ton than if I had bought through the merchants. Of course, I got my coal at Newmarket, and through the goodness of the Railway Department, I kept my coal perhaps a day on the loading-bank, as long as I did not obstruct others. I could not do this in the Auckland Station.
17. *The Chairman.*] There was some service rendered by the merchants for this 1s. 6d. per ton?—None at all; only they have their sheds, and it is convenient for the coal-dealers to get their coal there.
18. *Mr. Fairbairn.* You were buying your coal at less rates?—I saved by handling myself 1s. 6d. per ton; after paying for the shovelling, I still got the coal at 1s. 6d. per ton less from the mine than if I had gone to the merchants' sheds for it.
19. *Mr. Leadley.*] But you are prevented from giving the public the benefit of this 1s. 6d.?—Certainly. If I gave the advantage to the public, I should have been warned; and if I did not heed, I should have got my supplies stopped. I always employ married men, not single men.
20. *Mr. Hall.*] Have you known cases where men who bought from the mine direct had to pay commission to the merchants?—No, I do not know of any arrangement between the mines and the merchants. Outside the radius of the city, any one can send an order to the mine—*e.g.*, the farmers get a truck of coal down. That would not apply to Onehunga. They are under the same restrictions as Auckland City. I am referring to Taupiri coal only, and the restrictions apply to Auckland and suburbs.
21. *The Chairman.*] Is there anything else?—The cost of coal to the merchants is 23s. 3d. in the sheds, that is net. That is including bagging, and is for best Taupiri house coal. The merchants sell to the dealers the same coal, and charge 24s. 9d. net. The dealer himself takes the coal, and delivers at tariff rate.
22. *Mr. Fairbairn.*] Are there any handling-charges to the merchants?—The merchants load up the carts. The price to the public is 31s. per ton—a whole ton. There is graduated scale in the price of coal. At the present time—1 ton, 31s. net;  $\frac{1}{2}$  ton, 16s. net;  $\frac{1}{4}$  ton, 8s. 3d. net delivered; and single sacks, 3s. net. There are twelve sacks to the ton. When I started business twelve years ago the price of coal to the public was 24s. net., delivered in ton lots; it has gone up 7s. per ton. Taupiri house coal on the trucks at Huntly was 6s. per ton less.
23. The prices at Huntly on the trucks?—The price is now 15s. 9d. net, and in 1902 it was 6s. less. The difference in Auckland was 7s. But the Taupiri Mines took 6s., and the coal-dealers

1s.; so that the coal-dealers are only 1s. better off in twelve years. I know coal was 24s. when I started business in Auckland, delivered. The railage is just the same as it was formerly.

24. Do you remember Taupiri coal sold at Huntly below 13s.?—No, I do not think so.

25. You might look into this matter again, and let us have your mature statement, will you?—Yes, I shall do so, and let you have the information from my old books. Something has been said about a bond: there is nothing of the kind. We are only liable to have our supplies stopped.

Witness desired to add the following statement to his evidence given above: In reference to the evidence given by me at your sitting at Auckland, I wish to make some revision. I find that the Taupiri Coal Company have, and do now, receive orders for and deliver trucks of coal to persons who are not members of the Coal-dealers' Association. The merchants also supply non-dealers at their sheds. Of course, there is one tariff for dealers, and another for non-dealers. Regarding the price of coal in 1900, I find it was 13s., so that the company have raised the price 3s. between 1900 and 1909. Since 1900 house coal has risen 7s. a ton, divided thus: Mine-owner, 3s.; merchant, 3s.; dealer, 1s.: total, 7s. to the public. I cannot give the price at pit-mouth to me in 1900, as, after selling my business five weeks ago, I destroyed all my old books and papers.

ALBERT CRUMB, Brick and Tile Manufacturer, Manager for New Zealand Brick and Tile Company, examined on oath. (No. 191.)

1. *The Chairman.*] What experience have you had in this business?—Practically all my life in the trade; with this company six years and nine months.

2. Three or four years ago, what was the price of bricks?—45s. per thousand.

3. What is the price to-day?—46s. 6d. That is after allowing discounts and commissions.

4. What do the public pay?—49s., less 2s. 6d. if paid within one month.

5. *Mr. Fairbairn.*] We had other evidence as to prices?—I am speaking of bricks at the works at New Lynn. 1s. 9d. per ton cartage is charged, one to twelve miles. The freight would be 5s. 10d. per thousand for railage.

6. What would the carting from the railway be?—It would depend on the radius—6s. to 10s. per thousand, perhaps.

7. *The Chairman.*] You have been in the brick trade all your life?—Yes.

8. Assertions have been made about the tremendous rise in bricks—that they are nearly double?—For three years we got 45s.; then we were likely to be a big firm, and, owing to competition, there was an attempt to run us out, but our competitors failed, and now we charge 46s. 6d. instead of the 45s.

9. There are only two brickmaking establishments?—There are several: three big places.

10. What is the understanding about prices?—That is the understanding. We just put our heads together, and agree that that is the best price we can sell at. In 1905 the price was 45s.; that remained for three years, then cutting came; and now the price is 46s. 6d. The 45s. was less 2½ per cent.; the 46s. 6d. is net—49s., less 2s. 6d. for monthly payments.

11. What is the mode of procedure when you confer as to the prices?—There is no bond; we can pull out whenever we are dissatisfied, but that means a cutting-price. The understanding is not altogether verbal; we put it in writing. There are no penalties, but we know if we pull out, bricks will come down to cutting-price—bricks came down to 30s. per thousand in this way once, and they cannot be produced for that money.

12. Your company has been in a flourishing condition?—It is now; but up to now no dividends have been paid. The capital has increased only a little—£6,000 in a £25,000 concern—£1,000 per year that is. We put the profits into the business. That includes the plant. There has been no profit; it has been outside money found; we have had to call up increased capital to the extent of £6,000. We have fully paid-up shares now. Several Auckland builders are shareholders. They do not get any favourable prices for the bricks.

13. *Mr. Hall.*] What is the price of bricks in Sydney?—Fairly dear, I think—over £2, I think. I have all the particulars. Bricks from Sydney here cost £8 per thousand to the builder. There is no trade in bricks. The bricks are made cheaper in Sydney, but sold dearer than they are in Auckland, I believe. They are better bricks.

14. *Mr. Leadley.*] How does the quality compare here?—Not at all. They have better clay here than down south, and they make worse bricks. The Auckland bricks are really bad. That is due to the rough-and-tumble way of doing business—anything is good enough for Auckland. Even the bricklayers born here never learn how to make a brick. The bricks are rough and bad, and the joints are all over the place.

15. You have fixed up the latest machinery?—Yes; and I think we are making the best thing; but anything sells in Auckland. Auckland does not appreciate good bricks, or good anything. We made a better brick than other people, and could not even get 6d. per thousand more; then we made a worse brick, and sold for less. We are making fancy bricks. We are making face bricks for the Y.M.C.A., and others are making the inside bricks.

16. *Dr. Hight.*] Have the wages of brickmakers been increased?—Yes.

17. By 1d. per hour?—Well, once you could get good men for 6s. per day, now we pay some men 14s. per day.

18. It was stated in evidence that when the brickmakers' wages were increased 1d. per hour, and in some cases 2d., the price of bricks was raised 2s. 6d.?—Yes, that is so.

19. Do you consider that was a fair increase in price?—It is more than it should have been raised; it allows the man a penny and the maker a penny.

20. What would a penny per hour represent in the cost of production?—Take fifty men at 1d. per hour, and you are producing, say, 20,000 bricks per day.

21. *Mr. Fairbairn.*] That would be 1s. 9d.?—Well, the increase was 2s. 6d.; but, of course, the men do not do the work now that they did. One man used to do the work of three—not in

brickmaking. In my time in the south one man would do as much as three men here. The tradesman had a bigger move than he has now.

22. *Dr. Hight.*] You think the workers have shown a perceptible slowing down?—Yes. I think that is due to combination of labour—the men will tell you that. I have not got unionism set, but they say that the people below them were fools to work so hard, and the present-day men are not going to waste themselves in this fashion.

23. *To Mr. Leadley.*] The price of coal has increased from 2s. to 5s. per ton for slack at the mines. That was waste coal at one time, and freights have to be added—6s. 8d., I think.

24. You have not told us the ruling rate of wages?—8s. 6d. for rough labour. When the award was raised we had not a man working at the minimum wage. We have all good men. We have one man working at 14s. per day, although his minimum wage is 8s. 6d. All our men are at 9s. and 10s. The average rate would be 1s. above the award, or, perhaps, 1s. 6d. If we get a good man, we put up his wages.

25. One witness represented that a man could not possibly last at the work, the rate the men were driven?—There is nothing in that.

THOMAS BELL, Manager, Union Soap, Oil, and Candle Factory, further examined.

*Witness:* I come here to explain that Mr. Hall did make the proposal for a forward contract, and I shall send a statement to the Commission in Wellington as to the details.

WILLIAM BRACK LEYLAND, Manager of Leyland-O'Brien Timber Company, examined on oath.  
(No. 192.)

*Witness:* For the sake of brevity, I have condensed what I wish to say, and submit the following statement—Wages: The increases for six years at our Customs Street mill for seventy-six men and boys, doing same class of work and working same hours, is—1906, wages weekly, £138 12s. 6d.; 1912, wages weekly, £195 15s.—an increase of £57 2s. 6d.=41 per cent. Out of sixty men—mill and yard hands—now at work in this mill, twenty-four are receiving more than award wages, or, say, 40 per cent. In fixing wages we do not discriminate sufficiently between labour and labour combined with intelligence. The minimum for the labourer in our business may be low, but it is high—too high for some men; and the employer, as a rule, is only too willing to pay more than the award to the man who combines labour with intelligence. As to the cost of production and retail price of timber, after patient and exhaustive inquiry the finding of the Timber Commission was as follows (report, p. vii): “Bearing in mind cost of production, we have come to the conclusion that the average prices now obtaining for the great bulk of the timber are not unreasonable.” The royalties on kauri have quadrupled in ten years; must be prepaid, or pay interest; must take all fire risks. Bush wages: 35s. to 45s. per week and found (10s.) ten years ago, 57s. 6d. to 70s. at present and found (20s.). Accident insurance: 5 per cent. on average of £208=£10 per annum, or, say, to insure 100 bushmen costs £1,000. Interest: Owing to royalties and increased cost of working, distance, &c., logs in creeks now cost quite as much again as they did ten years ago, so we have to pay twice as much in interest for twice as long a period. Depreciation: As logs now average twice as long a time from stump to tidal water, in addition to generally having to come over rougher country, the depreciation is at least 33 per cent., of 10s. value per 100 ft., whereas it used to be 10 per cent. on 4s. value. Cost of booms have increased, and we have to face blackmail in the form of bogus claims and unfair claims for alleged damages done to property bordering on creeks where driving. As proof of increased cost of getting out kauri, ten years ago we let a contract for felling, cross-cutting, and putting logs into the Waiwawa River at 2s. 8d. per 100 ft. super. We have at present a contract let for putting logs in the Waiwawa River at 6s. The contractor wants a rise; says it will cost 7s. In further proof—buying logs in the open market: We bought ten years ago logs at 4s. per 100 ft. super. From the same man we lately bought logs at 9s., or more than twice the price; and these logs have to be brought to Auckland at a 50-per-cent. increase in freight. Then we have frequently, owing to being unable to regulate freshes that bring out logs, to suffer very heavy loss by the salt-water borer *Teredo*. This loss alone has amounted to thousands of pounds in Auckland alone. Income-tax unfairly levied on timber cut from Crown lands or freehold adds to cost of production—*i.e.*, for illustration, a bush, cutting rights only, costs, say, £10,000. The miller will, we say, make a profit of £3,000. On this he pays 6 per cent. income-tax, which is fair; but he has also to pay 6 per cent. on the £10,000, as he is not allowed to charge this amount to cost of goods he sells. It is claimed that this is capital. This cannot be capital, for a timber company with a capital of, say, £50,000 will in time pay several times the amount of its capital for standing timber, and so he might have to write off the amount of the capital of the company much more than was ever put into it. Prices: Kauri—first, 25; medium, 19s. 6d.; second, 12s.; s. Ht., 10s.; inferior, 6s.: total, 72s. 6d., which averages 14s. 6d. The discount is 1s. 6d., which leaves 13s. as the average price obtained. This does not include claims for allowances and bad debts. Freights: Coastal freights have increased from 25 per cent. to 100 per cent. during the last ten years or less, as follows: Tairua, formerly 1s., now 1s. 3d. per 100 ft.; Wharekawa, formerly 1s., now 1s. 6d. per 100 ft.; Mercury Bay, formerly 10d., now 1s. 3d. per 100 ft.; Whangapoua, formerly 1s., now 1s. 6d. per 100 ft.; Cabbage Bay, formerly 6d., now 1s. per 100 ft.; Mangawai, formerly 8d., now 1s. per 100 ft.; Waipu, formerly 1s., now 1s. 6d. per 100 ft.; Mangapai, formerly 9d., now 1s. 3d. per 100 ft.; Whangarei, formerly 9d., now 1s. per 100 ft.; Kauri Mountain, formerly 1s., now 1s. 6d. per 100 ft.; Ngunguru, formerly 1s., now 1s. 3d. per 100 ft.; Takou Bay, formerly 1s. 3d., now 2s. per 100 ft.; Mangonui, formerly 1s., now 1s. 6d. per 100 ft. The wages on the “Stella” when we took over the management were £87 per month; now £140. We could not face this and a big internal repair bill, so we have had to lay her up. We have bought another vessel which will cost less to man, but her owners would not have sold if they could have made towing pay. Rent: 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. Now, if we take the average cost of an artisan's dwelling at £600, and the average equity at £200 only, and the average interest at 5 per cent. plus rates, &c., the rent would average under 10s. per week. I am not trying to prove that rents are not too high, but that the difficulty of making present wages sufficient is often because a man forgets he is thrifty, and is saving weekly by paying off principal as well as interest. Cost of timber is only a small factor in increase; cost of house, land, labour, and other materials all contribute their share, especially cost of land. Whilst it is true that the increased cost of timber is one of the factors in increase of rent, rent also is one of the factors in increased cost of timber—*i.e.*, about twenty-three years ago we, at auction, being the highest bidder, got the lease of about three-quarters of an acre where our Customs Street mill stands for £166 per annum. About two years ago the lease expired; then, without any tenure, which barred all improvements, we had to pay £500 per year. Now we are to get a lease of the same area with less water frontage for £750, an increase of 450 per cent., and proportional increase in rates. This area is worth it for general business sites, but, unfortunately, timber takes a lot of room, and to go further from the town would mean more than the saving in cartage. We pay over £3,000 per year in rent, wharfages, licenses, rates, and taxes before we get one penny for wages. In my opinion, the cost of living has increased proportionately with the increased standard of living, increased comfort in the home, and greater indulgence in various luxuries and amusements which inevitably accompanies increased income. The necessaries in food, bread, butter, meat, bacon, sugar, tea, &c., do not cost more than in England. Wages for labouring-men are twice as high, but he has to pay about 25 per cent. more for rents and imported goods. This leaves him with at least a 75-per-cent. advantage over his fellow-labourer in the Old Country. Very many workers do not waste this advantage, for in addition to shorter hours and increased comfort they are paying for their homes.

1. *Mr. Fairbairn.*] We have to inquire into the question of trusts and combines: is there anything in connection with the timber trade in this way?—I was a member of the Timber Commission; we were very keen to unearth any combinations, but we failed. We are a registered union of employers, an association, and the only rules that bind us are approved by the Registrar of Industrial Unions. We meet together, and say the prices ought to be so-much, and we issue a price-list, and the prices are not always rigidly adhered to. There is no penalty for not keeping the prices according to the list. [Handed in.] Kauri, of course, does not enter more than 15 per cent. in the local timber-sales. We do not all work on the same price; I produce various timber companies' prices. We have no bond, and no penalty in case the prices are not adhered to. These various firms compete with one another in the Auckland market.

2. *Mr. Hall.*] The opinion has been expressed that it would be desirable to reduce the duty on Oregon?—Certainly. We pay \$5 for Oregon. America has reduced the duty from \$2 to \$1.25 to Canada.

3. Our local duty is 4s. per hundred?—2s. per hundred, I think. That is on sawn and undressed timber. There is a freight rate against the farmer of 50 per cent., which is a very cruel thing to the farmer. They have to pay rate and a half, and it is a lighter timber to carry than kauri or rimu.

4. It would be in the interests of the community generally to reduce the duty?—Yes. If I were a consumer I should advocate the total abolition of duty; considering how soon our supplies will be exhausted, we should be glad to take it. The Americans will wake up some time and refuse to export. We are large holders of timber areas, but in spite of that I think timber import duties ought to be abolished, and also the differential rates. There are also anomalies in royalties. We pay in advance on gross lot here on the tree standing, and in Westland and Nelson they pay on the sawn output. Thus we pay twice as much royalty as the Westland people do; and they say the waste is about 60 per cent. The Timber Commission made a strong recommendation for alteration in this direction, but nothing has been done. I do not know why this has not been done. We bring timber to Auckland by rail fifty miles, and I pay 2s. 2d. freight—rough or sawn. If we export we pay wharfage, and for fifty miles in Westland they pay 1s. 4d. per hundred, and no wharfage. I think they pay wharfage now, but they did not at the time of the Timber Commission. I am speaking of rimu timber here. There are differential rates in the different districts for other timbers. The West Coast had always had a "favoured nations" clause, according to Mr. Ronayne.

5. *Mr. Hall.*] What length of time will the kauri last?—It is difficult to say, owing to high prices tempting contractors to work timber formerly considered inaccessible. Fire destroyed more kauri than the axe, and it is difficult to reckon such losses. I think it is a folly to set up a tariff war against a commodity of which we are short, and will soon be shorter. There is no better timber than Oregon for joists, &c.; but if the Government were to put Oregon in, say, this building, a profit to the Dominion could have been made on exporting the kauri and importing the Oregon—10s. per hundred profit. Mr. Kensington limited the life of timbers for New Zealand to fifty years, but this is admitted to be too long, taking increased consumption into account. This shows the need of conservation, in the interests of the Dominion as a whole.

6. *Mr. Leadley.*] The argument *re* imported Oregon would apply also to hardwood?—Yes. We have only puriri, which is scarce, which comes into competition with hardwood. Puriri is better timber for sleepers than jarrah. We have had puriri in bridges for sixty years, and is still perfectly sound. I think the duty on hardwoods should be removed, and the differential railage rates should be removed too.

ADAM NIXON, Engineer on Devonport Steam Ferry Company, examined on oath. (No. 193.)

1. *The Chairman.*] Can you tell this Commission anything *in re* rise in cost of living?—I have had a considerable amount of experience in the fish trade. I have been engineer on trawlers, also in freezing-works, and in hook-and-line work, and I have seen the fishing industry in all forms. I have invested capital in the trade. I consider that the system is altogether wrong. We have had here wrangles between fishermen and dealers. The fishermen have a union to fix the price. I am a unionist myself of thirty-three years' standing, but I do object to a combine. We are told that the dealer regulates the price. The dealer does not. It is impossible for any man to sell cheap fish under present conditions. In 1902, speaking from memory, we had a trawler, and during the time she was running we had a regular supply of fresh wholesome fish alongside Auckland wharf every morning. There was a great agitation that the trawler destroyed the young fish. There was only one man for the trawler, and all the others were against her. The trawler belonged to Mr. Sandford. We were driven into the middle of the gulf with bad weather, and the Inspector came and seized the boat. Then Mr. Sandford got lines to work, and paid the men 45s. per week at the lowest. When we went to the Thames there was no freezing-works and no oil-engines. Flounders then were 1s. 9d. and 1s. 6d.; to-day they are 3s. 6d. To-day on the Thames there are three freezing-works and an up-to-date method of handling the fish, but not of fetching it. Fish is 100 per cent. dearer than before there were these methods. The gulf would not stand the trawling, it was said; it would exterminate the fish. But after two years we got more fish the last six months than we did for any twelve months previously. We have not in our market to-day, and have not had, any soles, very few skates, and I have not seen a crayfish since the trawler was stopped. When we erected the freezer on the Thames we had eight miles of nets; to-day the nets would reach twenty-five miles from all the boats. And yet the fish have gone up 100 per cent. There are as many fish caught, but the catching is distributed among so many that the men do not make the same money. I have seen men coming in with nets ripped to pieces with sharks, and they did not catch the sharks. With the trawler we never lost our nets, but we caught the sharks—the fish's greatest enemy.

2. Has the trawler a smaller mesh?—No; the Government regulation is 4 in. We made the mesh a little larger. I have spoken to members of Parliament and leading officials, and they could give no good reason. With the present method, with all the nets, they cannot fish fifty miles of the two hundred miles in the gulf; 150 miles is not fished at all at present, excepting with the hook and line. The price of fish from the fishermen goes by the bundle—say, sixteen. Four schnapper might cost the dealer 7½d., and the most he could realize would be 10d. We who take any interest in the fishing industry think that 10d. is too much by 100 per cent. for that fish; it should be sold for 5d., smoked and finished. The dealer has no guarantee that the fishermen will supply the fish—even that they will go to work. I have seen men sitting round the fishing-sheds doing nothing; but the dealer has to keep his own men about in case the fish are brought in. Notwithstanding all that is said about the combination of dealers, the combine is with the fish-catchers. I say the fish at present ought to be retailed at 2s. 6d. per bundle to the public. I have discharged nine cart-loads of fish from the trawler in the morning; by 2 p.m. every one of those fish were cleaned and distributed round the City of Auckland and suburbs. To-day it would be a sight to see a fish-cart round the town; I have never seen a cart in my street the four years I have lived there. There is nobody making any money out of the fishing industry, and the public has to pay all the time. The only people making money is the Vacuum Oil Company for benzene, and the people who supply the nets. As regards the trawler, that was stopped; she was left to rot on the beach. They were simply told that they could not fish, because they were driven by bad weather into the limits where they should not fish; there was no redress. I heard a man who gave evidence here boast that he made £20 last trip, and I asked if he thought it reasonable and fair that he should make £20 in three days when another working-man could not buy fish for his children. Then he started to talk of expenses, and it turned out that boats and nets cost two-thirds of the £20.

#### WELLINGTON.

TUESDAY, 2ND JULY, 1912.

WILLIAM ARMSTRONG BOUCHER, Assistant Director of Orchards, Gardens, and Apiaries, examined on oath. (No. 194.)

1. *The Chairman.*] Have you held your present position long?—Since the reorganization of the Department—three years; prior to that I was Pomologist for the North Island.

2. Can you tell us if the fruit industry is flourishing in New Zealand?—Yes, particularly since we have put into operation the Orchards Diseases Act. The expansion of the industry has been considerable. Last season in one district over 200,000 trees were planted; in this same district this season more than 200,000 will be planted—that is, in Nelson and surrounding districts. The greater number of these trees will be apple-trees; the expansion at present is particularly in apples, the idea being to establish an extensive export trade.

3. Will New Zealand then have to pay more dearly for apples?—Not necessarily; at present fruit is altogether too high in value, and we want to reduce the price to the consumer.

4. How can you prevent what has happened in regard to meat—that we have to pay twice as much because of the export trade?—The principal trouble at present is that there is too much difference between price to grower and price paid by consumer; the latter price is about the limit, and cannot well be increased. Taking some of our markets: If a case of apples is bought at 8s.—2½d. per pound—it is retailed at 6d. per pound. Very few people of moderate means—the majority of the people—can afford 6d. per pound, therefore the sale is decidedly restricted. We want a different system of marketing altogether. At present there is no organization for the distribution of fruit in quantity to the homes; it is bought at retail shops at the shop price. If apples are bought at 8s. per case, they are sold at 16s. per case—at that rate per pound. That is, buying in small quantities.

5. We have had complaints from witnesses as to growers getting far less than 8s.?—I have the returns—the wholesale prices, the auction prices, and the prices charged retail—and I shall put this in.

6. Could you give us an idea how those prices compare generally? Tell us about Christchurch, for instance?—For apples, 1d. to 1½d. per pound wholesale. Fruit is sold differently in Christchurch; it is sold by the pound, not by the case. The recognized case is the standard bushel of 40 lb. net weight of fruit. That would, at 1½d. per pound, be 5s. per case. Lately the price has gone up to 2d. and 2½d. That deals only with good-quality fruit; we do not in our prices consider anything else.

7. That is the tip-top price?—Yes; some fruit that comes into the market is not worth these prices. The branding system is recognized of value by commercial growers. Complaints as to the prices come mostly from the growers, who do not understand the handling of fruit. The fruit is inferior, the grading and packing poor, and old cases are used, and the result is an unattractive sample altogether. Unfortunately, the fruit is sometimes “topped” with good fruit. That is done by farmers who have merely a few cases of fruit they want to sell. He therefore does not receive proper value for the fruit at times, and often it is not really worth more than it fetches.

8. Have you any statement to make?—Yes. With reference to price paid to grower and price paid by consumer: There is no doubt that high retail values are restricting the output, and I have one or two suggestions to make that might enable the general population of New Zealand to get cheaper fruit. The Prime Minister proposes to arrange for the despatching of fruit by post. If that is carried into effect there is no doubt it will be a most important departure, ensuring a better supply of fruit—better in quality and quantity, and better in price. In order to establish a quarter- and half-case trade, there should be co-operation among auctioneers, and reasonable delivery-charge. We have our milk, butter, and meat delivery every day at our homes, but no definite organization has been made of the fruit trade, and therefore we all purchase by the pound. If organization has brought about the delivery of other commodities of life, why not fruit? Another thing in connection with the handling of fruit: We should have our season prolonged greatly if cool-storage were used. We are importing £56,000 worth of fruits that we could grow here—apples and pears. If it pays the growers in Tasmania and California and Canada to pack for our market, and send their fruit here, why should it not pay our growers to store the surplus stocks of fruit, and bring them on to the markets in time of scarcity? In connection with co-operation amongst auctioneers: If this were carried into effect, it would be possible that more reliable information could be furnished to growers as to the quantity of fruit any market wanted at a particular time. At present the growers are in the unfortunate position of not knowing the condition of any particular market at any particular time. The result is that in various centres the market is oversupplied for the time being, with no benefit to the growers, and the consumers do not benefit either. The return I shall hand in will show that usually the retail prices vary little throughout the season. With better organization and co-operation amongst auctioneers, it would be possible for the auctioneers to say approximately the amount of fruit required. That is done in California. At one time I used to live there, and have therefore a personal knowledge of the system. At one time the growers of oranges and lemons were so hardly pushed that they were faced with starvation. A few wealthy growers combined to start a co-operative organization; they won over all the growers, and established their system, and under that system the citrous fruits are sold. One man in Los Angeles practically manages the whole affair. He knows the conditions of all the different markets, and issues his instructions for the quantities of fruit to be sent to the various markets. So-many cars are sent here, and so-many there. If the market is poor in the meantime during the transit they are diverted, and the organization is so perfect that cars may be a month in transit, and yet arrive in the nick of time, when the market is right. We want a similar organization here, so that proper quantities are sent to the different markets, and surpluses are taken from one market to another. This season we should have sent 80,000 cases of apples, and realized very profitable prices, but all we were able to send amounted to 6,544 cases. That was largely due to want of proper organization among growers, and want of knowledge of the markets. After one order for 20,000 cases had been declined in various districts, I found that one district could have provided 10,000 cases easily. That was, instead, placed on the market, with the result that we got a glut; it dropped in value to the grower in this instance, but not appreciably to the consumer.

9. You would consider the loss is owing to want of organization of the fruit industry?—That is so. There is another important way of development for the disposal of surplus soft fruits—canning. That will develop inevitably in New Zealand. It may be interesting for you to know that at present an effort is being made among Auckland growers to form a company, with a capital of £25,000, for canning fruit. I hope before next season that company will be in actual operation. The prospects before it are good.

10. Can you tell us anything about honey?—Yes.

11. *Mr. Fairbairn.*] You have statistics of value of fruit in different centres?—Yes, I produce tables, and I could have these rearranged for you if they are not quite suitable. [See Exhibit No. 6.]

12. *Mr. Leadley.*] What has been the effect of the Orchard and Garden Pests Act?—To restrict the output for some time of fruit infected by various pests. We gave the growers a fair time to clean up their orchards; then we had to clear away the orchard at times. The auctioneers were against the sale of infected fruit, of course, and we wanted to protect the retailers too. Only for a short time would that restriction be in operation. This season we had a surplus, and next season we shall have more orchards coming into bearing, and will have a still larger surplus. There is therefore greater necessity to organize the sale of this fruit. We should endeavour to supply the local market with fruit. Fruit is a most important article of diet, and should be commonly used by the population. In California it is used on every table at every meal. Here it is a luxury.

13. To what extent does the free transit apply?—There is no free transit, but the charges are exceptionally low—6d. per bushel case, irrespective of distance. In fact, fruit is railed from Port Albert to this market at that rate.

14. Do you think the operations of the Act have driven many growers out?—They have put a large number of growers into the industry. We are enforcing the Act as far as possible, to prevent sale of infected fruit. We do not have to deal with the commercial men now—they manage for themselves; and do not run the risk of having infected fruit condemned for export; and so on. We are doing our best to get orchards on farms cleaned up and kept free from pests. In the same way we are dealing with city gardens, &c.

15. Would it be an advantage to send round Inspectors to the smaller growers, to instruct them in the elements of fruit-growing?—Our staff is doing that at the present time, and giving demonstrations in winter months, and showing use of compounds and sprayings and pruning of trees. Our staff has been increased recently, so that it will be more effective in the future.

16. *Mr. Fairbairn.*] In your list the price is 100 per cent. different between the grower and the consumer?—Quite that.

17. What is the weight of a case of Sydney oranges?—The cases used to vary, a good deal, but now we are getting a uniform case under the new Act—the net weight will be 40 lb.

18. *Dr. Hight.*] How do you get these average prices?—From the auctioneers and from retail dealers. They are the average prices of the better class of fruit. We cannot consider the inferior fruit—it is worth just what it will fetch. I consider the figures I give represents a fair average price for the bulk of the season's fruit.

19. You say the farmers do not grade and pack their fruit well?—Yes; that does not apply to the commercial fruit-growers. We have on our staff at present a number of expert packers, and at winter shows, and so on, they have given demonstrations of grading and packing. That will open the eyes of many people to the advantages of putting fruit on the market in first-class condition. These demonstrations are all advertised. We made them as widely known as possible; and the growers appreciate these very much, and already there is improvement in much of the fruit.

20. You laid stress on co-operation among auctioneers: would it not be better for growers to co-operate in auctioning the fruit?—The growers are not in a position to provide the necessary capital for distribution. We are therefore dependent on existing organizations, and I think if there were co-operation among auctioneers, vastly improved means could be arranged. With this, possibly ten times the amount of fruit could be distributed.

21. Would it not be difficult to get auctioneers to co-operate? Would it not mean in some cases that they would go out of business?—I cannot say.

22. With regard to canning, and so forth, would that not tend to put up the price of fresh fruit?—Well, we have to look forward to a surplus of fruit being placed on the market at cheap prices. That surplus must be dealt with in some way. Apples and pears can be exported, but soft fruits must be dealt with immediately by the only means available—canning, jam-making, and pulping. I look forward to much development in this direction. In some districts efforts are being made, and these will extend.

23. You have had experience of California: taking our general conditions as to growing and transport, do you think we can produce fruit as cheaply?—The conditions here are very similar to California. The wages are much about the same as there. The ordinary rate there is \$2 per day. If anything, the price of fruit-growing land is higher, and also they have irrigation expenses. Altogether our situation is entirely favourable as compared with California. Our railway facilities cannot be surpassed—taking the rates, I mean. For the carriage of fruit, the freights are more favourable than in California.

24. Here people go in for wool and dairy-produce: is there similar competition in California for capital in other lines as here?—I do not know that there is any difficulty at all in the question of capital not being available for the fruit-growing here. There were 200,000 trees planted last season in Nelson, and the same this year.

25. *Mr. Fairbairn.*] Would not fruit-growing lead to closer settlement, by increasing earning-power?—Yes, that is so.

26. *Mr. Hall.*] You spoke of £56,000 worth of apples, &c., being imported: have you tried cold-storage of local-grown fruit?—Yes, we have tried various experiments, and find them entirely successful, but a few growers and buyers have been disappointed with the results; but this is due to the fact that inferior bruised fruit was put into the stores. We can grow fruit that will carry quite as well as American. The present season has been good, but the prices have varied considerably. In Auckland the growers complain of prices dropping to an unremunerative point.



27. Unless canneries are established, you think the growers will abandon fruit-growing?—No, they will give up soft fruits, and grow apples. Then the soft fruits will become dear.

28. Did the organization of industry lead to consumers getting fruit cheaper?—If anything, the result was cheaper fruit, and a more even rate.

29. It did not increase the cost to the consumer?—Certainly not.

30. Were those cars which were long in transit iced cars?—Yes. Provision is made for this; the ice is renewed at various points. The fruit is pre-cooled, and then put into iced cars.

31. *Mr. Macdonald.*] You thought there was a difficulty in the growers raising the capital for distribution?—They raise that objection here. In California the industry is in a much bigger way; the industry is quite in its infancy here; in ten years we might be able to get the growers to co-operate.

32. Is it not a question of whether it will pay or not?—Oh, it will certainly pay. It will pay here, as it has done in California.

33. *The Chairman.*] What is the amount of honey produced in New Zealand?—I could get the figures for you.\* That is another industry which is steadily developing. We have begun an export trade. In dry seasons the output is less, and so the trade fluctuates. The past season was not good.

34. Do the owners of hives sell to grocers or to auctioneers?—Mostly to the grocers. I have heard of no complaints. With the output of an average season we find it necessary to export, in order to maintain an average good price.

35. That is not favourable to the consumer?—Well, I was speaking of the industry.

36. *Mr. Fairbairn.*] Can you tell us anything about vegetables?—We have returns that I could supply later. The conditions of distribution are similar to those of fruit.

WILLIAM JOHN BIRCH, Sheep-farmer, General Farmer, and Stockbreeder, examined on oath.  
(No. 195.)

1. *The Chairman.*] Have you a statement to make?—Yes. If you will allow me, I shall divide my evidence under six different heads—(1) The so-called depreciation of gold; (2) protective duties; (3) cost of housing; (4) cost of labour; (5) price of land; (6) standard of living.

(1.) Depreciation of Gold: May I say that the complaint of the rise in the cost of living is not confined to New Zealand, but is general throughout the civilized world. If this is a fact, there must be some general cause. It is frequently said that it is from the depreciation of gold—that is, the purchasing-power of gold—is lessened, and this is said to be borne out by the fact of the very large increase in the output of gold which has taken place in the last few years. If we look back into history we shall find that on every occasion where there has been a large increase in the output of gold the effect has been to stimulate trade, to increase wages, and to raise the cost of living. These appear to be interwoven. During the first half of last century the average annual output of gold was only about £3,150,000. Then came the Australian and Californian discoveries, which increased the output between 1850 and 1860 to about £26,000,000. During this century it has risen from £16,600,000 to about £94,000,000 per annum. Can you wonder that such a large increase of gold (or capital) should not show some effect on our economic system, especially when we consider the modern banking system, and extension of credit built on that specie. Our economic system works smoothly whilst capital keeps an even balance with the available labour. If capital becomes scarce, labour suffers; conversely, when capital is abundant, it must seek employment, and must tend to raise wages by the demand which is created. If I am correct in this statement, it will in a great measure account for both the increased cost of living and the rise in wages. I claim, however, that it is not the increased profits on capital that accounts for the rise in cost of living, for capital, being abundant, has been satisfied with lower interest. Labour, on the contrary, finding ample competition for its employment, has demanded, and obtained, a considerable rise for its services. This has reacted on the cost of living.

(2.) Protective Duties: To confine myself now to New Zealand, I would say that if the present cost of living is greater than it was, it is not due to an increase in price of the ordinary, or what are called ordinary, necessaries of life in the way of food. I have made inquiries, and have here a list of articles sold by a leading storekeeper who has been in business many years.

*Return No. 1.*—It is a comparative price-list of goods for the last ten years, as per Messrs. Davenport and Co., storekeepers, Marton:—

<i>Decreases.</i>			
Sugar	..	..	Much cheaper.
Tea	..	..	Cheaper.
Flour	..	..	Varying, but generally cheaper.
Currants	..	..	Cheaper.
Rice	..	..	Much the same.
Kerosene	..	..	Much cheaper, from 15s. to 9s. per case.
Other groceries	..	..	Varying, but generally cheaper.

\* Honey exported up to 1912 for the three previous seasons: 1909-10, 27,999 lb., valued at £908; 1910-11, 115,864 lb., valued at £2,299; 1911-12, 115,759 lb., valued at £2,255. Wholesale price of first-class honey averages about 4½d. per pound in bulk—that is to say, for ½ ton or more. The grocers usually put the honey up in suitable selling quantities, and retail at about the following prices: 1 lb. chunk honey, 6d. to 7½d.; 1 lb. glass jars, 8d. to 9d.; 2 lb. glass jars, 1s. 3d. to 1s. 6d. per jar. There has been no effect on the prices throughout the Dominion by the development of the export trade, only the surplus having been exported up to the present. Honey sent Home realizes about 3½d. per pound net to the New Zealand shipper.

*Increases.*

Slippers and lighter boots ..	22½ per cent.
Boots and shoes .. .. .	Dearer; duty, 1s. 6d.; and 15 per cent. <i>ad valorem</i> .
Crockery .. .. .	„ duty, 20 per cent. <i>ad valorem</i> .
Hardware .. .. .	„ „ 20 „
Underclothing .. .. .	„ „ 25 „
Ready-made clothing .. .. .	„ „ 25 „
Soap .. .. .	„ 20 to 25 per cent.
Candles .. .. .	Rather cheaper since lower duty.
Expenses of delivery .. .. .	Increased considerably.
Butter is much more universally used, and is now obtainable all the year round at a much more even price. Formerly the price in winter was much higher.	

This plainly shows where the shoe pinches. It is the high protective tariff which is imposed upon the people of New Zealand in order that a certain number of people should be employed in what would otherwise be unremunerative employment. Thus the natural industries of the country have to carry on their backs the unremunerative. If we look at this from an economic point of view, I should say it was bad business to carry on an unremunerative branch of business at the expense of our remunerative ones. Let me quote some articles and the tariff:—

Ready-made clothing .. .. .	Duty, 25 per cent. <i>ad valorem</i> .
Apparel made to order .. .. .	„ 40 „
Boots and shoes .. .. .	„ 1s. 6d. per pair, 15 per cent.
Youths' boots and shoes .. .. .	„ 1s. „ 15 „
Slippers and shoes .. .. .	„ 22½ per cent.
Leather goods .. .. .	„ 22½ „
Upholstery .. .. .	„ 25 „
Soap and candles .. .. .	„ 20 to 25 „
Hardware and ironmongery .. .. .	„ 20 „
Tinware .. .. .	„ 25 „

Hardwood timber, 2s. per 100 ft., with penal railway rates, which are most unfair, as acting with much greater severity on back country settlers in comparison to those near a port.

Man does not live by bread alone: civilized man requires something more than that to fill his belly; but the State says if you want to clothe yourself, house yourself, or furnish yourself in household goods, you must pay a big tax—not for State purposes of revenue, but that we may keep employed in New Zealand a small minority of people at an unprofitable employment. This must react on all other employments and add to the cost of production. Thus it handicaps the free exchange of our natural products. Protective duties may, therefore, undoubtedly be one cause of the increased cost of living in New Zealand. Whilst speaking of protective duties, I should like to mention one which bears hardly on the rural community, and farmers particularly—that is, the duty on imported hardwoods, and, what is worse, the railway rates which are imposed on such timber. The duty alone—2s. per 100 ft.—whether right or wrong, bears evenly on all consumers, but the railway rates penalize those consumers, whether County Councils or farmers, who live at distances from a port. Expenses of delivery have increased so much from cost of labour. The only remedy I see for this is the establishment of public markets and cash payments; but people unaccustomed to it will not easily take to this.

(3.) Cost of Housing: This has undoubtedly increased. I have in my hand a statement from a very respectable builder who has been in the trade for some years. He summarizes thus, taking a five-roomed cottage as his standard: Mouldings and timber—1902, £65; 1912, £130. Painting—1902, £28; 1912, £32. Labour—1902, £40; 1912, £45. Joinery—1902, £35; 1912, £40. Total—1902, £168; 1912, £247. Thus the five-roomed cottage costs now £79 more than it would have ten years ago. This is accounted for by the increased price of timber, particularly mouldings, paint, and direct labour; but indirectly labour also affects it in cost of timber. Rents must therefore have materially increased, quite irrespectively of the value of land.

(4.) Increase of Wages: General Increase in Cost of Labour—*i.e.*, Rise in Wages: This must increase the cost of production, without doubt. To show the increase I have a statement by a County Road Inspector giving rise in wages of the county employees; also a letter from an old settler giving prices of stock and wheat for ten years back, and labour rates, both of which I shall read to the Commission:—

“In compliance with your verbal request that I should supply you with a comparison of the wages paid by this Council ten years ago and the rate paid at the present time, &c., I have to state that ten years ago this Council paid the ordinary workman from 6s. 6d. to 8s. 6d. per day (most of them received 7s. per day), very few 8s. At present we are paying for the same class of work from 8s. 6d. to 10s. per day (most of them receive 8s. 6d. and 9s.). Ten years ago contractors could get the best metal pit or navy men at 9s. per day, and most of the work was 1s. per hour. At present they have to pay from 10s. to 12s. per day. All classes of contract work has increased from 10 per cent. to 25 per cent. during the last ten years. Should there be any further information you may require I will be pleased to supply it, if possible.” The other reads: “When we last met you asked me as a farmer and grazier to give my experience regarding the market values of fat stock and farm produce during the last ten years. I would have sent you

this a little sooner, but it has taken me some time to get the returns collected, which I now enclose herewith. You will see that the price per 100 lb. varies according to the weights. Although the market values have not increased, the cost of production has gone up considerably. In 1902 we paid our ploughmen 20s. to 22s. 6d. and found per week; now we are paying 30s. and found, single. Married ploughmen and shepherds, 37s. 6d. per week, free house and firewood, and free grazing for one or two horses, and the use of from two to three milking-cows each. Harvest wages have risen from 10d. per hour in 1902 to 1s. 3d. and 1s. 6d. last harvest. I trust this information may be of some little use to you before the Commission. The following is a list of prices of fat cattle and sheep sold from 1902 to 30th June, 1912, inclusive:—

	Cattle.		Per 100 lb.	Sheep, Average Price.
	£	s.		
1902	8	5	22/	12/6
1903	9	10	24/	15/
1904	8	5	22/	15/8
1905	8	0	21/	17/6
1906	8	15	22/6	17/3
1907	9	0	24/	17/6
1908	8	15	23/	14/10
1909	8	15	23/	12/6
1910	8	10	22/	15/9
1911	8	15	22/6	15/6
1912	8	18	23/6	15/6

“Wheat, per bushel, for seven years—1906, 3s. 2d.; 1907, 3s. 6d.; 1908, 3s. 8d.; 1909, 4s.; 1910, 3s. 7d.; 1911, 3s. 6d.; 1912, 3s. 9d.”

My own experience as a farmer in farm and station management is that I pay fully 25 per cent. more for my labour, and find it increasingly difficult to get competent and reliable men. I believe this is very much owing to so many of our old employees having now got their own properties and become employers. There is, apparently, no sufficient number to fill their place and meet the demand. Crops have suffered for want of harvesters, and good stackers are very hard to get. Personally, I do not complain of high wages so much as the inability of getting sufficient good labour. Labour is perfectly justified in getting as much as it can for its services; and as long as capital can afford to give it, well and good. Capital will no more work without reward than labour will work without wages. Therefore, a high rate of wages may prevent the prosecution of some industries—a farmer's crops—that require much labour. Boy-labour is almost unobtainable, yet there are many light jobs for which it cannot pay a farmer to employ man's labour at full wages. Thus the full development of production is held back from the inability of the farmer to pay the wages bill and yet leave him a profit on such products as require a great deal of labour. Hence, in some cases, land has remained in pasture rather than incur the expense of cultivation. My long experience as an employer gives me some claim to say that not only is labour dearer, but that good men in all branches of agricultural or pastoral labour are more difficult to get, and that, speaking generally—for, of course, there are many exceptions—there is greater restlessness amongst the employees, and, what is worse, a disposition to think that the employers are their enemies, not their friends, to whom as little is due as possible. The gospel preached against the capitalist and employer represents the employer as a robber to whom nothing is due; therefore do as little as possible. This has not been without its effect.

(5.) Price of Land: Land within the last ten years has undoubtedly risen in value from 50 to 100 per cent. I speak of agricultural and dairy land. This is due to many causes. The price must be mainly guided by its productive quality and the price of its products, less the cost of labour. But the price of land is also largely affected by the price of money, or, in other terms, the rate of interest on loans. Capital has of late been plentiful; consequently, interest has been low. Most purchasers of land are not cash buyers, but depend upon raising a large portion of the purchase-money on a mortgage. Thus a purchaser has been enabled to purchase land at a higher price, and yet the interest he has to pay will not represent a greater annual charge than he would have had to pay on a smaller sum at higher interest. Land suitable for dairying has, I think, increased most in accordance with the price of butter and cheese; but both agricultural and pastoral lands have also increased, through good prices and confidence felt in their remaining good. Another factor undoubtedly is the improved methods of farming, and selection of stock, both of which have improved very much of late years. This is from the individual efforts of the farmer. I can only conclude that it is not the price of land which has raised the price of its products, but, contrarywise, the price of the products which has raised the price of land. This means that the farmer has increased the products from the land, and so increased its value. Further, that the price of those products are almosts universally dependent upon the open markets of the world. Cost of production has increased mostly from the increased cost of labour, not from the increased demands of the capitalist.

(6.) Standard of Living: For this I have no statistics to offer; yet I think it will be generally admitted that the standard requirements of what are called the working-classes is very much above that which was the case a few years ago. I believe this is the cause both in living and clothing. I do not wish to say a word against it, but one cannot eat one's cake and have it. Effecting the cost of living, I cannot but think that the course of education of our girls is too much directed to their being fitted for office-work, to the neglect of household accomplishments. Most of our

women are deplorably ignorant of how to cook a decent meal out of good material. This is, in effect, waste, and brings in its train indigestion and all the evils of drink. Then, again, much more is spent in amusements. Picture-shows and various entertainments are obtainable even in the smaller towns, where formerly such things were rare indeed. This has, I certainly think, tended to keep our younger generation hanging about the towns. Man certainly is of a gregarious nature, and once accustomed to the society and enjoyments obtainable in towns it is difficult to get them to take work where these cannot be obtained. They live for the present, and not for the future. The accommodation provided at all the stations that I know is very much improved from old days, and the diet provided is also more varied and better, so that there should not be cause of dissatisfaction from this cause. Shearing occupies such a small time at each station or farm, and occurs in such a fine season of the year, that it is rather hard on the farmer to expect him to provide all the comforts and conveniences that permanent men are entitled to; yet, on the whole, both accommodation and food supplied are now such that few men could reasonably find fault with it. There is no doubt that what are now considered necessities and are now provided by employers is considerably above what was provided ten years ago. I do not say that this is not right, but it is not done without expense to the employer; therefore, it must increase the cost of production.

I will conclude by reading to the Commission another letter I have received: "Marton, 22nd June, 1912.—DEAR SIR,—In compliance with your request, I have gone into the matter of increase in building cost, and supply you with the following particulars, which I hope will be of some use: Let us take a five-roomed cottage, which is a size very generally used and built here ten years ago. I go from estimates of the dates (houses as nearly as possible alike) of ten years ago and now. If we take timber, it was bought for 8s. or 10s. per 100 superficial feet, and as there was no sawmillers' ring or association then, the price fluctuated between these figures and 12s. 3d. ex truck. Now cartage added to the latter price brings it, on an average, to 13s., a difference of, say, 33½ per cent. at the middle figure—*i.e.*, 9s. Then we come to classing: Now we pay 1s. 6d. per 100 ft. for dry timber, an increase of 50 per cent. Then, if timber is over 9 in. wide, another addition of 1s. per 100 ft. is made. Mouldings have increased enormously, and are out of all proportion to the cost to the merchant. Take, for instance, a 3 in. cornice mould: if 100 ft. superficial measure of 3 in. by 1 in. is bought, dry, double dressed, it costs 17s. 6d. per 100 ft.; but if it is put through the moulding-machine it is changed from superficial feet to lineal feet—that is, that 100 ft. superficial makes 400 ft. lineal. There is very little extra cost in production—at most, 2s. per 100 ft. This is retailed at 12s. 6d. per 100 lineal feet, which returns a profit clear for 100 ft. superficial measure of the difference between £2 10s., less 15 per cent. discount allowed (£2 2s. 6d.) and 19s. 6d. (cost per 100 superficial feet), including dressing, but not including profit on raw material, which is bought by the merchant at considerably less than the price quoted, and allowing a handsome allowance of 2s. per 100 ft. for extra work in setting up machines. Thus the merchant who has machines either at his factory or at his mill makes at least 23s. per 100 ft. profit, or a return of well over 100 per cent. on this class of material, only one of many, and by no means the greatest revenue-producer to the miller, but about the average. This moulding is used here greatly on account of panelled ceilings, which are general here. I think that, taking everything into consideration, timber has, at a low estimate and including mouldings, increased 50 per cent. Paint, oils, and lead, &c., are at present higher than they have been for years, in some cases nearly 100 per cent. rise; but as these materials fluctuate a good deal, it is hardly safe to draw comparisons, although, roughly speaking, there is an increase of at least £5 in the cost of the cottage. Plumbing has increased, more on account of amount done and quality insisted on by the sanitary authorities than by extra cost of production, meaning hot water, sink, basin, and tubs. Labour has, you may say, increased 10 per cent., or perhaps a little more; although it is hard to estimate, as I have been paying over the minimum for a good number of years, and find it a profitable speculation to keep the best and pay well. A 12s. per day man generally earns 3s. more than a 10s. one; that is, of course, on the smaller businesses, where the boss works himself. Bricklaying has not increased much in cottage work. The difference is made up thus: Mouldings and timber on cottage—1912, £130; 1902, £65. Painting—1912, £32; 1902, £28. Labour—1912, £45; 1902, £40. Joinery—1912, £40; 1902, £35. Total—1912, £247; 1902, £168: increased cost of £350 cottage, £79. These are the items where the difference is noticed mostly. Thus a cottage costing now £350 would have been built in 1902 for about £280; and it seems clear that the cost of house rent is almost entirely due to the Sawmillers' Association putting up timber, &c. Whether the cost of production has increased in proportion or not is a point I have not gone into.

2. Can you tell us what is your opinion of the increase in labour charges?—In ten years, I think, the increase, so far as I am concerned, is 25 per cent. I find it very difficult to get competent and reliable men. This is owing to a large number of the older men having gone on to places of their own, and there is not a sufficiently good supply of other labour to replace this. I do not complain about high wages being made; I simply say it is so. And the effect of not having a supply of labour readily available is that there is a tendency for the crop growing requiring so much labour as to be unprofitable. It is practically impossible to get a boy for agricultural work nowadays.

3. Your property is in the centre of the North Island?—Yes, though I live at Marton.

4. What was the cost per pound for mutton to supply your own men?—2½d. per pound.

5. They have to pay a different price in town?—Yes, I am aware of that; but the wholesale price for meat has not increased in the same degree as the retail prices, taking a period of ten years. The wholesale price is very little different,

6. What does it cost to rear a wether?—I do not think I could possibly tell you that.

7. What is the real cost of meat: that is what I wanted of you?—I have never put the question to myself in that way.

8. You think a part of the rise in cost of living is due to export trade in meat?—Oh, of course; if we could not export we should be boiling down. The increased cost is not altogether owing to labour; I do not say that.

9. *Mr. Robertson.*] You say the wages have increased 25 per cent. in ten years in your experience: what effect has that had on the land-values?—Men buying properties must calculate the expense of carrying it on. So far as that expense increases, it must be counted.

10. Then he would not pay such a high price for the land?—No, naturally, provided other conditions were the same. If he had to pay more for wages he could not pay so much for land; but he can get his money cheaper now.

11. You said one effect of cheaper money was that while it might make a difference in the value of the land, yet the annual charge for interest would be about the same?—Yes; that would be equivalent to rent.

12. High wages would reduce the rent, then?—Yes, and low wages would tend to increase the rent.

13. Then, if wages have gone up 25 per cent., the values of land have not increased so much as they might otherwise?—That is so.

14. *Mr. Leadley.*] What is the chief line of business you do?—My chief line is wool-growing, and selling store sheep.

15. Do you think that the rise in value of rural lands is owing to increased value of products?—Yes.

16. And the increased value of our staple products is owing to greater demand, which is due to improved export conditions?—I take it that would be so. The demand is due to the conditions which enable the people at Home to purchase; much of the demand is due to conditions outside New Zealand.

17. You have had a long experience here?—Yes, fifty-two years, and farming all the time in New Zealand.

18. Do you think farming can be carried on as profitably on a large scale now as it could formerly?—I do not think so.

19. If a man purchased a large estate at present land-values, could he make so much profit?—Certainly not.

20. Notwithstanding the increased prices of his products?—Yes; the profits are much smaller now.

21. The demand for land in small areas is chiefly owing to the fact that the necessary work is done by the farmer and his family?—Yes.

22. You have heard the phrases “community-created values,” “unearned increment,” &c.: is that provided by the general progress of the country, or is it the deferred wages and unpaid interest which a man receives after the lapse of years—that is, if the farmers established a debit and credit system, do you think they create the values?—All their efforts are sunk in the land sometimes.

23. Then the unpaid wages, &c., are sunk in the land, and are only handed back when we get what is called the “unearned increment”?—Often it is so. So-called unearned increment does not apply to much rural land.

24. Not so much as on town or suburban lands?—I should say not. A farmer does sink a great deal in his property—his own wages. He sinks his capital, and makes it back when he sells, otherwise he does not make it at all.

25. What is your opinion of the mortgage-tax?—Ultimately the borrower has to pay; that is considered when the money is lent.

26. Would it be better to charge an income-tax instead of mortgage-tax—the man be taxed on the interest of his investments?—I do not know that it would make much difference.

27. Can you give the Commission any idea of the general conditions under which country workers live?—Those conditions have very much improved in the last twenty years and the last ten years, as I have stated.

28. Would you be in favour of extending the workers' homes through country districts?—I think it is a flaw in our system that we have not enough cottages for married people. People build houses, and they do not always occupy them, and the houses get knocked about. There are not so many houses in the country as there ought to be. If farmers could get cheaper money for building houses for married people it would be a good thing for the country at large.

29. Is the apparent reluctance to provide this accommodation at present a tendency to force men into the town?—It may have some, but not very much. I think the men do get very fair accommodation, but the scarcity of houses may militate against married people going into the country.

30. *Dr. Hight.*] You gave comparisons of prices in Marton for ten years?—Yes.

31. Is the transport-charge thither the same?—The railway has been in existence more than ten years. I cannot say if the rates are the same. I think so.

32. You allow that the export trade has increased the price of local meat?—Yes, undoubtedly.

33. The general prosperity of the country, though, is due in large part to export trade?—Yes.

34. *Mr. Macdonald.*] You enumerated certain factors that gave rise in price of land—the price of money, and so on; do you not think also the public-works policy of this country has raised the price of land?—Oh, certainly; nobody can deny that.

35. Then, that is a community-created value?—Yes; but the farmers have all helped to do this. But I think the land-tax is often very unfair—we pay for the roads as rates, and then do not get allowed for this in the land-tax.

36. *Dr. Hight.*] The landowners, you mean, bear a share of the expense of providing roads and public works generally?—Certainly; it is practically on their land and energies the money is raised.

37. *Mr. Fairbairn.*] Would there have been roads and bridges and railways if settlement had not been there?—No; the whole country is benefited. The benefit is not confined to the landowners, but distributed through the whole community.

38. *The Chairman.*] Could you tell us about what it costs to rear a sheep? Start with wool?—For shearing a lamb you might get wool to the value of 1s. 6d.; sheep vary very much, according to the stock and the class of country. My sheep turn off in Marton half as much again as the sheep on the inferior country.

39. Then you get another clip—a second one?—As a hogget, about 6 lb. wool would be got off, at 9d. per pound.

40. Then you sell as “store”?—Yes; the market varies as to what can be got. One gets from 10s. 6d. to 11s. 6d. for a hogget.

41. Now, what is the cost of producing this—grass, shepherding, &c.? Would the raising cost 2s. 6d.?—I should think I was making a jolly good thing if I raised at 2s. 6d. and realized 17s. I do not do anything like that. If I had time to refer to all the accounts, and then average the matter, I might be able to do so.

42. Could you send in such a statement, not necessarily for publication?—I will try what I can do.

43. *Mr. Leadley.*] What would be a fair price for land carrying one sheep to the acre?—About £3 per acre. That depends on the district.

44. *Dr. Hight.*] Could you get the cost of raising sheep where they are most expensively produced?—I am afraid I cannot give you this information. I do not think I can give you anything reliable.

45. *The Chairman.*] I wanted your figures to compare with those given by another farmer on a different class of land. Could you give us the cost of producing a wether, say, on your run?—I will try to give you this, if I can do so without misleading you.

WEDNESDAY, 3RD JULY, 1912.

THOMAS BELL, Manager of the Union Soap and Candle Company.

*The Chairman* read a letter from Mr. THOMAS BELL, Manager of the Union Oil, Soap, and Candle Company, Auckland, as follows:—

“Union Oil, Soap, and Candle Company (Limited), Auckland, 1st July, 1912.—*The Chairman*, Cost of Living Commission, Wellington.—DEAR SIR,—In further considering the matter in dispute between Messrs. T. H. Hall and Co. and this company, whether the former asked us to book an order for candles at the prices then ruling, delivery extending over twelve months, but if we quoted candles at a lower price the purchasing firm were to get the benefit, but no advance was to be paid in the event of a rise in prices: We are prepared to make an affidavit that such a proposition was made and refused, but as it seems to us the question is outside the scope of your inquiries, and would be likely to create a bad feeling between us, which we wish to avoid, therefore we respectfully ask you if we may be allowed to let the matter drop.—Yours, &c., THOMAS BELL, Manager.”

After some discussion the Commission decided to hand the letter to the newspapers for publication, and to allow the matter to drop.

WALTER MADDISON, Carpenter, examined on oath. (No. 196.)

1. *The Chairman.*] You have a statement to make?—Yes. I might say that much of my statement is the result of evidence I collected for the Arbitration Court last June. I have verified all my facts, and am speaking now with a positive knowledge of all the facts I set forth. I speak first with regard to departmental statistics *re* cost of living; that does not disclose any standard efficiency set up by the amount of food those people have had, and that question of efficiency is most important to the worker, employer, and to the State. The worker should be in such a position that he can provide for his normal needs, and keep himself from becoming a burden to the State; that is a standard of efficiency. The nearest approach to a standard of efficiency and its cost is from the hospital returns. I would put in the Government return I take my information from (H-22, 1910). Taking the four big hospitals of the Dominion, we find that the cost per week per head (patients and staff) for food is 5s. 6'86d. per week. When you divide

that up as to the various items in the returns of all workers, meat (in the Department's return) is 1s. 0½d., whilst in the hospitals the cost is 1s. 2½d.; bread is 5d., as against 5½d. in workers' returns. 62 per cent. of the hospital patients are invalids, whose appetite is not normal. Another important point is this: Whilst the amount allowed for hospitals—the cost for upkeep—is in excess in every instance of workers' returns, there is this: that the hospital is supplied by contract, and the prices are very different—4½d. per 4 lb. loaf for hospital, and 7d. for worker. Milk per gallon under contract to hospital is 8½d.; workers pay 1s. 4d. at present. If you compare the returns as disclosed by the workers with the cost of meat, groceries, &c. (not including groceries other than food) the hospitals cost, on the average, 5s. 6½d. for food groceries. There is an immense difference between contract price and retail, and therefore much more quality and quantity is consumed in the hospital than is possible by the workers. In the large hospitals there would not be the proportionate waste in the small families. The next table I submit bears this out, as I take out figures for smaller hospitals, where there are much higher costs—6s. 1½d. The figures show clearly there is a deficiency in the standard of living as disclosed by workers' returns. If our workers are not to be kept up to normal standard of efficiency, then the cry of inefficiency is likely to increase. These figures are for food only, not clothing, light, fuel, &c. This is all taken from Return H.—22; the analysis is my own (see page 47). In connection with this question of efficiency that must enter into the standard of living, Mr. Justice Higgins, one of the cleverest inquirers into the cost of living, says a man should be able to live as a human being in a civilized community. "I cannot conceive any terms to be fair and reasonable which do not at the very least allow a man to live from his labour, to live as a human being in a civilized community. . . . A wage that does not allow for the matrimonial condition for an adult man is not fair and reasonable, is not a living wage—in other words, I cannot accept the philosophic theory that marriage is a luxury." The following is an estimate of items enumerated by Judge Higgins, which, according to him, must find a place in a living wage\*: Rent per week, 15s 6d.; fuel and light, 3s.; food for five persons, £1 6s. 3d.; clothes and boots, 8s.; replacement furniture and utensils, 6d.; benefit society and medicine, 2s.; provision for unemployment, 2s.; union fees, 6d.; books, newspapers, and stationery, 1s.; tram and train fares, 2s.; school requisites, 6d.; amusements and holidays, 1s.; liquor 1s., tobacco 1s.; provision for sickness and death, 6d.; domestic help, nurse, confinements, 9d.; religion or charity, 6d.; insurance, 1s.; upkeep of tools, 1s.: total per week, £3 8s. This amount makes no provision for savings, and as accident-pay only provides for half-pay during the period of incapacity, the balance of expenses would either require to be drawn from savings or obtained on credit, to the prejudice of future earnings. Judge Higgins enumerates not figures, but articles. In most instances the figures I have supplied myself coincide with the departmental return, except in the matter of food. I have allowed 5s. 3d. per week—I put in a table showing this. The causes of lowered efficiency are casual work and lowered feeding, also the "driving" of the men at their work. There is a good deal of this going on; but I was forcibly reminded of this by reading the following in an article published in the *Journal of the Department of Labour* (March, 1911, page 191): "Don't employ old people. Weed out those, old and young, who can't keep the pace, and those who fail to work in perfect accord with you. In business, the best manager is the man who gets the whole product out of the machine quickest. There will be better machines on the market to-morrow. 'Don't be caught with junk on your hands,' I used to urge my foreman; 'use the machines up, then scrap them.' So with men. They are at their best from eighteen or thereabouts to forty or forty-five. Get their full labour-product out of them quickly. Remember that business has no room for sentiment. Set the pace, drive your workers hard, use them up quick—then scrap them. It must be done to succeed. New men are being born every day, and will be knocking at your door to-morrow." That is the American system, but there is a great deal of it in the colonies too, though not so much. The Commission should consider what becomes of the "scrapped" men. The State will have to bear the burden of these worn-out workers and their children. It should be a question of his being supported by the wages he can earn, without becoming ultimately a burden on the State. This question is having widespread attention at Home. Mr. Balfour, in speaking in Albert Hall, said the people would be drawn from those who were plausibly described as the least efficient. I want now to speak of overcompetition. There is a wide difference I have shown between cost of article and price paid by workers when bread can be supplied wholesale at 4½d. and worker has to pay 7d.; there is, roughly, 60 per cent. difference; milk, at 8½d. to hospital, and 1s. 4d. to retail customer—nearly 100 per cent. The margin of profit chargeable to community is far too flexible. In other matters we find things even worse. I cut out an advertisement from the *Evening Post*, dated Friday, 10th March, 1911, which illustrates possible profits: "To hatters and mercers.—Wanted to sell, smart up-to-date mercery business, in heart of city; cash turnover about £1,200 per annum. Apply SMART BUSINESS, *Evening Post*." Rents, rates, and taxes will eat up £4 per week; wages, and so on, £4; and therefore a 2s. article has to be charged 3s., and that is entirely the result of overcompetition. If the whole of the Wellington business is being done by twenty men, and another twenty come in, the trade will not increase; but there are twenty more to divide it up, and so the prices must be regulated to pay

\* The figures are my own.—W. MADDISON.



the extra twenty staffs, and the prices of the articles go up to the consumer. In connection with returns, I produce another, made up from circulars we sent out to 100 workers :—

No.	Average Weekly Wage.	Rooms in House.	Rent per Week.	Number of Family.	No.	Average Weekly Wage.	Rooms in House.	Rent per Week.	Number of Family.
	£ s. d.		£ s. d.			£ s. d.		£ s. d.	
2	2 6 4	5	0 14 6	4	4	2 2 0	5	0 14 0	7
8	2 18 0	5	0 13 0	3	11	2 10 0	3	0 10 0	2
13	2 8 0	6	0 14 0	3	15	2 3 2	5	0 18 0	4
16	2 5 0	5	0 13 0	7	17	2 12 6	6	0 17 6	6
18	2 10 0	5	0 13 6	2	19	2 15 0	5	0 15 0	3
20	2 10 0	5	0 15 0	6	21	2 5 0	6	0 15 0	2
24	2 14 9	6	0 12 0	3	26	2 10 0	5	0 18 0	4
27	2 8 0	4	0 11 0	4	28	2 5 0	6	0 12 0	4
29	1 10 0	4	0 15 0	5	30	2 0 0	5	0 12 6	4
31	2 10 0	4	0 14 0	3	32	2 17 0	4	0 12 0	2
33	2 10 0	5	0 17 0	7	34	2 1 6	6	1 4 0	2
36	1 18 3	6	0 15 0	10	37	2 5 5	4	0 12 0	2
38	2 15 0	5	0 12 0	2	40	2 5 0	5	1 0 0	4
42	2 0 0	7	0 19 0	6	43	2 14 0	2	0 12 0	3
44	2 10 9	5	0 18 0	3	48	2 10 0	6	1 7 0	5
49	2 12 6	5	0 17 6	3	52	2 10 0	5	0 18 6	7
53	2 8 0	5	0 15 6	3	54	2 5 0	4	0 11 0	5
55	2 5 0	5	0 18 6	10	57	2 15 0	5	0 15 0	2
58	2 10 0	6	0 18 0	4	59	2 11 0	4	0 14 0	4
60	2 12 0	4	0 11 0	2	61	2 15 0	4	0 12 0	3
62	2 8 0	5	0 16 0	4	64	2 17 5	4	0 15 0	4
65	2 1 0	6	1 0 0	8	68	1 18 1	6	0 15 0	6
70	2 10 0	5	0 15 0	5	71	2 0 0	3	0 12 0	2
72	2 16 0	6	1 0 0	2	73	2 5 0	7	1 7 6	11
74	2 10 0	5	0 16 0	3	75	2 12 0	4	0 15 6	3
77	2 16 0	6	0 18 0	5	79	2 13 0	4	0 9 0	2
80	2 12 6	5	1 0 0	6	81	2 5 0	4	0 15 0	3
82	2 7 6	6	0 15 0	3	83	2 17 6	5	0 14 6	7
85	2 7 0	4	0 13 0	3	87	2 5 7	4	0 14 0	3
88	2 10 0	6	1 0 0	3	89	2 5 0	6	1 0 0	5
90	1 12 6	4	0 12 0	3	91	2 5 0	4	0 15 0	2
94	2 18 1	5	0 14 0	3	95	2 11 10	5	0 13 6	4
96	2 13 6	3	0 14 0	4	98	2 10 0	4	0 13 0	2
99	2 11 7	4	0 14 6	4	100	2 17 6	3	0 11 0	2

*Earning above the Maximum at Award Rates.*

41	3 0 0	4	0 13 6	2	86	3 6 0	8	1 3 0	4
51	2 19 6	4	0 16 0	5	45	3 0 0	Own their own houses		2
78	3 2 0	4	0 13 0	5	39	3 3 0			

*Returns of Single Men.*

14	2 12 6	..	..	..	1	2 15 0	Own their own houses		4
22	2 5 0	..	..	..	3	2 15 0			
25	2 10 0	..	..	..	5	2 10 0			
35	2 10 0	..	..	..	9	0 17 6			
46	2 8 0	..	..	..	12	2 10 0			
63	2 14 0	..	..	..	23	2 18 7			
92	2 10 0	..	..	..	67	2 15 0			
93	2 16 0	..	..	..	76	2 16 0			
50	2 15 0	..	..	..	84	2 16 0	3		

Informal, Nos. 6, 7, 10, 47, 56, 66, 69, 97. 5.52 per cent. earn more than the possible at 1s. 4d. per hour. Average rent of 72 workers, 15s. 6½d. Average earnings of 86 workers, deducting 6 earning over minimum, £2 8s. 10d. Approximately 40 per cent. of these workers earn £2 8s. per week or less, averaging only £2 2s. 9½d. per week.

The average rent is 15s. 6½d. for the houses, from four to seven rooms. The size of the families vary. One man has eleven in family, for instance. Each item is separate, and we received 100 returns. We take 72 here. Six of the men owned the houses, nine were single men, and there were several informal papers (without signatures). With regard to rent, it is alleged this is largely due to wages of carpenters particularly. I should like to disabuse your mind of that. I have thirty-four years' knowledge of the colony, and I think the carpenters do much the same

work, and receive about the same pay. There is a difference in the buildings, because there is a different class of house, owing to sanitary by-laws, &c. Timber has gone up, but the other materials have been almost stationary. The chief extra cost of building is, first, in timber, and, secondly, in sanitary conveniences, and different class of building required. There must be building-paper on walls, and the walls are match-lined—very different from the practice of years ago. To my mind, the question of rent hinges on land-speculation. About thirty-three years ago Brooklyn was cut up, and I could get a section there for £5; now it is about £150 for the same section. That is entirely a question of land-speculation, and unearned increment is responsible for the increased rents. The rise in rent is due to rise in land-values, and the rents of warehouses and shops and factories are increased in the same proportion. No matter what the charge may be on production, it all comes forward to the consumer. What this unearned increment is responsible for, the statement I submit will show. The unearned increment is responsible for a capitalistic tax upon the community to the following extent during the last twenty years: Unimproved value—1891, £75,832,465; 1910, £175,289,861: increased value, £99,457,396. An allowance must, however, be made for an increase in the area brought under settlement from Crown and Native lands. Allowing for a natural increase on a population basis, we have a sum of approximately £43,224,505, which must be added to the figures for 1891. The sum of the difference—£56,232,891—is approximately the value of the unearned increment to-day, of which the nation as a whole is being exploited. If the £56,232,891 were the only loss we might dismiss it without another serious thought, but unfortunately it carries with it an annually recurring charge in the shape of interest. If this charge of interest be worked out at 5 per cent., which will certainly be on the low side, we have annually to make up £2,611,644, or, taking the average family at 4.5, an annual charge of £11 16s. 8d. per family, or approximately 4s. 7d. per week. It is very difficult to get the actual value of the Crown land now as compared with years ago. The figures quoted show that the average family provides 4s. 7d. per week to go into the pockets of private individuals. Coming now to another question of extreme importance—the value of gold. This is a red-herring drawn across the scent. I have here an important return, which I shall put in. If the cost of living goes up 1d. per head per week, what is the total for that in the Dominion? That would be one million pennies per week, or £216,666 13s. 4d. per year. I have here the last balance-sheet of the Bank of New Zealand—a most remarkable document. [Balance-sheet handed in.] A few years ago the State had to come to the aid of this institution, and yet now its reserve is over £1,200,000. With a capital of half a million they have extracted profits at the rate of 63 per cent. Is it any wonder that the cost of living goes up? If that stood alone it would be little to carp at, but I put in also the Stock Exchange Report [handed in], which shows similar profits. Now, money without brains is, on an honest deal, not worth more than 5 per cent.; more than that it has no right to. I have taken out a small chart showing the action of advances, deposits, and exports and imports. This shows that the amount of medium of exchange in currency is at all times a controllable one, and the lines charted show it has been under control most strictly. These movements have been controlled, I contend, for the purpose purely and simply of forcing up the rate of interest. The point I wish to bring out in connection with these last two papers is that unfair profits lead to all sorts of taxes on the workers, and the only remedy is a limitation of profits—a court of fair prices to arrange prices between producer and consumer.

2. *Mr. Leadley.*] Speaking of unearned increment, how can you arrive at any estimate of it on rural, suburban, and town lands?—It may be necessary to start with valuations as to-day, but it is necessary that further increments should be checked.

3. How can you separate the increased value of rural lands due to labour and investments of owner and that value created by the community?—It is a question of giving the value of his improvements; we want to stop “farming the farmer.”

4. *Mr. Fairbairn.*] Are rents higher or lower than five years ago?—I could not say of my own knowledge.

5. Have not rents dropped here in five years?—There may be occasionally, but the tendency has been to maintain it, and even increase it. I could not compare land-values with those of five years ago.

6. Are land-values and rents subject to supply and demand?—They may be; but that is putting them at the mercy of profits.

7. *Dr. Hight.*] You allege that the “driving” of men is practised?—Yes; I have seen and experienced it in the building trade. In others it has not come within my own experience—I have heard it is the practice in other trades. It is a common thing to pay a man 1s. or 2s. per day extra to set the pace. Thirty years ago I know this was done in one of the mills here.

8. If it is proved that more is spent on the hospital patient on food than on the worker, does that prove the worker is not getting enough?—It may not prove that, but I want to set up a standard of efficiency. The hospital system is fair and reasonable, or we must accuse them of waste. We cannot support that accusation, and the articles are all necessary.

9. The average retailer gets a large margin of profit in your opinion?—Yes.

10. Are not his high prices due to excessive costs of distribution?—I think it is more the question of overcompetition—the men do not do enough business to warrant their high rents. They have to charge the article with the rent, hence high prices.

11. I understood that you consider the value of gold to be the rate of interest?—No; I said the value of gold was a red-herring drawn across the scent. The whole point is this: It is not the amount of gold in existence, but the amount in accumulation, and the uses to which that is put. Those holding it have the opportunity of forcing up prices. We saw that a few years ago, when there was a strike on the part of lenders for 3 per cent. higher, and then borrowers refused to borrow.

12. *Mr. Hall.*] Is it not difficult to value improvements on farm lands—improvements that are out of sight, such as drainage, recent manuring, bushfelling, &c.?—If out of sight, I think the improvement is exhausted—say, manure put on ten years. If manure was put on last year, there might be a claim. The cutting-down of bush is also an improvement. I am not saying what the Department may do, but I look at the matter as an honest question between man and man. Bushfelling must be taken as an improvement; so must drainage. The pipes are “out of sight,” and if in good order should be allowed for.

13. *The Chairman.*] There has been a good deal of grumbling on one point: the rural people do not think they are fairly treated?—That may be.

14. *Mr. Veitch.*] You have given us some interesting figures *re* profits made by banks: do your investigations convince you that the banks are in agreement with one another, and that there is a banking monopoly?—That is so; they are so far in agreement that they can take advantage of overimportation. The advances then showed a sharp receding-point, as instanced on my chart.

15. *Re* increased output of gold, is it your opinion that increased cost of living is due to the fact that a greater proportion are paying interest on spurious capital, due to the privilege of excessive rents?—Yes, and the profits on all sorts of enterprises.

16. *The Chairman.*] Speaking about driving in New Zealand, has any reliable information been put before the public on such lines as the “team” system? It is alleged the efficiency is falling off; that is why I ask the question. Do the better conditions of the Arbitration Court give the men a greater feeling of security, and prevent their moving at the pace they did formerly?—There is driving I know, and any union secretary can point out the firms who are given to excessive driving. If these firms want two men they will put twenty-two men perhaps through their hands, and even good men cannot please them. It is almost an impossibility to retain a staff with some firms, because of their demands for driving. *Re* efficiency, I think perhaps there is a larger percentage of inefficient in all trades than twenty or thirty years ago.

17. In spite of technical education?—Yes. I put that down to three or four generations of the wage system. Before the days of machinery there was not the driving that machinery has brought into vogue, and that, with the low standard of living and casual employment, is the cause of the inefficient. It is only a matter of pence a man on £2 a week can save, and if he is thrown out of employment he cannot keep up the normal supply of food. There is a shortage. The working-man is always going without something he needs to get something he needs more.

18. You spoke of competition putting up prices: the more persons coming in to compete the lower the prices, always allowing that there was no understanding or combination. You cannot prove combination, can you?—No. On the other hand, there were not so many fruit shops in Wellington a few years ago, for instance, but the greater number of fruit shops has not reduced the price. I think if ten men do the whole of the business and another ten come in, if the original ten men are only making a fair profit, the other ten divide the trade, and they too have to get a fair profit, and the expenses of all twenty have gone up.

19. You think there is an understanding amongst fruit-dealers, or the price would not keep up?—It may be a question of self-protection; they cannot sell so-much fruit per shop with more dealers, and so the profit has to be taken from, say, a £20 turnover as compared with £30 turnover.

20. Has not the man to pay rent, not only in his house, but on all his purchases—bananas, &c.?—Yes, that is so. I have worked that out. A shop, with rents and taxes, on Lambton Quay was £700, which meant selling forty-five pairs of boots per day, at 1s. per pair, to pay rent alone.

JAMES TREVOR, City Councillor, Builder and Brickmaker, examined on oath. (No. 197.)

1. *The Chairman.*] Have you been in Wellington a long time?—Thirty-three years.

2. Have you noticed great increase in the cost of building?—Yes, it has been increased this last twenty years.

3. By what percentage in the last ten or twenty years?—In timber alone there has been a rise of 10 per cent. in the last ten years, in some classes; there is 15 per cent. rise in other classes.

4. And what increase in labour?—It just depends on the question of skilled or unskilled. Unskilled labour is from 12 to 15 per cent. increase in ten years. The skilled labour has not risen so much; the carpenters get only about 2s. per week as compared with ten years ago, and with lessened hours that would make, say, 5s. per week increase. The bricklayers are getting only a few pence more than ten years ago. Their wages have not altered in the last twenty-five years, excepting that they have one hour less to work per week. Painters get an increase, and so do plumbers.

5. Skilled labour then has not increased more than 10 per cent. in ten years?—No, I do not think so.

6. Supposing you had to build a five-roomed house in Wellington ten years ago, what would that cost?—About £300; now it would cost probably £450.

7. It would be a better house, better drainage, &c.?—Yes, the sanitary conditions are such that I would want to go back more than ten years. Since then the sanitary arrangements have quite doubled in cost. Everything is better in the houses; the requirements of the City Council to pass the plans have increased considerably.

8. And the general taste and feeling of the people requires a better house now?—Yes.

9. *Mr. Hall.*] Supposing the two houses had been precisely the same?—Possibly the value might still be different. The first house might be the same in size, but the requirements are not the same—even a four-roomed house now wants a bathroom, for instance.

10. *Dr. Hight.*] The increase in timber in the last ten years has been 10 per cent.?—That is a rough estimate; some timbers I said had increased 15 per cent. and more. Kauri was about 30s. a few years ago, and now any width above ordinary 12 in. or 14 in. is 40s. per hundred.

11. You heard what was said about "driving" by Mr. Maddison?—Yes, and I do not believe it.

12. *Mr. Fairbairn.*] What would the carpenters' wages be, in a house of £400 built to-day?—Possibly 25 per cent. I am not prepared to state definitely. I have been a builder for thirty years. I am a bricklayer by profession.

13. And what would be the cost for carpenters fifteen years ago?—Fifteen years ago a man working by the day—working then and working now—the difference would be 15 to 20 per cent. There is not the same amount of work done by the men now as compared with ten or fifteen years ago. There seems to be an unwritten law that the least-proficient man leads; one man will not do more than another. Instead of trying to get the slow worker up to the best, the best comes down to the slowest.

14. Then the carpenters' wages would be £80 as against £100 to-day?—Yes, that is about it.

*Dr. Hight:* I do not think that calculation is quite right.

15. *Mr. Fairbairn.*] You said the difference would be 15 to 20 per cent. in work done?—Yes, in work done.

16. You say that approximately the cost of carpenters' wages is 25 per cent. of the whole?—Yes.

17. Take that at £100, approximately the wages would be £80 or £85?—Yes.

18. Then the increase for carpenters' wages would be 5 per cent.?—I do not see that.

19. If the house were £400, and increased wages were as you state [calculation explained]?—I do not think the increase should be limited to carpenters' wages. I think the increase is 20 per cent. It would be hazardous on my part to state these percentages exactly: I do not build wood houses when I can build brick houses. I have a brickyard myself. I do not think my evidence as to wood houses is very reliable.

20. *Mr. Leadley.*] You are really a brickmaker?—Yes.

21. What is the price of bricks?—£2 10s. About twelve months ago they were down to £1 18s.; about seven years ago they were £2 12s. 6d., I think. The price fluctuates.

22. What led to the rise?—I think there were two or three brickyards worked out; they had worked out the clay and had to close down. Possibly also people realized they were sinking money in every thousand bricks turned out. There were seven or eight brickyards left.

23. Is there any agreement as to prices?—There has been an arrangement with three yards, and there is now; I do not know what it was—I was not in it. The effect of the arrangement was to raise bricks in price; they went from £1 18s. to £2 10s.

24. Was there any rise in wages?—No.

25. The only justification was that two or three men went out of business?—They could not produce the bricks without loss before; I know that.

26. Do you think that men are able to maintain a fair average of efficiency?—I do not see why not.

27. It is a question of the men's reluctance to exert themselves?—I think so; the men have every opportunity to be as efficient as they were twenty years ago.

28. *Mr. Robertson.*] You employ carpenters?—Yes.

29. And you can form an estimate of their work?—Yes; I have been doing that—employing carpenters, I mean—for the last twenty years.

30. There is no way in which you can account for decreased work except laziness?—I should not say it was laziness exactly. When I was building one place I had some ships' carpenters on the floor, and they measured where each man was to come to, and the last man led the party. The man who should have led the party was around looking for things, not trying to keep up the pace.

31. With regard to giving one man 1s. or 2s. per day extra: is that so?—Yes. That is not for driving; some men are more handy. There are four or five labourers we have had, and have paid them 2s. 6d. to 4s. per week over other men because they are old and good workers. There is no such thing as driving nowadays. These men we do not have to look after at all.

32. Do you use their work as measure of work for others?—Not at all. One would do a bit of draining, another a bit of concreting, and so on.

33. This paying extra wages does not apply to carpenters?—You pay the leading man, the foreman on the job, a little more than the others.

34. In leading, you would not say he sets the pace?—No; he has the other men to look after. He does not generally work with the men at all.

35. Can you give any other reason for fluctuations in price of bricks?—No, not particularly; the production is at least 5s. to 6s. more per thousand than five years ago. That increase has been brought about by the increase in burning and increase in labour generally—the increase in the cost of fuel. The coal has risen 1s. 6d. to 2s. per ton in the last few years. We use either State or Newcastle—State coal, principally.

36. *Dr. Hight.*] Are the prices you quote at the yards?—No, delivered on the jobs. The cartage now is costing from 1s. 6d. to 2s. per thousand more than a few years ago.

37. *Mr. Fairbairn.*] Is there any understanding among brickmakers?—Among three in the city; £2 10s. is their standard price.

38. *Mr. Veitch.*] And £2 10s. is the same for the makers outside the understanding?—Yes. Sometimes they may sell for a little less.

39. Suppose I want bricks for a job, how many places in Wellington can they be ordered?—About eight different places. Bricks can be bought direct from these places.

40. With regard to your figures showing 20 per cent. reduction in work, how did you get that percentage?—By taking the work done now as compared with work done fifteen years ago.

41. By what method did you arrive at that percentage?—By results. I did not work it out in detail.

42. It is not a figured-out estimate?—No, but I think it is right.

THOMAS QUINLIVAN, Local Manager of the State Coal Depot, examined on oath. (No. 198.)

1. *The Chairman.*] How long has that depot been established here?—Six years. The business has increased steadily every year. I submit figures to show this. First year we put out 14,000 tons, and last year we put out 28,000 tons.

2. What was the price of coal when the State depot was established?—Westport coal was selling at 36s.

3. After your depot was established?—For some years the price remained the same; Westport was then 32s. net—that was in 1910. The price is now 34s. for Westport, net. Six months ago the price was put up.

4. Why was the price put up?—The Westport Company said the cost of coal has increased.

5. *Mr. Fairbairn.*] Then there has been no reduction in Westport in consequence of State coal coming on the market?—Oh, yes; but at the time we started the Westport Company had not a coal-depot here; they bought out Thomson Bros. two years ago. But I gave the market price of Westport coal. They were selling at 36s. until eighteen months or two years ago.

6. Can you supply all your orders?—We can now; we had a block about a month ago, but now we can supply all orders. Our price now is 29s.; we started at 28s.

7. What is the cause of the increase?—That is out of my province to say. We were charged an advance of 1s. per ton by the mine, and so had to increase our price to the public.

8. *Mr. Hall.*] Is that delivered?—Yes, delivered in ton lots. Those are town prices.

9. *Dr. Hight.*] When was the 1s. increase put on?—About twelve months ago.

10. Have you not decided to put up the price again?—I believe this is proposed, but we have received no instructions to do so.

11. *Mr. Fairbairn.*] What are the prices of Newcastle?—The same as Westport right through. Increased prices are charged for small lots.

12. Have the landing-charges to be bigger here as compared with Auckland?—About the same; wharfage is 1s. per ton here. There are no other charges except cartage; what that is worth depends on the place—1s. to 2s. 6d. per ton to the different yards about town. Newcastle coal goes into other yards, and the rate of cartage depends on the distance of these yards from the wharf.

13. Do they import, these coal-dealers, or get from the merchants?—From the merchants mostly, but the coal is sold at the ship's side.

14. *Mr. Robertson.*] Is 29s. the direct price of State coal to the public?—Yes, we sell the same price to all—large or small quantities;  $\frac{1}{2}$  ton is 15s., and  $\frac{1}{4}$  ton 7s. 9d., and bags are 1s. 6d.—twenty bags (1 cwt.) to the ton. That is the  $\frac{1}{2}$  ton rate. We did not want to increase the bag rates.

15. Those prices are delivered in city area?—Yes.

16. What is the cost further out?—We charge  $\frac{1}{4}$  ton 8s. 6d. in Island Bay, and we deliver direct to Island Bay—that is, bagged and delivered into the man's coal-box.

17. Do you sell much coal to private dealers?—No. Lately we have had to stop supplying them altogether, because we had only enough for our own yard. During the summer we sell to dealers sometimes. Our prices are cash prices; we do not book at all.

18. *Mr. Macdonald.*] Do you sell only State?—Yes; the Act does not allow us to deal in other coals.

19. *Mr. Fairbairn.*] Is there a uniform price for coal-dealers in Wellington?—Yes. There was an association some years ago, but they still sell at the same price throughout for coal.

20. Do you think there is a combination to keep up prices?—No, I do not think there is now.

21. Is it possible for an independent dealer to get coal and sell at his own price?—Yes. When there was the association they could not do so, but the last three years the association has fallen through.

22. *Mr. Macdonald.*] Where would the independent man get the coal from?—You would have to get it from the Westport Company.

23. But they preserve the right to prevent an independent man importing coal?—They will only supply you with the quantity they think fit; you could not get all you wanted. The cargo is split up on the wharf according to the man's turnover. I think you could get coal, but not as much as you wanted.

24. *Mr. Fairbairn.*] Supposing a man makes his own shipping arrangements?—I think he could get coal.

25. *Dr. Hight.*] How long did the association of coal-dealers last?—About twelve years, to my knowledge. I think it was the Westport Depot starting that demolished the association. That was in 1910.

26. *Mr. Hall.*] Do you supply more than one quality?—Yes. The prices vary according to the quantity sold; the slack is sold to factories mostly. Slack has to be got rid of, and we make the best terms possible.

27. *The Chairman.*] How do the dealers arrive at their common prices?—They used to get out a scale of costs and base prices on these. I do not think they meet and arrange prices now. The price is arranged now practically by the Westport Company's yard; the other dealers follow.

28. *Mr. Robertson.*] Do you do your own delivering?—Yes.

29. Is there any increase in the cost of cartage?—We pay more than we used to; there is 3s. advance in wages. We advanced the wages twelve months ago.

30. What is the cartage increase?—The cartage in town is about the same, but to the suburbs it is costly. The increase, considering our turnover, would only be about 3d. per ton. Wellington is a very bad place to deliver coal to, and it is getting worse every year, owing to hill residence. There would be increase to be reckoned on for these reasons, apart from increase of wages.

NICHOLAS FERNANDOS, Fish-merchant, examined on oath. (No. 199.)

1. *The Chairman.*] How long have you been here?—Thirty-eight years. I came here in 1873.

2. What is the general system of fish-supply for Wellington? The fishermen go out for the fish: are they acting independently or in somebody's employ?—They catch the fish and we buy. The fishermen owning their own nets and boats, they bring in the fish for us to buy. We establish the prices.

3. How are they established—by common consent?—No, I make my own arrangements. I compete with all fish-merchants. I have a steam-trawler of my own, I am sorry to say.

4. Does it not pay?—It cost me £1,170 for two years—loss.

5. Then why keep on?—I cannot help it; I must keep my trade going. It gets me the fish I want; I have to make up in other ways.

6. What fish do you catch in the trawler?—Flounders. We fish in Napier, and send fish down by train.

7. Has the price of flounders risen very much in ten years?—I submit bills to show prices. There are two fish-auctioneers in Wellington. [Accounts put in.]

8. *Mr. Fairbairn.*] What do you pay for groper?—We do not buy by the pound, but by the catch; we just judge the size.

9. *The Chairman.*] Why do you not weigh?—We buy tons every day, and cannot stop and take time to weigh.

10. *Dr. Hight.*] Are these prices usual?—Yes, at this time of the year.

11. What do you get for groper per pound?—4d. to 6d.; generally 4d. in Cuba Street shop and 6d. to residents.

11A. *The Chairman.*] You have paid 10d. each for flounders sometimes?—Yes, and I sell for 1s. 6d. per bundle—two or three flounders.

12. The things which you do not get in the trawler you get from fishermen?—Yes. They are all their own owners. I get some from French Pass, Picton, Nelson, and all over the place.

13. When you have a glut what do you do?—Put them in the freezer; not smoke them.

14. Do you smoke fish?—Yes; only blue-cod we might freeze and then smoke. The price of fish has doubled in the last few years. The price to the public has not doubled. Flounders are the same as they were.

15. Have you not passed on the price to the public?—When the glut is on I buy cheap, and then I make up the loss. I lose on the flounders, and make up on other things.

16. *Mr. Fairbairn.*] Are the prices unusually high now?—Yes, for the last three months.

17. Are prices lower in summer?—Not for flat fish; they are never low. I pay 6d. per pound in Timaru, and they weigh about 2 lb., and I have to sell for 1s. perhaps—flounders must be in the shop. But we make up profit on other things sometimes.

18. *Mr. Leadley.*] Can you suggest any alterations in the fishing industry that would help?—I cannot suggest anything; we are governed by the price. In Wellington we get bad weather sometimes; and my expenses are £60 per week, and I have to make it up for bad weeks on the next good weeks. I have tried the trawler in Wellington, and tried the Sounds and Nelson, and all over the place, and I cannot get enough to pay for the trawler; she is a loss to me.

19. *Mr. Fairbairn.*] How many firms auction fish?—Two. They do not auction enough fish to make it cheap. Groper are sold each; one fish brought this morning 11s. 6d., about 25 lb. weight. The fish auctions are open to the public, at 9 a.m. each day. You can buy one fish or more.

20. *The Chairman.*] And the dealers would not run up a private person?—I do not think so; the men dealing run up one another. I bought some fish yesterday, and will lose £5 on it. I had to do this because I have contracts to supply.

21. Have you any interest in other fishing-boats?—Only the trawler.

22. *Dr. Hight.*] Some fish come to Wellington by train?—Yes. It is a satisfactory service, but freights are too much. Sometimes I have lost 20 lb. flats, also 32 lb. flats, and they cannot find these when the train arrives. There is no cool-chamber, only cool-trucks. I have had a lot of loss in the train. My trawler comes to the Spit; the fish has to be carted to the shed. There is also rent for shed, and wages for a man. The man carts the fish again to the railway-station; then freight on the train has to be paid; and then the fish has to be carted from the railway-station. There is a lot of handling. Every bundle of flounders arriving here from my boat costs 2s. per bundle.

23. Have you occupied your shop a long time?—Yes. I have to pay £5 10s. and rates in Cuba Street.

24. What is the increase in ten years?—It was £2 10s., and now it is £13 per month and rates—that is the Quay shop. The Cuba Street shop is £5 10s. and rates and taxes. There is not much hawking of fish here; it is not profitable.

ARTHUR BOLTON, Grocer, examined on oath. (No. 200.)

1. *The Chairman.*] You have been in Wellington some years?—About four years and a half. I have written out a statement which I would like to read, and then answer questions relating to this. I am a grocer carrying on business at Kent Terrace, Wellington, and have for the last

three years or more been the authorized buyer for an association of grocers who buy in common in order to take advantage of extra discounts for quantities, &c. Since the New Zealand Merchants' Association was formed I have found a considerable advance in the prices of many of the articles handled by grocers, and in the great majority of cases the advance has been due solely to the operations of the said association; and I append herewith a list of the various articles which are now or have been at some period on their tariff list. Prior to three years ago I was able to buy one case of plaid matches at 3s. 6d. per gross, but at present, owing to the combined operations of the New Zealand Merchants' Association, Messrs. Bryant and May, Bell and Co., the New Zealand Wax Vesta Company, and Messrs. Palmers' agent (Joseph Nathan and Co.), the price for one case has risen to 3s. 11d., and the best terms on which a Wellington grocer can buy is 3s. 9d. per gross for a 120-gross lot, although the Wellington-manufactured matches can be purchased by Christchurch, Dunedin, or Auckland grocers at 3s. 6d. per gross. The consumer here is in consequence paying  $\frac{1}{2}$ d. per packet more for his matches, and the big merchant is alone reaping the benefit. Some two or three years ago the corn-broom makers of New Zealand combined, and, in conjunction with the New Zealand Merchants' Association, decided to raise the price of corn brooms by 3s. 6d. per dozen, of which the public pays 3d. and the retail grocer  $\frac{1}{2}$ d. To my own personal knowledge the members of the New Zealand Merchants' Association receive an extra discount of  $7\frac{1}{2}$  per cent. beyond what merchants receive who are outside the association. Household salt was bought by me at 57s. 6d. per ton three years ago, but is now on the Wellington Merchants' Association tariff list at 4s. 6d. per hundredweight and 70s. per ton for a 10-ton lot, although the same merchants will supply grocers who are over twenty miles outside Wellington at considerably less than these rates. Wellington seems to have been singled out by the merchants as either a very wealthy place or as a place which contains an abnormal percentage of fools, as there is scarcely an article on the Wellington Merchants' Association's tariff list which the Wellington merchants will not sell for less than their tariff price, provided the grocer is over twenty miles from the city. The biscuit-manufacturers of New Zealand are also of this opinion, for their discount-terms for Wellington and twenty miles round are 15 per cent., but any grocer beyond this radius can have 25 per cent., although in hundreds of cases the biscuits have to be brought to Wellington in the first case, transhipped on the wharf, and freight paid to port of destination by the seller. The outcome of this is that the Wellington public are paying 1d. per pound more for their biscuits than there is any need to. A ring has been recently formed amongst the starch-manufacturers, and each member has deposited £50, which he forfeits if found guilty of selling below the fixed prices. This ring is evidently working in conjunction with the New Zealand Merchants' Association, as the makers refuse to give any trade discount to wholesale houses outside the Merchants' Association. The ring has advanced prices from £32 to £39 10s. per ton, and will take no less whatever quantity is purchased. To the best of my knowledge there has been no advance in the cost of either raw material or labour to warrant such an advance in price, and the rise is, in my opinion, nothing but sheer robbery. Pepper is also controlled by a ring, and has advanced 4d. per pound without any adequate reason. Sun-light soap is also a strict tariff line, and the difference in cost between here and Home is very startling to an English grocer, as the English bar weighs 12 oz., and is sold for 2 $\frac{1}{2}$ d., whilst the colonial bar weighs only 9 $\frac{1}{2}$  oz. and is sold at 4d., and the grocers' profit is only 2s. 3d. after selling seventy-two bars. Up to two years ago the price of New Zealand candles was controlled by the manufacturers and merchants jointly, but the starting of a new firm and the action of the Burmah Candle Company in refusing to have their candles controlled by the New Zealand Merchants' Association has brought the price down 1d. per pound, although quite recently there have been two meetings of New Zealand candle-manufacturers held in Wellington with the object of raising prices. Edmonds' baking-powder has been put on a tariff list at the request of the New Zealand Merchants' Association, and within this last few weeks Edmonds have refused to supply a wholesale house in this city on the complaint of a member of the Wellington Merchants' Association that the said firm were not adhering to tariff. The tobacco trade is also a monopoly which is controlled by the New Zealand Merchants' Association so far as the selling is concerned, and the price of cigarettes has risen 3s. per 1,000, which advance goes entirely into the pockets of the merchants. The Tobacco Company absolutely refuse to supply even for cash any merchant outside the New Zealand Merchants' Association, and this is a direct breach of the present Trusts Act. The effect of all these encroachments on the retailers' profits must before long result in a Wellington Grocers' Association being formed, as is already the case in the other large centres. The retail prices will then be advanced in accordance with the merchants' tariffs, as is already done in Christchurch and Auckland, and the public will pay the piper without having the privilege of calling the tune. As a matter of fact, when remonstrances are raised to the wholesale houses about these continual rises without reason the reply almost invariably is "Why don't you raise *your* prices?" A very striking feature of the tariff list is that the colonial-manufactured goods are nearly all tariff-fostered industries, and that in nearly every case the number of hands employed and the wages paid are ridiculous when compared with the amount the country is paying to foster them. Butter is frequently short weight, and I have seen cases of as much as 2 oz. in 1 lb., though generally the variation in weight is only trifling amongst the best brands, with the exception of one factory, which does, or did, put up a 15 oz. pound for the New Zealand trade. Excess of moisture also requires attention, as I have handled one well-known brand of butter which contained at least 20 per cent. of water. Butter is always liable to be forced up beyond reasonable prices in winter, owing to the winter stocks being controlled by the big merchants, and the only way, in my opinion, for the public to get value for their money is to take off the import duty on butter, and prohibit the article being sold under fancy names. The present enormous cost of advertising and distribution would be saved, and the public would get 16 oz. to the pound, whilst a free inlet for Australian butter would prevent this market being manipulated by unscrupulous merchants. The chief item in the cost of living in Wellington



is undoubtedly house-rent, and, so far as my experiences goes, the working-man pays somewhere about one-third of his income in rent, as against an average of one-sixth in the Old Country. He certainly gets no better, if as good, accommodation for his money, beyond a little extra air-space outside the house. In the manufacturing districts of the North of England the skilled tradesman with an average income of about 30s. pays only 5s. in rent, and for this he gets a good brick cottage of four rooms, all the modern ones being fitted with hot water and often with a bath, whilst for the men with larger and wage-earning families there are plenty of six-roomed houses to be had from 6s. to 8s. per week. The rent question, to my mind, overshadows all others, as the moment a wave of temporary prosperity rises rents rise with it, but when the boom passes away rents are the last thing to fall. It seems absurd that in a sparsely populated country like New Zealand house-rents should be four times as great as in the densely populated towns of England. I also hand in a list of tariffed lines, 1910 merchants' prices, and tariff list of matches. The fifty-case line has been withdrawn from Wellington buyers, because I have been buying for a group of Wellington buyers; the Dunedin grocers get the matches at the fifty-case price. The footnote shows the discrimination made. I have cut off the firm's name, because that was the condition on which I got the list.

## TARIFFED LINES.

Fry's cocoa; Keiller's marmalade; Colman's mustard; Keen's blue; Robinson's groats; Robinson's barley; Reckitt's blacklead; Reckitt's Zebra paste; Reckitt's bag blue; Reckitt's square blue; Reckitt's brasso; Nugget shoe-polish; Lea and Perrin's sauce; Holbrook's sauce; Mellor's sauce; C. and B. essences; C. and B. pastes; corn-brooms; tobacco and cigarettes; Edmonds' baking-powder; Highlander milk; Nestle's milk; colonial starch; salt; colonial biscuits; Cerebos salt; sugar; Sunlight soap; Lifebuoy soap; Mellin's food; matches; Symington's coffee-essence; C. and B. coffee-essence; Hudson's extract; pepper; Champion's vinegar; Sapon; flour; Peek's paste; oatina; Bryant and May's safety-matches; Quaker oats; grape-nuts.

## WELLINGTON MERCHANTS' ASSOCIATION.

*Tariff List for Wellington City and Suburbs.*

London sperms: 16 oz.—25 boxes and over 6½d. net, any less quantity 6½d. O.T.; 14 oz.—25 boxes and over 6d. net, any less quantity 6½d. O.T.  
 Burmah: 16 oz. fluted and plain 6½d. O.T.½  
 Van Houten's cocoa: 1's, 3s. 2d.; ½'s, 3s. 3d.; ¼'s, 3s. 4d.; case lots 1d. per pound less O.T.  
 Allen and Hanbury's food: No. 3, 10s. 6d.; Nos. 1 and 2, 17s., O.T.; 6-dozen lots, assorted, 10s. and 16s. net.  
 Patent groats and barley: 7s. 9d. O.T.; 6-dozen lots, 7s. 5d. net.  
 Oakey's knife-polish: 5s. 6d. O.T.; 6-dozen lots, 5s. 1½d. net.  
 Jeyes' fluid: Small 5s. 9d., large 10s., O.T.; 6-dozen lots—small 5s. 3d., large 9s. 6d., net.  
 Symington's coffee-essence: 5-case lots 12s. 6d., 1 to 4 cases 12s. 9d.; less quantities, 13s. O.T.  
 C. & B.'s coffee-essence: 11s., O.T., any quantity.  
 Fry's cocoa: 8-box lots, ½'s and ¼'s, 1s. 3½d.; 4-box lots, 1s. 4d.; less quantity, 1s. 4½d. O.T.  
 Colman's mustard: 1's, ½'s, 5-box lots, 1s. 4d.; ¼'s, 5-box lots, 1s. 6d.; less quantity, 1s. 4½d. and 1s. 6½d.; less than 1 box, 1d. per pound on.  
 Colman's starch: 5-case lots, 46s. 6d. net; less quantity, 5½d.; 1-lb. boxes, ½d. on.  
 Sugar: Nos. 1 and 1A, £17 10s.; No. 2, £17; No. 3, £16 10s.; Brewers' crystals, £18 10s. No rebate on less than ½-ton parcels; no Auckland shipments under 1 ton.  
 Cornflour: B. & P.'s India—5 boxes, 5½d. net; less quantity, 5½d. O.T.  
 Neave's food: 6 dozen, 9s. 3d. net; less quantity, 9s. 9d. O.T.  
 Hudson's extract: Hundredweight lots, 37s. 6d. net; less quantities, 5s. per box O.T.  
 Durham mustard: 16-tin lots, 6½d. net; 8-tin lots, 7d. net; less quantities, 7½d. O.T.  
 Keiller's marmalade: 6 dozen, 7s. net; less quantities, 7s. 4d. O.T.  
 Edmonds' baking-powder: 9s. 6d. and 4s. 9d. O.T.  
 Carbonate of soda: 5 kegs, 9s. 6d. net; 3 kegs, 9s. 9d. net; less quantity, 10s. 6d. O.T.  
 Champion's vinegar: 5-case lots, 9s.; less quantities, 9s. 6d.  
 C. & B. anchovy-essence: 13s.  
 C. & B. anchovy and bloater paste: Anchovy—6 oz. flat, 14s. 6d.; small, 7s. 6d. Bloater—6 oz. flat, 13s. 6d.; small, 7s. O.T.  
 C. & B. curry-powder: 9s. 6d. and 5s. 9d. O.T.; 6-dozen lots—large size, 3d. per dozen, less net.  
 Sauces: Holbrook's, 10s. 9d.; Lea and Perrin's, 26s. and 14s.  
 Paper bags: Rough brown, 26s. 6d.  
 Lenz honey: 11s. 6d. per dozen O.T.  
 Star mullet: Case lots, 5s. 3d. per dozen O.T.  
 1st January, 1910.

## SELLING-RATES OF MATCHES.

	<i>List A.</i>	s. d.	
Plaids, any brand:—			
Broken quantities .. .. .	.. .. .	4 0	O.T.
1-case lots, one delivery .. .. .	.. .. .	3 11	O.T.
5-case lots, one delivery .. .. .	.. .. .	3 10	O.T.
10-case lots, one delivery .. .. .	.. .. .	3 9	O.T.
50-case lots and over, one delivery .. .. .	.. .. .	3 6	Prompt net cash.
Exception, Dunedin only.			
25-case lots, one delivery .. .. .	.. .. .	3 6	Prompt net cash.
Slides No. 12, any brand:—			
Broken quantities .. .. .	.. .. .	9 7	O.T.
1-case lots, one delivery .. .. .	.. .. .	9 4	O.T.
5-case lots and over, one delivery .. .. .	.. .. .	9 3	O.T.
250 vestas, No. 4, any brand:—			
Broken quantities .. .. .	.. .. .	17 6	O.T.
1-case lots, one delivery .. .. .	.. .. .	16 9	O.T.
5-case lots, one delivery .. .. .	.. .. .	16 6	O.T.
15-case lots, one delivery .. .. .	.. .. .	15 6	Prompt net cash.
Caversham No. 4—6d. per gross less.			

These rates apply to the four main ports. When sales are made in towns enumerated on B list distributors are permitted to pay freight where there are buyers whose names appear on approved wholesale list, provided they invoice at B rates, otherwise they must invoice f.o.b. main ports at A rates.

16th February, 1910.

I [We] agree to adhere to the foregoing tariff.

## List B.

	s.	d.	
Plaids, any brand :—			
Broken quantities .. .. .	4	1	O.T.
1-case lots, one delivery .. .. .	4	0	O.T.
5-case lots, one delivery .. .. .	3	11	O.T.
10-case lots, one delivery .. .. .	3	10	O.T.
50-case lots and over, one delivery .. .. .	3	7	Prompt net cash.
Slides, No. 12, any brand :—			
Broken quantities .. .. .	9	9	O.T.
1-case lots, one delivery .. .. .	9	6	O.T.
5-case lots and over, one delivery .. .. .	9	5	O.T.
50 vestas, No. 4, any brand :—			
Broken quantities .. .. .	17	9	O.T.
1-case lots, one delivery .. .. .	17	0	O.T.
5-case lots, one delivery .. .. .	16	9	O.T.
15-case lots and over, one delivery .. .. .	15	9	Prompt net cash.

Caversham No. 4—6d. per gross less.

These rates apply to Napier, Gisborne, Wanganui, New Plymouth, Palmerston, Nelson, Blenheim, Timaru, Invercargill, and Masterton.

16th February, 1910.

I [We] agree to adhere to the foregoing tariff.

2. *Mr. Fairbairn.*] You have had experience of English trade?—Yes, I have been twenty years in the wholesale grocery trade; I am cheese and butter expert.

3. There is a tariff for local supplies of biscuits?—Among the manufacturers; for Wellington and twenty miles round there is one price—a higher price. They have one list price for all round, but certain lines are net, some are discount lines; and for Wellington they allow 15 per cent. off; outside twenty miles, 25 per cent. off.

4. That is actually 13½ per cent. dearer?—It may be; I reckon it is quite 10 per cent.

5. *Re* starch, the duty on that is 2d. per pound, 18s. 8d. per hundredweight; that is about half the value?—Rather less; the local price is 39s. 6d.

6. Starch carries 100 per cent. duty?—Yes, it was carrying more; it was 32s. up to the last rise.

7. *Re* candles, were you referring to Burmah candles?—Up to two years there was a close ring; the price rose and fell simultaneously; the makers also have an agreement not to encroach on other makers' territory. The merchants used to have the Burmah candles on tariff list—1910, 6½d. O.T. They could be had only through the merchants. That was at the time I refer to—January, 1910. Prices for London sperm are 6¾d. for less than six boxes. Burmah candles then cost 5d., and were listed 6½d. This price was killing the sale of Burmah candles, and the Burmah Company decided to sell their candles to anybody. Then candles dropped ¼d. per pound wholesale; the merchants are selling these same candles at 5d. per pound.

8. *Re* butter, there is no law governing the quantity of moisture for butter for consumption in New Zealand?—That is so—only for export. What is sauce for the goose is sauce for the gander: I think the 16 per cent. should apply to us. Weights should be guaranteed here. In England butter is never sold under proprietary names; that makes butter into a proprietary article, and the proprietor can make what price he likes. Butter is sold loose, and weighed out, and the quality varies with the price. A man goes to another grocer if he does not like that sold by one grocer. The butter sold here is sold under proprietary merchants' brands.

9. Have you heard of a machine that would convert 1 lb. weight of milk and 1 lb. weight of butter into 2 lb. of butter?—I have heard of it. I could give you some information about that. Speaking from memory, about nine or ten years ago an English firm—Pears' Stores—started selling this blended butter. The English Government passed a law within six months to stop it.

10. Is blending butter going on in Wellington?—Butters are blended for certain purposes.

11. Blended with water?—I am absolutely certain one butter I handle contains 20 per cent. of water. Whether that is done in the factory or done in a Wellington shop I do not know. The public certainly cannot tell this; not many grocers can tell this unless they have handled goods wholesale as I have.

12. How is salt sold here?—4s. 6d. per hundredweight; 70s. per ton for 10-ton lot. Prior to the tariff it was sold at 3s. to 3s. 6d.

13. What is the price to retailers outside Wellington district?—Upon more than one occasion I have bought salt in a country friend's name at 5s. less; the previous price was 7s. 6d. per ton less.

14. A combination exists in Wellington to fix prices for salt higher than the prices for outside districts?—Undoubtedly.

15. *Dr. Hight.*] You think the combination is at work raising prices or preventing falls?—They are doing both; they are eliminating competition.

16. You say this considering all the other elements?—There is no outside factor at all in the articles I have named.

17. You have come to the conclusion that the rises are the result of the combination?—Yes, to a very large extent.

18. *Mr. Hall.*] Is there any union of retail grocers?—No, but we shall be compelled to make one. In Christchurch, Auckland, and Dunedin the retailers have had to form associations for self-protection, and they work with wholesale houses and stifle competition. We shall have to do the same thing sooner or later. Most of the rises are so far trifling, and we have not passed on the rise in most articles, but we cannot do this indefinitely. At present profits are almost nil in the grocery trade (retail). The merchants have never yet refused to supply any retailer—there is no retailers' association to ask them.

19. Have you ever heard of a certain line being refused unless the retailer agreed to sell at a certain price?—Wholesale, but not retail.

20. *Mr. Fairbairn.*] Will the British Empire Trading Company—will they supply?—Not outside the Merchants' Association.

21. *The Chairman.*] Are the jams tariffed?—No, but they are short weight. The jams are nearly all 1 lb. gross. The same with pepper—2½ oz. of pepper, 1½ oz. of tin. There is only one jam firm in New Zealand selling full weight. I think there is an attempt to get Maconchie's goods to fall into line. Condensed milk is a tariff line (Highlander); and every wholesale house signs a form to say he has not broken the tariff, and then he gets rebate of 6d. per case. Edmonds' baking-powder is tariffed for wholesale trade. Kerosene was tariffed formerly, but it is not now, I think. I do not know the duty on mustard. I believe ¼d. per pound was taken off cornflour, and that never reached the retailer. I am a newcomer, and therefore not much interested in the developments of the duty.

22. *Mr. Macdonald.*] Is there any firm on a different line in regard to making purchases?—Two or three of the men in town are buying sugar on the same terms as the wholesale houses, and the small firms are suffering. Wardell's is one firm, and also Campbell, and Anderson, and the Wairarapa Farmers are dealing on the 5-per-cent. bonus on the sugar.

23. Have you any suggestion to make as to preventing this formation of combination?—I think the Trusts Act should stop that. I should advocate the abolition of protective duties, if necessary, to prevent tariffing. The figures given in the returns are not very exact. I think for every man in the candle trade the New Zealand public are paying £4 protection. I would advocate abolition of duty on matches, starch, candles, corn-brooms, soap, and biscuits. There are no biscuits you can compare with English biscuits. There is no wine biscuit made at Home. Tea biscuits are 3d. at Home, and sold at 6d. here. There are fruit biscuits 4d. at Home, and out here 7d. A partial abolition of the duty on biscuits would cheapen biscuits to the public. Unless the merchants do as they have done with these other lines the price must come down to the public. Flour is on the same footing—£1 per ton is the excuse for keeping up New Zealand flour, and I do not see why flour should not be manufactured as cheap as in Australia.

24. You think it would be a benefit if the duty were abolished or partly abolished?—Yes.

25. *The Chairman.*] What about sugar?—That does not affect retailers very much; it would be only 6d. per bag. I do not know what profits the wholesale houses get, and I do not feel able to say anything about the sugar trade. They make a large sum annually, but I could not say how much.

26. *Mr. Leadley.*] The removal of the duty, unless accompanied by legislation, would not remove the difficulty?—Certainly not; there is nothing to hinder the present combination of merchants controlling the output.

27. *Mr. Hall.*] Is there much cutting among the retailers?—Yes.

28. Are they pushing leading lines?—Most lines are cut. Sugar is practically sold as change for a shilling, and so is flour.

29. *Mr. Fairbairn.*] You think the removal of the duty would open the door to competition?—Yes, so long as restrictive legislation on rings was made.

30. Does not a country so isolated as New Zealand lend itself very much to local rings?—Yes. The American people, for instance, eat stuff that they would not export. I have not seen as good a sample sold locally in New Zealand of cheese as is sent Home. You ship the best stuff away and keep the worst, the same as the American people do. The same thing applies to lard. American lard is worth in England 5d. per pound, and here it is 8½d. The same thing applies to bacon: it costs 9½d. per pound, and Danish, Wiltshire, Irish, and others range from 7d. to 8d., and there is absolutely no comparison. The average bacon cured here is equivalent to American bacon at 5d. and 6d.

31. What is the loss in making bacon?—I do not know; I am not an expert in the curing.

32. *Dr. Hight.*] Are they the Home prices of four years and a half ago?—No; it was quoted in a newspaper sent out to me three weeks ago. I could give you the figures if I had the newspaper.

33. *The Chairman.*] What about eggs?—The price fluctuates. The four or five firms running the fruit ring used to fix the prices; now I think the egg firms at Motueka fix the price.

34. *Mr. Fairbairn.*] Did they advertise the price of eggs on the Saturday, and then increase the price on other days?—I do not know. I notice the tremendous price of eggs as compared with English prices, and the eggs are utterly unreliable. I have had bad eggs from poultry-farmers.

35. *Mr. Macdonald.*] Have you tested the water percentage in butter here?—No, I have not actually tested it, but I had this assurance from a firm confidentially who had tested it, and I know it is right from my own knowledge.

36. *Mr. Robertson.*] The regulation prescribing a limit is gazetted now—16 per cent. for butter?—Well, it may be; I have never had an Inspector at my place, and the Inspector of Weights and Measures only once. I have seen a Fruit Inspector once, and I do not keep fruit. The laws as to adulteration and short weight are a dead-letter. I have had pepper in my shop branded "Pure Pepper," mixed with farina. I returned it. It was supplied to me in tins labelled "Pure Pepper, mixed with Farina."

CHARLES JOHN WARD, Factory-manager for R. Hannah and Co., Boot-manufacturers, examined on oath. (No. 201.)

1. *The Chairman.*] Has the cost of materials risen in your trade?—In twelve years materials have advanced 33 per cent., on the average.

2. Has labour increased?—The minimum wage has increased. The award of the Court was 40s. 10d. when I came here twelve years ago, working on the dual system; and the agreement

made yesterday was 52s. 6d. : that makes an advance of 28 per cent. That has not taken effect yet. The minimum rate does not have a great bearing. The minimum rate is 45s. and 47s., but the average rate in our factory is 54s. 6d. The reduction is from forty-eight to forty-five hours. That 54s. 6d. average wage does not include foremen.

3. Has that rise added to the cost of the boots?—Decidedly not; it has been the other way about. I was anxious to place the position of the trade before the Commission for this reason. The trade is not sheltering itself behind the tariff. We have to get the best out of the men. I have been with Skelton-Frostick's and with Hannah's, and I have not found this shirking on the part of the men.

4. You do not believe the men are less efficient?—They are more efficient; they are making a better class of work.

5. If it was not for the rise in price of materials boots would be cheaper?—Yes; the reduction in wages comes to nearly 40 per cent.—that is, the wages-cost of manufacture through organization and machinery. It is folly to think a man puts in an £8,000 plant unless there is some economy. The wages-cost has certainly gone down the 40 per cent. I have named. The great instance I might quote *re* materials is sole-leather; that is purely a New Zealand product. The repairers use English leather, but the factories use practically all New Zealand leather. In 1902 there was a suggestion of an arrangement of price to 10½d.; at present there are periodical meetings of tanners and the price of the same leather is 1s. 2½d. I do not think the tanners get any more profit. That is an advance of 39 per cent. In connection with the question of wages, in 1900 there was some reference made previously as to the cost in the making department being 1s. 9d., that costs about 1s. at present. At Christchurch, it was stated, the cost was about the same (stated by Mr. O'Brien). That does not apply to our factory. The finishing was 1s. 5d. in 1900; to-day it is 7d. on the same boot. A welted boot is produced largely here; it costs 3s. to 3s. 6d.; to-day for benching-cost the rate is 1s. to 1s. 3d.; to-day the finishing is 10d. to 1s., as against 2s. 4d. in 1900. A point is raised in connection with the colonial and imported article. I speak as manager of a factory interested in the New Zealand article, and against the imported article. I cannot indorse the statement that we have nothing to fear, and that the local article is equal to the imported article. The people still prefer the imported.

6. That does not follow, I think?—I think so. We have the men, and if we could specialize, but at present we cannot—we have to make more general lines, and, of course, we cannot then compete on special lines.

7. *Mr. Fairbairn.*] *Re* protective duty on boots, it has been suggested there should be a uniform duty: what do you think of that?—In my opinion, as regards medium lines for retail trade, it is the best value on the market for colonial goods. Our firm is pulling out on that basis; we can beat the imported lines with medium boots.

8. But New Zealand manufacturers are making the better class of goods, we are told?—I do not quibble with the aim of the suggested tariff, but it does not seem likely to bring that about. There is no need for duty to be on certain lines, because they are not made here at all—children's lines; there are other lines that do not need protection for the same reason.

9. Take a pair of boots invoiced at 6s.: there might be 41 per cent. duty; on a 20s. pair of boots the duty would be about 20 per cent.?—Yes, I think that is desirable, both for manufacturers and the public. The cheap imported boot should be avoided—so much shoddy is used; the New Zealand boot is an honest article. I would not recommend a uniform duty on boots; I prefer something on the lines of the present arrangement.

10. *Mr. Macdonald.*] Why protect where you do not manufacture—apart from the revenue basis?—That involves the whole fabric of industry. I am a free-trader personally.

11. Why does this boot industry in New Zealand need protection at all: cannot we compete with the imported article?—I grant the New Zealand workman is as good as the English worker, but the latter works longer hours for less wages; and if we had the same conditions of wages and hours in New Zealand we could produce as much. The increased wages and shorter hours are the only gain for the worker.

12. *Mr. Robertson.*] Does not the volume of manufacturing done have something to do with the cost of production?—There was an attempt made in Christchurch (Bowron Bros. stood behind that), and the cost of the attempt was £30,000. The idea was to specialize, and the experiment was a failure—there is not a sufficient demand. There is favouring the imported article; the retailer can get a special line for himself alone, get control of it, and then he can put on his own prices; therefore it is more profitable than getting local lines which other retailers can also get and sell.

13. Are the manufacturers handicapped with the imported lines?—Yes, we have to manufacture on smaller orders for a large number of lines.

14. *Mr. Leadley.*] Is there any prejudice against colonial goods?—Yes, but those in the trade are as bad as those outside—the workmen here often wear imported boots. The factory I managed at Christchurch often used to brand lines in a delusive way. It is not exactly a common practice, but we did in that factory sell under six different brands; the retailers demanded this. The New-Zealand-brand line had to carry the inference that it was made elsewhere—at Brooklyn, Philadelphia, and so on; this was to meet the prejudice in favour of American goods.

15. *The Chairman.*] Is a better class of goods asked for than ten years ago?—Oh, yes.

16. What would be the effect of free trade in boots? Would not every New Zealand factory be closed?—Yes, I think so; the men would have to get what they could. I do not think some of the comparisons made are quite fair. We have to contribute heavily on other things; take machinery—we have been hard hit by that. We import a royalty machine, and pay £30 for the royalty, and the Government may take £200. A small manufacturer cannot afford this. Many of our materials carry very heavy duties too. The tariff is kept as high as possible without injuring its revenue-producing. I do not think the Government want to keep out any boots, but just to get as much revenue as possible.

I do not have any trouble with female labour. I pay £1 per week to them for a start, and they live on that, and get more as they become expert. I get plenty of female labour.

17. *Dr. Hight.*] You say the reduction in cost is due to greater extent of machinery?—Yes, and improved organization of the factory generally.

18. Does your firm import?—The value we import is equal to the value of what we manufacture.

19. *Mr. Hall.*] It has been said the duty might be taken off certain lines—off children's shoes and slippers, for example—without injuring the trade?—I think that would be better. I do not think that would be a benefit to the public, but I think it would not injure the trade. I do not think the machinery is there to ensure the public getting the benefit of such remissions. The remission on slippers, children's boots, and fancy boots would not injure the trade.

20. Do you think the duty should be taken off any of the raw materials?—Those in the tannery trade think they are entitled to protection. On glace kids we pay very little, but on some fabrics the tariff might be eased a little. I did not bring an exhibit, because in neither of the factories I have been in is shoddy used. The boot is bought on its appearance, and the public is not considering whether shoddy is put in the boot or not—they buy on appearance.

JAMES HUTCHEN, Timber-merchant, examined on oath. (No. 202.)

1. *The Chairman.*] Have you been long in business?—I have been in the timber trade fifty years in New Zealand—thirty years in business as merchant. There has been very little rise the last ten years in prices. Twenty-five years ago timber was much dearer than now.

2. And twenty years ago?—It would be about the same as now. At the time of a depression ten or twelve years ago it was a little cheaper then.

3. What is the timber mostly used here?—Ordinary building red-pine; it is 12s. 6d. per hundred here now.

4. Do you use much kauri?—Very little; that has gone up very much. In 1901 kauri was sold at 15s. for Wellington merchants, in Auckland; now it is 24s. 6d.: that is the only big rise in the timber trade.

5. Are you aware of any understanding to keep up prices?—No, not now; there was some time ago, but the merchants broke through in some cases.

6. Does each establishment now sell at its own price?—Yes.

7. *Mr. Fairbairn.*] Is a common price-list issued?—No; but 12s. 6d. is the ruling price for rimu; no one can get any more, but some sell for less.

8. *The Chairman.*] Where do you get the timber?—Some from Upper Hutt and Taringamutu—we get matai from there: that is shipped by rail from Taringamutu.

9. Have you anything to state with regard to the cost of living having risen?—I do not think it has risen; there is a great deal of amusement that has to be paid for now, such as picture-shows, working-men's clubs, and sport.

EDWARD COLLIE, Furniture-maker, examined on oath. (No. 203.)

1. *The Chairman.*] Have you found the price of timber gone up considerably of late years?—No, just a little.

2. Over what period?—Say, in ten years; I have been in business fourteen years.

3. Has the cost gone up 10 per cent.?—Yes, I think so.

4. Has the public taste in reference to furniture risen?—We make a different kind of furniture—it is cheaper; a person can furnish a house cheaper than he could ten years ago. The fancy work is done away with; the people will not have turned filaments; the style is much better and plainer, and consequently it is cheaper. I had a catalogue issued this year, and one issued four years ago, and the prices are cheaper now as compared with then. [Two catalogues handed in.] Take a wardrobe: the price four years ago was £6 6s., and the present price is £5 15s. We have put in better machinery—labour-saving machinery; and I can say that the men do not shirk their work. I think the men do more work than they used to do. Wages have risen from £2 14s. to £3 0s. 6d., the present award rate, and practically every man is getting more than the minimum wage.

5. But still you can sell cheaper?—Yes, furniture is cheaper than it was ten years ago. That is owing to better work from the men, better machinery, and so on. If we put in all the fancy work we used to, then the price might be higher.

6. In spite of the rise, though, the price is cheaper?—Yes, and the men work four hours per week less.

7. If the furniture is in better taste, and the men have better wages and hours, that is a public benefit?—Yes.

8. *Mr. Macdonald.*] Do you work under similar conditions to Auckland?—I do not know. Our men get 1s. 5d. per hour. We send furniture to Auckland sometimes—only to a few people. I do not do much there; but I do not compete either in Christchurch or Auckland. I employ fifty hands. We aim at selling a cheap and good article. There are a number of factors that make furniture cheaper and yet better at the same time.

9. *Mr. Leadley.*] Do you sell on the time-payment business?—A little, not much.

10. Is there a tendency to indulge in that system here?—I could not say; I cannot say whether the time-payment business has increased or not. I should think it was about the same as in former years.

11. Is there much difficulty in securing completion of bailments?—Very little. Sometimes the bailment makes the person honest by compulsion; but my customers pay without undue pressure.

12. Have you ever had to close down on the bailment?—Oh, no. We give all possible consideration. We give 5 per cent. on unpaid balance, and discount at the end of the transaction. A reduction is made every month, as the payments are made; sometimes we do not charge interest at all; it is charged only to induce prompt payment.

13. *Mr. Fairbairn.*] Do you think the time-payment system helps the furniture trade?—Oh, yes; it helps many people to get a nice home, as the system enables people to get a piano. The time-payment system fosters savings by compelling these payments to be made every month, instead of being frittered away.

14. Is much time-payment done here?—I do not know; there is no association of dealers, and we do not come into contact with one another.

15. *The Chairman.*] Supposing somebody had nearly completed their payments, but not quite, and could not go on, would you get the furniture back?—I have heard of that being done in New Zealand, but I have no personal knowledge. The bailment is simply to compel people to be honest. A stranger might purchase £40 worth of furniture, when otherwise we could not trust.

16. Supposing such a customer had paid off £35, could you sue for the £5?—The trouble is you cannot get the money; the Magistrate asks what is the weekly wages, and then decides that the man cannot pay. We would not do time-payment system at all unless we had the bailments. But I do not think firms take away the furniture because only £5 was owing; some of it might be sold to meet the £5. I have allowed people an extra two years to pay sometimes.

JOHN MITCHELL, Joint Managing Director of Laery and Co., Fruit-merchants, examined on oath.  
(No. 204.)

1. *The Chairman.*] Is there any combination among the fruit-merchants to regulate the prices of fruit?—None whatever.

2. You act as auctioneers?—Always.

3. Could you give us any idea why such a small price is paid to growers and such high prices are paid by consumers?—I have a circular of prices—a fruit and vegetable report—and these circulars are at your service. I have gone back five years, and can give the prices for apples: Cooking apples in 1907, 4s. to 6s. per case (June, 1907); dessert apples, 6s. to 9s. (June, 1907); dessert apples, 6s. to 7s. 6d. (June, 1911); cooking apples, 4s. to 6s. 6d. (June, 1911); dessert pears, June, 1907, 9s. to 13s. per case; dessert pears, June, 1911, 6s. to 13s. 6d. per case.

4. You have given prices of the very best quality?—I give the average prices—the lowest and the highest prices for prime-quality fruit.

5. Could you give us figures for about February or January?—The prices are highest for apples in December and January. In the course of time cool-storage will come more into vogue, and then New Zealand can supply all her own wants; at present we get December and January apples from America.

6. *Mr. Hall.*] Can you give us the price for apples in February, 1907?—Cooking apples on the 7th February, 1907, 4s. to 5s. per case; dessert apples, 4s. to 7s. per case.

7. *The Chairman.*] Why is it that farmers complain they get only 1s. per case for their apples?—A farmer might have half a dozen cases; they arrive bruised, and only get a low price.

8. There is not a ring keeping quiet in bidding and then getting the fruit cheap?—The auctioneers would not allow that. The higher price they get the higher their commission; they do their utmost to obtain high market rates.

9. With regard to fruit and vegetables fetching low prices?—Now there is a great glut in cabbages; they rule from 1s. to 3s. per sack. Cabbages are very plentiful at present.

10. A man told me he had seen cabbages sold for 3d. per sack?—It is possible; the cabbages might have been gathered in the rain, and stink, and the auctioneers might be glad to get rid of them even at 3d. per sack. There is no cold-storage for fruit in Wellington; it would be a decided advantage to the fruit trade generally.

11. Suppose the municipalities supplied it?—The meat companies will supply it if a guarantee of space is given. That would probably raise the price to the public; there would be less coming on the market. It would be good for the grower and bad for the general public, I think.

12. *Mr. Hall.*] Have you tried cold-storage?—Some of the growers have. The fruit came out a success if the right varieties in good condition were put in; sometimes wrong kinds were put in. There are dessert pears coming into the market that were put in cold-storage; if marketed straight off the trees they would have brought 5s. or so; now the price is 8s. 6d. to 10s. per half case.

13. *The Chairman.*] What sort of apples stand cold-storage best?—The harder apples.

14. *Mr. Fairbairn.*] The retail trade for distributing are getting over 100 per cent., we are told: if that is so, can you suggest any method to cheapen fruit to the public?—I do not think fruit is retailed cheaper anywhere in New Zealand than in Wellington.

15. Can you suggest any improvement in distribution to avoid this 100-per-cent. increase?—That is quite untrue—there is no such difference. The apples would be bought from us at 1½d. per pound, and retailed at 3d.; but much of it goes bad.

16. Would not that waste be eliminated if there were more direct system of distribution?—The fruit-merchants of Wellington have travelled the world, and they consider they have adopted the best system of marketing the fruit. The system is equal to anything in the world; I cannot suggest anything better.

17. *Mr. Leadley.*] What rates are charged by the auctioneers?—7½ per cent. and a small charge for receiving and delivering; nothing for booking or storage. That is 1d. per case for receiving and delivering.

18. *Mr. Macdonald.*] The effect of cool-storage would steady the market?—Yes; that would be a benefit to the grower.

WALTER WILLIAM JONES, Secretary of the Wellington Retail Fruiterers' Association, examined on oath. (No. 205.)

1. *The Chairman.*] How are the selling-prices of fruit regulated in the shops?—According to what is paid for the material, as a rule.

2. There is no great irregularity in the prices from shop to shop?—There will not be much difference—not much. Apples might be selling at 6d. per pound, and in another shop at 4d. in different localities. There is not much difference between Cuba Street and Lambton Quay shops.

3. Is there any association between the retail buyers—any understanding that they shall buy at the same time?—None whatever; they never buy a consignment and distribute it among themselves. Perhaps one buyer might take more than he wants and then sell a part; but there is no ring amongst the buyers.

4. And there is no ring among the retail sellers?—None. The market is absolutely free and open.

5. Has the price of fruit increased of late years?—I do not think so. I do not think there is any appreciable difference. The price fluctuates with the crops; it goes up and down.

6. Have you ever heard the Chinese have a combination for buying?—I have heard it said; but I have been on the market many years, and to me they all seem to be “on their own.”

7. Have the rising rents had any influence on the price of fruit?—No; but the landlord gets all the profit now. There is really no profit in handling fruit to the retailers; the retailers work fourteen, fifteen, and sixteen hours per day.

8. Then you simply work for the rent?—Half the fruiterers in Wellington would be pleased to sell out their businesses if they could; it is not nearly the paying proposition some people think. I speak from nine years' experience. I am not in business now. My business was in the country.

9. Is it more difficult to get fruit in the country?—Oh, no; we have to send to Wellington for island fruit, but we have got the local-grown fruit from the local growers. In Nelson the growers cannot do that—the exporters buy up the crops; but in the district I was in, we could buy the local-grown fruit.

10. *Mr. Macdonald.*] Buy the crop in advance?—Yes, buy it on the trees.

11. *The Chairman.*] Then that fruit could not be put on the local market?—Not all of it would be exported—the best would be exported, the worst kept for local use. We get the best here of local fruit, and the rejects of the Australian crop. We mostly get only second-grade fruit here.

12. *Mr. Leadley.*] You are a member of the retailers' association?—Yes.

13. What are the objects of the association?—The objects are to bring the retailer into closer touch with the grower.

14. But you buy at auction?—Yes; we are not strong enough yet to deal with the grower. When we can get into touch with the grower, we hope the grower will supply us direct. The association has been in existence nine months, and we are moving all the time.

15. Do the growers sympathize with your object?—They are not averse; they would rather take their stuff to the market and get rid of it, but they do not care about carting it round. They think the wear-and-tear of carting the fruit round would not be a compensation for the auctioneers' commission.

16. Do the auctioneers know of this?—Yes.

17. Do they put any difficulties in the way?—Not that I have noticed.

18. *Mr. Fairbairn.*] How many members are in the association?—Forty-nine.

19. How many Chinamen?—Three.

20. You say the principal object is to get into touch with the growers?—Yes.

21. How do you propose to do that?—The members propose that the fruit should come through one channel and be distributed from thence to the members. We have various objects, but that is the important one.

22. You have no rule regulating prices?—None whatever. Speaking of the difference between market price and retail prices: it is out of all reason to suggest that a man pays 8s. per case and then sells at 6d. per pound.

23. I was speaking of apples at 1½d. per pound at auction, and sold at 6d. I know the small fruiterer has his own troubles to meet, but for all that there may be faults in distribution?—Yes, I see.

24. *The Chairman.*] Supposing the growers organized their business, and then the fruit was distributed, would not that be better?—I do not think much improvement could be made. The apples run about 34 lb. to 36 lb. as a rule, not 40 lb. And then, in weighing out there is loss owing to a pound being overweight.

25. What about hawkers: do they harm the trade?—No; they only deal with the fruit when it is right down at bed-rock, and they help to ease the market. They sell only surplus, practically. They buy up fruit when it is cheap, but when apples, say, are 16s. per case they cannot do anything. The retailers sell these apples at 6d. per pound, or 8d. at most. We have paid as much as 25s. for American oranges.

26. *Dr. Hight.*] Is there not a very small export trade from New Zealand?—Very small. The New Zealand crops will not permit of large consignments being sent. They can send only first-grade fruit; the present export trade has no influence on the price. Perhaps I should not say we got only “reject” Australian fruit, but it is not first-grade.

27. Perhaps the Australian growers get a better market elsewhere?—There are thousands of tons of Tasmanian apples, for instance, go Home, and the best are sent Home—as the biggest customers are there.

28. What is the increase of the average rent in ten years?—I cannot say. I know some men pay £5 per week now; I do not know what they paid ten years ago.



29. *Mr. Hall.*] Has there been any fruit exported during the past season?—There was a shipment or two went at the beginning of the season; I have not heard the results. It was a “white elephant” last year; the apples arrived in a frozen condition, and there was loss.

30. Do you ship apples to Vancouver?—No, I do not think so. Nelson apples are sent to the Argentine. I think the growers are getting 6s. 6d. on the spot here for them.

31. What are apples selling at retail now?—Cooking apples are 4s. to 6s. 6d.; retail, about 5 lb. per 1s.; desserts are from 3d. to 6d. The bulk of dessert apples are sold at from 3d. to 4d.; very few at 6d.

32. When the crops are bought standing, are the apples picked by the exporters?—I do not know. There is no doubt, if the apples were graded, the growers would get more. The packing is also important—loose-packed fruit gets bruised in transit.

33. Do the retailers sell in half-case or one-case lots?—Oh, yes. There is not much of that class of trade done. There is nothing to prevent the public going to the market and buying what they require.

34. *Mr. Veitch.*] Can you suggest any improvements in distribution in Wellington?—There is no doubt municipal markets would be a step in the right direction, but it would be difficult to work them here.

35. Why?—A municipal market would really be used by the grower to sell his own materials—a fruit-market is for that. If the municipality is to run it, stalls must be set up, and growers in Nelson would have to employ a man, and pay for space in the markets.

36. Then you think the present system is the best?—I do not think it can be bettered, because the districts are so widely scattered.

37. Then why try by an association to get a different system?—They think there is nothing like trying; a lot of stuff comes in “faked.”

38. *The Chairman.*] What do you mean by “faking”?—False packing. We often come across that—a layer of good stuff on top and rubbish underneath; I do not know whether it is intentional.

39. *Mr. Leadley.*] Have you any redress?—Our association has got rebates from the auctioneers.

40. *Mr. Fairbairn.*] Is that more noticeable with the small growers?—Oh, yes. The people who grow commercially and brand their stuff pack well; the stuff that comes on unbranded is packed anyhow.

41. There are the “camp-followers” in the army of industry—not the regular soldiers?—Just so.

CHARLES WILLIAM HOWARD, Market-gardener, examined on oath. (No. 206).

1. *The Chairman.*] How long have you been a market-gardener?—Ten years.

2. Living at the Hutt?—Yes.

3. Can you tell us about the state of market-gardening?—I have got no axe to grind. I am a market-gardener, and an employer of labour. This Commission is to find out whether living has decreased or not. In some things living has increased—such as meat, butter, and other little things; in produce living has decreased. Nine or ten years ago men came and offered to dig potatoes in December at £1 per hundredweight—that was, to give me £1 per hundredweight and dig for themselves. This year, in November, potatoes in the market fetched 3s. per hundredweight.

4. *Mr. Fairbairn.*] Were they new potatoes?—Undoubtedly. This year cabbages were sold from 4d. to 1s. per bag, at auction. All my produce goes to the auction.

5. *The Chairman.*] Have you got the sale-notes?—I am too clever to grow cabbages. I have some sale-notes I can show the Commission, but I want them back. It takes a good man half an hour to cut a bag of cabbages and carry them and put them on the cart; then it costs 4½d. to take a quantity to the market; then the auctioneer charges 1d. per bag for taking it off the cart; then the returns are from 4d. to 1s. per bag for the grower. The bag is given to the auctioneer and afterwards returned. The cost of sending in cabbages is 6d. for a single bag. The carriers make these charges. The commission charged by the auctioneer is 7½ per cent.

6. *Mr. Fairbairn.*] What are the cabbages sold to the public for retail?—I cannot tell you. I stand here as a producer. The producer does not get what he should, and I can show where the consumer would obtain the stuff much cheaper, and the producer would get more. In regard to apples, I do not think 40 lb. are put in the case; you could get 40 lb. in but the fruit would be bruised. We have only a few miles to come to town and do not pack very solid. I got 2s. 6d. per case for my apples—that was for a special lot. I am a tomato-grower. Marrows, for two sacks of large ones, I got 1s. 3d. per sack. Two cases of marrows (banana-cases) were 1s. per case. The whole sum and total is this: the cost of distribution is too much. It takes me nine months to grow a bag of cauliflowers; then the buyer buys for two or three shops; he wants a cut out of the lot for the other shops, and so the consumer has to pay more. One day I saw hawkers carting away tomatoes. There was probably a mile of tomato-carters. The markets are open to the public, but the public do not go to buy. I had a piece of land on condition I worked it for a year with outside crops; I told the man it did not pay. Then the owner gave it to me for another five years; then I gave back the land and said it did not pay, even without rent. That is with stuff grown outside—not root crops. The return I got did not pay me, even without rates and rent. I am certain, as far as the producers are concerned, that they are not making 8d. to 9d per hour. The husband gets up early, arrives at the market at 8 a.m., then he waits two or three hours to see his stuff sold; and in his absence his wife is tying up tomatoes and doing other work. Two years ago we got for tomatoes 4d., 6d., and 8d., a case, and the highest price was 1s. We pay 1½d. for the empty cases, for carriage 1d., and then 7½ per cent. commission to the auctioneers; then there is the freight for a full load. A good packer will put 28 lb. in a case of tomatoes.

7. What does the grower get, do you know?—Three years ago we got 4d. to 1s. during the time we had the crop; when the crop commenced to get scarce the price went up from 1s. to 1s. 4d.; in May, when the crop was nearly done except in sheltered places, the price went up to 3s. and 3s. 6d. per case. The price quoted of 4d. and 6d. was per case. The difficulty in the Hutt is this: ten years ago you could get land for £5 per acre for cropping purposes—that was rent; at the present time land is £7 per acre for rates alone—that is not rent. That is rating on unimproved value. At the present time eleven men I know who had market-gardens are now working on the drainage contracts at the Hutt; they have given up their glass-houses and market-gardening work. Only two of us have made a profit on glass-houses. I have made some; but you have to be a specialist to make a profit. One man has 200 ft. of glass-houses, and he is not able to pay rates; he has turned it up for casual work as a gardener.

8. Then it does not pay to grow produce at the Hutt?—Undoubtedly not. Not a single market-gardener can earn 9d. per hour counting all his time in. It might take me nine months to grow something that the auctioneer sells in four minutes, and he gets his cut out of it; then the wholesale buyer gets his cut out of it; and so on. I saw nine hawkers going down our street once, and they all had to get their profits. Five or six buyers get together and bid for the lot; they all want the stuff; the five stand with wooden faces, and the one man bids for the lot.

9. This is denied: the auctioneers swear it is not so?—It is the hawkers and the retailers who do this. The retailers do not make much, because they have to work many hours when their shops are closed. They have to buy many cases on the chance of their being good. They may be good on top and bad at the bottom.

MICHAEL JOHN REARDON, Union Secretary, examined on oath. (No. 207.)

1. *The Chairman.*] You have had years of experience with the workers in Wellington?—About seven years.

2. Has the cost of living gone up?—I know in a vague way from what my wife tells me about this or that article having gone up—I have no statistics.

3. What unions do you represent?—General Labourers and Slaughtermen.

4. We have had complaints about the scarcity of labour in the country: have you any reason to think that town labourers, if offered fair wages and good accommodation, would go to the country?—Oh, yes, numbers of them would.

5. Is it a fact that the uncertainty of the work and the difficulty of accommodation for women make for the men remaining in the towns?—The cry to go to the country is a delusion and a snare. About two years ago the Farmers' Union held a conference in Palmerston North, and the statement was attributed to Mr. Birch that plenty of work was available at 10s. per day. I wrote to him and guaranteed any number of good men if he would tell them where to go. He replied, and denied the statement, but said if I wrote to his son, forty miles out from Taihape, probably he might place one or two. I then wrote to the paper in which the statement appeared, and gave my letter and Mr. Birch's reply, and they hedged and said they had heard that Mr. Birch said this. A few days ago I was in Napier, and I met a nephew of mine—a competent farm worker. I asked the secretary of the Sheep-owners' Association to get the boy on some station. He said there was a meeting of the Sheepowners' Association, and also a meeting of the Agricultural and Pastoral Association, and he felt sure with all those sheep-farmers in town there would be no difficulty in placing the boy. Some days later he told me he had found a place for the boy near Wanganui. The boy had to be sent from Napier to Wanganui to the only available place. Those are two instances that have come under my notice, and I know of dozens of others.

6. *Mr. Veitch.*] Speaking generally, how do you think the casual workers are placed—are they better or worse off?—The wages are about 1s. to 1s. 6d. per day higher than seven years ago, but I think other conditions would rob them of that advantage. These are the lowest-paid men in the city; the vast majority of these men are never out of debt from one year's end to another.

7. Do casual labourers lose much time?—About five hundred who follow navvying-work do not get regular employment—the average would be about five days a week.

8. The reason why the workers will not go from the town is that they will not leave because of luxury and amusement—that has been alleged: what is your opinion?—The average casual worker does not get any luxury except sixpennyworth of the pictures.

9. Do you think the employment is not in the country for them?—That is so, and the wages are not so good. There is no objection to their going if there is the slightest chance of getting continuous employment. A family living alongside me in Wellington left a few weeks ago; the breadwinner went into the country, and could send only £5 after six weeks' absence. He advised the family not to come; but the wife insisted on going, and used the £5 to go into the country. He was working at roadwork in a country district. Hundreds would leave if there was any prospect of getting decent wages in the country. There is a greater prospect of employment in the town; in the country you are dependent on one or two farmers or a local body. If you do not please one employer in the city to-day you can interview a dozen to-morrow.

10. *Dr. Hight.*] What is the average weekly wage of the casual labourer?—Forty-eight shillings is a good average for the city worker. The men get 9s. 6d. per day here, and an average of about five days' work.

11. What is the average expenditure on rent?—The average worker's home with mixed family would cost 16s. per week for four rooms. The four-roomed house is not a very good or convenient one.

12. Has this rent increased within your experience?—Yes, for smaller houses. I know of houses which were letting for 12s. and are now 15s., and houses of 14s. now returning 16s.

13. Are there a fair proportion of the city men who would make fair agricultural workers?—Quite a number of the men in the Labourers' Union go to Canterbury for the harvest, and others go shearing.

14. *Mr. Fairbairn.*] The greatest trouble with the Wellington workers is rent?—Yes.

15. Where bigger families exist, there are other sources of revenue apart from the father's earnings?—Yes; but they are compelled to send the children to work earlier than is good for the children.

16. Not earlier than ten years ago?—Perhaps not: fourteen years is the factory age, I know. Errand-boys are employed under this age.

17. *Mr. Macdonald.*] What makes the high rents?—High land-values.

18. But there are thousands of acres not built on yet?—The land boom inflated the prices, and those people will not sell at less than they bought at unless forced to do so.

19. What remedy do you suggest for casual labour?—It is very difficult to deal with. We try to persuade the local bodies to give continuous employment, but they do not feel disposed to do that, because of the difficulty of getting rid of the man when they get short of work. The man, if treated as a permanent hand, wants life employment; the local bodies want to dispense with the workers when work is short. With private employers the disposition has been to make the payment by the hour as against daily or weekly system. The Arbitration Court has virtually established that practice, to the detriment of many workers.

20. *Mr. Robertson.*] You spoke of lower rates of pay in the country: do you refer to farm labour?—Labourers doing navvying-work I was referring to.

21. Are the County Councils exempted from the awards?—Yes, and they are the worst employers.

22. Men doing similar work in the cities are paid more?—Yes. I took a case to Court for the general labourers. The only employers paying less than 1s. were County Councils, and they were exempted. The exemption was on general grounds—that they were not used to interference with trade-unions, and they could not comply with the conditions as to preference, &c.

23. Are County Councils exempted?—Yes, in Wellington Industrial District.

24. *Dr. Hight.*] Would it not improve matters if the local authorities and the Government generally required its contract work to be done in seasons when the demand for work with private employers was slack?—Yes, that would be an improvement. I have suggested that the Harbour Board, for instance, should reserve its work for the winter months, and should not work on the contract system at all. The Wellington City Council goes in for day-labour system mainly, but they do not undertake work till it is so essential that they are forced to complete at high pressure to meet the requirements.

25. The work could be spread evenly over the year quite apart from contract or day-labour questions?—Oh, yes; and I think the City Engineer here does endeavour to bring in his work at the beginning of the winter. I think if the local bodies were sympathetic the organization of the work could be benefited.

26. Are not boys drawn from school at an early age by the fact that they can earn a little wage in a blind-alley employment, as it were?—The employment of boys would not apply in navvying.

27. Boys employed as van-boys afterwards drift into the ranks of the casual labourers?—Oh, yes; I have numerous requests for employment from such boys, especially from men who come from Home—men who as boys have been boys in buttons, lift-boys, and so on.

28. Would not the spread of technical education tend to remedy this?—Yes, we strongly believe an effort should be made to find out the boy's aptitude—that the teacher should recommend the parents to put the boy to a certain trade; and the State should try to provide facilities for teaching the boy a trade. When the boy is in his apprenticeship we think the boy should have thirty hours per week with the employer and fifteen hours per week with the technical school—making forty-five hours per week. The employers are not giving the boys the attention they need, and therefore the State should step in with technical education.

29. *Mr. Leadley.*] You spoke of the advisability of keeping back work in country districts for the winter?—Yes.

30. Would not that add seriously to the cost of the work?—I think not. The work I am interested in would not. Whether a water-drain was laid in summer or winter would not matter. Roadwork would be slightly more expensive in the country in winter: the road would be damaged by cartage in the winter.

31. *Mr. Fairbairn.*] You thought the Town Councils should do their work in the winter, so that the men could work for the farmers in the summer, and for the Councils in the winter?—Yes. I would like to refer to the quality of the food we get—that makes a material difference in the cost of living; also the weight of the food. The law provides for Inspectors of Weights and Measures, but he has no control over the seller for selling short weight; he can only see that the man's scales are weighing correctly.

32. It is an offence to sell short weight, surely?—No, that is not an offence, unless the scale is incorrect. If you get a pat of butter that weighs only 14 oz. instead of 1 lb., that is not an offence.

33. *Mr. Macdonald.*] He sells you a pat as it is delivered to him?—Well, yes, that is so; but the understanding of the housewives is that they buy pounds.

THURSDAY, 4TH JULY, 1912.

FERGUS FERGUSON MUNRO, Shipping Agent at Westport, examined on oath. (No. 208.)

1. *The Chairman.*] Have you any statement to make to the Commission?—*Re* clause 5: that is a point on which I could give some information. I can speak most accurately, possibly on the coal

trade, which I have been a long time trying to be associated with, and often denied the right of participating in that trade. Westport, of course, is the principal port for bituminous supplies, and the transport of coal from Westport is in the hands of a huge monopoly. The coastal shipping companies in New Zealand—mainly the Union Steamship Company, the Maoriland Company, the Anchor Company, and the Canterbury Shipping Company—are the principal ones distributing coal, and they have arranged to get the carrying each for a specific portion: thus the free trade as regards competition for freights is practically concentrated in their hands, and thus the public are deprived of the benefits of competition. The real crux of the situation is that one cannot buy coal for coastwise distribution in New Zealand. Apart from the fact that coal enters largely into the cost of manufacture of items necessary for living, the seizing of this trade by a monopoly has a further far-reaching effect. It is the key whereby outside owners or independent shippers could enter into the general trade on the coast of this Dominion. So that really it brings about a monopoly on the interchange of all productions required for the South Island from the North, and *vice versa*. It especially increases the cost of living in the colliery districts. The control of the coal carries with it the control of inward freights into coal ports; the inward freights are mainly the foodstuffs, &c., required by the inhabitants. In my opinion and experience, that portion of the Dominion pays from 30 to 40 per cent. more in freight than it should do under a legitimate free trade. It also has the effect of making the cost of travel to residents in those parts absolutely excessive. The passenger traffic is concentrated in the Union Company—the rest are only freighters: the Union Company are able to charge exorbitant rates. As an instance of that, a year or two ago I was in Napier, and was charged £1 down to Wellington; but from Westport to Wellington the fare is £2, and the distances are about the same. We on the West Coast would thus seem to be charged about 100 per cent. more for our travel than we should be. I remember on one occasion, about five years ago, His Majesty's navy was much in the same box with regard to the supply of coal as the New Zealand people are. The navy on the Australian Station decided to draw their coal from New Zealand, and they were promptly accommodated on c.i.f. basis (cost, insurance, and freight, Australia), and this included freight by the Union Steamship Company. I got them to get a free-on-board price, Westport, and allowing anybody who could to provide freight from Westport to Australia. They accepted that suggestion, and I understand the navy made a very considerable saving. I think if the same conditions were obtained and brought about on behalf of the New Zealand people a considerable saving on the fuel bill for domestic or manufacturing purposes could be effected. One other item I might direct attention to: The port charges at the Port of Westport are amongst the lowest in the Empire—1d. per ton on the net register. That is the charge paid by the ships for use of the port. Of course, the object of that is to give every freedom to trade, especially for a raw product like coal. The coast trade is practically exempt from pilotage, except with foreign steamers. That 1d. charge, therefore, covers every charge to the ship. That is one of the sources of revenue to the Harbour Board, but the main source is a royalty of 6d. per ton on all coal—on State coal too. I think the State does not pay that charge.

2. *Mr. Fairbairn.*] Certain shipping companies are unduly favoured by low charges?—Yes, that is right so far. But the revenue of the Harbour Board comes from various sources: they have an endowment of all coalfields, also of railroads to port, and they charge 2s. 6d. per ton from bins to ship's side with Granity, 2s. 9d. for Stockton, 3s. 6d. for State, 2s. for Waimangaroa. I would need to verify these figures to be quite certain of them. There is a big profit on that haulage, but that is required for development and maintenance of harbour; but legitimately those port charges should go up to this monopoly, more especially because it is a monopoly. I have been at trouble to obtain figures from other artificial harbours such as Durban, and I find these same steamers charge five, six, or seven times as much as Westport. I cannot speak as to Greymouth; I think they work on all-fours as to port rates. This monopoly escapes, in my opinion, somewhere in the vicinity of £8,000 to £10,000 in port charges. That revenue being required, they take it on the coal—that is, the burden is put on the coal.

3. What is the freight from Westport to Wellington?—5s. per ton, I think. The whole transaction is kept secret, though, so you do not know what are the charges between the different ports. We do not really know that it is 5s., but I have figured it could be got for 3s. 6d. on chartered steamers if we could get the coal to carry.

4. What is the freight from Westport to Greymouth?—That is another of the mysteries. I cannot give figures really from my own knowledge.

5. Are the coal-mines in Westport working under an agreement?—Stockton, two Westport mines, and the State mine are all working there. I do not know that the companies are in combination, but they are bound to the Union Company, and none of them nor the State will quote f.o.b. The Chamber of Commerce wrote a letter to each of the coal companies and State mine, and asked if we bought or chartered a vessel could we get coal to carry at current rates of freight, and as a co-operative population we could not get that right.

6. If an independently owned or chartered vessel wanted coal to carry, could she get it?—Well, they will not encourage the trade; I do not know if they would actually refuse straight out. I tried to ship coal myself, and one day was told by the Westport Coal Company that I could get no more coal, because I would take it to places where they had agencies and would thus disorganize trade. I only wanted to load the coal back, and make my profit on shipping into Westport.

7. Are the freight-rates unduly high into Westport from other ports in New Zealand: the rates used to be 12s. 6d. and 15s.?—They are certainly high, and exceptionally high when you cannot get back loading. I have frequently had vessels offered at 6s. per ton Lyttelton to Westport, provided they could get timber or coal outwards, but could not take advantage of it.

8. Some years ago a company started trading to Westport—the Maoriland Company: have they been absorbed?—They have been allocated their territory, I think. I watch their destination, and I find that nobody takes coal to Wellington except the Union Steamship Company, nor to Lyttelton.

9. What do you suggest as the remedy?—To force a compulsory f.o.b. price on every colliery. We have spent a million in making the harbour, and yet I cannot get loading for ships if I bring them there.

10. If the companies wish to conserve the distribution arrangements their f.o.b. price would be the price minus usual freight-rates?—Yes.

11. And that is 5s. per ton; and so there would not be a large margin for competition?—As long as there is a monopoly it is profitable—1s. per ton on 800,000 tons is a very big profit. We pay more on goods coming into Westport than we should if independent people could get outward freights. Wellington takes enormous quantities out, but other centres are mulcted in 2s. 6d. per ton easily from Westport.

12. What effect has the monopoly of inward freights on the general trade of Westport?—The general effect is that Westport, a harbour with the third-highest income in New Zealand, is the third-lowest as to population and importance. It is a mere depot at present, instead of a place of twelve to fifteen thousand inhabitants. The people of Westport pay more in excessive freights than they pay into the coffers of the Borough Council in the way of rates.

13. *Mr. Macdonald.*] How does the monopoly affect Westport in regard to Newcastle coal?—That is a very intricate question to get at, and one can only surmise. I have noticed frequently the mines in Westport thrown idle, generally about August, and the supply of the colony comes in from Australia, the Union Company having a similar monopoly from Australia. The vend in Westport is on much the same lines as the Australian vend, but Westport vend is on a perfect model.

14. *The Chairman.*] Do the mines become idle then?—They work short time.

15. *Mr. Macdonald.*] Have you any specific instances of discrimination?—Through not getting business at one time I promoted another mine—Stockton—and that at once fell under the hands of the combine. One day I was in Napier and met the manager of the gasworks there, and tried to elicit his support to develop the new colliery. He laughed at the method of conducting business we had there, and had that morning completed a charter to bring coal from Newcastle for 2s. 6d. per ton less from Newcastle to Napier than Westport to Napier, and the steamer chartered was the Union Steamship Company's "Kimona." He said he was getting 1,000 tons Westport to Napier, but the business increased, and the smallest ship available was 1,300. He decided to take 2,000, and other dealers take some too. The Union Company were the only company allowed to handle the freight—so the coal company said. They refused to vary the rate of 10s., Westport to Napier, per ton on coal. The rates are all different throughout the colony—not 5s. all round. The rate quoted to the manager of the Napier Gas Company, Westport to Napier, was 10s. per ton, and they would make no reduction for the 2,000 tons as compared with the 1,000-ton rate. He ordered 2,000 tons of Lambton coal from Newcastle subject to that colliery arranging freight; they arranged by cable to freight for 7s. 6d. per ton.

16. *Mr. Fairbairn.*] The Westport Company asked the Gas Company to arrange freight with the Union Company?—Yes.

17. Is that usual?—It is not, in my experience. I do not know what the practice is really; it is unusual in my experience.

18. Then the Union Company must have a standing rate with the Westport Company?—That is obvious. That coal was actually brought over from Lambton Colliery as explained above.

19. *Mr. Macdonald.*] Are the freights fixed to each port, or do they vary from time to time?—I happen to know of an arrangement made for two years with one colliery—or, rather, I was told of this: that fixed rate applied for two years.

20. *Mr. Leadley.*] Your view is that the effect of this monopoly is to retard the progress of the district and increase the cost of living there?—Yes.

21. *Dr. Hight.*] What was the origin of this combination?—They took advantage of a situation peculiarly favourable for combination.

22. You say the inward freights are high owing to lack of freedom in export of coal?—Yes.

23. You are aware that the low prices ranging in England are attributed partly to low inward freights, owing to large shipments of coal being carried outward?—Yes.

24. You think that a similar arrangement would decrease the cost of living in Westport?—Yes. To get into the coal trade is the only vulnerable point in this monopoly, and that is why the Union Company bind the coal companies.

25. Have you considered the temporary conditions in speaking of that Newcastle transaction?—That steamer had probably gone over with New Zealand coal for the navy, and it was very convenient for her to come back.

26. *Mr. Hall.*] Coal was refused you on the ground you might put it into centres where the coal company had depots: would they refuse to supply in places where they had no depots?—Yes. They supplied me with coal for Kaipara once, that was all; they refused to supply coal to me for where they had agencies. Steamers of the Union Company often take away timber from the West Coast; they specialize in the colliery trade. The boats to Auckland bring back sugar, say, to Westport, and then take coal out of Westport. These coal-boats often carry general merchandise on the back freight.

27. *Mr. Macdonald.*] You chartered vessels for the navy coal trade: why did you stop doing that?—It was open trade for about two years, but one day the Westport Coal Company and Union Steamship Company made arrangements with the navy to deliver the coal at Garden Island in Sydney for, I was informed, £1 per ton, conditional on their having the sole business. My first freights were about 12s., but they went down to 7s. from Westport to Sydney under competition; when they reached that point the Westport Company and the Union Steamship Company got a monopoly, and then I got no further chance of supplying the navy. The Westport Coal Company refused me ultimately for anywhere—first for coastwise trade, and afterwards for anywhere at all; the quotations were withdrawn, on the excuse that the mine was too busy to supply casual orders. That was some years ago and that set me on the idea of opening another colliery, but that fell into the hands of the combine, as I explained before.

28. *The Chairman.*] Have you anything more to tell us?—No, I do not think so.

29. *Mr. Macdonald.*] Could you tell us how the commodities were cheapened when you were doing business?—That is so; produce from Canterbury was sold very cheaply in those days.

30. Could you give us comparative prices?—There are several factors. I was auctioneer, and I have sold thousands of bags of potatoes at 5s. per sack; to-day they cost 14s. to £1 per sack in Westport. Potatoes to-day would be about 7s. per hundredweight in Westport retail, I think, but I am not in business now. It is not the combine alone responsible for that.

31. But you assert that prices fell during the time the combination was inoperative?—That is so.

32. *Mr. Hall.*] What is the freight from Westport to Auckland?—15s. per ton.

[See also additional statement on page 429.]

DANIEL MORIARTY, Secretary of the Wellington Furniture Workers Union and New Zealand Furniture Trades Industrial Association, examined on oath. (No. 209.)

1. *The Chairman.*] Have you had a long experience at this business?—Yes, I am a cabinetmaker by trade, and have been fifteen years in the trade.

2. During that fifteen years have the earnings of labour gone up?—Yes, fifteen years ago the maximum wage would be 6s. per day—that was the ruling rate then for a week of forty-eight hours; to-day the week is forty-four hours in Wellington. I speak of the whole Dominion too. In the furniture trade all over the Dominion the wages are 1s. 4½d. per hour, and forty-four hours per week. There has been a considerable advance, equal to 11s. per day; but we have not a living-wage yet, we consider.

3. *Mr. Robertson.*] Were you working on hourly rates at 6s. per day?—No, there were no unions then. The hourly rate was got on to us by the employers, so that they do not need to employ us the whole day.

4. What is the full rate earned, then?—The only holidays are the statutory holidays, and if work is slack there is broken time.

5. What is the actual average earning?—The men, I am pleased to say, earn anything up to £4. That 11s. per day is a minimum wage, but there are very few on the minimum wage. We have Territorials who are getting £3 6s. per week.

6. On the average what would the rate be?—£3 per week. When the men are fully employed they earn more.

7. *The Chairman.*] A manufacturer told us yesterday that furniture costs no more than it did formerly in spite of increased wages?—I have read the evidence given previously, and I agree with it all except that of Mr. Garlick; I can discredit that. In Auckland at present the wages of cabinet-makers for forty-seven hours are 1s. 3d. for polishers and 1s. 3½d. for cabinetmakers. The wages are lower than elsewhere; and Auckland firms are advertising in Wellington that furniture is manufactured cheaper in Auckland than Wellington, and offering to pay freight to Wellington on furniture bought from them.

8. Is it the experience of your union that the cost of living has risen considerably?—Yes; the house-rent in Wellington is the principal increase. One or two of my workers kept books issued by the Labour Department. I perused one of these books, and the man paid for the year £3 per week for living; and there was nothing extravagant—the house-rent was the killing factor. If a man wants to bring up his family he wants a home of his own, and to do that here he must live outside the city, and then tram fares have to be counted as a part of the cost of living.

9. *Mr. Fairbairn.*] Have the Government introduced any system of workers' dwellings?—Yes. They could build another two hundred or three hundred before there would be any effect on rents.

10. They are lower in rent, though, than the ruling rates?—Yes, but there are so many more workers than houses.

11. What is the average ruling rent in Wellington for workers?—£1 per week for any sort of home.

12. I am referring to workers' homes?—Oh, I see. During the last month many workers have come to me for information regarding the new scheme whereby the man puts down £10 under the Advances to Workers' Act and gets the house built. That will have an influence in rent-reduction, I think. *Re hours:* we were working forty-six hours before the last award; now they are reduced to forty-four hours, and one of the leading employers (Mr. Collie) told me he would not go back on this forty-four-hour week, because the men are fitter.

13. *Mr. Leadley.*] Can you make any other complaints *re* cost of living?—I am not married, so cannot speak personally. My board costs me £1 5s. per week now, and five years ago it was £1. I devote my whole time to my union, and do not work at the trade.

14. What do you think of the charge of speeding up?—I worked in Wellington for eighteen months at the trade, and know that the men are speeded up here. That is perhaps why furniture is not dearer—the men do the same work in forty-four hours as they did in forty-eight hours before. We had a congress of furniture unions in Dunedin in March last, and a remit was sent to us regarding the time-sheet system in use in factories. We realized it was a delicate subject to handle, and we feared to be accused of the go-slow system. We would accept standard time on the work, we said, but the times every week are being cut. I do not say the employers urge the men—the men are to blame themselves. One man will do a job in six hours, another in five hours, and then rivalry sets in. Once an employer gets a set of men, and all must keep up the pace, the men must do the same pace. A man getting £3 6s. will try to get the £3 10s. pay by doing his amount of work. In Dunedin there was a practice to have a week's work set the men. The employer would look at the time-sheet of the men, and look at previous standards; if the first day was right it would be marked in blue; if the next day was not right there was a red-pencil mark, and too many red-pencil marks meant the "sack."

I say the same work is done in forty-four hours as was done formerly in forty-eight hours. In 1895, when the Arbitration Act was brought in, 718 workers were in our trade; in 1911 there were 2,500 workers in the trade (figures taken from Labour Department returns). There is no surplus of labour in the trade, but there are sufficient men for the work. If a man were "sacked" he might not get work in the one town, but he might go to another town and be considered a good man; the standard of the employers varies. My experience of men coming from the Old Country to New Zealand has been that they are in no way as competent in time as our own men. Practically the majority of the men from Home in our trade have been sent to me by employers after a few days' work for permits, because they could not compete even with our Territorials—that is, could not compete as to quantity—the quantity, not the quality, is looked for nowadays.

15. *Dr. Hight.*] Is it the same board for which you paid £1 that you now pay £1 5s. ?—About the same, only it is in a different part of the city, where rents are higher. There is no difference in the standard of the houses, but now I am in the city. Washing is extra.

16. You recognize that the increased efficiency of labour in the shorter hours and the labour-saving machinery are two causes in keeping down the price of furniture ?—Yes. And there is no combination among furniture-makers in Wellington; the only time they did combine was to try to defeat us for our award, and there the combination was loose. They compete freely for the labour. There are 280 employers of labour in our trade cited in Wellington District. In connection with wicker-workers and rattan-workers I have had a letter from an employer of labour in Dunedin, and it opens up this question. Here are two photos of goods—the imported from China, and one made here. The wickerwork industry cannot live if this work is imported. I have a letter here from a Dunedin manufacturer which I would like to read: "284 Princes Street, Dunedin, 29th June, 1912.—Mr. Moriarty, Wellington.—DEAR SIR,—It is with pleasure that we read of your bringing before the public and the members of Parliament the necessity of branding distinctly Chinese-manufactured furniture. When we say Chinese we include Japanese and other eastern people. We are of the opinion that it is high time something was done in that direction, and we would suggest going still further than branding the goods manufactured in the Dominion, and that is to put a prohibitive tariff on imported furniture, as is done in New South Wales and Victoria, particularly in our line of business—that is, rattan and seagrass furniture. We are enclosing a photo of imported Chinese chair with the landed cost, and one of our own with cost price—that is, the price it cost us to make it; and then you will see what our line of business has to contend with. The tariff in New South Wales and Victoria, I am told, is 7s. 6d. for each chair and 15s. for each lounge and settee. The result is that there are large manufacturing firms in Sydney and Melbourne employing as many as seventy to eighty hands, and the men are commanding £3 per week, whereas here in New Zealand a journeyman only gets £2 11s. 4d., and, as things are at present, not too steady a job. I might also add that quite a number of tradesmen have left the Dominion for the other side. Compare the wage of the Chinese labour—2s. 6d. per day, and that a big wage—with the daily wage of the tradesman in this country—9s. 4d. The tariff on our goods at present is 25 per cent. *ad. val.* and 12½ per cent preferential duty, which works out at about 3s. 6d. per chair. Goods coming from Hong Kong are not subjected to the preferential tariff, but Chinese labour is no more highly paid there than in Pekin, and Canton, and other parts of China. So you see the uselessness of the preferential duty in that it does not affect goods from there. We have reason to believe that goods from other parts of the East are shipped through Hong Kong to save the 12½ per cent. added duty. According to the 1910 Year-book there was over £5,000 worth (invoice price) of furniture imported from the East into the Dominion, and last year one could safely multiply that sum by four. Granting that the public would buy that quantity of locally made goods, it would mean about £60,000 to the tradesmen of this country, which is as much, if not more, than all the firms in New Zealand now turn over. The only advantage we have over the imported article is that ours is more faithfully made, and in consequence much stronger. But the general public do not care for that, it is a matter of price with them, and if they can get a bigger article for a smaller price it matters not where it comes from. Mr. Herrick, of our firm, has just returned from a trip through Otago and Southland, and reports that almost all the firms that stock furniture have placed large indents for seagrass chairs to arrive in a few months, and the result was very small orders. Shopkeepers that used to stock a fair quantity of locally made articles now find that they can sell the imported more quickly and make more profit. Another thing I would point out to you is that the people our raw material comes from are the people that ship this furniture. Before we get the material there is their profit to be made on it; then freight, insurance, harbour dues, clearance, and cartage to be added to it before we get it. Against the £5,000 for furniture in 1910 there was only £1,747 of raw material (invoice price) landed in New Zealand. Our firm is very small, having only been in business two years, and employing four hands; but we are willing to do all we can to forward such a good movement. Trusting that you meet with every success, and offering whatever assistance we can give, we are, &c., G. W. HERRICK AND Co. (per G.W.H.)." The trouble with this matter is that not only is the industry to be killed by Chinese sweated industries, but if this class of goods come much in vogue—three or four of those chairs furnish a room—our cabinetmaking trade will suffer. That will happen in any case with these wicker chairs, even if locally made.

17. *Mr. Fairbairn.*] But the duty is equal to 41½ per cent., and the freights are very heavy. I should say the chairs cost 100 per cent. to land ?—I hardly think that can be so, considering the price they are sold at—14s. Those are made in Hong Kong as well as other places; that is a British port, the same as the Canadian ports where the American manufacturers make their goods for tariff-saving. I would put on a prohibitive tariff.

18. *Mr. Macdonald.*] Or make it a penal offence to import this work ?—Yes.

19. *Mr. Leadley.*] How do you square your opinion with the tendency stated by employers that workers go in for more expensive furniture ?—This is certainly bought because of its cheapness. I



do not think workers buy expensive furniture, but art furniture—that is, cheaper furniture, as a fact. The public think they are getting something more expensive, but they are not—there is no polishing, &c. If the workers were buying furniture of high class that would be imported, but the people will not buy it. We can compete easily with the cheaper furniture.

GUY LESLIE FULTON, Partner in the Firm of Brewer, Fulton, and Co., General Merchants, examined on oath. (No. 210.)

1. *The Chairman.*] Have you a statement to make, Mr. Fulton?—Yes. Since we have been in business we have found that an association of the largest merchants control many of the every-day lines of general groceries, and unless we joined this association and adhered to their selling-prices we could not get supplies. Every year their strength is growing, owing to the fact that they are securing control of more lines, and unless steps are taken to prevent the monopoly of this association in a very short time the public will be paying any prices they demand, and they will prevent any new firm starting in business without their consent. This would, of course, eliminate any competition in general merchandise. The increased cost of living is undoubtedly due in a measure to such combines and associations. To substantiate this statement we should like to mention the following lines which we are unable to handle. In matches our first trouble arose through the fact that the match companies of the world formed a combine, called "The Bryant-May-Bell Company (Limited)." This combine controlled all the matches—all the wax matches—coming to New Zealand. They then formed a tariff: the wholesale houses were to buy these at 3s. 5d. per gross in fifty-case lots; they were to sell at not less than 3s. 6d. in fifty-case lots, or 3s. 9d. for ten-case lots, and 3s. 11d. for single case. However, they heard that some of the merchants were invoicing these matches in ten-case lots at 3s. 6d. as a part order for fifty cases. The Merchants' Association, who controlled these matches, immediately took steps to prevent this, and the Merchants' Association wrote us on the 14th January—

2. *Mr. Fairbairn.*] Are not Philips and Pike the representatives of the match companies in Wellington?—There are three companies—Aitken and Wilson are agents for the Dunedin company, and Philips and Pike are agents for Bell's and Johnson's are for Bell's and Nathan's are for Bryant and May's. The letter of the 14th January, 1911, from the Merchants' Association to my firm is as follows: "The Merchants' Association of New Zealand (Incorporated), 153-155 Featherston Street, Wellington, 14th January, 1911.—DEAR SIR,—Re plaid vestas: From to-day please delete fifty-case lots from your selling-list, making ten cases maximum at 3s. 9d. ordinary terms A list, and ten cases maximum at 3s. 10d. ordinary terms B list. Please confirm by letter.—Yours faithfully, H. A. GOLD, Secretary." They apparently had two lists, but what is A list and what is B list I do not know—probably men giving p.n.'s.

3. *The Chairman.*] Were you written to by the secretary of the Merchants' Association?—Yes, Mr. H. A. Gold. Our next troubles, after agreeing to the alteration, were that the factories were working at such high pressure that they could not supply orders—whenever we placed an order the factory was working double shift, &c.—they told us this on the telephone. We asked for a written reply. Then Bryant, May, and Co. wrote to us; the other agents would not commit themselves in writing, but Philips and Pike did write as follows: "19th February, 1912.—Messrs. Brewer, Fulton, and Co., Wellington.—DEAR SIR,—We are in receipt of your [addressed to Messrs. Philips and Pike] favour of the 16th instant, and in reply beg to state that the position obtaining at the factory is still the same, and we regret therefore we are unable to quote.—We are, &c., for Bryant and May, Bell and Company (Limited), K. CLAYTON, Secretary." At the same time we had a gentleman in the office who ordered matches the same day, and he got his within a week.

4. He was buying through the association of merchants?—Yes. Our next trouble was with tobacco. We bought from Nathan and Co. on condition that we signed an agreement to adhere to tariffs. I will hand in copy of agreement, as follows: "To Joseph Nathan and Co. (Limited), Wellington.—In consideration of your supplying us [me] with the goods or any of them mentioned and set forth in the British Empire Trading Company's Agents' Selling Tariff (green), and [or] the goods or any of them supplied by Messrs. Khronheimer (Limited), we [I] hereby agree not to sell them on and after the 1st day of November, 1910, at more or less than the list prices given from time to time in such agents' selling tariffs, you on your part undertaking not to supply any such distributor who shall to your knowledge directly or indirectly violate the spirit of this agreement; and we [I] further agree to charge the commission of 2½ per cent. on all duty paid on behalf of clients, the said 2½ per cent. commission to be rebated if duty be paid on or before the Wednesday week following date of purchase. We [I] acknowledge that we [I] have received from you a copy of agents' selling tariff (green) and Messrs. Khronheimer's tariff as now in force. Dated this 1st day of November, 1910." We had to sign this agreement to get any tobacco at all. We did sign it, and got 5 per cent. on tobacco—that was all we made. We handled that for some time, until they thought it was time we were cut off. Then we received a notice from the Merchants' Association to the effect that all sub-distributors were cut off. I have not found that notice, but will endeavour to do so. We were headed as "sub-distributors."

5. What was your offence which led to your being cut off?—We do not know; we were not told of any offence, but were simply told we would be cut off. We then wrote to the Tobacco Trust on the 16th February, 1912—the British Empire Trading Company—giving them a fairly large order for tobacco: "16th February, 1912.—The Manager, British Empire Trading Company (Limited), Wellington.—DEAR SIR,—Kindly give us your best quotation for the following indent, to be repeated every month: One case dark Havelock tobacco, 4½'s, P.P.'s; one case aromatic Havelock tobacco, 4½'s, P.P.'s; one case dark Havelock tobacco, 2 oz. tins, hinged lids; one case aromatic Havelock tobacco, 2 oz. tins, hinged lids; two cases Juno rods; one case Three Castle cigarettes, yellow cartons; two cases Old Judge cigarette tobacco, 2 oz. foil packets; one case Three Castle cigarette tobacco, yellow, 2 oz. packets; one case Three Castle cigarette tobacco, yellow, 1 oz. packets: and oblige,

BREWER, FULTON, AND Co." They replied on the 21st February, 1912, as follows: "Wellington, 21st February, 1912.—Messrs. Brewer, Fulton, and Co., 106 Victoria Street, Wellington.—DEAR SIRs,—In reply to your letter of the 16th instant, asking for quotations for sundry brands of tobaccos and cigarettes, we desire to state we are not at present opening any new accounts.—Yours faithfully, THE BRITISH EMPIRE TRADING COMPANY (LIMITED)." We wrote back and said we did not want any new account, but were willing to pay spot cash. They ignored that letter. We could get no tobacco at all.

6. *Mr. Fairbairn.*] What was the value of that order, approximately?—About £180.

7. *The Chairman.*] You could have got that order all right through the associated merchants?—Oh, no, we were cut off by them, and then we wrote to the people who supplied them. We were cut off for no reason at all by the associated merchants so far as we knew. We think the whole action was in restraint of trade. Our next troubles were with Edmonds's baking-powder. We wrote and asked for quotations from Edmonds; they replied as follows:—

DEAR SIRs,—

Christchurch, 20th October, 1910.

Merchants are asking for a protective selling tariff on our manufactures, and after careful consideration we have decided to assist by setting forth the following proposals:—

We propose to allow all merchants (*who are wholesale traders only*) a preference discount of 5 per cent., to be paid by us every four months on all monthly accounts settled during each period, the same to take effect as from 1st November, 1907. Provided—

1. They agree to sell Edmonds's Prize Baking, Egg, and Custard Powders to one and all retailers in any part of the Dominion at 9s. 6d. per dozen large size, and 4s. 9d. per dozen small size (subject only to the 2½ per cent. cash discount).

2. If the cutting of these prices should at any time come under our notice, and proof confirmed by the merchants in the centre concerned, we should then cancel supplies of our goods with the firm in question.

3. Merchants signing this formula will recognize it is their duty to make travellers engaged by them at any time fully cognizant of the prices they are to quote and adhere to.

Yours respectfully,

To Messrs. Brewer, Fulton, and Co., Wellington.

T. J. EDMONDS.

Christchurch, 20th October, 1910.

*Export Quotation List of Edmonds's Prize Baking-powder, Egg, and Custard Powders.*

LARGE baking, egg, and custard powders, 10s. per dozen; small baking, egg, and custard powders, 5s. per dozen. 10 per cent. trade and 2½ per cent. cash discounts allowed on 5-gross quantities; less than 5 gross, 5 per cent. trade and 2½ per cent. cash discount. (See also 5 per cent. preference-discount circular enclosed.)

Freight paid on 5-gross quantities to any port (provided goods are shipped per direct steamer); on transshipments 2s. per case will be deducted on invoice. No freight or allowance given for less than 5 gross. All risks cease with us on shipping goods at Port Lyttelton.

New accounts—Cash or satisfactory bank references to accompany initial orders.

Messrs. Brewer, Fulton, and Co., Wellington.

Respectfully yours,

T. J. EDMONDS.

*Tariff List of Edmonds's Prize Baking, Egg, and Custard Powders.*

THIS card is prepared expressly for the use of commercial travellers employed by merchants throughout the Dominion. Merchants may obtain copies on application to T. J. Edmonds, Manufacturer, Christchurch.

Travellers please note: Edmonds's baking, egg, and custard powders are sold under tariff, and the following prices, &c., are agreed to by the firm you represent as the minimum to be submitted to storekeepers. Should the cutting of same come under our notice, we trust you are aware it will seriously injure your firm's business with us. Maximum prices are at merchants' option. Thanking you for adherence.

Respectfully yours,

T. J. EDMONDS, Christchurch.

Terms for any quantity under 5 gross: Large baking, egg, and custard, 9s. 6d. per dozen; small baking, egg, and custard, 4s. 9d. per dozen: subject to 2½ per cent. cash discount.

Terms for 5-gross lots: Large baking, egg, and custard, 9s. per dozen; small baking, egg, and custard, 4s. 6d. per dozen: subject to 2½ per cent. cash discount.

5-gross lots for export are shipped direct from the manufacturer to any port, freight paid, provided goods are shipped by direct steamer. On transshipments an allowance of 2s. per case is deducted on invoices sent to merchants. All risks cease with us on shipping at Lyttelton.

5-gross lots for inland towns from Christchurch are railed paid, provided the distance does not exceed 34 miles; exceeding same, an allowance of 2s. per case is deducted on invoices sent to merchants.

DEAR SIRs,—

Christchurch, 24th October, 1910.

Your favour of 21st instant to hand, and note contents. We regret not having forwarded "supplementary tariff" circular with quotation list to you; this was completely overlooked. The enclosed copy will explain the 10s. and 5s. less 10 per cent. and 2½ per cent. price charged by merchants, and you will note same refers only to 5-gross lots being shipped direct by us to the retailer; outside the 5 gross prices are as per circular posted you.

Yours faithfully,

Messrs. Brewer, Fulton, and Co., Wellington.

T. W. EDMONDS.

N.B.—We have no restriction *re* a maximum selling-rate.—T.W.E.

*Supplementary Tariff Clause (issued April, 1908).*

WE have under notice a point raised in connection with our dealing direct to retailers 5-gross quantities (terms as per quotation list), thus enabling the storekeeper opportunity to buy cheaper than the tariff price fixed for merchants.

We will, under the circumstances, ship or rail 5-gross quantities (as per quotation list) to any port or town for merchants, and will allow our invoice amounts on such quantities to be charged to the retailer. Above will not include retailers supplied by us before the tariff came into operation. List supplied on application.

Respectfully yours,

T. J. EDMONDS.

We had to sign and agree to their tariffs, and we carried on business for some time. It was at the request of the merchants that Edmonds tarified their baking-powder. Edmonds state this in their letter. Our next trouble was on the 10th June, 1912. Mr. Edmonds called to see me, and asked if I had

broken their tariff. I said, No. He said they had a letter from Laery and Co. that I had done so. I was asked to turn up Hazelwood's invoice; he was tariffed at 9s. 3d. instead of 9s. 6d., and a similar error on smaller lines. I said it was a clerical error. We received a letter dated the 10th June, as follows: "Christchurch, 10th June, 1912.—Messrs. Brewer, Fulton, Merchants, Wellington.—DEAR SIRS,—*Re* tariff: Following up Mr. Edmonds, jun.'s, call to you on Friday morning last, we have had to deal with your breach of the tariff as per complaint shown you, and regret to say we are compelled to keep to our restrictions as per agreement with merchants generally—*i.e.*, to cancel supplies of our manufactures to all parties causing a breach thereof.—Yours faithfully, T. J. EDMONDS (per A. H. ROGG)." This letter again refers to Edmonds's agreement with the merchants. The merchants thus would see to it that the tariff is kept. Some time before the merchants tried to get us to join their association, after we had been in business eighteen months. We thought if a small firm started they must sell cheaper or sell a better article; if you cannot get a better article, the only way is to sell at lower prices; therefore we could not join the association. Our business would not grow otherwise. We were compelled to make competition, and the price was our main object. They tried by persuasion and pointing out that our supplies would be difficult to get owing to their control of grocery lines. I have here their articles of association, which I shall submit. We would be liable for £100 for breach of tariff, and would have been at the mercy of the large merchants.

8. You speak of illegal tariffs of the Merchants' Association?—Yes. The rules of the association refer to this as follows: "17. Any price-list adopted by the association fixing the minimum prices at which goods in such list may be sold, and any alterations and additions that may from time to time be duly made therein under the rules of the association, shall be binding upon all the members of the association, and any infringement thereof shall be dealt with in the same manner as provided in clause 15 of the agreement as to terms referred to in article 15, subject, however, to the following provisions: (a) That such price-list does not refer to transactions between the members of the association with one another; (b) in the event of any member having goods described on the price-list unsaleable at the list price, such member may submit full particulars of such goods to the association, with quotations of the reduced price at which he is willing to sell them to any member of the association, and in the event of none of them electing to purchase the goods may then, without violation of this rule, be sold by auction or otherwise to best advantage. 18. The association shall have full power to fine any member who shall infringe any of the rules of the association, or any of the agreements thereunder, any sum not exceeding £100 sterling, as provided for in clauses 8 and 9 of the agreement referred to in article 15." It is the public, not the members of the association, who are tariffed; the merchants can sell on what terms they like to one another. If you have any dead stock you could not sell outside, but you must offer to the members of the association. If they were willing to buy to keep the tariffs exact they would agree to auction the goods or to take them themselves. We then wrote to the Kaipai Broom Company for quotations for corn brooms. They ignored our letter. Apparently they wrote to their agent in Wellington, who rang us up on the telephone and said he was very sorry he was unable to quote less than 10 per cent. and 2½ per cent. off Kaipai list price, but that if we joined the Merchants' Association we would be able to get an extra 10 per cent. at the end of every half-year. Of course, that was back to the same old thing. We could not join an association where we were bound to do what the merchants told us, and so we had to give up handling Kaipai brooms. There are other tariffed lines we knew it was impossible to get without the consent of the Merchants' Association, and so we did not try to get these. I have not gone into this matter sufficiently to make a statement.

9. *Mr. Fairbairn.*] Can you tell us anything about brown paper?—No.

10. Or starch?—We have tried to get Lily starch—one of the best selling lines—and we could not handle that without the consent of the Merchants' Association. I think that is made in Dunedin. They quoted us 39s. 6d., less 2½ per cent.—the grocer's price. We then asked for commission for handling, but were refused unless we belonged to the association. We then tried to get Sylvia starch; they would not quote at all unless we joined the Merchants' Association. We do handle Sylvia starch, but only in small quantities; but I do not know the extra discounts which may be obtained.

11. *Dr. Hight.*] Is there any agreement between the wholesale merchants and retailers to fix prices?—None whatever.

12. Is there any union of retailers here?—No; a number of grocers try to buy together to get extra concessions, but the merchants soon stop that, as they eliminated the fifty-case matches. The merchants cut out the fifty-case lots, and then the matches had to be bought at 3s. 9d.

13. *Mr. Fairbairn.*] You say there are no fixed retail prices: what about Sunlight soap?—That is sold on fixed rate—the merchants have forced that on the retailers. They have forced prices on the retailers on Colman's goods and other goods. Reckitt's goods and others are sold on the understanding that retail prices are fixed.

14. Can you tell us anything about butter?—A man from Waikanae had been cut off from Defiance butter for selling ¼d. less than merchants' price, and he wrote to us. We tried to get this Defiance butter from Nathan's; they wanted to know where it was to go, and unless I liked to say where it was to go I would not get it. I said it was to go to a shipping company. Next day I had the African Steamship Company and the New Zealand Shipping Company inquiring what we meant by stating we were supplying butter to their boats. Apparently the merchants were afraid we were getting some of their profits, and they evidently frightened the shipping company, and ultimately we were unable to supply the butter.

15. *The Chairman.*] Are you aware that certain retailers are inside this ring, to allow of their having a handicap on other retailers?—I do not know anything about that; I do not handle sugar, nor Colman's goods.

16. *Mr. Hall.*] Do the merchants stipulate what price the butter is sold at?—Yes; and if a man wants ten cases and can sell only five cases they will not give the ten to the man in case he puts them

in the freezer, and would bring it out when butter was dear and so affect the price. They know the requirements of every man, and will not give him more.

17. *Mr. Robertson.*] What are the main sellers?—Defiance, Daphne, and Maple.

18. Are all those brands handled by the Merchants' Association?—Practically all the largest merchants belong to the association, and they discuss these matters once a month, and although butter is not in the tariff yet the price is tarified.

19. *Mr. Veitch.*] Can you give us the names of the Merchants' Association in Wellington?—They are as follows: Levin and Co., Limited (W. A. Mowbray, Manager); Aitken, Wilson, and Co.; Johnston and Co., Limited; Joseph Nathan and Co., Limited; W. M. Bannatyne and Co., Limited; Ellis and Manton; Thompson Bros., Limited; A. S. Paterson and Co.; Laery and Co., Limited; Bannatyne and Hunter; W. and G. Turnbull and Co.; George Thomas and Co.

DENIS CARMODY, Inspector of Factories, stationed in Wellington, examined on oath. (No. 211.)

1. *The Chairman.*] Have you made any inspection of shearers' accommodation?—Yes, a great number in the last twelve year.

2. The shearers' accommodation is regularly inspected?—Yes. There is very little inspection of farm labourers' accommodation.

3. Have you, when called upon, inspected farm accommodation?—Yes.

4. You would be called only in response to a complaint?—Yes.

5. Those visits you paid to farm servants' accommodation would not represent the average accommodation?—No; it was only when complaints were made that I went.

6. Did you find the accommodation complained of bad or good?—In some cases very indifferent; it was exceptional to find it good. This refers to farm labourers' accommodation. In most cases the complaints were well founded.

7. Did you find any of the accommodation very bad?—Yes.

8. What sort of accommodation do farmers generally provide for single men?—It varies a good deal—usually a cottage with a number of men sleeping in one room, with bunks on the walls, with tables and chairs—a combined sleeping and sitting room. It is mostly fairly clean.

9. How about married men—do farmers often provide cottages?—Yes. Sometimes it is nice and comfortable; other places it is very indifferent. I think there is a lot of room for improvement at many places; that applies to accommodation for single as well as for married men. On making complaints improvements were made. Our inspection has mostly been on shearers' accommodation, and while on the farm or station we have looked at the farm labourers' quarters. The wording of the Shearers' Act makes it difficult for us to act. The farmers have generally done what we asked; but sometimes inferior accommodation was found, and we had to serve notice to have the accommodation finished by a certain date. We tried to allow reasonable time for shearing season; possibly a start would not be made till shearing started. We had to bring the man before the S.M., and ask for accommodation to be remedied, and then another year would go by, and no penalty. There was nothing to compel the farmers to put up the accommodation in the time stated in our requisition. The time when the accommodation was wanted was more limited for shearers. The S.M. would ask for the accommodation to be remedied within a certain date, and we could not act till that date had passed.

10. *Mr. Robertson.*] It is only lately you have any power in farm accommodation?—Yes.

11. Is the farm labourers' accommodation deficient as compared with the shearers'?—Yes, it was, and it is now. In regard to accommodation, I have travelled all over the Dominion, in the South Island as well as the North.

12. Have you seen the accommodation in Canterbury?—Yes, and in all other districts.

13. There is great improvement to be desired?—Yes; but in many places excellent accommodation is provided.

14. Do you think that lack of good accommodation makes men disinclined to take country work?—Yes; that is a usual complaint in my own experience with the men.

15. How is the dairy-factory accommodation for workers?—It is about on a par—sometimes very good, sometimes deficient.

16. If better accommodation were provided there would be less difficulty in providing farm workers?—Yes; I see no reason why married couples should not be provided for well, too.

17. Do not the present conditions make it almost impossible for married couples to go on the farms?—I have several places in my mind's eye where it would be impossible.

18. In the past it has usually been single men employed on the farms, and the result is there is no country population growing up to farm-work?—Yes; and the station-holder usually states there must be no family—no encumbrance, as it is termed.

19. Do you find that common?—I found it so in the Gisborne district—married couples without families are in great demand there.

20. *Mr. Leadley.*] What are your duties?—Inspector of Factories and Shearers' Accommodation and Farm Labourers' Accommodation. I have had experience in every district in New Zealand. I am now Inspector, for the last eight months, in Wellington district.

21. Do you also see to duties of Inspector of Accommodation?—Not now. When I came to Wellington eight months ago I was relieved of that. Previously I inspected Gisborne, Wanganui, Dunedin, and Blenheim, and I made a special trip in 1907-8 in regard to shearers' accommodation all through New Zealand. In some places this was excellent, some places indifferent, and some places no accommodation at all. The Department have a full report of my inspection-visits. Poverty Bay was the worst for shearers' accommodation.

22. Does the same condition apply to farm labourers' accommodation?—In Canterbury in many places there is excellent accommodation.

23. Generally it has. Which is the worst district?—I do not think I could sort it out. I know of good and bad in all the districts.

24. Is any district conspicuous for bad farm accommodation?—I would not like to say—not in that way. I have visited co-operative labour camps—they usually live in tents.

25. You visit only when complaint is made?—No; I meant to convey that in regard to agricultural labour we never made visits except in response to complaint; but at every visit I paid for shearers' accommodation I have noticed the farm labourers' accommodation.

26. Where your visits have been directed, they have been due to complaints?—Yes, from complaints from the men on the spot—not from unions. The accommodation was not satisfactory. It was mostly a general complaint; we do not get particulars supplied.

27. What were the chief grounds of complaint?—Usually old and dilapidated places; mostly they had fireplaces. Ventilation was not what it ought to be; the buildings were not well-ventilated, healthy places—they were old and decayed.

28. The general air of discomfort and squalor was apparent?—Sometimes.

29. Did you ever find spring mattresses for the men?—I have seen the men very comfortable sometimes. I would not say spring mattresses were not provided. There were chairs and tables, and good sanitary arrangements in some places. I have seen cookhouse and bakehouse combined. I am thinking of Mr. Riddiford's place at Marton—that is an ideal place.

30. Is the sanitary condition good, or is it common to find them dirty?—I would not say that—the houses are in the usual fairly clean hut state.

31. Have you had difficulty in persuading farmers to make improvements?—I said No.

32. Ever known of an owner putting up a place 2 in. too low, and having to pull off the roof, and put on 1½ ft.?—I never heard of that. I never called on a man to take off the roof—usually to put it on. I would not ask to have 1½ ft. on because it was 2 in. too low. I could not say whether the large stations or the small farms provide the best or the worst accommodation. I think there is room for improvement in both places. On the whole, I think Canterbury is the best.

33. *Mr. Fairbairn.*] Agricultural accommodation is dependent on the individual owner?—Yes, on the occupier and the worker. It depends on "human nature," as it were.

DAVID CUDDIE, Director of Dairy Produce Division, Agricultural Department, examined on oath. (No. 212.)

1. *The Chairman.*] Have you been acquainted with the industry for a long time?—Yes, for twenty-five years.

2. Has that branch of industry increased enormously?—Yes, especially in the last ten years. The figures can be supplied from the Department up to date.

3. Have you any knowledge of attempts to control butter?—No, not to its disadvantage.

4. No knowledge of any combination to restrict trade or put up the prices?—No.

5. Certain brands belong to certain dairy companies?—Yes, they all have their regular brands.

6. And there are other "fancy" brands, in which inferior quality is worked up?—That does not apply to the factory system. We have absolutely nothing to do with the local market; we deal with export works and with dairy factories, instruction in butter and cheese making, and with grading for export, &c.

7. The quality of the butter has improved considerably by that system of Government supervision and instruction?—Yes, in regard to the export trade and in regard to the practical carrying-on of the industry.

8. *Mr. Robertson.*] Can you give us prices of butter on the London market?—Yes, we can supply those.

9. Your Department has been instrumental in pushing this industry?—Yes, we have pushed it very successfully, we think.

10. You also act generally in the way of instructing the farmers?—Yes, we cover every branch of the industry in regard to instruction and advice.

11. Can you tell me anything about the values of dairy lands?—I can only say they have increased enormously in the various districts. Land of £5-per-acre value has gone up to £30 and more in the best districts.

12. Has that been in proportion to the rise in value of products?—No; there has been such a demand for dairy produce all over the world: the consumption is increasing more rapidly than the production.

13. That has been brought about by conditions affecting other countries?—Very largely by the fact, to my mind, that the demand for milk and its products has increased amongst the people all over the world, and is still increasing enormously, and production is not keeping pace with this increased demand.

14. Has there been a marked improvement in quality?—Yes, wonderful improvement in the last ten years. That is due first of all to the dairy factories being better equipped, and employing more experienced men; and our Department has brought forward new methods of treating the raw materials, which has given a better result, such as pasteurization in butter-making, which is now universal, and other improvements have been made in cheese-making.

15. You do not market butter here?—Oh, no.

16. Have you any knowledge of higher moisture percentage in butter for local consumption as compared with butter for export?—We have tested an enormous number of samples for moisture—we took last year over half a ton of butter, in some thousands of samples—and the average moisture was 14.02 then. This year we took an enormous number of samples, and this year the moisture was 14.25.

Butter containing too much moisture (over 16 per cent.) came in for shipment; that was not allowed to leave New Zealand, but was returned to factory. It ran up to 16 per cent. sometimes. The object is to keep as near the limit of moisture as possible, of course.

17. The limit is fixed by Government regulation?—Yes.

18. Does that apply to butter for local consumption?—It does now, but not formerly.

19. *The Chairman.*] Would you like to make a statement before we go further?—Yes, I have prepared a note. It is generally recognized that dairying has become one of the most valuable farming industries in New Zealand, and the extension and development of the business has been almost entirely due to the adoption of what is known as the factory system. Prior to the introduction of this method of dairying, dairy-farmers had to depend almost wholly on the local market for the disposal of their produce. In those days the prices for butter fluctuated a great deal, and during the summer months it was not unusual to find the article almost unsaleable. At any rate, prices had to be accepted that did not pay the maker for his labour in preparing the product for the market. Of course, a large percentage of the butter then made was of rather poor quality. With the establishment of the factories the quality of the article gradually improved, and as time went on it became possible to ship the surplus make to oversea markets, with the result that the prices obtained were higher. Since those days there has been almost a steady advance in the value of dairy-produce, and it would appear as if the days of low prices were not likely to recur. This advance in value has been mainly due to the increased demand for the article. As a matter of fact, the production of butter has not kept pace with the increase in the consumption. In recent years the value of milk and its products as articles for human consumption have been looked upon with much more importance than previously—especially the use of milk itself—in large cities all over the world. Milk is looked upon to-day as one of the most useful articles of diet, and the demand for it is steadily increasing. This naturally has some effect upon the price of butter. In some parts of Europe the consumption of butter has gone up enormously during the last decade. Take Germany, for instance: it is not so very long ago since that country was exporting butter to England, whereas it is now estimated that something like 50,000 tons per annum is being imported into Germany to supply the country's demand. Although many butter-substitutes have been placed on the market in England, yet the prices realized for butter have not decreased. It may be argued that butter shipped from New Zealand frequently sells at lower prices than those ruling on the local market, but it has to be remembered that dairy companies are able to dispose of their season's output in bulk when the produce is for export, and the business is carried out on practically a cash basis. When butter is intended for sale on the local market it has to be put up in the form of pats of prints, and this slightly increases the cost of preparation. Then again, credit has at times to be given, and bad debts to be provided for. In many cases there has been an increase in cost of production as the result of higher land-values obtaining. Many of our early settlers, who were really the pioneers of the industry, have been able to dispose of their properties at a considerable advance on what was paid for them in the first instance, while in many cases land has changed hands quite a number of times. It will therefore be seen that the people who to-day are milking cows are really not making any more profit (if as much) as the former settlers were able to do when prices were lower. So long as the existing good demand for New Zealand butter continues on oversea markets it is not likely that the local prices for this product will be relatively lower, as the dairy-farmers are able to dispose of their produce for shipment in very large quantities at what is really a cash price. It would seem that the only way in which the cost of production can be brought down, unless land-values considerably decrease, is by bringing about an improvement in the dairy herds of the country. By testing, careful selection, and better breeding, the production of the herds could be materially increased, and this would enable the farmers to accept a lower price than they are now receiving, and yet ensure them receiving just as high returns.

20. *Mr. Macdonald.*] The price of butter depends on the free-trade markets of the world?—Yes, very largely.

21. That would hardly square with the last part of your statement?—It might enable the farmers to sell at a lower price, but they might not do so.

22. *Mr. Leadley.*] Do you think, speaking broadly, the average standard of quality in the milking herds is of a low character?—I would not say that, but almost all the herds could be vastly improved. They are in advance of some countries, because we have a longer grass season.

23. Is the average condition of health good amongst the dairy herds? Are various diseases prevalent?—There are some diseases, but taking them on the whole I think they are healthier than cattle in any other part of the world; the open-air conditions in which the herds live make that possible. There is no housing in the winter.

24. *Mr. Fairbairn.*] What proportion of the butter manufactured is used locally?—We cannot say that; there is no channel by which we can estimate it accurately. There is a large amount of dairy butter of which we cannot get accurate figures—it may be more than one-third of the total manufactured amount.

25. Do you inspect the milling or blending of butter for local use?—All milling-houses are under our control and inspection.

26. Is there any supervision of weights?—For export we check all the weights, but for local consumption we do not check the weights. Selling butter for underweight would come under Sales of Foods and Drugs Act.

27. Do your figures as to moisture refer to factory butter?—Creamery butter only.

28. Have you tested the local butters also—butter for local consumption?—Yes. For some months, when the temperature is high, the farmers get too much moisture in.

29. In England the law is very strict, and butter must not contain more than 16 per cent. moisture?—It must not be sold.

30. It can be sold as "butterine" or under some other name, but butter must be the product of milk only and with not more than 16 per cent. of water?—That is so.

31. Would you recommend a measure of protection similar to this be given to local users of butter?—That is in force now under the Sale of Foods Act; butter must not be sold with more than 16 per cent. moisture. In Auckland an offender was fined for selling butter with more than 16 per cent. moisture.

32. Have you heard of a machine that will blend 1 lb. of milk with 1 lb. of butter?—That is in existence, but it is illegal to use it. It is used mostly in the houses, I think, privately.

33. Has any attempt been made to manufacture sugar of milk in New Zealand?—Not commercially, only experimentally; the demand is growing, and the manufacture will come in time.

34. *The Chairman.*] Whenever butter gets very dear it gets saltier, I have noticed: how is that? Can that be checked?—That is very largely controlled by the taste of the consumer; the individual will not buy that salt butter more than once. Salt is very cheap per pound—about  $\frac{1}{2}$ d. per pound, I suppose—and butter is 1s. 4d. per pound. The taste of the consumer must regulate that. If any dairy factory or person put up such butter for the market the demand will fall off; there is so much good butter on the market that you cannot foist salt butter on the market. We recommend that 1 per cent. of salt be used for local consumption and 2 per cent. to 3 per cent. in export butter.

35. It is a fact in regard to the best brands sold in Wellington?—Yes. Butter can be tested easily for salt; it cannot be called adulteration in the ordinary sense.

36. *Mr Hall.*] Has your Department made any investigations as to the average yield per cow?—We have records, and last year we collected the production of 4,158 cows; we tested samples taken by the farmer, and the average production, including culls, was 224 lb. butter-fat. It is usually the more progressive men who take up cow-testing, and who already have good herds; that is probably higher than the average over the country. It is difficult to say what this would be, but we took the cows in one district—about seven thousand; then we went to the dairy factory in that district and ascertained the quantity of milk, &c., delivered, and the figures worked out as 170 lb. of butter-fat for the whole season.

37. Were these fair average cows?—Not quite. In another part of the same district we collected the figures of the production of five thousand cows in another factory—the previous year, and not such a good season. We proceeded in the same way, and got our average 198 lb. butter-fat per head for the season. So that if we put the average production at 180 lb. to 185 lb. it would be a fair estimate.

38. Have you any figures as to the average for Australia?—They are lower, but I cannot say what.

39. What is the cost of keeping a cow?—We have taken out those figures very carefully, and after counting feeding, labour, interest, depreciation, rates and taxes, and all matters that could be legitimately charged to keeping a cow, we find the cost to be £8 per head. That would vary, though, considerably in the different districts. That was based on a land-value of £30 per acre, taking  $2\frac{1}{2}$  acres to feed each cow. That is the annual cost, including everything—labour as well.

40. There are a good many cows that do not pay for their keep in this country?—They are losing money for their owners.

41. Starting herd-testing competitions induces the farmer to weed out the poor cows?—Oh, yes; and the movement is spreading very rapidly throughout New Zealand. Some fourteen thousand are under test in New Zealand this season, and we hope to see twenty thousand cows under test next year.

42. Have you heard any complaints *re* shortage of labour?—In meeting the farmers we have often been told by them that they had the greatest difficulty in getting suitable labour for farm-work. A few days ago one of the settlers in Taranaki said to me that he had got over the labour difficulty—he was employing three men to whom he paid £2 10s. per week each and their keep. He kept these men all the year round; he found he had to; they were good men, and they were well satisfied, he said, and so was he.

43. Have you heard any complaints about butter being short weight in the city?—Only rumours that short weights were on the market; that is not our business to check that. It is very difficult to get accurate weights in butter to a fraction, owing to the way it is put up—it is not weighed, but moulded, and unless great care is taken there is variation in the weights.

44. Is much butter shipped from Wellington to Vancouver?—Yes, we sent away 1,000 tons last year. The prices ranged from 11 $\frac{1}{2}$ d. up to 1s. 1 $\frac{1}{4}$ d. and 1s. 1 $\frac{3}{8}$ d.; that was f.o.b. here.

45. What was it selling at in Canada?—I do not remember. There is a freight of 1d. per pound and preferential duty of 2d.

46. *Mr Fairbairn.*] We have had evidence that butter in winter from cool-storage is better than salted butter?—Yes, that is so.

47. We find that the retail price in New Zealand for winter was 1s. 5d. to 1s. 6d.?—Yes.

48. We have been informed, or it has been suggested, that suppliers of butter will not let traders have more than their ordinary requirements—will not permit them to buy extra quantity for winter storage?—That has not come under my notice.

49. The winter market is important for speculators; and so a man might buy up the summer supplies, and, with the protective duty, can get abnormal prices?—I do not know anything about that.

50. New Zealand factory butter is sold in London at 1s., and it costs about 1 $\frac{1}{4}$ d. to ship?—About 1·17d. to ship.

51. Then the butter should be available here at 1s. 2d.?—Yes; but there is the question of storage, and the pounding of the butter— $\frac{1}{4}$ d. per pound for that. There is a 1 $\frac{1}{4}$ d. margin, and that is a big thing.

52. Can you give us the exact number of dairy cows for last season?—We have figures.



53. The Year-book for 1911 gives 800,000 dairy cows and heifers in 1910: what percentage would be in milk?—I could not venture an opinion; we can tell you how many cows are supplying dairy factories. I should think about 500,000 of those cows would be milch-cows.

54. Every dairy cow would produce about £10 worth of butter?—You have to multiply the butter-fat by one-sixth.

55. Would that £10 estimate be too high?—I think so; I should say £9 would be nearer.

56. That gives us £4,500 worth of butter?—Yes, about that.

57. That shows the New Zealand market is quite as good as the Home market?—Oh, it is better in some ways.

58. And there is the suspicion that the local consumer is paying for it?—I think it always pays to sell butter locally rather than to ship.

59. *Mr. Hall.*] A few weeks ago the wholesale price for farmers' butter at Auckland was stated to be from 8d. to 9d. per pound. What would such butter retail at here?—About 1s. would be the retail price here for farmers' butter.

60. *Mr. Macdonald.*] How do our herds compare with Australia?—We are ahead both in quantity and quality per head; we have a better climate.

61. Can you see any reason why the duty of 2d. per pound should be retained on New Zealand butter?—I do not quite catch the meaning.

62. With better conditions, why should the duty be retained—say 20 per cent. as against Australian butter: that cannot help the New Zealand farmer?—If the duty was off one part of the year it would be off for all time. It is a generally accepted principle that we have to protect the producer.

63. But we are exporting butter?—Sometimes in the year it would not make much difference.

64. *Dr. Hight.*] Does the Australian dairy-farmer drive the New Zealand dairy-farmer out of the English markets?—Oh, no.

65. Then it is not likely he will drive him out of this market?—No. We have had Australian butter here last year, but that was owing to shortage. It is not a matter for me to say whether it would be a good thing to allow free trade with Australian butter.

66. *Mr. Macdonald.*] How do our herds compare with the Denmark herds?—We are not up to their standard yet. They estimate 200 lb. of butter-fat per cow, but that costs a good deal more to produce—they have to buy food for the animals, and the animals are housed for seven months in the year.

67. You are connected with the cheese industry?—Yes.

68. Can you tell us the production of that?—Yes, we have all those figures, and can furnish them.

69. *Mr. Fairbairn.*] Are the conditions much the same in regard to grading, &c., as with butter?—Yes; we can give you an account of every hundredweight shipped; the conditions are very similar to those prevailing for butter, except that there is no freezing.

HERBERT GLADSTONE HILL, Managing Director of Hill and Barton, Dairy-produce Merchants, examined on oath. (No. 213.)

1. *The Chairman.*] How old is your firm?—About two years; but I have been in the business about fifteen years.

2. Could you make any statement to the Commission?—I have taken a few notes, and can supply some figures. I have a note in the first place about a ring or combine. I have been associated in the management of this class of business for six years, and there has not been, and in my judgment it is absolutely impossible to have, a combination to control prices in the butter industry. I have prepared a statement showing the net cost of butter into our store and the net price charged to the grocers for the period 1st April, 1911, to 30th June, 1912, and these figures I can swear to as absolutely correct:—

*Comparison of Prices paid by Hill and Barton (Limited) to Factories for Butter during the Period 1st April, 1911, to 30th June, 1912, and the Net Price charged by them to Stores for their Daphne Brand.*

Date.	Net Cost into Hill and Barton's Factory.	Net Selling-price delivered into Grocers' Stores.	Date.	Net Cost into Hill and Barton's Factory.	Net Selling-price delivered into Grocers' Stores.
1911.	Per Pound.	Per Pound.	1911.	Per Pound.	Per Pound.
April 1 .. ..	d. 11-12	d. 11-875	July 10 .. ..	15*	14-725
May 1 .. ..	11-12	11-875	Aug. 15 .. ..	14-675	14-725
"  20 .. ..	11-675	11-875	"  18 .. ..	15-425	14-725
"  24 .. ..	12-175	11-875	"  25 .. ..	14-3	14-725
"  30 .. ..	12-425	11-875	Sept. 5 .. ..	14-175	14-725
June 8 .. ..	12-8	11-875	"  7 .. ..	14-175	12
"  21 .. ..	12-8	12-825	"  8 .. ..	14-175	12
"  30 .. ..	12-8	13-775	"  8 .. ..	15	12
July 3 .. ..	14-675	13-775	"  12 .. ..	12-925	12
"  6 .. ..	15-175	13-775	"  14 .. ..	12-675	12
"  8 .. ..	15-675	13-775	"  18 .. ..	12-55	12

\* Australian.

From here the prices are based on butter sold in London.

Date of Departure from Wellington.	Net Cost into Hill and Barton's Factory.	Net Selling-price delivered into Grocers' Stores.	Date of Departure from Wellington.	Net Cost into Hill and Barton's Factory.	Net Selling-price delivered into Grocers' Stores.
1911.	Per Pound.	Per Pound.	1911.	Per Pound.	Per Pound.
Sept. 22 .. .. .	d.	d.	Dec. 29 .. .. .	d.	d.
Oct. 5 .. .. .	12·7	12	1912.	12·9	12
„ 19 .. .. .	12·7	12	Jan. 11 .. .. .	12·6	12
Nov. 4 .. .. .	12·9	12	„ 26 .. .. .	12·4	(24th) 13
„ 19 .. .. .	13·12	12	Feb. 3 .. .. .	12·1	13
„ 30 .. .. .	12·7	12	„ 16 .. .. .	11·8	13
Dec. 15 .. .. .	12·9	12			

From here buying has to commence again within the Dominion for local requirements.

Date.	Net Cost into Hill and Barton's Factory.	Net Selling-price delivered into Grocers' Stores.	Date.	Net Cost into Hill and Barton's Factory.	Net Selling-price delivered into Grocers' Stores.
1912.	Per Pound.	Per Pound.	1912.	Per Pound.	Per Pound.
Mar. 1 .. .. .	d.	d.	May 1 .. .. .	d.	d.
„ 5 .. .. .	12·8	13	June 2 .. .. .	11·92	13
April 1 .. .. .	13	13·5	„ 29 .. .. .	12·42	13
	12·5	13		12·5	13

You will see that in many instances the actual cost to our store has been higher than the net price charged by us to the stores, and there is not one merchant during the last five years that has made any profit out of the local business by itself. You have only to peruse those two columns of figures to see that I am justified in that statement.

3. I do not see why you should give 15d. and sell for 14d ?—We have been fighting like Kilkenny cats for years, and it looks as though we would be for years. I am glad to put this aspect before you. For a long time merchants have been looked upon with suspicions, but these suspicions are unjustified. A question was asked Mr. Cuddie about quantities consumed locally as compared with export. That is a matter difficult to get at; but with my experience and that of others, I think it is a fair and generally accepted estimate that  $\frac{1}{2}$  lb. per person per week will be used locally; the average New Zealand family of four persons will consume 2 lb. of butter per week: that is 26 lb. per year per head of population. For the season September to April, 1911-12, New Zealand exported 17,000 tons of butter. On the estimates that I have just given you, the local consumption for the same period would be 3,500 tons.

4. *Mr. Fairbairn.*] Oh, no; that is not right ?—Yes; taking the period September to April. The exports are for that period. The consumption locally is 16 per cent. of the total quantity manufactured.

5. But the shipment is confined to a period ?—I have not finished. The figures are as follows: 5,795 tons consumed locally during the year—25 per cent. of the total manufactured.

6. Have you checked the previous figures—26,000,000 lb. ?—I do not understand.

7. Your figures show that New Zealand consumes two-fifths of the total quantity made ?—I have not worked it out.

8. *The Chairman.*] Did you not say that each family had 2 lb. of butter per week ?—Yes. The prices on the New Zealand markets, September to March, are as follows: Dunedin, 12 $\frac{1}{2}$ d. net; Christchurch, 12 $\frac{1}{2}$ d. net; Wellington, 11·875d. net; Auckland, 12 $\frac{1}{2}$ d. net. In the Wellington market during the period 7th September, 1911, to 24th January, 1912, the price was 11·875d. net, or, after deducting cost of delivery, &c., 11·125d. Butter exported to London and Vancouver for the same period averaged 12·75d. net f.o.b. Wellington, or a loss to Wellington merchants and factories of 1·625d. For the above period I estimate Wellington consumed 700,000 lb. of butter, representing a loss of approximately £4,700. The whole Dominion consumed 5,000,000 lb. of butter in the same period; and on the prices charged in the respective centres I estimate the New Zealand public paid £20,833 less for their butter during the above period than could have been obtained by exporting. During the winter of 1911 Hill and Barton lost £1,000. 11·875d. is the net price we charge the grocer, and we have to deduct  $\frac{3}{4}$ d. for handling and bad debts, so we receive 11 $\frac{1}{4}$ d. per pound. Taking the same basis, in that period of twenty weeks it would be as set forth in my statement. The merchants would have made £4,700 more by shipping than by selling the butter locally, taking both the London and the Vancouver markets. Allowing that the three other centre markets were  $\frac{1}{2}$ d. per pound higher, I estimate the New Zealand prices meant a saving to the public of £20,000 on the basis of the Vancouver and London prices.

9. But you have the expense of freight, to ship from here?—Yes; but why should we sell for less here than we can get elsewhere?

10. But you are so generous in selling it lower to the grocers, why not treat the public in the same way? It is astonishing; you should make fortunes?—We do not. I cannot buy butter under 12½d. up country, and that has to come down here, and we cannot do all the handling for less than ¾d., and we sell at a loss.

11. *Mr. Fairbairn.*] Are those the weekly prices from the factories?—They are the prices at which we actually have bought. Say a ship went to-day; I would take this week's price and the price when the shipment arrived.

12. Have you had butter stored which cost less?—No.

13. This shows the rates for all butter you bought?—Yes.

14. You have made some mistakes in your figures: your figures equal 26,000,000 per year?—Yes.

15. Our local consumption would be 12,000, and the London consumption 17,000 tons, and that does not tally with your totals at all?—I do not understand that.

16. Then, again, the Year-book says the total quantity for the year 1911 was 41,000,000 lb. odd; the estimated consumption, 20 lb. per head locally. They admit these statistics are not reliable, and the Director of Dairies admits this?—I can see where you have gone astray. Your own statement was with regard to dairy butter; that cannot be estimated.

17. You say that the consumption is estimated at 26,000,000 lb.?—That is an estimate.

18. That is 26 lb. per head?—Yes. That is the total quantity consumed—dairy and factory.

19. But there is an error?—The 26 lb. per head includes all sorts of butter; and the figures in my statement are the factory butters only. The local factory butter is 5,795 tons per year in New Zealand. Perhaps I should have said we were dealing only with factory butter. I have a note with reference to the imports into the United Kingdom, to show causes of high prices: these causes affected the New Zealand butter. The figures are as follows:—Imports of butter into United Kingdom: 1903–9, 103,694 tons; 1909–10, 99,683 tons; 1910–11, 115,509 tons; 1911–12, 103,212 tons. New Zealand exports of butter to Vancouver: 1910–11, 206 tons; 1911–12, 1,354 tons. 13s. was the highest price New Zealand butter brought in England, and the charges would be 12s. About 1s. 1½d. would be returned to the producer here.

20. And that butter was sold in the South Island for 1s. 6d.?—That was nothing to do with the prices realized in April. London and Vancouver come on at a certain time of the year, and the local winter conditions have nothing to do with the matter. We pay 15·25d. per pound for butter; we landed some Australian butter at about that price and paid the duty. You have only to take these facts, and see that 1s. 6d. is the correct price. 1s. 5d. was charged in many parts of New Zealand.

21. Making due allowance for the seasons, is not butter stored in summer for the winter trade?—No. The earliest month that butter has been stored for winter consumption is March. Last year there was a tremendous shortage, owing to various reasons—the laws over which one has no control. The figures last May twelve months for shortage was 40,000 boxes as compared with the preceding year, and that was the cause of the high prices paid last winter: the butter was not in the market. The market cost my firm £1,000 last winter. I would like to see Australian butter come in free. Personally I think we are not going to see low butter-prices; I do not think prices will come lower than they are—not due to combination, but to natural causes. In the first place, the standard of living has risen; whereas countries were exporters, now they are consumers and importers, and there is a bigger demand for our product; but the biggest factor is in relation to butter and cheese. The prices which have been paid for cheese, and which seem likely to rule, make it possible to pay out for butter-fat from 2d. to 3d. per pound more than is paid for butter-fat for butter-making purposes; and it simply means that farmers are not in the business for fun, and if they get more at the cheese-factory then up goes cheese and out goes butter. This year there are a number of butter-factories going from butter to cheese, and I understand there will be a less output of butter by 5,000 tons, and an increase in the output of cheese of 10,000 tons. That is a very very large factor in keeping high the prices of butter. Then, other markets are looming in the distance. We exported 206 tons in 1910–11 to Vancouver; last year, 1911–12, we exported 1,354 tons; and there is a very big possibility of the business developing further. When we were selling butter here at 11·875d. net at stores, we sold butter to Vancouver at 13⅝d. net f.o.b. Wellington.

22. *The Chairman.*] Then the people of Wellington will not be able to have any butter except by the sacrifice of the butter-merchants?—Oh, no; I think they can get the butter by paying for it.

23. If you have to pay 11d., why not sell for 1s.—that is reasonable; but to say you buy for 1s. and sell at 11d. seems unbelievable?—I realize that I am on oath.

24. And the strain will become greater on your resources. I do not say that I doubt your statements?—It is questionable how long our resources will last. I am stating facts, and other merchants can substantiate them. We hope for better things, and we have sunk our money in it, and it is impossible to get out and take up another line.

25. *Mr. Leadley.*] Is this year abnormal?—Yes.

26. How long has this condition of things been in existence—selling at a loss?—I do not know.

27. *Dr. Hight.*] You can afford to lose on the local market owing to profits on the foreign market?—Yes; that is it, to some extent. We handle other lines besides butter—bacon, biscuits, &c. But my figures are correct, I know.

28. *Mr. Fairbairn.*] Do you stipulate selling-prices to the public?—No, I do not know that it is so.

29. We have evidence that it is so—that the merchant and the factory-supplier fix the price for retailing?—I can say definitely it is not so, as far as I know. I can speak for myself and for others. My experience in Wellington is that it is not so.

30. *Mr. Macdonald.*] Do you handle Defiance butter?—No, Daphne.

31. Where do you get your supplies from?—Our principal source has been the Glen Oroua Dairy Company.

32. They supply you under contract?—It is a question of arrangement; it has nothing to do with the matter in hand. There is a portion of supply we draw from Glen Oroua, and we have to get part of our supplies elsewhere. These are the prices at which we bought outside.

33. What proportion do you get from Glen Oroua and what outside?—I am not prepared to state that. I am prepared to swear my prices are market value.

34. I accept that; but you have inferred that the whole of your butter trade is done at a loss?—Yes, it has. I was asked why I picked this period, but did not answer. Last winter was abnormal, and the Home prices were abnormal, and I have taken the period to show the figures relatively. I cannot give you the figures for two or three years back.

35. *Mr. Fairbairn.*] Are you in any other line?—Biscuits and butter and bacon, &c.

36. We have had evidence there are different scales of prices for biscuits?—I know nothing of that; we deal in Southern Cross biscuits, and our discount is 20 per cent. all round in and out of Wellington. With regard to milled butter: I think it was suggested that farmers' butter was brought in and milled, and sold as factory butter.

37. No, I did not suggest that; that was not in my mind?—Another witness stated he had bought butter with 20 per cent. of moisture. The unfortunate part of this is there is nothing definite, and the public throws a certain amount of responsibility on us.

38. *The Chairman.*] But the less butter you sell the less money you lose—the richer you are?—But we are made out to be law-breakers, and we resent that imputation.

39. *Mr. Fairbairn.*] Do you know anything of the inspection of dairy butter?—I have been closely associated with it, and no man has milled and handled more butter than I have done.

40. What is the form of inspection?—The Dairy Division control that, and they have the right to come in, and supervision is exercised. I have seen the inspection done; the Inspectors come in often or seldom, according to the character of the man running the business. There is no regular inspection.

41. Is every export shipment inspected?—Yes, every box of it. That is not done in regard to local inspection.

42. *Mr. Macdonald.*] You supply the retailers?—Yes.

43. Do you supply any quantity?—Any quantity, and let him sell at what he likes. We have been approached when certain grocers have cut the price to 1d. per pound profit, and we have used moral suasion to ask the men to supply the same as other sellers; but we have never used a threat.

44. Then you preach what you do not practice?—I do not think so. We buy as cheap as any one else.

45. But you say that all the butter sold in Wellington is sold at a loss?—I give figures for my own.

46. The net prices you quote are the same as other dealers have?—Yes, on the standard brands.

47. *Mr. Leadley.*] Is the local cheese trade fairly profitable?—New Zealand people do not eat much cheese; the high price of meat does not affect that, I think. We handle Inglewood bacon; we do not cure, ourselves. I have been associated with that as manager.

48. Can you give any information with regard to the cost of curing bacon?—I have not sufficient evidence.

49. *Mr. Macdonald.*] You will sell to any retailer any quantity at any time, and do not stipulate the selling-price?—Yes, that is so, provided he is a sound man financially.

50. If a man's usual supply is five cases, you will not supply him with ten cases?—That is wrong. I know three or four grocers, when butter was high in January, who bought extra from us, put it into the freezer, and one firm said to-day he was drawing on his freezer—they anticipated that prices were going higher, and they bought in.

51. *Mr. Fairbairn.*] Did he buy in autumn?—The supply is regulated then by the factory; and, judging from the quantity in store, prices should not be at the level they are.

52. In the autumn months do suppliers of butter keep retailers supplied within certain limits to prevent their storing?—No. The only instance of that was last winter, when supplies were so short; for two days we had hardly any butter in the place, and we had to restrict the output.

53. *Mr. Hall.*] Do you buy the whole season's output from factories?—Sometimes we do, and sometimes we buy as we require it.

54. *Mr. Robertson.*] Do you manufacture butter?—Yes, we do some. We have one creamery, and the other is home-separated cream.

DAVID PRESSLY MATTHEWS, Butcher, examined on oath. (No. 214.)

1. *The Chairman.*] Your business is in Wellington?—Yes; two shops, one in Molesworth Street and one in Riddiford Street. "The Wairarapa Butchery Company" is the trade name.

2. Has the price of meat increased during the last few years?—Yes, slightly.

3. Has the rise been steady or fluctuating?—During last summer and autumn the price was fairly reasonable; but last winter it was very high.

4. Do you buy from the auctioneers?—Yes, and a lot direct from the farmers—only occasionally from auctioneers. I do not belong to the association. I think I am the only butcher outside it. I sell at prices under the association. I have no carts, and sell over the counter. I have no delivery-costs, and my prices are 1d. under other butchers on most joints.

5. Is 1d. booking too much per pound?—Yes, too much.

6. Have you any knowledge of the Master Butchers' Association?—Yes, I have been asked to join several times; it is a registered union, with rules and articles.

7. What is the main business of the association?—To regulate the price, of course—to keep up the price.

8. Have they done that in Wellington for some years?—I could not answer that very well. I have my own affairs to look after, and do not bother about their business.

9. What is the present price of beef wholesale?—23s.—that is, buying from the wholesale butchers.

10. Can you get it for less dealing with the farmers?—Sometimes; and sometimes it pays better to buy off the wholesale butchers.

11. How long has this association been in existence?—I could not say; I have been in business five years, and it was in existence before that.

12. Have you ever had difficulties put in your way as to getting meat?—The association could not very well block me at auctions, nor stop me getting supplies from private people.

13. No farmer has been boycotted if he sold to you?—No.

14. It has been a pretty fair fight?—Oh, yes, I think so.

15. Do you think that the Wellington people get the best quality of meat, or does the best quality go Home?—They get a fair percentage of good-quality meat here; sometimes they get meat that is too heavy to go Home; but the inspection at the abattoirs ensures the meat being good. It is not only the rejects that are kept here; that might be the case with the big freezing companies, but it would not apply to abattoir meat.

16. *Dr. Hight.*] 1d. per pound is too high to charge for booking and delivering?—Yes. I deliver very little except on a bicycle. I think  $\frac{1}{2}$ d. per pound delivered would be quite sufficient if you get the cash.

17. You think the object is to keep up prices—keep them unduly high?—No, I do not say that—just to prevent cutting; I think the present prices are fair prices—that is, considering they have to book the stuff.

18. *Mr. Fairbairn.*] What quantity of meat would a man deliver per day doing nothing else? Tons and tons of meat, doing nothing else.

19. I mean household meat?—Perhaps 300 lb.

20. That would be equivalent to 12s. 6d. at  $\frac{1}{2}$ d. per pound?—Yes.

21. Would that pay, that 12s. 6d. for cost of delivering, horse and cart?—I cannot say; I do not deliver meat except by bicycle.

22. *Mr. Leadley.*] The five years you have had is your total experience?—Yes; we are working under an award here, and there is an allowance of 5s. worth of meat per man per week. I pay the same money-wages as the other butchers.

*Re G. H. SCALES, Shipping Agent (subpœnaed).*

*Mr. A. W. Blair, Solicitor, apologized for the absence of Mr. G. H. Scales, who had to leave for the north en route for America. He would be quite willing to answer any questions from Suva.*

*The Chairman thanked Mr. Blair, and stated that probably this course would be followed.*

WILLIAM FERGUSON, Managing Director of Wellington Gas Company, examined on oath. (No. 215.)

1. *The Chairman.*] Have you a statement to make?—No, I have merely a few notes.

2. We have examined the managers of gas companies in other places, and would like comparative figures?—Certainly.

3. How many cubic feet of gas are made in Wellington?—About 300,000,000 ft. last year.

4. What is the ordinary charge?—5s. 5d. on a monthly account, paying within a fortnight—that is the net price. The price is 7s. 6d. less discount.

5. Have you the prices of gas in other centres?—Not with me.

6. What is the price of gas compared with electric light?—That is controversial. If I were to give you that, and it were published, probably the electric-light people would come and say something different. I know both for light and for heat gas is much cheaper. In 1891 the net price was 7s. 6d.; in 1896 it was reduced to 6s. 3d.; in October, 1905, it was reduced to 5s. 5d., and has remained at that price.

7. And the causes of the reduction?—I have the average cost of coal delivered at the works: 1901, 14s. 11d. per ton; 1906, 16s. 1 $\frac{1}{4}$ d.; 1911, 18s. 4d. per ton. That is the average cost delivered into the works. From the 1st April this year we shall have to pay for Westport coal 6d. per ton additional. We had forward arrangements for Newcastle, so that increase does not yet operate. I am told that as soon as twelve months elapse there will be a further increase of 6d. per ton—I believe that is true.

8. The gas is owned by a company?—Yes, by a limited company, the same as Auckland, Christchurch, Napier, and other places.

9. Does the company allow its balance-sheets to be seen by the public?—Oh, yes; they are always published. We are at present in a transition stage—raising fresh capital and building fresh works, and therefore that balance-sheet does not cover a settled condition.

10. *Mr. Fairbairn.*] Is the same rate charged for fuel-gas?—No. For ordinary domestic purposes heat and light are the same; but for gas-engine purposes and manufacturing purposes and large consumers there is a special price—4s. 7d. net. This applies to the Harbour Board, for instance. It varies from 5s. to 4s. 7d. for power purposes or manufacturing, according to the quantity used. There is one other point I took out—the question of wages. In 1901 the captain stokers (every fourth man) got £3 5s.—ten years ago; and they get £3 13s. 6d. now. The ordinary stokers received £3 ten years

ago, and in 1911 £3 8s. 6d. That is for seven shifts per week. Ten years ago the labourers received £2 5s., now they receive £2 8s. per week. The carters, ten years ago, received £2 5s.; they now receive £2 8s. (they are one-horse drays). We pay more than award rates throughout, I think. I would like to mention that the stokers are demanding an increase for captains and for men of 7s. per week, and for labourers an increase of 8s. per week. The labourers do six days' work per week. There is another figure I took out, but I have not gone into it very carefully, and cannot explain it—the ratio of expenditure to income. In 1891 the ratio of expenditure to income was 65·2 per cent.; in 1901 it was 70·5 per cent.; in 1911 it was 74·66 per cent. Of course, there are a large number of elements come in there, and I give it for what it is worth. The fact is that ratio has increased by nearly 10 per cent.—that is the cost to manufacture.

11. *Mr. Robertson.*] What has been the increase in output of gas?—I could not say. We are working on a larger scale, and so the prices have not gone up.

12. You have decreased the price of gas, as a fact?—Yes.

13. And coal has risen?—In the last ten years. Before that it was not comparative, because of various changes in machinery and so forth.

14. Those reductions have been brought about by the increased consumption?—The larger the manufacture the cheaper the cost of production. I do not think that applies very much in Wellington, because Wellington has spread very much, and the Gas Company has had to spread the mains, with a small number of suppliers only.

15. Those figures represent the actual earnings on full time for the wages-men?—Yes; the men are all permanent hands, and those are on full time unless away on their own account.

16. *Mr. Macdonald.*] You have a fair sale for by-products?—Very fair sale. There was a difficulty in getting rid of coke up to recently; now we get rid of it profitably.

17. The price you charge is 5s. 5d. net?—Yes.

18. Is that not large, considering you have 300,000,000 consumption?—Well—

19. It does not compare with England?—Oh, no, the conditions are absolutely different. The price of coal and labour are large factors.

20. I know where gas is produced much lower in New Zealand?—I do not think any place in New Zealand pays higher wages than in Wellington. Of course, one town cannot be compared with another; the mileage of the mains is a great factor. We are in a transition stage, and we hope to economize, as I have said.

21. *Mr. Fairbairn.*] To what extent has the increased cost of wages added to the cost of production of gas?—I could not express an opinion on that point.

22. They amount to approximately 12½ per cent.; but that does not infer the cost of production has increased?—Well, I think there is less work done now.

23. But the percentage is not necessarily 12½ per cent.?—No.

24. What percentages of Westport, and what Newcastle, and so on, are used?—It varies from year to year; this year we cannot get so much Westport as formerly. Approximately it would be half of each—that was the average we paid for coal delivered into the gasworks last year.

25. *Mr. Macdonald.*] What is the number of cubic feet of gas obtained per ton?—There are gasworks claiming large returns; but we do not believe in this because it may not be all coal-gas. Last year it was about 12,000 cubic feet of gas to the ton of coal. We would look with suspicion on a return of 13,000 cubic feet.

26. *Mr. Hall.*] Do you manufacture sulphur ammonia?—There is none manufactured in New Zealand. We manufacture liquid ammonia, and send it to Australia to concentrate; and we hope to make extensions of the local plant.

28. *The Chairman.*] What is your opinion as to the increase of cost of living in Wellington?—I have been here since 1884, and I have been keeping house since 1885, and there is no doubt in my mind that living on the same scale has increased considerably—that is merely a general feeling. There is one case that affects me—the large number of subscriptions I have to make, which is part of the living-expenses; that is a serious burden nowadays. That is a very serious matter to a man in my position, who is earning a good income, and is looked to for a lead, and who is anxious to do his duty as a citizen. As soon as you try to get out of these subscriptions you find you cannot.

WALTER ABRAHAM KELLOW, Master Baker, examined on oath. (No. 216.)

1. *The Chairman.*] Have you a statement to read?—I was asked to get out prices, and I can go back to 1893. The prices for bread were as follows: 1893, 3½d. per loaf; 1894, 3½d.; 1895, 3d.; 1896, 3d.; 1897, 3d.; 1898, 3½d.; 1899, 3d.; 1900, 3d.; 1901, 3d.; 1902, 3½d.; 1903, 4d. (July, August, 3d.); 1904, 3d.; 1905, 3½d.; 1906, 3½d.; 1907, 3½d.; 1908, 3½d.; 1909, 4d. (part of the year); 1910, 3½d.; 1911, 3½d.; 1912, 3½d.

2. What is the price of bread now?—3½d.

3. Have you any contracts?—No; I never take them.

4. Can you understand why bread is delivered to the Hospital at lower rates?—They bake their own bread in the Wellington Hospital. I am confident of that, because I recommended them a man. I know this is a fact, because I sent a man from my own bakehouse to carry on the work. At Porirua they bake their own bread, and the Wellington Asylum draws from the Hospital, I think. The figures just quoted are taken from my own ledgers.

5. *Mr. Hall.*] Do these prices include delivery?—Yes. We give a certain amount of credit: unfortunately, sometimes we give too much.

6. *The Chairman.*] Is there a Master Bakers' Association?—Yes, registered under Arbitration Act, for matters dealing with employment. We do not regulate prices; we have an association, and our rules are all registered before the Arbitration Court. The reason we started the association was

to try and benefit the trade—the bread trade was conducted on bad principles and we wished to raise it—that is our only object. Some time ago we resisted an attempt on the part of the men to raise the price. Our ideas of organization have been simply to get a fair price for the bread.

7. You have no ring, but how about the people who sell you flour?—I do not know; we get any brands we want, and we get discounts, and so far as I know it is a fair and open market. The Millers' Association quote £9 7s. here, but outside millers quote £9 17s.; the Millers' Association keep down the price. We do not use much Adelaide flour—it is too expensive. To take off the flour duty would kill the milling industry here. We used to use a lot of Australian flour, but New Zealand flour has improved now.

8. You can make more loaves from the Australian flour?—A little—about two, perhaps. We stock our flour in a dry loft and so our New Zealand flour is about as dry as the Australian flour; we never use new flour. When Manitoba first came here we paid £4 10s. more for that than for New Zealand flour, but we found it was not worth it. Climatic conditions are different here, but we found the £4 10s. to import flour did not pay. During the last four or five years we have been under much more stringent regulations as to the Health Department, of which I approve, but if people want things carried out in this way they must pay for it; and we cannot go on selling bread at the price we now are. I have simply made interest on my plant, but nothing for my labour; and I worked ten to fourteen hours per day. The past twelve months has been a very trying time in the baking trade.

9. *Mr. Robertson.*] What is the principal factor in raising costs?—The price of horse-feed for one; and all bricklaying and oven-repairing cost us more. Then, again, 3½d. per loaf if sold over the counter would be profitable; but at one time we used to reckon ¾d. for delivery, now we count 1½d. The price of 3½d. is delivery and over the counter—we have only the one price. We have to keep our staff, and horses, and so on, and it would not pay us to sell for less.

10. Is Wellington a particularly difficult city for delivering of bread?—Yes; we employ three men to do the work that two men used to do years ago.

11. To deliver the same number of loaves?—Yes; and that entails another horse and cart.

12. That might be attributed to the houses being in more inaccessible places?—Yes, and to the fact that men do not do so much work. In 1879 I was doing the work, and I used to deliver nearly as much as my three carts do now; perhaps Wellington would not be so scattered then, and we worked from 8 a.m. to 6 p.m.

13. There is a good deal of overlapping in the delivering?—Yes, with other bakers. If one man was doing the Wellington trade he could do it much cheaper.

14. Have the master bakers ever tried the coupon system?—Yes, but it was too laborious to work—it entailed twice as much book-keeping as the bill system. I make out fifteen hundred accounts myself, and I never could do the booking in one week with the coupon system.

15. Have you many bad debts?—Not many; we are very careful. The usual accounts run for a week or a month. I have been in business twenty-four years, and the percentage of loss is not great.

16. Has the percentage increased?—It is about the same, I think.

17. *Mr. Macdonald.*] The duty of £1 per ton benefited the farmer?—I do not understand that. I thought it might settle the mills, but I spoke jokingly then.

18. How will it affect the farmer?—I am not prepared to go into the question. I am not a miller, and really have not studied the question.

19. *Mr. Leadley.*] Is there any demand for whole-meal bread?—Not a great demand; I think it would be better for the health of the community if there were. We make three kinds of bread. There was a craze for whole-meal bread, but now it is rather a smaller demand. The popular fancy is for white bread. The whiter the loaf the better; we do not adopt any artificial means to secure whiteness.

20. *Mr. Fairbairn.*] Has there been any improvement in bakeries in recent years?—Yes.

21. With mixing and kneading machines?—In a great many places they are used. It saves a little in labour; I do not think it is much improvement in the way of hygiene.

22. That is quite a feature in America and England?—Yes, I know.

23. Is it a costly alteration?—Yes; in a bakery like mine it would cost £5,000.

24. Have they a system to regulate temperatures?—We have that—we are up to date except in machinery—ours is a model bakehouse, except for the machinery. That would only assist in cutting down labour, and the initial expense would be very large.

HENRY JOHN SIMPSON, Fruiterer, examined on oath. (No. 217.)

1. *The Chairman.*] Do you buy your fruit at auction?—Mr. Boucher's statements have been published, but the contradictions have not been published. Mr. Boucher states that apples bought at 8s. per case are sold at 6d. per pound. Nothing of the kind is true; they are sold at 4d. per pound, and the best may be picked out for 6d. per pound. There is no such thing as 100 per cent. profit in the fruit business.

2. Do you buy at auction?—Yes; but there is not a free and open market, not by any means. Some imported fruits are fixed in price before they land here; the price leaks out with regard to American and Californian fruits. The price of those are fixed by a ring of five merchants here. The merchants are Leary and Co., Griffiths and Co., George Thomas and Co., Thompson Bros., and Townsend and Paul.

3. How do they fix the prices?—When the fruit arrives here it is put up to auction. If the price is to be 16s. per case, 15s. on first ships and 16s. after that (at Christmas time), it is run up to 15s. 9d., and people have no bid at all over 8s.—not a genuine bid—and then you are told that 15s. or 16s. is the price. There is no genuine bidding, but there is a reserve price fixed by the merchants. I have



been shown correspondence relating to this. I would not say it is true, and I believe it is true, all the apples are bought by the merchants. I have seen the correspondence and seen the instructions from the shippers, and they say they expect to realize a certain price on them. The price is certainly fixed; at auction put up fairly they would not realize these prices. The shopkeeper loses 1s. to 2s. on every case he sells.

4. Oh, so the fruiterers lose, too, do they?—Yes.

5. You find the rents very high, I suppose?—Yes; they are going up steadily. I pay £1 7s. per week for my place, and no rates—that is in Kilbirnie; that is for three years' lease, with one year to run yet. That is in a working-man's district.

6. Is there any association amongst the fruiterers?—Yes. I do not belong to it now; I did at one time.

7. Do they agree to keep up the prices?—No; I dropped out because the thing was doing no good—it was formed to protect us against the auctioneers—and so I left.

8. Do you sell vegetables also?—Yes.

9. Do you think the growers receive a fair price?—That is a wide question. The dishonest packer is the worst evil—more so does that apply in vegetables. That applies to cauliflowers in particular—there are some good ones on top and rubbish underneath.

10. Would not putting on the names be a guarantee?—No. To-day you may buy a good sack and you are not allowed to pull it about at market; you buy a pig in a poke, as it were. You buy the same brand next week and find it rubbish. Last week I bought a sack of cauliflowers and sent it back to auctioneer, and it was grown by a man who will come before the Commission.

11. *Mr. Fairbairn.*] You say there was no arrangement about prices when you were in the association?—None. It was just to protect us from the auctioneers, and to obtain better conditions.

12. *The Chairman.*] Can you tell us anything also about the cost of living?—No. If it was not for the confectionery business I could not see the winter through by selling vegetables; in winter you lose on everything you buy—you lose from 5s. to 6s. per sack of cauliflowers. I would also say that the quality of the fruit here has declined; the best is sent Home. Cooking apples are worth 4s. or 5s. or 6s., and the public want a good large sample.

13. *Mr. Fairbairn.*] Could you get supplies direct from the growers?—They will not listen to you. The middlemen, the auctioneers, get the cream of the profits—they charge 1d. per package for receiving and delivering and  $7\frac{1}{2}$  per cent.

14. *The Chairman.*] Is the surplus fruit ever put into freezer by the auctioneer?—Not that I know of.

15. *Mr. Hall.*] Do the auctioneers buy fruit?—When the carts come in with the fruit, so much is put on one side for the auctioneers' private business, and what they pay I cannot say.

16. Do you know if the fruit exported to England has realized satisfactory prices?—No, I do not think so; the last shipment was sold for 6s. 9d. to 8s., and they were worth that here. They were Nelson apples, I believe. You cannot buy a pound of really good apples as you could three years ago: you cannot get them—they are not there. Mr. Boucher said the topping is done by ignorant farmers or small growers. On Tuesday last I saw 150 cases in Thompson Bros. I bought ten of them, and they were all topped—there is one row of good apples on top and one good row on bottom. The apples are branded. They ship so-many to different people with different brands: the same man may brand 71 and 61, and there is no name put on for the grower.

17. *Mr. Leadley.*] But you could trace that?—I do not think so.

18. *Mr. Hall.*] Do not the regular growers sell by brand?—Yes; but the brand is a number.

19. *Mr. Fairbairn.*] But you would avoid that number-brand?—But you buy 71 and find it no good, and the same man ships apples as 61, and you do not know the difference. If you go back the auctioneers suggest nothing practicable. I bought apples from Leary and Co., the case was three-parts full. The stacks are before you, but only one case is opened. This case I bought was all bruised fruit. I rang up Leary's manager, and he suggested the carrier had tipped it from his cart. That man has been my carrier for five years, and when I saw the manager again he suggested I might have taken out the good apples and put in the rubbish myself.

20. *Mr. Leadley.*] Cannot you test the goods before delivery?—No, they will not let you examine the goods—they send you away from trying to examine.

21. *Mr. Fairbairn.*] But the responsibility is mixed up: your carter gives receipt?—No.

22. But he accepts delivery of damaged fruit?—He handles so many packages that he would not know. Hundreds of cases are ullages.

FRIDAY, 5TH JULY, 1912.

FRANCIS PRENDEVILLE WILSON, Lecturer on Economics at Victoria College, examined on oath.  
(No. 218.)

1. *The Chairman.*] Have you a statement to make?—Yes.

2. *Dr. Hight.*] Is your statement in various divisions?—Yes. I have not provided my evidence in compartments corresponding to the order of reference. The first part refers to general prices, on which I understand you have had a considerable amount of evidence from various people, including the author of the figures on which these notes are based. They may be presented in a different form, so that no harm is done by repeating them. I begin by defining the term "cost of living" as the cost of maintaining a man's self in a state of physical and mental efficiency, and of maintaining and bringing up a normal family in the same standard of comfort. An estimate of an increase in the cost of living must take into account food, rent, clothing, education, fuel, insurance against old age and against unemployment. "Cost of living" is a relative term. On the other side



Butchers apparently were running charitable institutions in Christchurch in 1894, charging nothing for expenses.

5. *Mr. Fairbairn.*] Has beef ever been sold at 3d. per pound here?—It is extremely unlikely. That was a Christchurch price. The year is one of low prices, but typical of the period. Potatoes (data from Year-book) averaged £3 5s. a ton wholesale, and £4 10s. a ton retail; but were retailed probably at about 1s. 6d. per 28 lb., or £6 per ton, or 100 : 185.

1910.	Wholesale (McIlraith).			Retail (Year-book).			
	£	s.	d.	£	s.	d.	
Flour, per ton .. .. .	10	10	0	11	10	0	100 : 110
Mutton, per 100 lb. .. .. .	1	3	10	1	15	5	100 : 149
Beef, per 100 lb. .. .. .	1	6	3	2	10	0	100 : 190
Butter, per pound .. .. .	0	0	11 $\frac{1}{2}$	0	1	2	100 : 127
Cheese, per pound .. .. .	0	0	6	0	0	9	100 : 150
							All .. 100 : 145

Potatoes (Wellington) range from £5 to £10 per ton wholesale, and retail £10 to £12. Taking the means, we have £7 10s. and £11, or 100 : 147, which ratio would probably be greatly increased, since potatoes are retailed in small lots at a considerable advance on the per hundredweight price. Wages: From the figures given in the census report for 1890 I find 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 shows that the wages of male employees have risen to £115, and of females to £57.5. Males—1890, 100; 1910, 132. 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 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. In the United Kingdom and the United States wages and prices have pursued parallel courses in just the same way as in New Zealand. On this point I would quote the following: "On the whole, we may conclude that during the two decades (1890–1910) the rise in wages, in those trades for which we have data, has been at least equal to that of the cost of living." (Hooker, *Statistical Journal*, December, 1911: "The Course of Prices at Home and Abroad.") The cause of high prices: It is fairly generally agreed amongst economists that the fundamental causes affecting prices may be classified into (a) the amount of money in circulation, (b) the velocity of its circulation, (c) the quantity of commodities to be exchanged by means of this money. The basis of the media of exchange in most commercial countries being gold, it would be expected that variations in the supplies of gold will produce corresponding variations in the prices of commodities. To go back no further than the beginning of the nineteenth century, the main source of supply of the precious metals was the Spanish Colonies of America, and when these entered on their struggle for liberty during the Napoleonic wars the disturbed state of the Continent resulted in the paralysis of the mining industry, the effect of which showed itself in a gradual decline of prices and comparative stagnation throughout the commercial world. It was at a time when the need of the world for media of exchange was very considerable, owing to the enormous development in the application of machinery in Great Britain, and at that very time the supply of the basis of the media of exchange was cut off. The saving feature of the situation was the development of the Ural mines, which after 1823 began to send out increasing quantities of gold and silver. In 1848 came the discovery of the mines of California, followed by the discovery of gold in Victoria in 1851. The production of the precious metals—the new supplies being almost all gold—rose to £38,000,000 a year. The effect on prices was at once felt; they began to rise steadily, and although the rate of production of gold was not maintained, mainly because the "placer" supplies of California were practically exhausted in a few years, the effect of the influx was maintained till about 1873, when a decline in prices began again, and continued till checked by the discovery of the Rand fields, when, in 1887, a slight advance began, to be shortly followed by a decline, the production of gold not being able to keep pace with the expanding industry. In 1894 came the discovery of the Coolgardie mines, and this, with the rapidly increasing output of the Rand, checked the fall, and a steady rise began. Two or three years later came the discovery of the Yukon fields; and except for the interruption caused by the Boer war the production of gold has increased steadily ever since, and prices have, with occasional interruptions, risen steadily in sympathy. Since 1881 the production of gold has risen fivefold, and is now over 20,000,000 oz. per annum, valued at something over £90,000,000. Only a portion of the increased yield is absorbed in currency, the remainder being used in the arts. The second factor affecting prices—viz., the velocity of circulation—depends on two main factors, the habits of the people and the distribution of population. A nation in which habits of banking are developed will maintain a level of prices on a lower gold basis than one in which these habits are undeveloped, and the fact that such habits are developing in commercial countries will explain further the rise in prices. An urban population spends more rapidly than a country population. Wages are spent within a few days of receipt, and the less the interval between receipt and spending the greater the velocity of circulation and the higher the level of prices maintained. Banking deposits, though only a small portion of them is converted into currency, yet economize currency, and the greater the deposits and the more rapidly these deposits are operated on the higher the level of prices. On the other hand, tending to minimize these factors and to depress the price-level, we have the increasing volume of trade, the greater quantity of goods to be exchanged against money or its representatives. The extending volume of goods at times more than absorbs the increasing amount of currency and the increasing velocity. In that case there

will, of course, be a tendency for prices to fall. But where the economy in currency more than keeps pace with the increased production of goods then the tendency will be for prices to rise. That, Mr. Chairman, finishes my formal statement.

6. *Mr. Macdonald.*] You stated just now that the less the interval between the receipt and the spending of wages the higher prices tended to be?—Yes, that is the tendency. There is a big contrast, of course, between the town worker, who receives his wages weekly or fortnightly, and the country worker, who receives them quarterly or monthly. The greater the velocity on a given gold basis the higher the level of prices that will be maintained. Of course, I am not saying that the velocity of circulation has any detrimental effect on the wage-earner.

7. That might explain why, in a coal-mining district, where wages are paid fortnightly, prices are always high?—I think there would be some local effect, but, of course, the local effect would tend to distribute itself. There might be a higher level maintained in one district than in the surrounding districts, but beyond a certain point prices could not rise, because money would then tend to flow out.

8. *The Chairman.*] In regard to rents, do you in any way include as rent the purchase of a place on mortgage with a small amount paid down? Would not the effect be the same as rent?—I have not taken that into consideration at all. I should say, from a casual consideration of the question, that that would have practically the same effect as rent; it would be practically the equivalent of rent.

9. You spoke of the rise in wages between 1891 and 1911: that return included boys and girls as well as adults?—Yes, I was unable to distinguish them from the return given.

10. You are aware that during those periods an enormous advance was made in regard to the payment of boy and girl labour. At one time there were seven hundred girls in various establishments getting no pay at all, and boys were put on apprentice's wages with yearly increments. That would add to the wage quoted, apart from the rise which might be attributed to adult workers?—It would add slightly to the amount, but I do not think it would make a material difference.

11. Did you say that in places where wages were paid often that had a tendency to raise prices?—Yes; I said the concentration of the population in urban districts had a tendency to increase the efficiency of money, and that in itself has a tendency to raise the price-level.

12. Would it not seem natural that if a man could turn over his money quickly he would be able to sell more cheaply than if he had not so quick a turnover?—Yes, that may be so, from his point of view; but I am not taking the individual point of view, but that of the whole community. If you have a certain amount of money-work to be done—money on the one side and goods on the other—and you increase the amount of money to be exchanged against the goods, by whatever means you increase it—by an increase in the money or in the number of times it is turned over—there will be a tendency to raise the general prices. I think that is pretty generally agreed upon.

13. *Mr. Macdonald.*] Do you maintain that labour is a commodity like goods?—That is a somewhat difficult question to answer. In what respect do you want me to answer it?

14. Is labour a commodity subject to the rise and fall of prices with the greater or less production of gold, the same as other commodities?—Yes, I take it that it is.

15. If that is so, the increased cost of living could not result from the increased production of gold; labour would be able to get a better price also for its work, and would be in the same relative position as when gold was not produced so greatly; is that not so?—Yes, I thought I had brought that out. If prices rise wages as a natural consequence must rise with them; that has been the tendency right throughout the world.

16. So we shall have to look for another cause for the increased cost of living, if such exists, than the increased production of gold?—Yes; the amount of gold in the country may be almost neglected in that aspect.

17. In our inquiries that may be neglected altogether, you think?—Yes, I think so, provided you can find that wages have risen equally with prices and as rapidly.

18. Is it not a fact that wages do not rise so quickly as prices of other commodities?—Yes, and they do not fall so quickly.

19. So at times there might be a disturbance of the balance between wages and prices?—Yes; there are times in favour of wages and times the reverse. The curve of prices would be erratic, but the curve for wages would be smoother—not the same maxima nor minima.

20. You spoke of the unreliability of New Zealand statistics: have you any suggestions to make by which they could be improved?—I did not mention the statistics as unreliable, but as deficient. When one comes to make inquiries difficulties of interpretation come up. Two prices may be given for a commodity, and there is no explanation of what those two prices represent. When the prices range from £5 to £10 per ton it is difficult to interpret the figures. My suggestions for improvements are the setting-up of an Advisory Board to consult at times with the Department collecting the statistics, and to supervise generally the form in which the statistics are collected and what statistics are collected, as well as the form of presentation. Then our statistics would be more effective and of more practical use. This standing Commission would meet, say, three times a year, and would consist of those who have some knowledge of statistics and their uses.

21. If there was a Commission of Industrial Investigation set up, part of its duties would be the advising on statistics?—Yes, decidedly, that would be its main duty.

22. Professor Segar suggested that Dr. McIlraith's index numbers were not altogether reliable owing to the omission of information in the New Zealand figures on which they were based: have you considered them from that point of view?—I did not consider them in that light. There is a fairly close relation between Dr. McIlraith's figures and Sauerbeck's, but there is one important difference in the case of "materials," which are different in Dr. McIlraith's figures from those taken in other countries. "Materials" in other countries have a closer relation to the cost of living than those given by Dr. McIlraith.

23. From your investigations would you say the cost of living had risen in New Zealand—that there was a greater disparity between the amount of money the people earned and the goods bought to satisfy the necessities of life?—No, I do not think so. I think myself there has been very little change. I think any rise in the cost of living is probably due to the increased standard of comfort, and that might show itself in the diminishing birth-rate. So that what is called a rise in the cost of living may be really a rise in the standard of comfort, a better quality of article being demanded, and that may be compensated by the diminishing birth-rate, which will reduce the family expenses.

24. *Mr. Fairbairn.*] Have you any statistics showing to what extent free money (bills of exchange, &c.) has taken the place of coined money?—I have not any with me, but I think they can be got from the banking returns. In the United States of America Professor Irving Fisher has conducted a very searching investigation into that question, and I think it is generally agreed that the actual monetary currency is somewhere from 4 to 6 per cent. of the total money-work of the country.

25. The total metal and note issue?—The metallic currency I am referring to. In London it is estimated that only  $2\frac{1}{2}$  per cent. of the business is done by metallic money.

26. Have you taken out any figures for New Zealand?—No, I have not.

27. In your opinion, is gold subject to the same rise and fall as other commodities in accordance with the laws of supply and demand?—Yes, and as commodities increase in quantity relatively to the supply of gold the value of gold will rise—*i.e.*, prices will fall; and as commodities diminish in quantity relative to the quantity of gold the value of gold will fall—*i.e.*, prices will rise.

28. The real importance of gold is as a standard of value?—Yes, that is so.

29. And a safe margin of gold must always be retained in the country for that purpose?—Yes, decidedly. Gold is the only ultimate means of exchange with other countries.

30. There is one matter in connection with the statistics, in regard to trade prices—wholesale and retail—that I want to refer to: the whole basis of these calculations are dependent on the accuracy of the information on which they are based?—Yes.

31. And if it turns out that in any given commodity the prices quoted, say, by Dr. McIlraith or Sauerbeck are inaccurate, then the whole results are affected?—Very little. The information is taken from a sufficient number of commodities to render any variation due to mistake in a particular commodity (except one with a very heavy weight attached to it) immaterial. The method adopted at Home is to extract the prices from trade journals, and that is practically what Dr. McIlraith has done as far as he could here.

32. Oh, yes, as far as he could. There is no reflection intended personally. I regard Dr. McIlraith's works as very valuable, but naturally he is not responsible for the accuracy of the figures on which he bases his calculations?—No; but I think he has performed a national service, and his figures are probably as accurate as industrious research could make them.

33. *The Chairman.*] You say that  $2\frac{1}{2}$  per cent. of gold is the ratio to the trade in England?—It is said that about  $2\frac{1}{2}$  per cent. of the actual trade of London is conducted in cash. The clearing-house transactions in London amount to some twelve thousand millions a year.

34. Do you regard that  $2\frac{1}{2}$  per cent. as a safe basis?—Yes, under present conditions, with the safeguards that exist. The idea that must be brought out is that no country can be drained of its gold—it cannot possibly be drained of its gold. Any country in commercial communication with another—that is, unless it shuts itself off from communication so that none of its gold can leave or come back—and engaged in trade, has its level of gold tending to adjust itself to the requirements of the country.

35. *Mr. Macdonald.*] You spoke about the unreliability of Dr. McIlraith's figures; but although these figures are not as accurate as in mathematics, still, for the purpose of economics they may be taken as reliable?—Yes, I can safely assert that.

36. Although he has not taken so many commodities as Sauerbeck and has omitted commodities, still the results are such as to justify the figures as reliable?—They are a general indication of the trend of gold-prices.

37. *Mr. Fairbairn.*] You spoke of the law of supply and demand as applied to gold. If with the law of supply and demand operating in regard to boots there is a big demand, then that will stimulate the production of boots: does that apply to the production of gold?—Decidedly; if there is a great demand for gold, more gold is produced—that is, the expense of gold-mining diminishes, and that tends to open up mines that are closed or not worked to the full capacity in other circumstances; and the converse applies also.

38. *Dr. Hight.*] You have stated that food-prices have increased to a very much higher degree in Germany and Canada than in the United Kingdom: do you know of any suggested cause for this difference?—I should say that the chief cause of the difference is that England draws her supplies of food from all over the world. Her free-trade conditions stimulate the importing from every country in the world, while the other countries named are dependent on a local supply, and local variations in production will affect the prices. The increase in the urban population is another factor.

39. How do you explain the exception of France—there food-prices have risen even less than in the United Kingdom?—I think there it is because of the large proportion of the population on the land. The small farmer is the rule in France—the holdings are generally very small.

40. That is, a large proportion of the population grows its own food?—Yes.

41. You stated that  $2\frac{1}{2}$  per cent. of the business done in London is done by means of gold: what does the term "business done" mean?—The exchange of goods, which will be shown by the banking operations.

42. And that is only one of the functions of money?—Yes.

43. As to the question of the accuracy of statistics: could it not be said that figures, even though not absolutely true, are valuable for the purposes of comparison?—Most decidedly; and not only that,

but the fact that some figures in a long series are inaccurate will make very little difference in the result. Taking a sufficient number of items, even a serious difference in one of the items will not seriously affect the average for the rest, provided the majority of the figures are approximately correct.

44. You say that the purchasing-power of wages has pretty well kept pace with the increase of prices. Have you found, say from 1909, that people are having greater difficulty in maintaining the higher standard of comfort which they have reached during the last ten years?—The only evidence I have is somewhat indirect. There has been a very sharp rise in the United Kingdom, in France, in Germany, and in the United States of America—a sharp rise in the price of commodities in the last two years, 1910-11—and I have no indication of any corresponding rise in the wages. The probability is that the rise in wages has not been anything like commensurate with the rise in commodities. There is always a tendency for wages to rise slower than commodities, and to fall slower than commodities.

45. Could you tell us anything about the rise in the price of land?—I do not think the rise in the price of land—of suburban land—has contributed in any way to the price of commodities. That, of course, is a question on which there is a difference of opinion, but the cause is the rise of prices of commodities, I think—the effect is the rise in the price of land. A rise in the world-price of wheat will bring about a rise in the price of land; so with dairy-produce.

46. What has brought about the rise in the price of urban lands?—To a large extent it is the result of demand and supply. As the urban population increases land-values must increase.

47. *Mr. Hall.*] Do you think one of the causes of the small increase of prices of commodities in France was due to the fact that a large proportion of the population was living on the land?—Yes; but I spoke of food particularly; France is still one of the great food-producing countries of the world.

48. If the number of food-producers is decreased and the number of food-consumers relatively increased, has that any effect on the price of food: I am not referring to New Zealand alone, of course?—Yes, I think so. But here our markets are so dependent on the world-markets, it is very questionable whether any movements of population in a small country like New Zealand would have any appreciable effect on prices; but the tendency of the population throughout the world to congregate in the towns, and for the rural population to decrease, must have a marked effect on the price of food. The reason that the rise in New Zealand has not been proportionate to the increase of urban population is probably the increased productivity of farming: that is, it has been counterbalanced by the improved farming and the progress of agricultural science.

49. *The Chairman.*] We have had evidence that it does not follow that the movement of certain persons off the land as producers has a tendency to reduce the wheat-supply—in fact, it has been said that when half a dozen people move off the land and one person gets the whole country as a wheat-ranch he can produce more wheat?—Yes, more net crop perhaps, but the number of consumers of this net crop has greatly increased.

50. Then the movement to the towns does not reduce the production necessarily?—I have not said it would. If one person owned the whole country and farmed it as a wheat-ranch, his net return might be more, but the gross return from a hundred persons will be much greater.

51. *Mr. Macdonald.*] You are not asserting that the price of food in England is actually higher than it is actually in France?—No.

52. The price of food is still lower in England—the free-trade country of the world—than it is in France, the protected country?—I have a table showing some comparative prices—New Zealand, English, German, and French.

*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.)*

	New Zealand Year-book, 1911.		England and Wales, 1905.		Germany, 1905.		France, 1905.		England, 100.			
	s.	d.	s.	d.	s.	d.	s.	d.	New Zealand (Wellington).	England and Wales.	Germany.	France.
Rent (four rooms) ..	14	6	5	0*	5	1½*	3	11*	290	100	102.5	78
Sugar, per pound ..	0	2¼*	0	2	0	2½*	0	27½*	112.5	100	119	144
Butter, per pound ..	1	1*	1	1¼	1	1½	1	0½	99	100	105	94
Potatoes, per 7 lb. ..	0	6	0	3	0	2½	0	3	200	100	88	100
Flour, per 7 lb. ..	0	8	0	9	1	0½	1	1¾	88	100	140	153
Bread, per 4 lb. ..	0	7	0	5	†		0	5¾	140	100	..	115
Milk, per quart ..	0	3½	0	3½	0	2½	0	2½	100	100	75	71
Beef, per pound ..	0	5	{ 0 8¼†	{ 0 5½†	0	8½	0	7½	71	100	122	109
Mutton, per pound ..	0	4¾	{ 0 8¼†	{ 0 4½†	0	8¾	0	8¾	74	100	137	131
Pork, per pound ..	0	6	0	8	0	9½	0	9¼	75	100	123	116
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.

53. Although it is perfectly clear as far as country lands are concerned that the rent cannot be passed on to the commodities, is it so clear that the rent is not passed on to the commodities we in New Zealand use?—No. I know I am on very controversial ground, but it seems to me that the lowest price which must be paid for the particular use of land will enter into the price of the commodities produced on that land. That may refer to country lands as well as city land, but the effect is very slight in the country. In the city lands, the smallest rent—the minimum rent payable for the boot-factory, say—must enter into the price of the boots; it must be collected in the price of the boots.

54. So rent, then, is passed on to the commodities?—Yes, I think so. I know there is another view which says that rent represents the advantage which one particular site has over another site, and appears in a type of surplus. The surplus theory would indicate that the rent is in no sense a burden on the country—that it is all a surplus produced.

55. *The Chairman.*] Then, if a fruiterer comes and says he has to charge a large price for his apricots, because he pays £13 10s. for his shop, he is right?—He is quite right; that must be covered in the price of the fruit; but he can charge no more than the opposition shop down the street paying only half the rent. He merely spreads his rent over a greater turnover.

56. Did I understand you to infer that the fall in the birth-rate was the result of luxury of living?—I said that it was possible that the fall in the birth-rate was the evidence of the increased standard of comfort: that is to say, the higher standard of comfort demanded at the present time will result in a diminution of the birth-rate.

57. *Mr. Veitch.*] You have noticed that the banking institutions in New Zealand are showing very high profits this year?—Yes.

58. How do you consider that affects the welfare of those people who possess no capital?—I do not regard it as adversely affecting them. I regard the high returns given to the banking industry rather as a return for services rendered to the community. I regard every service rendered to the community as worthy of its return.

59. No doubt; but does it affect the welfare of the people who have no capital?—It probably is the result of increasing their welfare. It is the result of the banking facilities which have increased the welfare of the working population, using the term in a broad sense. An efficient and prosperous banking system is one of the greatest factors in promoting the prosperity of a community.

60. Does not that increased profit involve an additional accumulation of capital in the country?—Yes, I presume it does.

61. And is it reasonable to suppose that it simply applies in the same way as increased rent: it represents an increased opportunity of extorting additional profits from the people?—No, I do not regard it in that light at all; it rather represents an increased power of aiding industry and progress.

62. In the matter of rent-values: do you consider that increased rent-values at the present time, particularly in the cities, are due to the gold standard—to the increased output of gold?—They are probably partly attributable to that. That will not explain the whole of the rise.

63. How would you explain the balance of the rise?—The concentration of population and the increased demand for land, and the limited supply of that land.

64. With regard to the state of affairs in France: you say food has not risen there so much, because of the large number of small farms?—Yes; I was speaking of food only.

65. We may take it that monopoly is a great factor in producing the increased cost of living?—I have always held that view. I have always held that the greater the number of people got on the land—provided the areas are not too small—the cheaper will living become. That may not show itself in reduced prices, but rather in increased capacity to purchase. Our prices will be parallel to those of the world-market, with transport-allowances; but the capacity of the consumers to purchase may be greater.

66. Can you suggest any remedy for the increased cost of the necessaries of life caused by the increased output of gold?—I can suggest no remedy for any result of such a cause—in fact, I do not know that it ultimately makes very much difference what is the output of gold, provided that wages are readily adjusted, as in New Zealand—that is, so far as wage-earners are concerned. But, as I pointed out in my statement, certain classes of the community suffer by a rise in prices—debtors, annuitants, and those in receipt of fixed incomes, and, till the adjustment is brought about, wage-earners. A serious aspect of the case, however, is the position of those who have accepted long contracts. A certain contract, involving half a million of money, was let in New Zealand a few years ago, the work extending over several years. Since work was commenced wages have risen over 30 per cent., and the contractors are faced with enormous loss, due to causes over which they have no control. It seems just that if on completion of their contract they can show that the increases in wages have been the cause of their loss they should be indemnified.

67. *Mr. Fairbairn.*] You consider that it is better for the whole community that its wealth should be spread about rather than centralized in the hands of a few people?—Yes, that is my view.

68. *Mr. Robertson.*] In regard to the land question I was not quite clear: you said a minimum rent would enter into the price of the commodity sold, did you not?—Yes. If the whole supply of fruit is sold in rent-paying shops, it seems to me that the minimum rent of those shops must be a factor in price. Any difference between the rent of a fruit-shop in, say, Newtown, and one on Lambton Quay will be made up by the difference in output; but the price is set not by the Lambton Quay shop but by the Newtown shop.

69. You mean the price of the fruit would not vary in the two shops according to the minimum and the maximum rent?—My point was this: that the fruiterer on the Quay and the fruiterer at Newtown probably make the same profits, but they pay different rents. The fruiterer himself does not get the benefit of the increased output of his shop; he merely makes the same margin of profit as the man in Newtown. The man in Newtown is paying a minimum rent, which must be recovered in the price of the fruit: that is, marginal rents may enter into the price, but not differential rents.



[The following statement as to the effect of rent on retail price has been sent in by Mr. Wilson, and is printed as an addition to his main evidence.]

Rent and retail price: If the whole land suitable for a given purpose be appropriated, each portion of that land will acquire a price dependent on the demand for such land and proportioned to that demand, which itself will depend on the greater or less suitability for the given purpose. Thus in a city there is a limited supply of land suitable for business sites, and the sites have varying degrees of suitability—those most centrally situated will generally command the highest price, and conversely. The annual value of the site represents its economic rent. All those engaged in any particular business buy in the wholesale markets at the same price, although frequently those doing the greatest business obtain larger discounts than others. All sell at the same price, although a business on one site may be paying double the rent that another is paying. The retail price in every case in a solvent business represents a sufficient advance on the wholesale price to recover all expenses, and amongst these expenses is rent, which may cause an addition of, say, 5 per cent. to the wholesale price. This 5 per cent. will represent a burden on the consumer, since, if it were remitted, competition, if active, would cause a reduction of prices by 5 per cent. Under competition the consumer gets the benefit of any decrease in the costs of production. Rent-paying fruiterers complain of the competition of "barrow-men," whose prices are invariably below theirs. The value of a shop is usually proportioned to the value of the site on which it stands. Business practice does not differentiate between the so-called "rent" due to capital invested in buildings and the true rent due to the value of the site; and since the gross rental must be recovered by the sale of goods, then both true rent and "capital-rent" must enter into price; each unit of goods sold must carry its share of these expenses, and the rent will be proportioned to the number of units comprising the "turnover" which should be realized on the site in a business conducted with average business ability. The greater discounts given to those who buy larger quantities may result in their paying rents bearing a higher ratio to their turnover. A high rent for any particular site does not mean higher prices for goods; it means a greater number of units sold, each carrying the same burden of rent that the units sold in other shops carry. Rent is paid by the consumer, but he pays the same amount of rent whether he buys in the high-rental shop or the low-rental shop.

JOHN LOMAS, Secretary for Labour and Chief Inspector of Factories, Superintendent of Workers' Dwellings, and Registrar of Industrial Unions, examined on oath. (No. 219.)

1. *The Chairman.*] Can you tell us if there are any industrial unions whose rules permit them to fix prices?—Yes, there are four employers' unions—the Canterbury Bakers, South Canterbury Bakers, Timaru Grocers, Timaru Painters and Plumbers; in Auckland there are the Bakers' Union and the Suburban Coal-merchants; in Hawke's Bay there is the Bakers' Union; the Wairarapa Bakers, and also the Wellington Bakers, and the Wellington Timber-merchants. There are also the Dunedin Bakers, Dunedin Suburban Coal-merchants, Invercargill Coal-merchants. I have brought Rule 21 of the Wellington Timber-merchants' Union, which reads as follows: "The union may from time to time by its by-laws, regulations, orders, or otherwise by special resolution, fix the prices and rates at which members of the union shall sell and supply timber, goods, and trade articles to their customers and to the public, and provide for fines and penalties for the non-observance thereof."

2. *Mr. Macdonald.*] Is there any penalty provided if the rule is not observed?—I do not think so.

3. *The Chairman.*] You are acquainted with the Sedgwick system: was that a success?—On the whole, I think it was.

4. Would you be in favour of continuing that system?—Yes, except for the trouble it gives the Department.

5. The Department took a great deal of trouble in communicating with the boys?—Yes, we communicate with every boy once a month, and also with the employers; on the whole the treatment of the boys was very good. Out of the fifty, thirty-seven have made good progress, and have given the Department no serious trouble.

6. I see that the Railway Department has withdrawn the 25-per-cent. concession on fares for men sent on the various public works: do you know why that has been withdrawn?—I do not know the reason; I merely have the instruction that full fares are to be paid.

7. About the departmental statistics: could you tell us how they were collected in regard to cost of living?—By sending out books to workers to keep the cost of commodities, rent, &c., for twelve months; so far as I know, the figures published are quite reliable.

8. In regard to workers' dwellings, is that scheme progressing?—Yes, the houses are being built; there is great demand for them. We are building in Auckland thirty-six, and have just finished twenty-two. We are building in Timaru nine, Temuka eight; we are calling tenders for ten at Wanganui; we shall call tenders for twelve at Nelson shortly. We are looking out for land at Westport and Greymouth. We have purchased 25 acres at Huntly recently, and are just completing the purchase of 10 acres at Hamilton-Frankton. We shall shortly be building some houses in Dunedin; and have just completed twenty-three in Wellington. We have completed recently thirteen in Christchurch; we have six more applications under consideration in Christchurch.

9. Do you think these particular dwellings are looked upon with more favour than those under the advances-to-workers system?—Yes, for the particular class who cannot raise the 25 per cent., I think the workers' dwellings are better. In twenty-five years we charge about 4 per cent. interest and 3 per cent. principal. The cheapest houses built for sale are in Auckland—four rooms, 10s. 6d. per week net rent; the highest rent is in Wellington—six rooms, 16s. net. Under the leasehold system the cheapest is 8s. 4d. at Petone—four rooms; the highest is 15s. 6d. net in Coromandel Street, Wellington.

10. Have you anything else to tell us?—With respect to the rule fixing prices to which I have referred: I may say that our only experience in the matter is in connection with workers' dwellings. In Timaru, where there is a Plumbers' Union with this rule, the cost for the same design of house for plumbing and putting in hot and cold service is £49 10s., compared with the same design in Wellington, £58 for plumbing, where there is no union of that kind. Christchurch and Auckland are about 10 per cent. cheaper than in Wellington.

11. *Mr. Veitch.*] It is cheaper where there is the combination?—Yes, so far as our experience goes.

12. *The Chairman.*] Is that exceptional?—This is our only experience.

13. *Mr. Robertson.*] Regarding this Rule 21, you said there was no penalty?—I think not.

14. What about Rule 17?—I have overlooked that. I do not think that would be enforceable as a penalty. The intention is to inflict a fine of £100.

15. *Mr. Leadley.*] You would favour getting more Sedgwick boys if it did not impose trouble in the Department?—Yes. It would be necessary to set up a special branch of the Department, and I think a better selection of boys could be made—selected from the country districts instead of from the towns. I think the Labour Department should deal with these boys. Our own paid Inspectors visit the boys generally; sometimes the police supervise them.

16. You can understand that the boys and their employers object to police supervision?—Yes, we object ourselves.

RICHARD WILLIAM McVILLY, Chief Clerk, New Zealand Railways, examined on oath. (No. 220.)

1. *The Chairman.*] Complaint has been made by fishmongers that it is impossible to get fish to the chief centres on account of the difficulty in not being able to keep the fish fresh, and also because of high freights: would it be possible to put on cold-chambers to meet the suppliers?—The Railway Department is doing everything it can at the present time. All perishable products are given the quickest despatch, and wherever practicable we carry by fast trains, but passenger traffic must take preference.

2. Would it be offensive to have fish-cars on ordinary trains?—Yes; the Department has frequent complaints on that score.

3. The Labour Department has notice about taking off the 25 per cent. on workers' passages: why is that done?—That is a question of Government policy. The Railway Department expects to be paid for services rendered. It is quite open to the Labour Department to continue that concession, but it must recoup to the Railway Department the value of that concession.

4. Do the losses fall on the Railway Department?—Yes, now they do.

5. And you propose the Labour Department should bear the cost?—Yes, that is so.

6. *Mr. Veitch.*] How do railway charges compare to-day with railway charges ten and twenty years ago?—They are very much reduced. I can deal with freight on fish. The idea that the price of any food-product grown in New Zealand is affected by the railway charges is mythical. Take ham, bacon, fish, and honey: you can carry a ton of any of these 400 miles for 53s. 2d. per ton—that is, 0.28d. per pound. If you take 2 cwt. lots you can carry that 400 miles for 6s. 6d.—that is, 0.35d. per pound. Take 200 miles: the rate is 0.2d. per pound in ton lots and  $\frac{1}{2}$ d. in 2 cwt. lots or under. Eggs can be carried 400 miles for  $\frac{3}{4}$ d. per pound in ton lots, or in small lots at  $\frac{2}{3}$ d. per pound. Fruit and vegetables, New-Zealand-grown, can be carried 400 miles for 33s. 3d. per ton—under 0.2d. per pound; 2 cwt. lots, 4s. 2d.—just over 0.2d. per pound: 200 miles, 0.1d. per pound in ton lots, and  $\frac{1}{2}$ d. in small lots. The following tables show the rates on other articles:—

Miles.	1890.				1912.			
	Per Ton.	Per Pound.	2 cwt. Lots.	Per Pound.	Per Ton.	Per Pound.	2 cwt. Lots.	Per Pound.

*Ham, Bacon, Fish, and Honey.*

Miles.	1890.			1912.		
	£ s. d.	d.	s. d.	£ s. d.	d.	s. d.
50	1 2 11	0.12	2 8	0 17 5	0.09	2 3
100	1 13 7	0.18	4 2	1 6 6	0.14	3 3
125	1 16 9	0.20	4 8	1 9 8	0.16	3 8
175	2 1 9	0.22	5 1	1 14 5	0.18	4 2
200	2 3 10	0.23	5 1	1 16 6	0.20	4 8
250	2 8 0	0.26	5 7	2 8 0	0.22	5 1
300	2 12 2	0.28	6 6	2 4 10	0.24	5 7
400	3 0 6	0.32	7 5	2 13 2	0.28	6 6

*Eggs (1 dozen 1½ lb.).*

Miles.	1890.			1912.		
	£ s. d.	d.	s. d.	£ s. d.	d.	s. d.
50	1 6 10	0.14	3 3	1 2 11	0.12	2 8
100	2 1 6	0.22	5 1	1 13 7	0.18	4 2
125	2 5 8	0.24	5 7	1 16 9	0.20	4 8
175	2 12 4	0.28	6 6	2 1 9	0.22	5 1
200	2 15 6	0.30	6 6	2 3 10	0.23	5 1
250	3 1 9	0.33	7 5	2 8 0	0.26	5 7
300	3 6 3	0.36	7 11	2 12 2	0.28	6 6
400	3 14 7	0.40	8 9	3 0 6	0.32	7 5

Miles.	1890.				1912.				
	Per Ton.	Per Pound.	2 cwt. Lots.	Per Pound.	Per Ton.	Per Pound.	2 cwt. Lots.	Per Pound.	
<i>All Grains—Wheat, Flour, Oatmeal, Potatoes, &amp;c</i>									
	£ s. d.	d.	s. d.	d.	£ s. d.	d.	s. d.	d.	
50	0 8 8	0-04	1 6	0-08	0 6 9	0-04	1 4	0-07	
100	0 11 7	0-06	2 3	0-12	0 9 8	0-05	1 9	0-09	
125	0 12 8	0-07	2 3	0-12	0 10 9	0-06	2 3	0-12	
175	0 14 6	0-08	2 8	0-14	0 12 10	0-07	2 3	0-12	
200	0 15 7	0-09	2 8	0-14	0 13 10	0-07	2 8	0-14	
250	0 17 7	0-09	3 3	0-17	0 15 11	0-09	2 8	0-14	
300	0 19 8	0-11	3 8	0-20	0 18 0	0-10	3 3	0-17	
400	1 3 10	0-13	4 2	0-22	1 2 2	0-12	4 2	0-22	
<i>Fruit, Vegetables.</i>									
50	0 13 0	0-07	1 6	0-08	0 10 2	0-05	1 4	0-07	
100	0 17 5	0-09	2 3	0-12	0 14 6	0-08	1 9	0-09	
125	0 19 0	0-10	2 3	0-12	0 16 2	0-09	2 3	0-12	
175	1 1 9	0-12	2 8	0-14	0 19 3	0-10	2 3	0-12	
200	1 3 5	0-13	2 8	0-14	1 0 9	0-11	2 8	0-14	
250	1 6 5	0-14	3 3	0-17	1 3 11	0-13	2 8	0-14	
300	1 9 6	0-16	3 8	0-20	1 7 0	0-14	3 3	0-17	
400	1 15 9	0-19	4 2	0-22	1 13 3	0-18	4 2	0-22	
<i>Butter and Cheese.</i>									
50	0 17 5	0-09	2 3	0-12	0 10 2	0-05	1 4	0-07	
100	1 6 6	0-14	3 3	0-17	0 14 6	0-08	1 9	0-09	
125	1 9 8	0-16	3 8	0-20	0 16 2	0-09	2 3	0-12	
175	1 14 5	0-18	4 2	0-22	0 19 3	0-10	2 3	0-12	
200	1 16 6	0-20	4 8	0-25	1 0 9	0-11	2 8	0-14	
250	2 0 8	0-22	5 1	0-27	1 3 11	0-13	2 8	0-14	
300	2 4 10	0-24	5 7	0-30	1 7 0	0-14	3 3	0-17	
400	2 13 2	0-28	6 6	0-35	1 13 3	0-18	4 2	0-22	

Miles.	1890.	1912.
1 to 11	¾d. per gallon	½d. per gallon.
11 to 21	1d. "	¾d. "
21 to 31	1d. "	1d. "
Each additional 30	¼d. "	¼d. "

Miles.	1890.				1912 (Frozen Meat).			
	Per Ton.	Per Pound.	2 cwt. Lots.	Per Pound.	Per Ton.	Per Pound.	2 cwt. Lots.	Per Pound.
	£ s. d.	d.	s. d.	d.	£ s. d.	d.	s. d.	d.
50	1 2 11	0-12	2 8	0-14	0 17 5	0-09	2 3	0-12
100	1 13 7	0-18	4 2	0-22	1 6 6	0-14	3 3	0-17
125	1 16 9	0-20	4 8	0-25	1 9 8	0-16	3 8	0-20
175	2 1 9	0-22	5 1	0-27	1 14 5	0-18	4 2	0-22
200	2 3 10	0-23	5 1	0-27	1 16 6	0-20	4 8	0-25
250	2 8 0	0-26	5 7	0-30	2 0 8	0-22	5 1	0-27
300	2 12 2	0-28	6 6	0-35	2 4 10	0-24	5 7	0-30
400	3 0 6	0-32	7 5	0-40	2 13 2	0-28	6 6	0-35

The Railway Department conveys New-Zealand-grown fruit, vegetables, mushrooms, and nuts any distance at the following rates: Not exceeding 56 lb., 6d.; over 56 lb. and not over 112 lb., 1s.; for each additional 56 lb. or fraction thereof, 6d.

Game : Dead hares, dead rabbits, and fresh fish are conveyed any distance at the following rates : Not exceeding 7 lb., 6d. ; over 7 lb. but not exceeding 14 lb., 1s. ; over 14 lb. and not over 28 lb., 1s. 6d.

## Native Coal.

Miles.	1890.		1912.		Percentage of Reduction.	
	Per Ton.	Per Ton.	Per Ton.	Per Ton.		
	P. Bituminous. £ s. d.	Q. Brown. £ s. d.	P. Bituminous. £ s. d.	Q. Brown. £ s. d.	P. Bituminous.	Q. Brown.
50 ..	0 7 8	0 5 5	0 7 8	0 5 5	..	..
100 ..	0 10 2	0 7 11	0 9 9	0 7 4	4	7
125 ..	0 11 0	0 9 0	0 10 2	0 7 9	8	13
175 ..	0 12 10	0 11 1	0 11 0	0 8 10	14	20
200 ..	0 14 2	0 12 1	0 10 10	0 9 8	16	20
250 ..	0 16 9	0 14 2	0 13 6	0 10 8	19	25
300 ..	0 19 5	0 16 3	0 15 2	0 11 6	22	29
400 ..	1 4 7	1 0 5	0 18 6	0 13 2	25	36

Speaking with regard to fish : In 1895 the Government, with a view to bringing producer and consumer together, made nominal rates for fruit, fish, fresh vegetables, potatoes, and articles of that kind, and you can carry 56 lb. of New-Zealand-grown fruit, mushrooms, and nuts any distance on the railway for 6d. ; over 56 lb. and up to 1 cwt. is 1s. A man can send 1 cwt. of fruit from Auckland to Wellington for 1s. ; dead rabbits and hares and fish, 7 lb., any distance, 6d. ; and so on, as set forth in my tables. I think my figures will indicate that, so far as rail-freights are concerned, they do not affect the price of goods sold over the counter—they are reduced as against ten to twenty years ago.

7. With regard to rates on coal, is there a considerable reduction of freight ?—The rate on brown coal is the lowest tonnage, and is made to foster the industry.

8. Is there much reduction as against twenty years ago ?—20 per cent. reduction.

9. *Mr. Hall.*] What is the rate on coal, Taupiri to Auckland ?—6s. 4d. per ton.

10. *Mr. Fairbairn.*] Can you tell us anything about railway rates in the South Island ?—Yes.

11. There is still a differential system Christchurch to Timaru, Bluff to Dunedin, and so on—they carry on dead-weight or measurement : do you think that is fair ? The same goods landing at Wellington are charged on dead-weight ?—I think the dead-weight on port lines is fair. If you had to pay for Class A goods, you pay 6s. 6d. in Dunedin, and you pay 4s. 8d. now. I am speaking of Port Chalmers to Dunedin. There is a flat-rate charge of 4s. 6d.

12. The boats nearly all discharge at the wharf ?—Yes.

13. But with Lyttelton it is different ?—Yes. The rate is 4s. 10d. to 6s. ; the special rate is 4s. 3d.

14. Have you ever taken out figures to ascertain the proportion between bulk measurement and dead-weight ?—Yes, we have taken these out on particular ship's cargoes. I cannot say what the proportion is from memory—I could give you the figures.

15. The rate from Christchurch to Timaru, Class A, what is that ?—That is a special competitive rate. The usual rate is 49s. 4d. ; the special competitive rate was made for this special trade.

16. Anybody railing 5 cwt. goods Christchurch to Timaru can get a rate specially fixed ?—Yes. That is the only rate—18s.—and has been in existence twenty years.

17. Carrying goods to Ashburton, midway between Christchurch and Timaru, what is the rate ?—30s. 6d.

18. Then you carry goods double the distance for half the rates ?—Yes. We carry goods to Timaru cheaper because of sea competition.

19. And for goods beyond Timaru you add just the railage on to the special rate ?—Yes, that is so.

20. Then goods might be carried twenty-five miles beyond Timaru for the same rate as Christchurch to Ashburton ?—Yes. You are bound to have that where you have special rates for special places.

21. Take Palmerston South, what is the rate from Dunedin ?—26s. 6d.

22. With the special rate to Oamaru you carry for less than half the rate ?—Yes.

23. Then goods can be carried twenty miles beyond Oamaru at a lower rate than to Palmerston South ?—Yes.

24. And the same anomaly exists with the Bluff-Invercargill line ?—Just the same.

25. It is cheaper to rail goods Dunedin to Riverton than Dunedin to Clinton, then ?—Yes, for some classes.

26. Returning to the measurement rate : ordinary merchandise is always carried by weight ?—Yes, for goods-shed work ordinarily.

27. But goods landed at Timaru are carried by measurement ?—At ship's manifest rates, if they are sorted in our sheds for the country and charged special rate from Port to Timaru, and ordinary rates onwards. The Harbour Board's charge is merely wharfage. We charge haulage too, 3s.

28. I thought that 3s. charge was inclusive ?—No. There is a port haulage charge, Port to Timaru shed, and there is port haulage charge in addition to wharfage.

29. But the distance is so small?—You are in the same position as between Oamaru and break-water—there is railway and handling charge in addition to wharfage. We collect that haulage charge. I think we collect the wharfage also and refund that to the Harbour Board—that is a separate thing altogether. They come to a total of 6s. per ton at Oamaru, counting port haulage and wharfage. At Timaru the wharfage charge has to be added to the haulage charge. All the goods put out of ship at Timaru, and go to Timaru shed and are handled and sorted for redespach, they are charged at haulage rates.

30. But I think the inclusive charge is 3s.?—I can look that up. There is no inclusive charge for services of railway and Harbour Board. I do not think the 3s. covers the whole thing.

31. The instant goods are placed on main line at Timaru they go on dead-weight?—Yes.

32. A case 40 ft. weighing 1 cwt. would pay one-twentieth of the rate?—No; it would go on special small-lots scale. Take a case of freight as follows—

33. *Mr. Fairbairn.*] I take this as part of cargo. A case of 40 ft. Lyttelton to Christchurch would be charged 1 ton, and on Timaru would be different?—The provision is that measurement must not exceed twice the dead-weight. That concession was given three or four years ago.

34. *Mr. Leadley.*] Is the differential rate on timber a matter of policy?—Yes; all New Zealand products and most New Zealand manufactures are charged at lower rate than imported products and manufactures.

35. Does not that press hardly on the backblocks settler?—That is not for me to consider. I have merely to carry out the policy.

36. *Mr. Macdonald.*] What is the average cost per ton per mile of merchandise generally?—That is a collective term, and I should require to go through the classification. Perhaps I could get it out, but not offhand.

37. *Mr. Robertson.*] How many miles is it from Huntly to Auckland?—Sixty-five miles.

38. Is Taupiri classed as brown coal?—Yes.

39. What is the difference between it and State coal?—State coal is bituminous coal, and is charged 8s. 6d., as against 6s. 4d. for brown coal.

40. Would that be on State coal from Wellington to Palmerston North?—9s. 9d. would be that rate.

41. And Wellington to Otaki?—6s. 10d.

42. There is no differential rate in coal for manufacturing or other uses?—There are local rates at Huntly—dross coal to Waihi for brick-burning, &c. That applies in connection with industries. Generally speaking, the mileage rates apply to Classes P and Q.

43. *Mr. Macdonald.*] The New Zealand Government Railways import a large amount of Newcastle coal?—I cannot tell you that; we are forced to go elsewhere when we cannot get coal here. We have told the coal companies over and over again we are prepared to take all our coal from them, and as a fact we go outside only when the coal companies cannot fulfil their contracts.

44. Is that a genuine answer?—It is a fact.

45. It is the official answer?—And a fact. From the time we get the contracts signed to the time they expire we are eternally at the suppliers. New-Zealand-hewn coal we would take every time if we could get it.

46. *Mr. Veitch.*] What is the landing-cost of Newcastle coal?—It varies according to the mine, and so on; we are paying 22s. 9d. per ton at present.

47. *Mr. Fairbairn.*] Could you give us the price-list for Newcastle coal?—We could give you the prices the Department is paying landed here. We estimate our cost in the trucks—that is, delivered to us. We could give you this information easily.

GEORGE LE HEUP MARSHALL, Sheep-farmer and General Farmer, examined on oath. (No. 221.)

1. *The Chairman.*] Where do you live?—In Marton. I am chairman of the Marton Branch of the Farmers' Union. I wish to remark on the price-increases from producer to consumer. I will take ewe mutton: we get 2d. per pound all the year round except in the spring. I believe you cannot take the average price at less than 4d. per pound retail, including all joints. The average price we get 2d. for, and the average price in the shops is not less than 4d. If a man pays 14s. now for ewe in Marton yard, the buyer will get 4s. for the pelt too. The increase is about 100 per cent., and we want to know how it comes about. There are several reasons why it is on the increase, as I think is the case. There was a general complaint that accounts were hard to get in; people take longer to pay their accounts; a local butcher cannot get in accounts under three or four months. One butcher I know put £1,000 into his business, and he has to pay interest on bills outstanding; that makes a great deal of difference to the consumer. This makes a great deal of difference to the price of the meat; no man will sell on small profits if he has to wait six or nine months. One of the best things this Commission would be able to advise would be an alteration of law to make it possible for a trader to claim his money in two months. A lot of the poorer people do not pay their ordinary accounts until they are threatened. I do not know when the accounts can be legally collected now.

2. *Mr. Macdonald.*] In the absence of agreement they can sue immediately—that is, unless credit is agreed upon?—Yes, but they are frightened of losing the custom. There would need to be an agreement between the retailers.

3. *Mr. Fairbairn.*] The average retail town business is now cash and short credit?—Yes, that will be better. I think the statistics that have been given you are most unreliable. The ordinary farm-produce—most lines, such as wool, and sheep, and wheat, and oats—are not much affected by conditions of labour when they are exported. But bacon, potatoes, and onions are not exported to any extent, and they have gone up. I have paid 1s. 2d. per pound in Marton, retail price. This is due to

the fact that we cannot rely on getting labour. I should keep pigs to-morrow if I could get a young man to employ. We have our ploughmen—they have their teams to look after; but we want a young man to do odd jobs. We have sometimes to milk our own cows.

4. *The Chairman.*] What do you pay such a young man?—I paid the last man 17s. 6d. plus 12s. for food, and he was seventeen years of age. The men in the country can save money much quicker than if working in the towns. I have an older man, and he gets 25s. per week and is fed in my own kitchen. The former lad did not complain as to wages; he left in a busy time because he got employment with a brother in a butter-factory. He got the craze for skating, and went in about three times per week, and did not do so well—he had to cycle sixteen miles in and out. These things—bacon, potatoes, and onions—would be cheaper if we had more lads. I do not complain of the permanent man living in the cottage; he is usually a good worker who takes an interest in his work. We could produce far more in this country if we had more labour; I produce far less myself in the way of oats, &c., owing to scarcity of labour. Unless you have only the acreage you can handle yourself, the anxiety of getting labour for harvest and other operations is enormous. I would grow wheat, and oats, and potatoes, and onions for sale if I were certain of getting more labour. To my mind, the high price of land fosters production—the more you give the more carefully you have to cultivate. It is to the consumers' advantage to get as much as possible off the land—that is, considering we are selling our products in an open market, and cannot inflate the prices unduly. With regard to the desire of boys to go into town: they must surely see they have an advantage to become independent in the country; they have not this chance in the town. They seem, however, to have their minds concentrated on the week-ends; they work mechanically all the time, thinking of what they will do in their leisure. I put it down to the teaching of our education system. Whether they are taught the dignity of work I cannot say, but something is wrong; we all notice this failing to be interested in the work, in the country. The casual labour is very inefficient, and this all bears on the prices of commodities. The chaff-cutters have to put up the price next year, because of the last bad season. I know a young man who was working at this for three weeks; he had about £8 coming to him, and went and asked for it one night; the man said he was just going to move on—telling a mate he was going to the Wellington races; the machine-owner had to drive into Wanganui for another man to replace this worker, and the machine was stopped for half a day. The farmers want to produce more now owing to the dear land, and it is most annoying not to be able to produce all that is possible, owing to labour-scarcity. We have to "strike," as it were, in the way of crop-growing; we grow root crops that do not want harvesting; until we get the extra labour we can produce no more. Potatoes, and onions, and bacon are profitable to grow, but we are going out of this production because of the shortage of labour.

5. *Mr. Robertson.*] You think if more labour were available more cultivation would be done?—Yes.

6. Do you think the high cost of land makes more cultivation necessary?—Yes. The high price of labour, and the scarcity, is an incentive to pay less for the land.

7. The higher the wages the more men would be available?—Yes; but I think the man in the country is now far better off than the man in the town.

8. You spoke of the decreased efficiency of labour?—We all know that is a fact. The older generation of labour who had a good training at Home is dying out, and we get a lot of men who come in unprepared to learn the work—coming just for a few weeks and not intending to go on—just coming in to get a few pounds together and then go away. We used to get a type of man who was prepared to go on permanently with the work. The men we get nowadays are town men, and we can tell by their clothes they are from town.

9. Do you think employment at 17s. 6d. and found, feeding pigs, is conducive to the dignity of labour?—Well, he can save 15s. a week.

10. But when he grew up he would be turned off?—I have never had a man stay long enough to be old. I had this particular boy at 10s. per week at twelve years of age, then I promised him 1s. per quarter increase up to £1; all the time he would be kept by me in the way of food, &c.

11. *Mr. Leadley.*] Are there many farmers in your district who have been farm labourers first?—Yes, and some of them are the best farmers too—that is, the best farmers and the best-off men. I know one man who landed in Marton £7 in debt, and now he owns two farms. But he says the men nowadays will not work as he did. It is very hard to get good men; you can get men ready to take up the work for a few weeks, not permanently.

12. The conditions of the life and the rates of pay have been such as to enable men by thrift to get into the position of farmers themselves?—Every time, I should say, if they look after their money. I had one man for six years, another five years and a half; the former is manager of a large run; the latter is now a dairy-farmer, who saved £400 with me.

13. Were the conditions of life and the wages received better in the early days than now?—As far as I know, the wages were lower. This typical man I referred to told me he worked from 15s. to 27s. 6d.; then he started contracting.

14. There is nothing to prevent men saving their money and becoming farmers?—No.

15. Is there a disposition to ignore contracts and bargains made as to the supply of work?—I had only one experience of this. I think it very wrong that a man can be engaged to work, and then simply come and ask for his money.

16. Is that not due to the loose system of engagement?—They will not come on any binding system. There is no award for these men in this Island. I was speaking of a man on a threshing-machine.

17. You think the men take far less interest in their work?—Yes; much less: they will not stand being told. I have had numerous instances of this in my own experience.

18. If farmers had a more reliable supply of labour they would go in for more production?—Yes; we avoid such things as onions, which require a great deal of labour. That results in these things being made dearer. Bacon, potatoes, and onions are typically dear for this reason.

19. *Mr. Veitch.*] You say there are one hundred members in your organization, and great shortage of labour?—Yes.

20. Can you give the Commission the names of the farmers requiring labour in your district?—Not now. I should have to go round miles and miles of country to see.

21. Would not the same difficulty present itself to the man wanting work? I want some proof that there is fact behind your statement. I want a list of the people who are short of labour, as you have stated?—All the threshing-machines are constantly short of labour; when the owner was with me he had to go away for men three times.

22. With regard to farm-labour: can you name farmers who want men and cannot get them now?—I can give you one I happen to know. I have not asked anybody.

23. What rates of pay are the farmers willing to give?—I pay my man £100 a year.

24. Do you want a man now?—No.

25. What wages would the man get generally?—The class of work varies so much.

26. You cannot then offer any proof of your statement that the farmers in your district are short of labour?—I say that the farmers round my district do not grow those classes of crops which require labour, because they cannot get labour. You have picked the very fortnight in the year to ask if there was shortage of labour; if you asked if there was shortage in December, and January, and February I should say most decidedly labour was short.

EDWARD COLLINS JACK, Secretary of the Farmers' Union, Wellington, examined on oath. (No. 222.)

*Witness:* In the first place I should like to express on behalf of the farmers our regret that the shortness of time allotted to the Commission for its investigations makes it impossible to obtain the valuable evidence in regard to the primary industries, that form such a large portion of the necessities of life, and that can only be gleaned by the evidence of those directly engaged in the industry. It is only possible for a few farmers or their representatives to meet the Commission, and these cannot be expected to give a full and clear idea of the varying nature of conditions of life and the wages earned throughout the Dominion. The evidence that I have to tender the Commission will be largely made up of information through my personal contact with farmers during the last seven years, and my personal observations of the farming industry covering a period of fully twenty years, and in addition to that I have worked out some statistics from the last census returns and from the Official Year-book, which I think will be helpful to the Commission.\* The conditions under which farm workers labour are much better in almost every way than they were ten or twenty years ago. The accommodation is vastly improved, to a large extent due to the higher standard of living of the farmer himself. In the pioneering days farmers had to be content with frugal fare themselves, and this was reflected in the *menu* of the worker. The general prosperity of the last twenty years has raised the farmers' standard of living, and as a natural consequence the workers receive much better fare and accommodation. With regard to wages paid to farm workers, these have increased by quite 20 per cent. The following will give proof of this: The wages of rouseabouts increased from 15s. to 20s. per week and found; boys increased from 10s. to 12s. 6d. per week and found; harvesters increased from 10d. to 1s. per hour and found; shearers increased from 17s. 6d. to 20s. per 100 and found; ploughmen increased from 25s. to 30s. per week and found. The wages, of course, vary somewhat in regard to the different provinces, but the rates quoted indicate the general rise that has taken place. So far as an increase in the cost of living of workers in the country is concerned, I have not been able to find any, with perhaps the exception of boots and rents, where the worker keeps up a town residence. By far the larger proportion of workers are found in food by the farmer, and this comes out of his profits from the farm. The scarcity of suitable labour from the country is a very serious matter, and the fact that workers prefer town life with all its attractions has to my mind a very material effect upon the increased cost of living. There are abundant opportunities in the country for men to earn good money and to live cheaply by employment on a farm, and the fact that men will not go has already resulted in a lesser production of foodstuffs. For instance, the area under wheat for 1910–11 was 322,167 acres and last year (1911–12) the area was reduced to 215,528 acres, and there is every probability of a further reduction this coming year.† It is also extremely difficult to get boy-labour and domestics. Last year the Farmers' Union endeavoured to get the Government to continue the experiment of bringing out boys from the large cities of England and Scotland, and as soon as it became known that we were urging the Government in this way I received applications from sixty or seventy farmers who were prepared to put down the passage-money not exceeding £12, and engage the boys for three years at good wages in addition to being found in clothing. Coming to the chief industries pertaining to rural products—viz., butter and cheese, meat-preserving, grain-mills, and bacon-curing—the increase in wages is even more pronounced. In the butter and cheese industries the average wage per man has increased from £81 to £113—equal to 40 per cent.; in the tanneries, from £81 to £99—equal to 23 per cent.; in the grain-mills, from £96 to £120—equal to 25 per cent.; in the bacon-curing, from £73 to £134—equal to 84 per cent. In the meat-preserving industry the average wage per man shows a reduction of 3½ per cent.—viz., from £90 to £87. It must, of course, be noted that these sums do not represent the full annual earnings of the worker, as in all of them there is an "off" season, during which the workers have

\* Five tables handed in for the Commission's information, dealing with the following industries: Butter and cheese, meat freezing and preserving, grain, bacon-curing, skins, pelts, and woolscouring.

† Returns of crops handed in for Commission's information.



an opportunity of augmenting their earnings by other occupations. In the butter and cheese industries the lengthening of the busy season accounts for a portion of the increase, and in the bacon-curing the biggest increase shown is due to the employment of more skilled labour, and in the meat industry the employment of a greater number of unskilled labour accounts for the reduction. In this latter case the figures for 1910 and 1911 are bound to show a considerable increase, as the individual wages have been increased by arbitration awards, and the seasons have been somewhat extended. Notwithstanding these increases in wages, the ratio of wages to production has lessened owing to the greater output of recent years, but the amount of capital invested has risen in much greater proportion, and the rural industries get less return for capital than they did ten years ago; so that, instead of increasing the cost of living, the rural industries have had the opposite effect. To prove that this is so, the exports of rural products rose from ten millions in 1900 to eighteen millions in 1910, and the consumption within the Dominion, increasing in proportion to population, increased  $33\frac{1}{2}$  per cent.—a total of approximately from three to four millions—making the totals respectively thirteen millions and twenty-two millions; and while the capital employed has increased over 80 per cent. the value of the produce has only increased by 75 per cent., and this without counting extra capital in improved and increased quality of stock: so that the gross return has been reduced one-half of 1 per cent. per annum, which amounts in round figures to about £75,000 per annum less than should be returned. It is argued that the high price of land accounts for this loss. No doubt land is too high, when there is no guarantee of a continuation of cheap money and good prices; and were it not for the inflated unimproved values the capital values would probably be less, and the gross return would show to better advantage. What we object to is the fact that the unimproved values are far too high, and the value allowed for improvements too low. The Commission has been told that the remedy for the supposed increased cost of living is to be found in confiscating in taxation the value of the increase in unimproved values, and relieving taxation in other directions. That would no doubt reduce the value of land, but it would as certainly reduce the rates of wages. For production would rapidly decrease, as the major portion of the increased value represents the stored labour of the farmer, and the exhausted improvements which go to keep up the fertility of the land, and instead of nearly doubling our production in ten years we should reduce it to the old figures, and there would be plenty of unemployment. Even now, with all the supposed prosperity of the farmer, the fertility of the land shows a backward tendency, and the farmer has to spend increasingly greater amounts annually in fertilizers, without adding one penny-piece to his gross income, and it is quite evident that with such an increase in taxation he would have less to spend in labour to cultivate his soil.

ARTHUR LEIGH HUNT, Manager of the New Zealand Farmers' Co-operative Distributing Company, Wellington, examined on oath. (No. 223.)

1. *The Chairman.*] Is that a co-operative company entirely?—Yes.

2. What is the ratio of difference between the price at which you receive the goods and the price at which you sell?—May I make my statement in my own way? I have prepared a table showing the fluctuations in prices for the last twelve years, dealing with such commodities as potatoes, onions, cheese, butter, &c. These are the wholesale prices which have been obtained in the produce-markets here [see Exhibit No. 7]. With reference to the fluctuation in the price of potatoes: in 1900 potatoes were £2 10s., and in 1901 £4 10s. to £6; at present they are £5 5s. This table will show that during the interim there has been a considerable increase in the price of potatoes. That is explained by the fact that in 1905 the potato-crops in New Zealand were affected by blight. It is significant that although the price rose considerably when the blight came, in two years it began to fall, and the prices since 1907 have been little, if any, increase on the prices which obtained before the blight came to New Zealand. I think this explains how the farmer has risen to the occasion, and has by methods of spraying overcome the blight. It is reasonable to expect that potatoes would be higher now, on account of the fact that labour, freight, cartage, and wharfage have all increased. Against these increases the farmer is using improved methods—uses machinery for planting, manuring, cultivating, digging, and grading—all these machines save considerably in cost of production. The quality of potatoes now reaching the market is much better than it was twelve years ago—the consumer insists on better grading. So far as potatoes are concerned, any slight increase is easily explained. The next item is onions: that entails a considerable amount of labour to produce, and the increased cost of which labour would naturally raise the price. Although there has been considerable fluctuation during the last twelve years, still the average price is very nearly the same. One difficulty in growing onions has been the dearth of boy-labour on the farms. Onions are high just now, but at this season of the year we usually import them from Australia because our New Zealand onions do not keep throughout the year. The Australian climate is more suitable to the growing of onions, but owing to failure of Australian crops importation has ceased, and higher prices prevail here. The next item is cheese, and my remarks will be brief. Prices have fluctuated, of course, but the price is about the same as twelve years ago, and the difference can be explained by the fact that the London values are at present very high. The item of butter is dairy butter only; I do not deal with factory butter. Eggs are a staple item of diet, and we find they have increased somewhat, but I think it could be shown there might easily have been a greater increase, and with good reason: the lesser quantity of wheat produced in New Zealand increases the price of food for fowls.

3. *Dr. Hight.*] Has the freight on eggs from Auckland increased?—The eggs come by railway now instead of boat, and the railway tariff has not increased to my knowledge; it is a graduated scale of freights on the railway for eggs. Speaking of pollard, the price was £3 15s. per ton in 1900, and now it is £7 10s.: those are Wellington prices. The price of eggs has been more regular, owing to better methods of preserving them—not so high in winter, nor so low in summer. Speaking of honey, the quality of honey is a great improvement on what we had previously. The raisers of honey have been

instructed in better methods, and the quality has improved; but the amount used is not rising in proportion. We do not seem to eat honey much in this country; it is hard to dispose of honey in New Zealand cities. Bacon is now considered higher than it was twelve years ago; that could be explained by the fact that although the number of pigs has increased, it has not increased in the same proportion as the amount of bacon used. Many dairy companies are now making cheese, and that does not give the farmer the skim-milk for the pigs; and the high price of pollard, &c., and the shortage of labour have all increased the cost of production of bacon. I do not hold any brief for the bacon companies, but I think it should be pointed out in all fairness that the percentage of condemnation of diseased pigs is very high—8 per cent. in some districts. If we turn to the price of bacon ruling in 1911 and compare with price to-day, we have to remember that the consumer in 1911 was quite willing to eat fourteen to sixteen diseased sides of bacon per hundred; whereas to-day he rightly demands the whole 100 per cent. free from disease; and this, of course, increases the price. This season's supply of pork has been secured by the bacon companies at 6d. per pound dead-weight on country stations. I am speaking of the Wellington Province now. When we consider that the companies have paid that price, and have to stand the risk of condemned pigs, and reckon one-third weight for shrinkage—I understand that is right—

4. *The Chairman.*] A grain-fed pig might be different in the shrinkage?—I do not know much about that.

5. *Mr. Fairbairn.*] We are told the shrinkage was 25 per cent.—I think it is generally accepted to be 33½ per cent. If dead-weight were 180, the loss would be one-third. *Re* prices of fruit: I have taken out apples only, because of the fluctuations from day to day of other fruits. I find that apples have not increased in price in the last twelve years, but the quality has improved very considerably as compared with twelve years ago; I have not the slightest doubt on that point.

6. Is that through growing better varieties?—Yes; and spraying and so forth for diseases, and better packing and grading. The price of other fruits has not materially increased during that period, speaking of the auction trade. A good deal has been said about the margin of price between producer and consumer, and I admit that is very great. Of course, it does not represent entirely the retailer's profit, which probably is not unduly high. The fruit trade is precarious at the best of times: there is considerable amount of waste; very considerable amount of loss of weight in weighing out. The fact remains, to my knowledge, that retailers of fruit are not making fortunes. The people have their clear remedy if they are dissatisfied with the retailer's charge: the auction trade is open to all—in fact, an auctioneer is bound by law to sell to the highest bidder.

7. *The Chairman.*] Even if the retailers are running the price up?—I mean, everybody can attend the sales, the private person as well. Of course, it may be said that the ordinary purchaser could not afford to buy in ordinary-sized packages in which fruit and vegetables are sold in the market; but this is not borne out by fact. For several months past the best cabbages could be obtained in Wellington markets for 1s. to 1s. 6d. per sack; in times of glut fruit and vegetables rule very low. About two years ago tomatoes were selling at from 6d. to 9d. for a case of 20 lb.—eighteen months ago, perhaps. But the consumer did not take advantage of that position. We often hear it said that the institution of public markets would cheapen the price of produce; personally I do not think it would, because the same difficulty would then obtain as obtains at the present time—that is, the people would not personally attend the markets and buy their foodstuffs there. They have got entirely into the way of having them carted to their own doors. I might call to mind an incident that happened a few days ago. I discussed this with a man who was protesting against the price of fruit, &c., and advocated the public markets, and I asked if his wife would attend and buy cabbages, and he said, No, but his neighbour's wife would. Those who advocate the markets seem to think that *other* people will patronize them. It is now considered "infra dig." to carry small parcels along the street—parcels of fruit and vegetables. I think the cost of living is influenced by the fastidious nature of the buyers, particularly in the cities. We find the greatest difficulty now in selling farmers' cured bacon. When we can sell, it is at 2d. per pound less than factory bacon. That is not due to difference in quality; but due to the fact that the people almost insist on the bacon bearing the brand of a well-known factory. Then again, it is almost impossible to sell dairy butter for private consumption—the great majority of it goes direct to the pastrycooks, quite irrespective of its quality. I am speaking of dairy butter—not milled butter. The consumer insists on having butter bearing a well-known brand. Then, red-skin potatoes, which are considered the best varieties for table use in many districts, are also passed by in Wellington, and have to be sold at about 20s. per ton less than the potato which is popular, not because of any particular qualification, but simply because of vagaries of fashion. Fastidiousness is also shown in the difficulty of selling potatoes slightly undersized. I mentioned before that honey was very slow of sale. This also obtains even when the price of jam and butter is particularly high. Last winter, when the price of butter was 1s. 6d. per pound ruling in Wellington, the very best quality of honey was going begging at 3½d. per pound. So we find that when values for any one product are ruling high it does not seem to slacken the demand for it. This brings me to the conclusion that the people do not sufficiently adapt themselves to the position—in fact, the few objections which I have enumerated to certain articles appear to be frivolous ones, and make one think that the cost of living does not, after all, press so heavily upon the people as we are led to believe. The things I have dealt with are small things; but I have chosen them deliberately, because I think they indicate which way the wind blows: in the aggregate they are very large. To substantiate the conclusions that I have come to with reference to foodstuffs, I would like to say a few words with reference to the cost of city board and lodging. It seems to me that if any one would pass on the increased cost of the necessaries of life it would be the boardinghouse-keeper; yet I find there has been no increase in the cost of board and lodging for the last ten years. In addition, the standard of comfort in both board and in lodging has considerably increased. If we take the shilling meal, which can be

obtained at any first-class restaurant in town, it must be admitted that the fare provided is a great improvement on that obtainable ten years ago. In fact, in a shilling restaurant to-day you get every possible comfort, even to the extent of soft music to soothe the mind, and electrically driven fans to cool the summer air—all for a shilling! Speaking of the standard board and lodging—that is, the board and lodging sought by a man earning £2 10s. to £3 per week—I find that has not increased in cost—it is £1 per week to-day, the same as it was ten years ago. There also the comforts and conditions generally have been vastly improved. Then, as to the cheaper class of board and lodging: I have here a *menu* from a restaurant in town which gives four courses for dinner, three for tea, and two for breakfast, and the cost of these meals are 6d. each, with right of return in each case without extra charge. The proprietor pays £11 per week in wages, £10 in rent, £42 per year in rates, and he is making money. From my own personal knowledge I know that this man buys the best of everything. One might well ask whether in any part of the world one can get a better sixpennyworth than is enumerated on this list [list handed in]. I would now shortly like to summarize the conclusions which I have come to in trying to consider the various questions on the order of reference of the Commission. I believe the cost of living has increased, and particularly during the last ten years. I find that increase is almost entirely due to the higher standard of living. Rents have increased, being highest about five years ago in Wellington; I consider rents are now 20 per cent. cheaper than they were then. I think this is caused by the increased cost of material and the increased cost of labour, both of which are due to higher wages.

8. *Mr. Macdonald.*] You say rents are lower now?—Yes, speaking of a period of five years ago. There is no question that the houses have vastly improved in character; the rooms are built larger; they are more artistically built, and conveniences are greatly improved, particularly drainage, water-supply, and lighting. I think there has been very little, if any, increase in the price of food, except those commodities which are affected by outside markets; and I also believe the quality of food to-day and the variety of food eaten by the people is much better than it has hitherto been. Clothing has increased in cost, due no doubt to the higher wages of the worker; and people nowadays dress better.

9. *The Chairman.*] Are you sure the increase in clothing is because of higher wages: it may be that better machinery has overcome that?—Yes, I see that may be so. At any rate, people dress more expensively than formerly. We do not sell clothing in our business, but we buy for farmers if we have orders—we do not stock it. I think the quality of household necessaries has very much improved. So far as my investigations go, I have not found any monopoly or trust that is seriously affecting the price of living, except it might be the Union Steamship Company; and this company, I consider, by the monopoly it has, and by its charging very excessive freights and fares, is a very serious menace to the prosperity of this country. There is one other point I might mention: with reference to tobacco. I have no doubt that the Commission will fully investigate the various circumstances in connection with the sale of tobacco. Here I do not speak as a business man, but as a consumer of tobacco. I think the Commission should inquire as to why it is that when a man buys a pound of tobacco he only receives 14 oz.—that is, bought in cakes or sticks. It is impossible for the storekeeper to give an exact pound without cutting a plug. If he did give him 16 oz. to the pound, he himself would be losing the 2 oz.—the storekeeper would. Unless the storekeeper is able to purchase at least 4 lb. of tobacco he also only gets 14 oz. to the pound. The small storekeeper gets his tobacco from the merchant—I think you would have to go further back than the merchant to get at the leakage. We do not belong to any trust. Many small storekeepers cannot stock 4 lb. of every particular kind of tobacco. I think that competition has ensured the passing-on to the consumer of the reduction of Customs duties. I have carefully looked through tables, and I find that the articles have been lowered—I am not referring to any particular class of goods. Kerosene is one article: that was reduced a long time ago, and the benefit was passed on to the consumer.

10. Who got the benefit of the reduction of 4d. per gallon?—I think the people did—that was years ago. I think it is a fair assumption that competition will ensure the passing-on of the reductions in tariff ultimately. I do not think the increased value of land has affected the price of farm-products. I do not see how this could be so. The farmer is unable to fix a price for his products, and has to sell them in open market. If the price of land increases very considerably (speaking of the small industries, such as gardening and orcharding) the producer generally rises to the occasion, and goes into more intense farming and the use of fertilizers. I think a very potent factor in the increase of products I refer to is the system of house delivery which has become customary of late years—there can be no question that this must necessarily very largely increase the price. In fact, in almost every trade—in all branches of storekeeping—the goods are sold to be delivered at the buyer's house if desired, no matter how small the purchase; and I think that retailers should make some difference in the price of their sales, making the price lower to those who are cash-over-counter customers. In conclusion, I would say a few words: that I think the steps necessary to reduce the cost of living or prevent its further increase, are—(1.) That in this country we should rather aim to build up our agricultural and pastoral industries, rather than make ourselves an industrial and manufacturing community. I do not think that industries having a high protective tariff should have that protection after, say, ten years. I think we should foster our primary industries by establishing agricultural colleges, by interesting the farmers' sons in higher branches of agriculture; and this, it seems to me, will be more necessary as the years go by, because I believe the farmer of the future will have to possess a very considerable knowledge of both engineering and chemistry. (2.) I would strongly urge the teaching compulsorily of domestic economy to our girls in the primary schools; I have always believed this would tend to reduce the cost of living, and also be conducive to the happiness of the home. Not only should the girls be taught cooking, but all branches of home-management; and they will have had inculcated the right spirit of industry and thrift. (3.) I think that everything should be done to cheapen long-distance tram fares and suburban railway fares, and that every facility should be given working-

men to purchase their own homes; also that the farmers should be protected from harassing restrictions. I refer particularly to the restrictions which have been placed on fertilizers, which will be more and more necessary for the small producer as the country becomes more closely settled. For many years my company has been supplying a fruitgrowers' association in the Nelson District with lime; they repeated their order this year, which we had to decline, because we found that the wharf employees would not handle that lime unless it was in paper-lined bags. The result was that the fruit-growers in that district, being unable to get the lime, will not receive the same amount of produce from their farms.

11. Did you ever handle lime in close hold?—No, I cannot say I did.

12. Have you ever handled lime and got it into your hair, and mixed with perspiration?—It is not pleasant.

13. Do you want the land manured with wharf labourers instead of with lime?—I do not think so; I think their objections are frivolous and ridiculous.

14. But you do not handle the lime?—I have done so in my time. My contention is that the paper lining would not make any difference.

15. The Government carries the lime free?—But, unfortunately for the fruitgrower, there is no railway to Nelson. I personally do not see any sense in the restriction; if the lime did any personal injury I would be at one with the wharf labourers.

16. Why do you think they objected?—I do not know.

17. Just out of sheer cantankerousness?—I am at a loss to supply the reason. There is an attempt to apply this restriction to other manures, such as basic slag. Basic slag is harmless enough. To emphasize the value of what basic slag means to this country, I quote the words of our Agricultural Chemist, who in a recent article described it as the philosopher's stone of the farmer, and I believe that is quite correct. Paper-lined bags on basic slag means an increase of 5s. per ton in the cost; that, as applied to artificial manures coming into New Zealand, means £25,000 per year to the farmer.

18. *Mr. Leadley.*] What is the average amount put on per acre?—I do not know the exact average.

19. Three to four hundredweight per acre?—It may be, or more. If the farmer could obtain the slag at the price in England, he would put on half a ton.

20. *The Chairman.*] Is there a curing-factory connected with your company?—No. There is a curing-factory at Masterton. We do not own that or have anything to do with it.

21. Can you tell why farmers in Marton pay 1s. 2d. per pound for bacon?—I should say the farmer was paying too much; that might mean a pound of bacon cut in rashers. Bacon years ago had the bones in it, and now they are taken out, and that makes a considerable difference in comparing prices; even the sides have the ribs taken out.

22. Complaints are made about fruit, as to topping: is that done frequently?—Yes; years ago that was prevalent, lately it is dying out.

23. Brands are more sought after on fruit-cases, because they guarantee the quality?—Yes; I believe in branding.

24. You said there was a falling-off in purchases of dairy butter, and people preferred factory butter. Why does not the branding apply to the farmers' butter?—It does not make much difference if dairy butter is branded or not; it is impossible to sell anything but factory butter for private consumption.

25. From your own personal knowledge, although it is true that there are many empty houses compared with five years ago, do you know of any reduction personally?—Yes; from 25s. to 20s. in the case of one house I myself lived in.

26. Is it not rather unfair that there should be an all-round duty on tobacco—high price and low price alike?—Yes, I think the lower grades should have *ad valorem* duty.

27. *Mr. Macdonald.*] You suggest that the Union Steamship Company is a monopoly: what evidence have you as to that?—It is difficult to give explicit evidence; we know they have an enormous hold of the carrying-trade.

28. If they were charging undue rates, would not another shipping company enter into competition?—There is no company strong enough. I just gave my opinion.

29. *Mr. Leadley.*] You are not in combination with other auctioneering firms?—No; there is a ring, but we are outside of it.

30. Are your rates the same?—The commission is the same now, but the other auctioneers charge extra for receiving and delivery; we do not make those charges. The auctions are held practically every day except in the off season; they commence about 9 a.m.

31. It is hardly possible for the average man to attend then?—There are days when he is not working, and in summer the auctions go on to 2 p.m. We do not auction meat; pork is handled here, that is all.

32. Have commissions dropped since you came into existence?—It was really a recent rise in the rate of commissions charged by other companies that brought my company into existence.

33. Have the other companies' commissions been reduced owing to your starting?—Yes.

34. What do you think of the suggestion to start a municipal market?—I think it would be a waste of money. I do not think people will ever get into the habit of fetching their stuff from the market; the trade would be carried on by middlemen in the public market.

35. *Mr. Fairbairn.*] Are your shareholders mostly farmers?—Yes, and poultry-raisers and fruit-growers. Although the total subscribed capital is only £5,000, we have nine hundred shareholders.

36. You put down increased rent to increase in labour and materials. You have left out the enhanced value of land: is not that the most important factor?—Yes, I should think it was.

37. You rather suggested that you thought it would make little difference what the price of fruit is, as regards the consumption?—We found the demand was just as great when the price was exceptionally high.

38. Cheaper distribution would be in the interests of producer and consumer, you said?—Yes, it would be for the interests of both.

39. It is accepted in trade as an axiom that reduction in cost of distribution is beneficial to consumer and producer?—Yes. I said, at a time when any product rises high, the fluctuation does not seem to affect the consumption.

40. *Dr. Hight.*] What is the duty on onions from Australia?—£1 per ton.

41. You spoke of farmers' bacon being usually 2d. per pound less?—Yes.

42. Is that subject to the same inspection as factory bacon?—In some cases it is, because the farmer sends his bacon to the factory to be cured; if killed on the farm I presume it would not be inspected.

43. You say rents are 20 per cent. cheaper in Wellington than five years ago: what are the causes of that decrease?—One of the most potent causes has been the fact that five years ago suburban lands were booming, and people were induced to put up more houses than there was a demand for.

44. People now require delivery of goods at their houses?—Yes, in practically all cases. A draper told me that a lady had rung up recently and asked for a 1s. 6d. veil to be sent up as soon as possible. This is a rise in the standard of comfort, I suppose, but it is rather regrettable.

45. Could you give us any definite information *re* railing eggs from Auckland to Wellington?—Not without a railway tariff. There is a sliding scale up to 4 cwt.; after that they go at ton rates.

46. *Mr. Hall.*] Does what you said about farmers' butter apply to separator butter?—Yes. The dairy butter has largely improved—vastly improved. There is a difference of 3d. per pound between factory butter and farmers' butter—a difference of 4½d. per pound would not be a reasonable one.

47. Do you auction fruit?—Yes. I question if more people would buy more fruit if sold in half-cases or quarter-cases. A man can get a carrier to deliver the case for 3d. or 6d. within a certain area. We do not sell many cases of fruit to consumers.

48. I understand that experiments are being conducted in regard to the pasteurization of milk?—I understand that experiments have been made at Glen Oroua, but sufficient time has not elapsed to tell the result.

JOSHUA CHARLESWORTH, Architect, Wellington, examined on oath. (No. 224.)

1. *The Chairman.*] You could give us prices we thought that would be useful. The price of timber has risen considerably in the last ten years?—About 5 or 10 per cent.

2. Have bricks gone up very much?—They are about the same—50s. per thousand.

3. And other materials: have they gone up?—Yes, considerably.

4. And the cost of labour has increased?—Yes, slightly.

5. Have the other trades, such as painters, plumbers, and gasfitters gone up more than the carpenters?—I do not think so. I think the general all-round increase is about 5 per cent.

6. Why does there seem to be such a difference of opinion as to the increase of costs in timber, labour, and so forth?—I cannot account for that.

7. Have you noticed if there is a great falling-off in efficiency of building-trade workers?—I have not noticed it.

8. Considering the hours are shorter, and that there is generally a more luxurious tone (it is alleged), would you consider the efficiency of workers in the building trade has fallen off?—Not at all.

9. *Mr. Fairbairn.*] Can you tell us what the labour-cost of a wooden cottage costing £400 would be?—I would not say straight off.

10. You spoke of increase of labour being 5 per cent.: what were the carpenters' wages ten years ago?—10s. per day; to-day they are 12s.: that is 20 per cent. increase. Bricklayers ten years ago got 10s. to 12s., and now they are getting 14s.: that is 40 per cent. Painters got about the same wages as these, I think. The rate for carpenters may be 11s. 8d. per day.

11. Can you give us the prices for timber?—Well, kauri is very expensive—almost unprocurable. Ten years ago we did not use much. Dressed kauri is 30s. now, and eight years ago it was 20s. Red-pine used to be 9s. to 10s. eight years ago, and now it is 11s. to 12s.

12. *The Chairman.*] Can you tell us anything else about the cost of living?—Not beyond the excessive price of land, and newer and more expensive type of building required.

DONALD JOHN CAMERON, Farmer, Masterton, examined on oath. (No. 225.)

1. *The Chairman.*] Have you a statement to make?—Just a few remarks. From my experience I find no appreciable rise in foodstuffs. You can travel in Wellington or any part of New Zealand and get a good lunch for 1s., and it has never been cheaper than that any years I have travelled. I was on a Hospital Committee, and the food-costs for forty people were 6s. per week for food alone, which seems a very moderate sum. It does not cost me any more to feed my men than it did years ago; I supply them with my own mutton. The rise of wages in the last seven or eight years is about 25 per cent. The pay of an ordinary station hand used to be 20s. per week, but now it is 20s. to 25s. and found; ploughmen's wages were 22s. 6d., and now they are 27s. 6d. to 30s. The domestic girls are hard to get, and they do not like going into the country; we used to get them for 12s. per week, and now it is 15s. to 20s. Times are good and labour is independent—there is plenty of work for labour. I had a married man and his family, and gave him 35s. per week and cottage, his wood, and milk, and butter; but he only stayed seven weeks, and left because I asked him to load baled hay on the cart.

2. Why did he object to that?—He was engaged to do any work. He said the work was too hard. I asked him who owned the place, he or I. It was baled hay, and there was merely one to unload these 80-lb. bales. We have another ploughman just out from Home; we pay him 30s. per week and found and he is wonderfully pleased with his wages and conditions as compared with English conditions.

He has saved all his wages for the last six months, and put them in the Post Office Savings-bank. He will soon be able to get a farm of his own.

3. What is the price of farms about your district?—Land is selling at high values. There are all sorts—£40 per acre sometimes; light land down to £5 per acre—poor country that is. The high values are brought about by the skill of the farmer in breeding good stock—that is one main element; the animal cuts more wool than years back—it is his skill in breeding. There are other farmers than sheep-farmers, but they too have to work their land better to get good results nowadays.

4. *Mr. Leadley.*] Are there any Sedgwick boys in your district?—I think, one or two; I do not know from my own knowledge. I think there would be openings for a considerable number of these boys, mainly amongst the cow-farmers. There are all classes of settlement in my district; the hilly country is in large holdings.

5. Would a more efficient supply of labour tend to much increase production?—Yes, and that would be a benefit to the entire community.

6. Would that decrease the cost of living?—It should do so, and there would be an increased amount to export, and that would be a benefit to the community too.

CHARLES WINSWORTH HALSE, House-furnisher, examined on oath. (No. 226.)

1. *The Chairman.*] Are you the proprietor of the Te Aro Furniture Company?—Manager and half-proprietor.

2. A great deal of furniture goes through your hands?—Yes; a good deal of it on time-payment system. About half is sold on time-payment system.

3. Will you describe that system?—We usually receive one-third deposit as a first instalment; sometimes they do not make so great a deposit—they may have a recommendation from another customer. We do not, as a rule, make any inquiries. We generally ask for one-third down; sometimes we take one-fourth down.

4. What relation does that deposit bear to the cash prices?—Very little difference. People can take the articles at cash or on instalments; the instalments are weekly, or monthly, or fortnightly. The people are given credit for the amounts paid, and when the amount is paid in full they are given a clear receipt. We do not charge any interest whatever. The things are booked at cash prices. We give a cash discount to cash buyers—and about half our business is for cash. The cash discount is 5 per cent. to 7½ per cent. Then the time-payment prices are increased, as it were, by 7½ per cent. interest.

5. Suppose they had paid only one-half, and no more payments were made, what would you do?—About twelve months ago people were going away, and they asked us to take it away. Once or twice people have cleared out without paying in full. We execute a bailment, and the goods are supposed to be ours till they are fully paid for. We have very few bad debts—the goods are mostly paid for very well indeed.

6. *Mr. Fairbairn.*] You sell one-third cash and the balance on monthly instalments?—On instalments extending over six to nine months; but sometimes it may run up to two years: that has happened where £50 or £60 worth is purchased. The payment is usually 30s. per month—30s. to 40s. per month.

7. Supposing £200 worth of furniture were bought, what would the instalments be?—£5 per month, otherwise the time would be too long. The deposit would be not less than £50 on £200 worth.

8. *Dr. Hight.*] What are the advantages to the public of this system?—There are many people who would not be able to furnish their houses except on this system. If they try to save up cash, the money goes in various ways, and they do not seem to be able to collect enough. Customers have continually come back and purchased more furniture, and working-people generally say it is a great advantage to buy in this way; it enables them to get furniture they could not otherwise get.

SATURDAY, 6TH JULY, 1912.

CHARLES JOHN REAKES\*, Director of Live-stock and Meat Division of the Department of Agriculture, examined on oath. (No. 227.)

1. *The Chairman.*] How long have you been connected with this Division?—Between fourteen and fifteen years.

2. During that time have you noticed a great improvement in the stock of the Dominion?—There has been a considerable improvement in the standard of quality of the stock, and, of course, the number of animals has increased also.

3. The yield of milk and butter has increased very much?—Yes, on the whole it has, although the increase per head has not been (so far as I can gather without exact statistics) in proportion to the increase in the number: this is largely due to the fact that there has been a very keen demand for dairy animals of late years.

4. And the supply of really first-class animals is not equal to the demand?—Not at the present time, in the case of dairy cows.

5. Still, there is a general desire on the part of farmers to improve their herds very considerably?—Yes; there has been a great awakening on their part, so to speak, especially during the last two or three years—a much greater advance during that time than before.

6. Has there been a tendency to avail themselves of all the advantages which the Government has given them in regard to instruction?—Yes; so far as my particular branch of the Government work is concerned, the farmers have availed themselves very largely of the assistance we try to give them—especially of late years.

\* Part of Mr. Reakes's evidence was taken in camera, and is not published.



7. You have noticed a great increase in the price given for land for dairying and other purposes?—Yes.

8. Is that in your opinion a very healthy sign in regard to the future prosperity of New Zealand?—Well, so long as the values of land do not get above a "paying" value—*i.e.*, a value under which the occupier can make a good living—it is a good thing; but naturally any tendency towards land speculation which would have the effect of raising farming land above a "paying" value is not a good thing for the country.

9. And you have noticed there is a tendency in that direction in certain districts?—Yes.

10. What would you consider would be the best course for the farmers to take in order to get the very best results for the colony and for themselves from the land?—To go in for the very best methods of farming the land—farm it to the best advantage.

11. Is there anything in the conduct of rural affairs which would tend to increase the cost of living to the general public?—No, I do not think there is anything in particular, especially in regard to dairy-farming. In most cases the dairy-farmer himself works, and his wife and family too, and really the conditions under which that class of farming is carried on are such as to reduce the working-expenses to a pretty low figure. In some cases I think the conditions under which labour is obtained might be better adjusted, to the benefit of the whole community. One hears complaints sometimes of the difficulty of obtaining the right class of labour.

12. Do you think proper inducements are held out for that right class of labour to go into the country?—In a large number of cases I think that the conditions under which the man is working on a farm—the man employed by the farmer—are good and comfortable, and certainly there is less inducement for a man to spend his money in pleasure than if he were living in a town or near a town; the country man has better opportunities of saving.

13. Have you noticed that the difficulty of getting cheap labour has had any unfair influence on the health of the children in certain dairy districts?—That is really rather a difficult question. On the face of it, it would seem that children having to spend a certain amount of each day in milking cows, before and after school hours, would suffer; speaking from the humanitarian point of view, of course it is not good for young children to have too much work to do, especially work that has to be done every day. I can only say that nothing has come under my personal notice which would indicate to me that the children have actually suffered in health.

14. You might be more likely to observe the outward physical appearance of health, but if a schoolmaster said their mental powers were dulled by the long hours you would think that perfectly reasonable?—There would be certainly some reason for suggesting that children who have to rise early in the morning and milk a number of cows before going to school, and on returning, would be physically tired and consequently dull and sleepy; but this did not appear to me to have affected their physical appearance. One occasionally sees "weedy" children in the country, though less so than in cities, but they would probably be "weedy" under any circumstances.

15. Have you any statement to make to the Commission as to the cost of living having increased [order of reference handed to witness]?—This order of reference covers a very wide scope indeed, and my own work in this country has been principally in connection with the meat and milk supply; I do not feel qualified to express opinions on the general questions involved.

16. *Mr. Fairbairn.*] Can you tell us how many dairy cows were in full milk during last season for the whole of New Zealand?—The total number of dairy cows in milk and dry in the whole country in April, 1911, was 633,733. The number in milk varies from month to month, of course. I cannot differentiate in figures between the cows in milk and those dry for any particular month.

17. The Year-book is rather vague in giving the amount of butter locally consumed. Could you give me the average amount of butter-fat produced per cow per year?—Mr. Cuddie has worked this out in connection with his branch of the Department. I believe the estimated annual average yield of butter-fat per cow throughout the Dominion is 185 lb. My business really ends, in the case of cows not supplying towns with milk, with the health of the cows.

18. Does the inspection and classification of meat come within your Department?—Yes.

19. It has been suggested that the meat for local consumption is not of the same grade as that exported: can you tell us anything about that?—Yes. Taking it on the whole, I consider that the meat used for local consumption is quite as good in quality as that which is exported. There is a difference found in beef—*e.g.*, from some dairy districts. Many butchers, in districts where most of the cattle are dairy cows, slaughter for human consumption a greater number of cows than bullocks, whereas in the bigger centres, such as Wellington, the reverse is the case.

20. And therefore the meat would be better in Wellington?—It does not follow. Meat is not better because it is not the flesh of a cow; if the cow has been properly fattened it may be excellent beef.

21. Speaking generally you think that the meat used for local consumption is quite equal to that exported?—Oh, yes.

22. Can you give us any information with regard to bacon-curing establishments?—Yes. The bacon industry has developed to a very considerable extent in the country during the last few years, but the values of pork and pork-products—(bacon, hams, &c.)—show a greater tendency to fluctuate than the values of beef and mutton. The reason for that is that the great bulk of the pigs reared in this country are reared on dairy farms, and are fed upon the by-products of dairy factories—skim milk, whey, &c. The dairy-farmer looks upon his pigs as being a side line, and it is always a question with him each year whether it will pay best to raise more calves or more pigs, and he is usually guided by the market values at or about the time. If there appears to be a prospect of his getting a good price for his calves, he will use more of the by-products for these, and then the supply of pigs falls off; it is really a matter of supply and demand which regulates the prices.



23. Have you any statistics bearing on the loss in weight in dead pork when cured into bacon?—That is a matter for a bacon-curer. I have no statistics on the point, but I will be glad to obtain definite information for you in this respect.\*

24. Do you know if preservatives are largely used in the manufacture of bacon—boracic acid or borax, for instance?—There are different mixtures used in the curing of bacon. I have no knowledge of anything being used that would be injurious in any way.

25. Are there any regulations prohibiting the use of boracic acid or borax?—None that come within my jurisdiction. I am not clear as to the regulations under the Foods and Drugs Act; I have nothing to do with that.

26. Such regulations exist in England?—Yes, they have in England fairly stringent regulations which prohibit certain things being used at all, and prohibit the use of more than a certain percentage of other things.

27. But you see no reason to introduce legislation of that kind in regard to New Zealand bacon-factories?—Not so far as my observation has gone; but that particular matter does not come within my jurisdiction.

28. Would you think it desirable to introduce legislation to that effect, if it is not already in existence, limiting the quantity of preservatives that may be used?—If the necessity exists for doing so, naturally it would be a good thing; but one would want to be sure that the necessity exists.

29. *The Chairman.*] Is there any time of the year when meat is more or less good for consumption—any time, e.g., when ewe mutton would not be nutritious for human food?—It is not good to use ewe mutton when the ewe is very near lambing, of course. Ewes are sometimes killed then, but not deliberately, as it were. A man might buy a line of sheep in the saleyard, and only after slaughtering find out the stage of pregnancy in which they were. Then our present system of inspection steps in, and if they are too far gone we condemn the carcase.

30. *Dr. Hight.*] Have you formed any opinion as to the effect of import duties on flour, wheat, butter, onions?—Those are matters which really have not been brought directly under my notice. As regards meat, the importation is practically a dead-letter; we are a meat-exporting country. I do not consider I can speak with any authority on the other matters.

31. Have you any knowledge of the changes during the last few years in the cost of making ready for consumption and distribution the articles of food after they have left the hands of the producer?—As regards meat, milk, and so forth, naturally there has been an increase in the cost of bringing the materials to the consumer, owing to the fact that, in common with every other industry, the cost of labour has been greater.

32. You think the increase in the cost of that department of production is greater than in the primary steps—greater than in the growing of the foodstuffs?—In the case of all the smaller farmers, certainly; because in many cases the farmer and his family do all the work.

33. We have had some statistics which put the ratio of wholesale prices to retail prices eighteen years ago as 100 to 128, and now in 1910 the ratio is 100 to 145: do you think that is correct?—That would suggest an increase in the direction I have indicated.

34. Do you think that ratio of increase is approximately correct?—I should quite think there has been an increase in the cost of distribution after the food-materials leave the farm.

35. A greater increase than in the cost of production on the farm?—Yes; but the cost of production has increased to the farmer who employs labour—say the South Island farmer, for instance.

33. In your opinion, is this greater increase in the distributing-cost justified by circumstances?—That is a matter which really could be better dealt with by one in close touch with the retail trades.

37. I wondered whether you were in possession of any information that might throw light on the subject?—Before expressing an opinion I would like to feel that I had gone thoroughly into every detail of the matter, and I have not done this.

38. *The Chairman.*] Why is it when we have quicker methods of distribution—motor-cars, steam-wagons, trains, and so forth—that the cost of distribution rises to a greater cost than when we had bad roads and poor service?—In the first place, the consumer probably requires more attention than he was content with in older days; he wants his meat delivered earlier, and he wants the butcher to call for the order first and then come back with the meat from the shop: that is one important factor in increasing the cost of distribution. Then, the wages of the men who distribute the material have increased all round.

39. *Mr. Hall.*] You are the head of the poultry department, I understand: can you give us any information as to the supply of poultry?—To my mind the supply of table-poultry is capable of very great improvement. I can speak from personal experience as to the difficulty of getting good table-birds. The birds exposed for sale are usually of very inferior quality, and unreasonably high in price.

40. *Mr. Fairbairn.*] In Christchurch a fowl is sold at 3s. 6d. in the shops, and usually the farmers get 1s. per head?—Yes; that indicates that the question of distribution is one that requires thinking about.

41. *Mr. Hall.*] Are you doing anything in the way of improving the quality of the poultry in New Zealand?—We are making special efforts to increase the supply of good table-birds throughout the country. We are selling from our poultry-stations, at a low price, birds suitable for breeding table-birds, so as to give farmers and others good stock.

42. Have you done much in the way of inoculating for black-leg?—Yes, we inoculated somewhere about seventy thousand calves this season; the year before the number was less. The result has been absolutely satisfactory.

\* Later witness supplied the following information:—The dressed weight of a bacon pig is about 27·5 per cent. less than the live weight. The finished product of bacon and hams is about 27·5 per cent. less than the dressed weight.

43. Do you think the products of the farms would be increased if there were more labour available?—I hear complaints of the difficulty of obtaining labour, and of obtaining the right class of labour—men well acquainted with farm-work. Some people tell me it is difficult to get any labour at all.

44. Would practical farm labourers have any difficulty in getting work?—Not the slightest.

45. What are they paid in the districts you have moved in?—The pays varies considerably; at times farmers are willing to pay fairly high wages to ensure getting the services of a man who suits them. I was told by one employer that he was paying to really good men £2 10s. per week and found. Another instance that came under my notice was that of a man willing to pay a good fencer 30s. per week and found; he engaged the fencer at this rate, but the man failed him, and he ultimately had to be content with an inferior man at 25s.

46. *Mr. Veitch.*] Can you suggest any remedy for getting over the difficulty of scarcity of labour in the country? Would the building of workers' homes help?—You could hardly build workers' homes in country districts that would be convenient to the people living in them to get to their work; many of the farms are widely separated, and you have no concentration of population, so to speak.

47. Do you think it is the intermittent nature of the employment that is the cause of the shortage: is the employment intermittent?—Not always. My experience is that the farmer who has settled down on his farm and is trying to get the best results from it is only too glad to keep a good man going all the year round. In the case of some dairy-farmers there is a demand for men to milk cows during the milking season, and some dairy-farmers might not want to retain the man's services during the whole year. But dairy-farmers are now becoming more alive to the necessity of cropping and cultivating their land, and that requires more labour.

48. How much labour he can employ will be governed to some extent by the mortgage he has on his farm, and his consequent financial ability to pay for labour?—That is so.

49. Can you offer any suggestion to overcome the present shortage?—It is very difficult to see how under existing conditions that shortage could be remedied internally. We really want more men in the country who are accustomed to agricultural work. Naturally the idea is apt to arise that the situation can be relieved by taking a certain proportion of the workers from the towns and putting them into the country; but many men accustomed to working in towns all their lives are not of much use on a farm until they learn their business. There are certain simple manual classes of work on a farm which any able-bodied man can do, but the man trained in farm-work is a much more generally useful employee for the farmer.

50. Then the difficulty might be got over by importing lads from the towns or from Home and training them on the farms?—Within a few years that would improve the conditions very much, but it would not fully remedy the immediate difficulty.

THOMAS BERKLEY GODDARD, Labourer, examined on oath. (No. 228.)

1. *The Chairman.*] Where are you resident?—Wadestown.

2. You have some information that would be useful to the Commission?—Yes, I think so. Decidedly I think the cost of living has increased in the last twenty years. I think it has been more marked during the last ten years than during the previous ten years. I think it has not been more marked than in the other English-speaking countries. *Re* higher standard of living: a great deal depends on circumstances; speaking in a general way I would be inclined to think there is a higher standard of living, to a certain extent. In the matter of a man with a large family it is impossible for the standard of living to improve. Rent is the most marked increase, in my opinion. Food has not increased unreasonably, taking all the circumstances into consideration; clothing has decidedly advanced; lighting is about the same, but fuel has advanced; household necessaries have increased in cost. Medical attendance I do not think has increased; education has decreased, if anything. It is difficult to say how monopolies have increased the cost of living. I would like to pass a general remark on this, but I cannot speak authentically.

3. We do not want you to answer all these questions: cannot you speak from your own experience?—We know that monopolies do exist, but if I answered this question as a consumer of household necessaries I should say the monopolies have not unduly and harshly affected the wage-earners of the community. I do not think the consumers have got much benefit from the remission of Customs. I think, in the past tradespeople were equally in as bad a position as far as doing business.

4. *Mr. Fairbairn.*] This Commission has definite evidence as to trusts, and outside opinions are not of any value to us?—I see. We have not felt the effects of trusts, I think; but although the articles have not been increased by the trusts, they might have been further reduced, perhaps. Speaking as to the price of land, I should think the high prices of land would restrict production to a certain extent. I should think, in regard to question 8, that there would be a material effect. As to labour legislation, I should not think there was a large effect on the price of commodities. As to what steps should be taken to reduce the cost of the necessaries of life, my idea is that the only practical remedy is free importation. It is quite a mistake to tax food—and a harsh mistake. The price has gone up for State coal, and that has surprised me. I think the Government could give us this cheaper if they had their own carrying-steamers—the Government have no boats of their own. I do not know the freight rates on the railways.

MONDAY, 8TH JULY, 1912.

FERGUS FERGUSON MUNRO, Shipping Agent, Westport, examined on oath. (Recalled). (No. 229.)

*Witness.*: I have noted down exactly what I wish to have on record, as follows: With regard to further precise statement as to a vend or combination of coal-owners and shipping companies

in restraint of the coal trade on the west coast of New Zealand, I have no hesitation in stating that from my experience an arrangement exists, controlled by the Union Steamship Company, and affecting all the smaller shipping companies now trading in New Zealand, to carry the output of the owners at rates of freights arranged between themselves—i.e., the shipping companies; that the agreements of the shipping combine with the coal companies specify that the combine ships are to be given preference in loading; f.o.b. shipments are to be discouraged by any possible excuse. The mines controlling the price and date of loading can, and I believe do, absolutely discourage competitive trade as regards sea-borne coal. The preference of loading to the combine steamers can, of course, be carried to such an extent that the outsiders will be subjected to such a delay in loading that any ordinary freight would be unremunerative, so that without the aid of such companies to place prohibitive prices on the coal or to absolutely refuse to supply f.o.b. the combine can effectively stifle the introduction of other shipping into the trade. It sometimes appeared to me that the State colliery of Seddonyville is in a similar predicament. On one occasion when the State mine was working very poor time, and the miners were clamouring for work, I had an opportunity to place 1,000 to 1,200 tons of State coal. Mr. Crowther, the then agent for the State mine, gave me a satisfactory quotation, and instructed the mine-manager to get ready to deliver. But an hour or two later he informed me that the coal could not be supplied. I firmly believe that this combination has brought about the following results: (1) The people of the Dominion pay considerably more for their coal than would obtain under freedom of trade; (2) the coal-measures of the Dominion have been hampered in their development; (3) much industrial unrest is created by the condition of trade. Result 1 is obvious. Results 2 and 3 are worthy of special inquiry, and would perhaps be too intricate to detail at this stage. The suggested remedy that coal-owners having leases from the Crown should compulsorily supply every ship in turn at market rates f.o.b. would result in the general lowering not only of the price of coal, but of all sea freights and passages in the Dominion, and this unquestionably would cheapen our present cost of living. It is, to say the least, unique that, taking Westport as an instance, with an output of coal getting on toward three-quarters of a million tons per annum, and steadily approaching the million tons, the f.o.b. price of coal is not a matter of common knowledge. I have not heard of a similar instance in the world. Were the people engaged in the industry acquainted with this, a big factor in the wages question under present conditions could then be reasonably argued, and possibly arranged on more certain basis than at present. It is my opinion that with closer supervision of the trade as conducted to-day there would be no occasion to send New Zealand money to Australia to buy Newcastle coal. In this respect the Government of the Dominion have consistently set a bad example for our State railway supplies. Wages at the colliery districts may appear very good, but if the full time is not worked it gives the matter a different complexion, and the cost of living in proportion to the amount earned is calculated to cause unrest, when the Government of the Dominion is expending the railway revenue in employing miners in a neighbouring State to obtain their fuel. As far as coal enters into the cost of living for domestic purposes, I might add that there is a large bed of lignite coal extending from ten miles to the south of Westport to a point fully fifteen miles farther south, from which a very fair household coal could be mined and shipped and landed in New Zealand ports at about half the cost of bituminous. It is unworked for want of railway communication. I now hand you some letters, not for publication, which I believe are authentic copies of originals, and which support what I say from experience, showing how the coal trade of the West Coast is conducted, showing clearly that a combination in restraint of trade is in existence on coal, which directly or indirectly enters largely into the cost of living of the people. The letters are between the head of the shipping combine and one colliery, and may be taken as typical for the other mines. [Letters and documents handed in].

1. *The Chairman.*] You really believe this combine is inimical to the people of Westport and to the coal-mining industry?—Yes, to the whole of New Zealand.

2. *Mr. Macdonald.*] Mr. McVilly stated that Newcastle coal was bought by the New Zealand Railways only when New Zealand coal was not available?—The Railway Department altered the specification of coal they required some four or five years ago, to take only a selection of coal. They would not take the run of mine-coal as formerly—which I think is quite excellent coal. On the local railway at Westport I understand unscreened coal is used, and that is a line with steep gradients.

3. *Mr. Veitch.*] What do the Railway Department specify now?—Nothing but screened coal, I understand. I have not seen their specification lately. When we opened the Stockton Mine I looked upon them as a customer for unscreened coal, but they informed us that they would take only selected screened coal. They may have varied that specification since.

4. The unscreened coal is not good for railway work, I know; but a good deal of unscreened coal is used. Possibly that unscreened coal bought lately has been bought as a panic measure?—I remember reading the coal vend cases in Australia and there was evidence that the West Australian railways were run on lignite coal. The West Australian Government looked upon using that coal, which was a local coal, as a benefit to the State as a whole.

5. The Newcastle coal at the price at which it is supplied to the railway is a far better commercial proposition than Westport at the present price. But I think it is true that the Newcastle coal is bought only when Westport and New Zealand coals generally are not purchasable?—Well, every ton of coal that is brought out of a mine exhausts the mine to that extent, and therefore the New Zealand companies do not like to exhaust their mine when there is difficulty in imposing of their profits, except when good profits for so doing are available.

6. *Mr. Macdonald.*] Can you remember any instance where the preference clause has "frozen out." ships from Westport?—I remember ships having to leave in ballast; the barque "Anny" came from Liverpool with pitch, and then lay fuming for business and had to leave Westport without a cargo of coal ultimately, and then went to Newcastle and loaded coal for Java. This boat certainly waited for weeks, I do not know whether the owner wanted to buy coal or expected a freight, and I know other similar instances have occurred.

FORTESQUE WILLIAM THOMAS ROWLEY, Chief Clerk to the Department of Labour and Deputy Chief Inspector of Factories, examined on oath. (No. 230.)

1. *The Chairman.*] Have you any written statements you wish to put before the Commission?—We shall have tables finished very shortly showing the number of people employed in the manufacturing industry throughout New Zealand during the year 1910–11. These tables will show not merely the number employed as at the 31st March, but the number employed from month to month—that is, the number of individuals concerned in the industry during the whole twelve months; and from this we get the average actual wages paid to each person. I have brought one example of these tables—that relating to the frozen-meat industry. This does not take in office employees—only those engaged in the industry itself. There were altogether 2,451 men employed in this industry during the year—the total is 2,451, and the lowest number is 1,200; the average employment is forty weeks; and the average earnings for the forty weeks was 56s. 1d., which worked out to 44s. 1d. for the fifty-two weeks. In about ten days' time I could let the Commission have returns similar to this for other trades.

2. *Dr. Hight.*] We would require these only in abbreviated form, and if you could let us have, say, ten copies we should be very much obliged?—I shall try to do so. I have also prepared a table which I will put in showing the number of people employed in all the various occupations of any kind, grouping the occupations in what I consider to be their order of usefulness. I have compared the year 1891 with the year 1906 (1911 figures are not yet available). As no doubt you are aware, in 1891 there were 150 people in the country to every 100 in the towns; while in 1911 there were only 99 people in the country to every 100 in the towns. My object in compiling the table of occupations was to find out in what direction the apparent "migration" from the country to the towns had taken place, and I fully anticipated, for example, that the number of producers and manufacturers of the necessaries of life would have diminished. On the contrary, all the occupations show an increase larger than the actual increase of population, but the number of scholars and dependants shows a tremendous drop. It is true there was a falling-off of manufactures in 1909, but they have since gone up, I believe, though I have not the figures quite ready yet. The fact that the total number of children and other dependants has decreased is no doubt due to the falling birth-rate, but the fact remains that in 1906 there was a larger proportion of the population engaged in the various useful occupations than in 1896, so that the country should be much richer on that account. I fully anticipated that the number of producers and manufacturers would show a large decrease from 1891 to 1906, which fact would naturally cause a big rise in prices generally. [For summary of this return see Exhibit No. 8.]

3. Is the definition of the various trades the same in the different years in which you have compared them?—Oh, yes, I was careful to watch that point. I think we can safely rely upon it that the classifications are the same; and the definition of a "factory" in the Factories Act would not affect the matter, because the figures are taken from the ordinary household census, not under the Factories Act.

4. *Mr. Macdonald.*] Have you any statistics to show what effect the labour legislation has had on the increase in the prices of the commodities of life?—The only information I have in that respect is in regard to the number of hours worked. We have departmental tables showing the changes in hours since the Arbitration Act came into force; and one would naturally come to the conclusion that decreased hours would mean a decreased output. In many trades the hours have been reduced, and I suppose that, other things being equal, there would be an increase in the price of the commodities in consequence of this decrease.

5. Have you gone into the question of the effect of tariffs and Customs duties on the cost of living in New Zealand?—Of course, the necessity of encouraging local industries by Customs duties must make living more expensive than it would otherwise be; at the same time, I think, speaking theoretically, that this country should be self-supporting, and that if it is necessary, in order to enable it to be self-supporting, for the country to impose tariffs, that should be done. I can only give theoretical opinions; I have no practical facts on which I could base any conclusions I might be able to bring before you.

6. *Dr. Hight.*] Could you give us the proportion of country to town population in the year 1906, as well as the year 1911?—Yes, I think I can get that for you.

7. *The Chairman.*] When do you think the completed census returns showing the occupations of the people in 1911 will be available?—In about two months' time, I understand.

8. *Dr. Hight.*] Have you any other tables to bring before the Commission?—Yes, I will put in a table showing the expenditure on public buildings during the last twenty years; I thought this might perhaps be useful to the Commission. These are buildings put up by the General Government. I will also put in a statement showing the total amount of savings-bank deposits from about twenty years ago—for the years 1892, 1896, and 1909.

WOBURN TEMPLE, Architect for Workers' Dwellings, Labour Department, examined on oath. (No. 231.)

1. *The Chairman.*] How long have you been in charge of this work?—Five years. The Government has erected dwellings in the four centres only till this last Act; now we are extending the dwellings to Timaru and any other places asked for.

2. Have you noticed any rise in the price of timber?—It would be about 5 per cent. in the last five years—since I have been in touch with the building trade in New Zealand in connection with these workers' dwellings.

3. Have you any experience before this last five years?—Only as an overseer in the Public Works Department.

4. Have you noticed a rise in the price of bricks?—No, not more than other materials; everything has risen about 5 per cent.—all the materials used in building the house, as far as I can gauge.

5. Have you noticed any rise in the cost of labour?—A slight rise, but I do not think it is affecting the trade, because I think the men work better; good men worked more conscientiously, so that counterbalances the rise in wages. They do as much work in the shorter week as they did formerly in the longer week.

6. Do you believe, if the Government have a more generous programme of building workers' homes, that the effect would be to lower rents?—That must be so; every twenty houses put up must empty twenty other houses, and so rents must come down.

7. Have you a list of the rents now asked for Government dwellings?—No, I think Mr. Lomas put that in.

8. Have you noticed any rise in the cost of living?—Not particularly, except in meat.

9. *Mr. Fairbairn.*] What percentage of labour would be represented in the cost of building one of those cottages?—I have prepared a statement for design 7, which is a great favourite, showing comparative costs of labour, materials, &c.

*Comparative Cost of Workers' Dwellings in the different Parts of New Zealand, and Comparative Cost of Labour and Materials for each Trade.*

Comparative cost of erection of a five-roomed dwelling (design No. 7), with all conveniences, including artificial lighting, hot and cold water to bath and sink, and drainage (all complete except the fencing and value of section): Auckland, £350; Wellington, £393; Christchurch, £350; Palmerston North, £395; Timaru, £372.

Taking the Wellington price, for example (*viz.*, £393), and showing the comparative cost of materials and labour:—

	£	s.	d.	£	s.	d.	Per Cent.	Total per Cent.
Timber (about 12,000 super. ft. averaging 15s. per 100)	90	0	0				22.9	47.84
Cost of joinery from the factory (including material and labour)	35	0	0	188	0	0	8.9	
Labour: Carpenters and Joiners (about 50 per cent. of value of all timber)	63	0	0				16.04	5.85
Bricklayer's material..	15	0	0	23	0	0	3.81	
„ labour ..	8	0	0				2.04	5.22
Drainlayer's material..	13	0	0	20	10	0	3.30	
„ labour ..	7	10	0				1.92	14.76
Plumber's material ..	37	0	0	58	0	0	9.41	
„ labour ..	21	0	0				5.35	8.40
Painter and paperhanger's material ..	18	0	0	33	0	0	4.58	
„ labour ..	15	0	0				3.82	9.41
General ironmongery (including roofing-iron) ..				37	0	0	9.41	
Unskilled labour ..				9	0	0	2.29	2.29
Builder's profit (besides which it is assumed that he receives varied discounts on materials for prompt payment) ..				24	10	0	6.23	6.23
<b>Total cost ..</b>				<b>£393</b>	<b>0</b>	<b>0</b>	<b>100.00</b>	<b>100.00</b>

In the other towns the percentage for materials and labour is proportionately the same; the principal cause of the difference in the amounts as above stated is due to the different methods of construction in each district, and also whether the builders tendering are busy or not at the time. The differences in costs are due to different methods of construction for the most part—lighter timbers are used in Auckland and Christchurch in the roof, for instance. Sometimes the cause of the tenders varying considerably is because a builder is slack at the time, and he therefore submits a cutting price to obtain the work by allowing for the discount on materials to pay, or partly pay, for the fixing of same. I hardly think that the amount of profit allowed is sufficient considering the responsibility involved on the builder.

10. The builder gets 10 per cent. from hardware people, brick-merchants, and so on: did you say he would be stopped if he gave any of those discounts?—Oh, no; he would put on 10-per-cent. or 15-per-cent. profit for himself; he would know he was safe to get 10 per cent. on materials, and he cuts to the 5-per-cent.-profit level. Sometimes he reckons his profit as simply the discount he is himself sure to get allowance for. I think it is fair that the builders should get a discount as compared with outsiders.

11. Suppose an outsider went through the same amount of business, is it fair that the builders should have the exclusive right to these large discounts?—Yes; I think it is right for the builder to have exclusive discount, and the outsider merely the cash discount.

12. Assuming a particular firm wished to construct a building without tendering, and handled a large quantity of bricks and other material, does it not seem inconsistent that such a firm should not get the 10-per-cent. discount?—It is only the custom that the builder should get this discount; there is no particular benefit in the custom; the builder could put on the 10 per cent. himself, instead of taking that 10-per-cent. discount as his profit. The builder really gives the discount back if he does not put on extra profit. Some merchants give some builders more discount than others; a builder who is a good payer and does a big trade gets a little more discount from the merchant at times. [Plan, specification, and design No. 7, workers' dwelling, handed in.]

13. *The Chairman.*] Have you in your dealings ever come across a practice of an architect taking fees from both sides?—Acting as commission agents? I cannot give any evidence on that. I know from what I have heard that it is a fact, but I cannot verify and prove it.

14. I have heard of architects receiving commission on every bit of material?—It is a very bad practice, and I believe it prevails, particularly in Auckland. It is a very bad practice indeed, and in England such a man would be drummed out of the profession.

15. *Mr. Hall.*] If a client engages an architect to prepare plans and specifications, has the person taking the contract to pay additional fees for the use of these plans?—No; the architect is paid an inclusive fee for all plans, except for the Borough Council; there is then  $1\frac{1}{2}$  per cent. extra. The man building the house pays  $6\frac{1}{2}$  per cent. for all necessary plans and supervision. The plans should be at the disposal of the client then. Some architects seem to make any charges they like, but such a practice is not professional; in England we get 5 per cent., not  $6\frac{1}{2}$  per cent.

16. *Dr. Hight.*] You say the efficiency of the men is better than five years ago?—Yes, I can safely say there is improvement.

17. Is there a larger proportion of good men on Government work than on private work?—Oh, no, about the same class; they are contractor's men, of course—these dwellings are built by contract.

FRANK THOMAS MOORE, Dealer in Live-stock, Meat, and Timber, examined on oath. (No. 232.)

1. *The Chairman.*] You have a wide acquaintance with the Wellington District?—Yes.

2. Have you a statement to make to the Commission?—Yes; it is as follows: The meat trades: About twenty years ago a combine was formed of meat companies in the North Island of New Zealand for the purpose of fixing the prices to be paid growers of cattle, sheep, and lambs. This combine was established on a very complete basis. It was arranged that in the event of any company in the combine securing a greater number of stock than a quota of the year's output, the surplus, or the profit on the same, should be shared *pro rata*. For ten years this system was in operation in a very open manner, but during latter years the method of operation is conducted very secretly. There are no documents in use now, and no special fund into which money was paid as a guarantee of good faith. In place of the agreements that once existed a secret understanding is relied upon, and which, though thin as air, is as strong as steel. I was works-manager for one of the firms in the ring when the combine was formed, and in conjunction with the then general manager supervised this firm's buying operations, consequently I am thoroughly familiar with every detail in connection with the method of operating. Sometimes sheep were purchased for less than half the money the carcasses realised on resale to London *c.i.f.* buyers and Wellington retail butchers. The skins, fat, and offal of the sheep paid the cost of freezing and shipment to London. With the huge profits derived in this way the companies were able to scrap all their original buildings and plant, and erect entirely new structures of an everlasting nature, costing hundreds of thousands of pounds, and at the same time pay handsome dividends and bonuses to shareholders. In some years the aggregate profits on the purchases of the companies comprising the trust amounted to £1,000,000 sterling. Soon after the formation of the meat-freezing combine, a ring of retail master butchers was formed for the purpose of fixing the prices at which meat should be sold to the public in New Zealand. The freezing companies, wanting the best possible price for rejected carcasses, encouraged the formation of this Master Butchers' Association, and made the local combination a means whereby even better prices could be got in New Zealand for rejected carcasses than was obtainable in London for prime selected lines. The bond of self-interest holds these combines together, and doubtless will continue to do so until the people of this country realize that in order to obtain supplies of meat at the minimum of cost the whole industry must be nationalized. Although no documentary evidence can be produced to prove the existence of meat trusts in this country to-day, the fact that buyers for the large firms offer growers similar prices and charge retailers similar rates is proof enough that there is a secret understanding whereby uniform buying and selling tariffs are arrived at and adhered to. Should any new dealer enter the meat trade, obstacles are put in his way, making it difficult for him to get supplies at minimum cost. The directors of the large meat companies conspire with auctioneers to put high reserves on all fat stock yarded for sale by public auction, forcing the independent buyer to pay an exorbitant price. Should any stock fail to fetch the fictitious value placed upon it, it is passed in and privately sold to the freezing company at figures far below what was asked at auction. These conspiracies between the large meat companies and the auctioneers enable trade to be monopolized and free competition completely prevented. Middlemen are always on the watch for the opportunity to corner supplies of fat stock in times of shortage. When cornered, the price is forced up, and the consuming public have to pay for this exploitation. I have heard individual speculators boast of making £1,000 profit on one day's sales in the markets of Wellington and district. Store stock and partially fattened stock are continuously exploited by middlemen, the ultimate burden falling on the helpless unprotected consuming public, who in the end have to pay the cost of allowing social pirates free rein to tour the country by train and motor-car in pursuit of unearned profits. The trust-system of trading in meat leads to the grossest of corruption and abuse, in the payment of favoured rates for stock to favoured persons. This nefarious practice is of common occurrence, and is a way whereby companies conceal profits made, and prevent their balance-sheets showing too much excess profit. I have known favoured owners to be secretly paid an extra £1 per head for cattle, and an extra 4s. per head for sheep. As no legislative enactments can grapple with and stop iniquitous trickery of this sort, the only effective remedy is the nationalization of the whole industry. That is the condensed statement, to which I swear, as to the existence of a combine.

3. *Mr. Veitch.*] You say that members of the trust conspire with auctioneers to put reserves on the cattle: surely it is the owners who put reserves?—No, the auctioneer is really in control. Nearly

all the cattle sent to the markets belong to middlemen; only a very small percentage are sold free of reserve, sent direct into yards by growers. It is the auctioneer who puts on the reserve.

4. *Mr. Macdonald.*] Then, the auctioneer buys outright from the owner?—Yes, in the majority of cases he has done so.

5. *Mr. Hall.*] Bought the stock before they are put up for sale?—Yes; or else they are bought by the auctioneer from a large grower who is working hand-in-hand with him to their mutual profit. It is about twenty years since this practice began, and it continues to-day.

6. *The Chairman.*] Are there any people outside the ring who try to fight this kind of practice?—Nobody with any money; such attempts are soon crushed.

7. *Dr. Hight.*] Are there no big companies in New Zealand that do not freeze on their own account but on account of farmers only?—There may be new companies, but I think not old ones—not in the North Island. I speak of the North Island.

8. You say the auctioneers work in with large owners of stock to put up the prices?—Yes.

9. Is not the price of meat determined by the price in the Home markets?—No; the price is fixed here by the means I have described. Meat at Home might be selling at 50 per cent. less than the prices which the ring is able to extract from the community here.

10. *The Chairman.*] Would not competition from other companies keep down the price—the price at Home?—I am speaking of the forcing-up of the prices here in New Zealand. I am comparing the export prices with the local prices.

11. *Mr. Hall.*] Are all the freezing companies buying stock themselves and shipping at their own risk?—The bulk of them. All they can buy in this way they do; they are open to buy the lot in the North Island, but the farmer has the right to freeze and ship on his own account if he likes.

12. Is the Auckland Farmers' Freezing Company doing that?—It was; I do not know if it is now; that was prior to the farmers buying it. I have had no dealings with the company since it was acquired by the farmers, but I believe that middlemen are buying stock and using its works to export Home on their own account.

13. *Mr. Veitch.*] Then that brings the position back to the farmer being farmed?—Yes.

14. *Mr. Hall.*] But the farmer can freeze and ship on his own account?—Yes; and then he is at the mercy of the rings in London that buy unprotected shipments of this kind.

15. *Mr. Veitch.*] I do not quite understand what you said about reserves: in the case of a new man who has started in butchering coming to the saleyard and trying to buy meat for his own use, would the prices be run up and then the stock be passed into the auctioneers?—Many lines are given to the auctioneer to sell, and a reserve far above their freezing-value is put on the whole entry, and unless the butcher will give this high price the cattle are passed in to the company and sold at freezing rates.

16. But the auctioneer buys at a higher price, and then afterwards sells at a lower price?—When this system was initiated the big stockowners arranged to supply the market—that is, to feed the market, and fix the selling reserves—and if butchers failed to bid them, the stock was passed on to the freezing-works. An auctioneer is always willing to get the highest prices, and, in order to keep up prices, will sell the stock that fails to fetch the reserves at even less than what he paid; in order to keep up the general level of prices this is done.

17. *The Chairman.*] Can you tell us anything about timber?—I deal in a wholesale way. I sell logs from the bush on royalty rates. I know there are timber associations which sell at tariff rates, but I have not been a member, nor allowed behind the scenes.

18. Have you raised the royalty on your logs?—The price is a means whereby I get my living, but that has not increased lately. No revision is needed in my case of these prices: they are based on sound, fair conditions. I would like to say a word or two under the head of finance and commerce, in regard to the manner in which bankers increase the cost of living. They use the great power in their hands to further the interests of big traders in all branches of commerce, and prevent small men competing on level terms. Bankers refuse financial accommodation to small traders, forcing the latter to deal with certain large houses and pay these merchants their own price for goods and a high rate of interest for credit when required. Big traders are thereby enabled to get two profits on one deal: one on the sale price of the goods supplied, and another by charging 8 per cent. or more for credit, which should be obtainable from bankers at 5 per cent. The payment of these two charges has to be loaded on the price the public pay for commodities, adding greatly to the cost of living. This treatment is meted out to all classes of traders, making it imperative to establish a State bank, which would show no favouritism, but afford equality of opportunity to all, and save the public from the payment of an unjust super-tax levied by the commercial community on every necessity of life. The excess interest charges imposed on traders amount to £1,000,000 per annum, or £1 per man, woman, and child per annum. When this £1,000,000 is added to the millions of profit annually made by bankers, meat companies, shipping companies, and general mercantile firms, a tax of £10 per head on our total population is levied. The whole of the gigantic taxation would be saved and the cost of living reduced by this huge sum, if the State took into its own hands the business of supplying the community with the primary means of life.

CHARLES KENDALL WILSON, M.P., Farmer, examined on oath. (No. 233.)

1. *The Chairman.*] What part of New Zealand are you farming?—In the King-country. I do mixed farming.

2. Have you a statement to make?—I wanted to make a few points worth considering. There was a question of timber rings raised. I have had a good deal to do with timber-mills, and the belief is that timber rings have forced up the price. In 1886 timber-mills were opened up



on the Manawatu line. The timber was along the railway-line, and required no hauling, and wages were about 7s. 6d. to 8s. per day. One timber-mill I know then cut within three miles and a half; now the timber is felled in that mill over thirteen miles of haulage. The wages now are 10s. and 11s. in the King-country. Big railways have had to be built, and enormous expenses have had to be incurred. That is why timber has gone up, and not because the millers want to make more money—the cost of procuring the timber is so much greater. Living has become enormously dearer in the back country—the foodstuffs are nearly double; that is because of the difficulty in getting the stuff there. That food with proper roads would be taken to the consumers at one-quarter the cost, and as soon as those conditions are remedied the cost of foodstuffs must come down in those districts. I am speaking of a country that there is nothing like anywhere in New Zealand. £15 per ton is charged for cartage—that is the maximum, and therefore food is dearer to workers and farmers. The cost of many things could be materially reduced if better facilities for transport were given to the cities. We find fruit lying about the country because the cost of transit is so great. Take an illustration: I spoke to a Taihape man, where the fruit was rotting; he said he had given two or three fellows fruit to send to Feilding, and they took it and came out in debt on the transaction. If better facilities were afforded for transit it would be an enormous advantage. In the carrying of foodstuffs I think the Government should charge the minimum rates.

3. *Mr. Veitch.*] The freight is 5d. per case on the railway?—Yes, but that does not get it from the grower to the consumer; there are other transits. Now, I will take potatoes: the blight has swept this country, and it is questionable whether crops can be assured until we get rid of that blight. The crops still have to be sprayed; many crops last year that looked fine were almost a failure; and that is making living very dear. Then there is the question of meat: the great difficulty is in the winter months when the prices rise. The prices do not rise then because of export; the stuff is exported in summer, and in the cities it is exceptionally cheap in summer, but in winter it is purely a matter of production for local market.

4. Is meat cheaper in summer in the cities?—I think so. I have seen it sold retail at a lower price than the meat was bought at on its feet—that is, within the last two or three years. I am not one of those who believe there is a combine of butchers. I was selling for years to these men, and I always believe the test is—what condition financially the butchers are in; many of them find it difficult to carry on at all; none have made fortunes.

5. It is suggested the men in the big companies are the ones in the ring?—Well, the Gear Company has been prosperous, but many of the freezing companies in Auckland, Wanganui, and Gisborne have had in some years very heavy losses. The Gear Company has made a great success of its business. There is another question: in my opinion the cutting-up of big estates is necessary, but that has had an effect on stock-prices. The large estates are producing no stock now; many of the dairy calves are killed, and that must affect the cattle-market; to-day the cattle-market is probably 40 per cent. higher for store bullocks than it was four to seven years ago. To-day if a farmer goes to buy a line of store bullocks he will pay £7; some years ago, within the last ten years, we used to pay about £4 to £5. They have steadily gone up from year to year.

6. Is the cost of rearing going up?—Yes, because the lands are dearer the farmers' rents and rates are going up; the farmer has to pay for those roads. The general taxpayers pay for some of the roads—the bulk of the roads, by special loans. We raised £79,000 in our county, and we have to pay the interest on that.

7. I thought the County Council paid half and the Government half?—Sometimes—not as a general rule. Grants are all public money; in most cases the Government lands have been weighted up to £1 per acre for making roads. The man fattening cattle to-day is considerably worse off—he has to pay a high price for his cattle, and therefore his interest is greater, and his margin of profit is less. Three years ago it was almost impossible for those of us in the Manawatu—I was in Levin then—to get cattle, and I have to go north for them and bring them down by train; that must affect the meat-market. £10 has been paid for beef in the summer months, and therefore the prices to the local consumer must go up. Prices of beef at Home have been dearer than I have ever seen them for some time. I think the exceptionally high prices this year are due to the fact that there was a margin of profit in the freezing, and the companies operated freely.

8. You say increased land-values have caused an increase in price of store bullocks?—No, I hardly put it that way.

9. You said it cost more to raise stock?—Yes; but it did not matter if land doubled in value, you could not get more on the Home markets.

10. Would not the prices go up here to such an extent that you would not export?—No, because we cannot consume it all here. I say that the primary cause of increase of price is that we are not growing the cattle we were in past years—it is a matter of supply and demand. Supposing you go on dear land, it does not matter what the interest and rent are, you must take the market prices. We have free trade in all our products and must accept the market. I speak of meat-stuff only.

11. Is the increase in land-values responsible in any way for the increased price of store bullocks?—No, I think that is mostly due to the shortage; it is in no way attributable to land-values. You can produce cattle on poor country amongst sheep, and fatten on rich country. The sheep country has not gone up much—it is the dairy country that has gone up. Good sheep country can be bought at £6 or £6 10s.—only a rise of, say, £2 per acre in many, many years.

12. There is a possibility of driving out the potato blight?—I think so. I have no particular suggestion; the experts in the Agricultural Department are doing their best.

13. Can you suggest any means of bringing down the price of meat?—It is impossible—the margin of profit is too small. The reason the man fattens his bullocks is because it is nice easy work—one of the nicest occupations in farming; the pleasure of seeing the cattle fattening is great compared with dairy-farming. The margin of profit is nothing very much.

14. *The Chairman.*] There are in New Zealand runholders who lease land from the Government?—Yes; the Government have leased many runs—some thousands of acres.

15. Those runs are leased on not very large rentals?—The Government have leased some land on extraordinarily low rentals.

16. Could you tell me how many shepherds it takes to look after ten thousand sheep?—I could not tell you; I have never handled a big station.

17. How many hands are kept on: you know that, do you not?—I do not think so. There are no boundary-riders; the shepherds are required mostly in the lambing season; a man is supposed to get over his country every morning and every evening. Last year I was riding from 9 a.m. to 3 p.m., and we only had nineteen hundred sheep; there were two shepherds out.

18. Would it take ten men for ten thousand sheep?—Perhaps six; it would depend on the country.

19. Would 5s. per acre be low?—That is high. We reckon one sheep—5s. to 6s. per acre—is the standard of profit. If an acre stands one sheep, it will produce 5s. to 6s. per acre of gross profit. That is the standard of return.

20. But I want to get the standard of cost. We have 1s. 6d. for wool—as lambs—were counted?—That is pretty good going. It does not leave much margin for shearing and carting.

21. Take wool from ten thousand sheep as lambs at 1s. 6d., then this ten thousand at 3s. for wool at end of first year, and so on: I want to know what is the cost of this sheep sold to us at 5d. or 6d. per pound?—There has never been a sheep sold to the consumer at that price. A neck fetches about 2d., and the fat, ribs, &c., are cut off. I think if you said the usual price was about 3½d. to 4d. that would be nearer. I have been farming for twenty-eight years. So long as you keep over five thousand sheep you begin to make money, not before. There is lots of country producing to-day as much as it can produce, and it can be managed in big estates. I will try and get out these figures. I know a good many men who would perhaps give them to me. That matter has been threshed out in detail in compensation cases. I can tell you in detail if I know the country, but I do not think you will get better evidence anywhere than in the compensation cases: take Sir George Clifford's case for poor country, and Bidwell's case for good country.

22. *Mr. Fairbairn.*] Is all stock sold by public auction?—The great bulk is sold by private contract—a very small proportion is sold by auction. The companies very rarely buy at auction. It is knocked about more, and delivery has to be taken direct.

23. Is there much direct buying by retail butchers from farmers?—Yes; that often causes the prices to fluctuate. The number in the market is in consequence always varying; the butchers buy privately sometimes, and sometimes in auction. We have never been able to establish a fat market in Wellington. The greater portion are bought wholesale from the freezing company by dead-weight in Wellington.

24. The local consumption in New Zealand is a big percentage—not quite half. I think the local consumption is underestimated in my figures. Is it possible to dump sheep on the London market and get a high price for local consumption?—No; the meat is frozen in summer; they cannot be kept when they are once "fat." The freezing-works shut down about May or April because we do not produce them.

25. Although the market rates in London are low, there have been numerous instances where lamb and mutton is sold here?—That has often happened.

26. And the man at Home sells in competition with the whole world?—If there was any attempt to regulate the export it would be a very bad thing.

27. But I am speaking of regulating the local consumption?—That price is fixed by supply and demand. When the surplus fat stock has gone in the summer there is a shortage of meat for the winter months here, and so prices go up; you cannot have fat stock in New Zealand in the winter unless you make special provision for this. The only way that could be done is to freeze and hold in cold-storage for the winter, but I do not think the New Zealand people would eat frozen meat if they could get the fresh article.

28. *Mr. Macdonald.*] And you do not export in the winter?—No; we export the surplus of our own requirements in the summer. I do not think the local market has never been rigged—I do not think there is any possibility of this. I have had to do with the market for eighteen years, and had to guard myself for my own sake.

29. You quoted £15 per ton as cartage on merchandise?—Yes, that is the maximum rate. That affects the workers in those particular districts; there is an enormous number of men working in the bush there. We sold our mutton all winter last year at 3½d.; and it would have cost them 7½d. to get it out. I do not think anybody could object to the 3½d. rate.

30. *Mr. Veitch.*] Can you give us a fair idea what proportion of farm labour is employed permanently and what casually?—Agricultural farming is, for harvesting, all casual; but the grazier has his labour permanently, except for rabbits or fencers. A good deal of the agricultural labour is casual.

31. What becomes of the agricultural labourers when they are not wanted?—The freezing-men do bushfelling and other work, and there is any amount of work available. Some of the shearers migrate to Australia, and have a round trip, but the freezing-men do not do that.

WILLIAM ALFRED FLAVELL, Branch Manager in Wellington for the Westport Coal Company, examined on oath. (No. 234.)

1. *The Chairman.*] Have you seen the statement made by Mr. Munro?—Yes. I think our managing director in Dunedin gave evidence explanatory of our evidence, and I think my evidence would only be a duplication. The only point Mr. Munro tried to make was that there was a monopoly in the shipping, and that it was impossible for outside ships to get a cargo. I notice Mr. Joachim stated we were free to charter where we liked, and he explained why the Union Company and others do the bulk of our carriage—because we want a regular fleet of colliers to keep the mines going—that is in the interest of the miners and the mine-owners.

2. *Mr. Macdonald.*] The railways here use a good deal of Newcastle coal because you cannot supply?—Yes; but it is impossible for us to supply the railway requirements as well as the household and other demands. The railways will only take screened household coal, and to supply that would mean our abandoning the household dealers.

3. During the Newcastle strike did you supply the railways?—They worked upon their reserves, and they also accepted unscreened coal.

4. What quantity is used on the Westport Section of the railways?—I do not know.

5. I understand you are short of miners?—Yes, we have been advertising for a hundred miners.

6. I think you contend that if people would only take the coal as it comes from the mines it would be much cheaper?—Yes; all the West Coast coals are very friable, and the cost of screening and handling is consequently much greater than at Newcastle. Their percentage of small is 15 per cent., ours is over 50 per cent.

7. *Mr. Fairbairn.*] How many grades do you supply?—Only three—screened, unscreened, and small coal.

8. What are the present retail prices?—Small is supplied almost entirely under contract to large users; the unscreened is supplied to ships' bunkers and to different industries—almost entirely for steam purposes; screened is the only coal that householders take.

9. What are the prices?—Whatever the price of household screened coal is, unscreened coal would be 4s. per ton less, and small coal 8s. per ton less than household screened coal.

10. Unscreened coal is supplied for shipping, and small to gasworks?—Yes, gasworks take all small coal. That is our contract with the local gas company.

11. *Mr. Hall.*] What is the present retail price of household coal?—34s. per ton cash.

12. Is that delivered in ton lots?—Yes; and the price wholesale (screened) is 25s. per ton on the wharf, wharfage and weighing paid. That wholesale price has been in vogue only since the 1st April last; prior to that the wholesale price was 23s. You have had evidence with regard to the cost of delivering, and it is not necessary to accentuate that point—that the cost of delivering coal in Wellington is very heavy owing to the contour of the city.

13. *Mr. Fairbairn.*] We had evidence from the manager of the gasworks here that the price was a certain rate—you said it was 8s. less than 34s.?—Oh, there is no retail price to the Gas Company, and you are mixing the retail and wholesale prices. The rate to the Gas Company is 17s. 6d.; the 8s. has to be taken from the 25s. quoted; that 17s. 6d. includes the carting to the Gas Company's yard. The 25s. is the price at which we sell to the coal-dealers; that does not include delivery or carting to the yards: that varies according to the distance. The Gas Company's carting is 1s. from some wharves and 1s. 4d. from other wharves. From Taranaki Street wharf we pay 1s.; from Railway Wharf the rate is 1s. 4d. per ton to the gasworks.

14. *Mr. Macdonald.*] The Gas Company has a special contract?—Yes.

15. You would not supply other consumers at the same rates?—No. There are various things to be considered with contract work; sometimes large consumers have very little accommodation in their yards, and the coal has to be trimmed, and all this has to be considered in fixing contract price.

ALFRED JAMES BISHOP, Wholesale Cabinetmaker, examined on oath. (No. 235.)

*Witness:* I am afraid I shall have to contradict some of your witnesses as to the cost of living not increasing. You had two witnesses who stated that timber had not increased except for kauri, except slightly. I have copied from timber-merchants' price-lists the following: 1892—Dressed rimu, 12s. per 100 sup. ft. 1901—Dressed rimu, 14s.; medium kauri, 17s.; heart rimu, 18s. 6d. 1907—Dressed rimu, 19s. 6d.; medium kauri, 29s. 6d.; heart rimu, 28s. 1912—Dressed rimu, 16s. 6d.; medium kauri, 32s.; heart rimu, 28s. There is a rise of 25 per cent. in common rimu since 1892—keeping well under the mark. Clear-pine has risen from 5d. to 9½d. per foot. Oregon has not risen very much—we use very little of that. I cannot state what were the prices of oaks in former years. We use veneer sometimes; walnut has increased very much—it is 1s. 3d. a foot now; oak now is 10½d. to 1s. These prices are obtained from McLeod and Weir's. The price-lists will be put in. We use mostly rimu and kauri. You have been told that furniture has not increased in price; that is accounted for by the fact that the furniture is much plainer. But bevelled-plate and silver-plate glass has decreased by 50 per cent. in price; perhaps the cause is due to local competition as against importing. There is a good deal of glass still used. A much cheaper class of handle is used—not brass-work, but oxidized brown handles. You can sell furniture now as cheap as before—there is not half the polishing put on; it is finished unshined—just enough polish to take the stain on. If work had to be made and finished as it was in the old days there would be a big increase in the cost, due to timber increases and labour increases.

STUART RICHARDSON, M.I.E.E., Tramways and Electrical Engineer, examined on oath. (No. 236.)

1. *The Chairman.*] During the last few years the cost of lighting in Wellington has diminished, has it not?—I have a few figures here I would like to place before the Commission. The cost of current to small consumers in 1900 was 9d. per unit; at present it is 7d. per unit.

2. There was a change in ownership in that time?—Yes; it was formerly a private company, and was taken over by the Municipality in August, 1907; under municipal management the charge to small consumers is less. The reduction was made soon after the Municipality took over the concern.

3. What are the rates of supply to the large consumers?—To the large consumers it is practically the same now as it was.

4. What are the rates for power?—I do not think there was any special rate for power, say, eight or nine years ago, or when the company sold to the Corporation. I think it was a lighting company. I could get the data if you would put down the questions, but I cannot speak from memory.

5. We want to find out if the cost of living has become lighter, and so we want costs of lighting?—In 1900 the average cost of lighting a five-roomed cottage was 7s. per month, and now it is about 4s. per month. This reduction is principally due to the advent of the metallic filament lamp, which is largely used now in place of the old carbon lamp.

6. If I told you that my electric lighting was about 2s. 3d. per month, would you believe that?—Yes; you will see that is a very reasonable cost.

7. Have you any other information you could give us that would bear on the cost of living—such as tramway business?—I have a few notes I might bring before you concerning the electric lighting department. Comparing wages, they have increased 20 per cent. between 1900 and the present time in the electric lighting department. Linesmen at the former period were paid 1s. to 1s. 3d. per hour with no overtime, but they were paid for statutory holidays; now they are paid 1s. 4d. and 1s. 5d. per hour, and paid for all overtime and all holidays, whether public or statutory. Linesmen's assistants were paid in 1900 1s. per hour, and lost time for wet weather; they were not paid for holidays: now they receive 1s. 1½d., they lose no time, and they are paid for all holidays and all overtime. With regard to the cost of coal, I cannot give you any information as to cost in 1900; at present we are paying 18s. per ton for Westport coal—that is Westport small—18s. net.

8. *Mr. Hall.*] Is that delivered into the works?—Trimmed in the bunkers—that is, delivered in our premises and trimmed.

9. *Mr. Fairbairn.*] The cartage from the wharf would not be more than to the gasworks?—About the same. The distance is a little more to the gasworks, but not much. Trimming is reckoned to be worth 6d. per ton.

10. What do you pay for Newcastle?—We do not use that.

11. *The Chairman.*] Have you any idea as to the difference in cost between gas and electric light?—I would rather not go into that. Reverting to the wages: I cannot go back quite so far in regard to men in the boiler-house, &c. In 1904 greasers and firemen were paid £2 16s. per week; they worked seven days a week for this. Now they are paid £3 per week, work six days, and receive time and a half extra for Sundays. The extra-time allowance for Sundays came in about two years ago.

12. Those are considerable additions, and yet, in spite of shortening of hours and increase of wages, light can be produced more cheaply?—Yes.

13. We have been told a similar thing in regard to manufacture of boots, for instance—that increased and improved machinery counterbalanced extra wages-cost?—That is so in regard to electric light.

14. *Mr. Robertson.*] Do you know of anything that will decrease the cost of electric lighting and power in Wellington?—The Government water-power scheme should do so, if they go ahead.

15. We can look for greater development then, in the use of electric power?—Yes. There should be a big development in the use of electric current for power purposes, when the price can be reduced below what it is at present. In Wellington the scale varies from 3d. down to about 2d. per unit for large consumers.

16. *Mr. Fairbairn.*] Is it necessary to push the sale of electric light in Wellington?—We are pushing it; we have one recognized canvasser out and an assistant.

17. You can manufacture more than you can supply at present?—Oh, yes.

JOHN HUTCHISON, Boot-machinist, examined on oath. (No. 237.)

1. *The Chairman.*] You have been at that work for some time?—Yes, for sixteen years in the boot trade. At present I am secretary of the Wellington Bootmakers' Union. I have had experience in New Zealand and Australia.

2. Will you make a statement to us?—Yes, Mr. Chairman. Speaking from the old piecework logs, the minimum wage at the present time, I consider, is not so good. The objection to the old log was that employment was not constant. At the present time we do not know what we are earning—we are just paid a weekly wage. We know the amount of the wages, but not the output required; we think we should have a say in what is required. The men in Leicester and throughout England work on a log; the rates are tabulated by the men and by the employers, and a minimum wage is assured of 30s. per week. That is not piecework only as we had in New Zealand.

3. Of course, we cannot alter anything in regard to the position, as the Arbitration Court can; but we want to know if during the last ten years your present circumstances are better or worse?—During the last ten years there has been material increase in leather. Sole-leather eight years ago was 1s. per pound; similar leather now costs 1s. 3d. per pound. I maintain that increase in the leathers naturally fell back on the public, and we attribute it principally to the exporting of hides. I have done other work outside the boot industry through slackness, and I know the best hides are being exported (see Year-book). In one year, 1910–11, there was a large increase of exported hides; these are coming back tanned and sold as English leather.

4. *Mr. Fairbairn.*] Do you suggest we lose or gain by that?—We lose, as a whole. In not fostering the tanning we lose. Then we have to pay all the freight to and fro; there is no export duty on hides, and they come back as leather, and bear an import duty.

5. Is not the tanning trade of the same high order in New Zealand?—I think it is the cheaper labour in other countries that does this.

6. Can hides be sent out of New Zealand, shipped to England, and pay import duty again, and yet the local tanners cannot compete?—Yes; I consider that is due to the low wages paid in other countries. Reference has been made to this Commission that there is a great prejudice against New-Zealand-made boots. Eight to ten years ago there was a great prejudice, but in those eight years the latest machinery has been introduced, and I do not believe the prejudice is now nearly so great. We have to face this: the retailers are just as keen as they were eight or ten years ago in pushing the imported article on the public. I believe the public demands more now of the local article than they did ten years ago. The reason the retailers try to push these imported boots is that there is more profit—they are not so well made, and therefore come back quickly for repairs. Most of the retailers are repairers now. I have been through most of the boot-factories in New Zealand, and I know the New Zealand boots are thoroughly well made. I think the display of boots made here recently showed that imported boots frequently contained rubbish. New Zealand retailers dominate the factories—the manufacturers and the warehouses—not to brand the New Zealand boots as made in New Zealand, but to put on brands that will mislead the people into believing the boots are foreign-made. There are no brands put on at all in many cases, so that retailers and the public can be misled. I think the “made-in-New-Zealand” brand should be put on, and the maker’s name too; and there should also be a brand showing where the imports come from. Goods should also be branded if made of shoddy, whether imported or made in New Zealand. The word “shoddy” should be put on—that is, where cardboard is used in sole or heels, or even composition. That composition can be used for stiffening toes, but it should never be used for heels. I should say that the boots should be branded as “shoddy”; “all leather” would not do if a linen lining was used. A stiffener near the heel and round the sides should be of leather, not composition: when the wet weather comes, down goes the heel. Reference was made to the fact that bootmakers buy the imported articles. Mr. Ward said this: bootmakers are wanting to get the colonial stuff, but the brands are so faked that the local retailers cannot tell what they are buying. I have sent many friends to buy local-made boots, and I find they have bought imported articles through the purchaser not knowing the difference. I believe the public of New Zealand do want to buy our boots, but they do not have a chance at present.

7. Is there a better demand for better-made New Zealand boots?—Yes; people want superior boots now.

8. What proportion of the boots would be over 20s. in value retail—say, 20s. to 30s.?—A very large percentage—over half the output would be of the good class of work. Just to show the huge profits some retailers are making, and why I advocate that the trade should be run by the State and distributed by the State, I quote this: the Territorial boots are bought by tender from the Government from a Christchurch firm at 10s. 5½d. (I got these figures from the Defence Department); they are retailed to the Territorials at 11s. 6d. A leading firm in Wellington with more up-to-date machinery and equally skilled men, who save the middlemen by having shops of their own, make a similar class of boot—similar in every respect. I called into their shop, right next door to their factory, and was shown similar boots, and was told the retail price was 16s. 6d.: that was in Cuba Street. In their other retail shop in Lambton Quay the retail price was 15s. 11d. That is a heavy line, and the better boots carry more profit. At one shop there is no cartage at all from the factory, and the factory has the most up-to-date machinery in New Zealand. I wanted to state also that it was well known our industry has suffered more through machinery than any other industry in New Zealand—that is, suffered so far as hand-work is concerned. All the workers now work at high tension, and they are all dependent on each other—they have all to work at high tension. Certainly the efficiency of the men has not fallen off—the old bootmakers have adapted themselves to the latest machinery very quickly indeed.

9. *Mr. Robertson.*] What is about the average wage of the boot-operative?—I could speak of Wellington District: the city would be approximately £2 13s. 6d.—that is the wage the men have agreed to take per week. The Year-book would give the amount, including overtime. I could not give the average actual earnings of the men. If we had full weeks, and all public holidays were paid for, we would get £2 13s. 6d. The average is far under that, taking away loss of time and holidays. Overtime does not compensate for that.

10. Are many men paid above the award rates?—In the Wellington shops there would not be ten men on the minimum wage, but we are the highest-paid of the boot-operatives in New Zealand. Auckland is the worst. The only figures I have are the figures agreed to by the men. Palmerston North would average £2 14s. 4½d.—that is higher than Wellington. I suppose there is some difficulty in getting enough men for Palmerston. There are only two men employed at Martinborough, and they get a little less.

11. Do you think the men find it difficult to live on those wages?—I know a man who had twelve holidays at Christmas, and lost time, and he got £2 2s. average for this year actual earnings. Certainly I do not consider a family man can live decently on that.

12. *Mr. Macdonald.*] Whom does the import duty benefit?—The indentors. The manufacturers in New Zealand are large indentors.

13. How does it benefit the manufacturer?—Otherwise he would not import. The fixed duty is about 25 per cent. on good lines. The import duty benefits the workers in the trade and the public generally. If the boot trade was at a standstill bootmakers would be losing time, and there would not be the same money to circulate. Of course, if there were free-trade the boots would be cheaper. There are 2,200 workers in the trade at present.

14. Do you know the duty on boots yearly?—Yes. [Figures quoted from Year-book.]

15. I do not want those figures, I want the amount of the duty?—I have not got that.

16. *Dr. Hight.*] If all the leather required here were manufactured in the country, would the price of boots be cheaper?—Yes, I think so; there is a scarcity of leather at times, and if tanneries were kept going that would not be.

17. You would advocate an export duty on hides?—Yes. The export of hides is increasing yearly.

18. Would it be harmful or beneficial to the working-classes generally if the duties on nursery boots and cheaper slippers and evening shoes were removed?—Yes, I consider it would be harmful to remove these duties, because there are certain lines that within three years the local manufacturers could make. The silk uppers are not manufactured here, but there is a likelihood that many kinds will be made here.

ROBERT SAMUEL ALWARD, Wellington Manager of New Zealand Trawling Company, examined on oath. (No. 238.)

1. *The Chairman.*] Have you been connected with this industry long?—Yes, about twenty years.

2. How long have you been with the Trawling Company?—I have been with the Trawling Company eight years and a half.

3. There is a large part of the fish eaten here that comes from the Trawling Company?—Yes.

4. What kind of fish do you bring in?—Flounders, and all sorts, except blue-cod and butterfish.

5. How are these fish sold?—We have a wholesale business and three retail shops.

6. What happens if a glut comes on the market—does the public get the benefit?—Certainly not. Our prices are based on regular prices; the wholesale prices are fixed.

7. Would you not lower the price if more fish were caught?—No, we could not afford to; we would put the fish into the freezer or export it to Australia. We have to keep an amount for emergencies.

8. None of the fishermen fishing on their own account have anything to do with you?—Yes, we buy from anybody, and sell it ourselves.

9. Do you consider the people are well treated in the matter of fish?—Yes.

10. You are selling at a loss?—Yes; that is a fact.

11. That is the common Wellington practice in trade, is it not?—It is a fact we are selling at a loss. I am not prepared to give figures, but I am speaking the facts. We have nothing to be afraid of; if I had the directors' permission I could show you balance-sheets that would open your eyes.

12. We should like to see those returns?—I have one year, and could produce the figures for the last five years. I have the last year's balance-sheet; it is not yet audited.

13. You show a loss of £414?—Yes, that is for Wellington alone.

14. *Mr. Fairbairn.*] Is that applying to the three shops?—Yes. I put this in as evidence and swear that it is correct. [Balance-sheet handed in.]

15. Do you wish this should not be published?—We are not afraid of the public, but I have no authority from the directors to publish this. I have not had permission to give evidence.

16. Perhaps you are able to keep going by the other branches being more profitable?—No. During the last few years we have had to apply for reduction of capital by £10,000, and £3,000 losses have been written off. We are carrying on under such conditions that our capital is being gradually eaten up. That is extraordinary, but people do not believe this. We are in, and have our money invested, and nobody will buy us out. We have forty or fifty hands employed, and they are receiving about £140 per week, and we go on with the hope that we can save a little of our capital. There is no common understanding as to prices; if there were we might get into a better position. We do not make even enough profit to provide for more than 1 per cent. depreciation. We can pay our 20s. in the pound still, but our property is depreciating. In my knowledge in the last ten years five companies have been formed, and wound up in less than two years of their birth.

FREDERICK TOWNSEND, Merchant and Fruit-auctioneer, examined on oath. (No. 239.)

1. *The Chairman.*] We do not wish you necessarily to publish your evidence—you can give it confidentially if you wish?—Oh, we have nothing to conceal.

2. Would you like to make a statement first?—Our line is principally fruit; we belong to the fruit-merchants, and I noticed by the papers that this inquiry is as to the difference in the cost of living now and some few years ago. I have seen some evidence given which was not in accordance with facts, and I can give you the proof of that. So far as our business is concerned, if the newspaper reports are correct we have been placed in a very false position so far as the public is concerned, and I think I can satisfy you by my figures and statements, if I am given full latitude.

3. You have the full opportunity to give your evidence?—Mr. Boucher's evidence is not altogether fair. He refers to apples alone. As a Government expert, and also an adviser to fruitgrowers, I think it would have been better to go into other fruit lines as well.

4. *Mr. Fairbairn.*] His statements covered all fruits most thoroughly—he gave us full statistics about all fruits?—I see; but I saw only what was in the newspapers. He said, too, that the fruit-auctioneers did not apprise the growers of the state of the market. I will satisfy you that that is not altogether right. I have one of the reports which goes out from the Fruit-brokers' Association [report produced] every week. That was issued on the 22nd April, 1909; on the 29th April there was another report. That is followed right up to date: issued every week.

5. *Dr. Hight.*] To whom do those reports go?—To every grower of fruit in the different districts from which our fruit comes. We deal direct with the growers, and we send the report direct. One grower might get four reports—one from each of the four firms in the Fruit-brokers' Association. The amalgamation is more to protect the grower; we four firms are in competition with one another; we find we can do better in some ways—say, with the Union Company—if we are associated. We can further our complaints better by being united. We classify our fruit as much as possible.

6. Did you issue these in 1912?—Oh, yes; and we issue a report through the newspapers. I produce sample of report from the *Motueka Star* [report read]. We do not only say that the market is glutted, but we give the prices. In addition to that, it has been said that we do not give the growers that information. That has been one of the studies of the fruit-brokers in Wellington. We recognize that the growers have had a very hard time; but at present the growers are doing well, especially with the summer fruits. I produce a letter from a grower—and we receive many letters like this—thanking us for news of state of market, &c. [letter read]. I read another letter from a grower who thinks he got very good prices, although his fruit was not up to the mark, as he admits. I have many other letters. There is a tabulated statement got up by one of the firms, somewhat similar to what I have read, showing the prices realized for fruit [see Exhibit No. 9]. A great point was made of San Francisco apples by Mr. Boucher and by Mr. Simpson. There are two sides to every question. People consigning apples from Frisco run a good deal of risk—that is, new fruit, not frozen fruit or old fruit. That fruit, so far as Wellington is concerned, does no harm to the New Zealand fruits, because it is imported when we have no apples of that kind; we think we are benefactors to the public in importing these apples. We have to advance 6s. per bushel case before the apples are put on board at Frisco; we have to secure cool-storage for carriage from Frisco, and that has to be secured twelve months ahead; therefore it is natural that we, who take that risk, are entitled to some recompense for our trouble. Up to within two or three years ago, every year there had been a distinct loss. The Commission may smile, but it is so. Up till two years ago there was a distinct loss on the Frisco consignments; that was because we did not have proper cool-storage. Now we have cool-storage, but we have to pay for it. We think we are doing good to the New Zealand people by importing this fruit. There is one other statement I would make: Mr. Simpson in his report says, “With American fruits five merchants fixed the price before the fruit landed here, and below that reserved price the fruit was not sold.” Nothing would please us better than for you to make your appearance at the fruit-market any morning, and you would see that the statements made by Mr. Simpson are not warranted. Recently we were waited upon by retailers *re* exposal of cabbages, which come to us in sacks. We agreed they should be turned out on the floor. We have never had occasion to do that; only once have we been asked to do it. The place is free, and we are always open to do that. With American fruits, five merchants fix the prices, he says; and the shopkeeper loses 1s. to 2s. on every case of fruit he sells. He is not bound to buy it; there is no compulsion on him to buy. If I found I lost money on an article I would not touch it again. But how is it that people come year in and year out, and large quantities of it are sold all over the district in advance. In winter Mr. Simpson says he loses; as a fact, he makes money then, because they are scarce. On Saturday a European vegetableman wanted to sell a housewife a cauliflower for 1s. 3d. I know that happened last Saturday here in Wellington. Very often we sell cabbages for 6d. to 1s. per sack when there is a glut, but not in winter. As to topping, I do not deny that goes on occasionally, but it is so slight that it is not seriously brought to our notice; but the buyers are cute enough to mark that particular brand, and they do not buy that brand any more. A man who sells according to brands and is known to be a good grower, he sells for perhaps 2s. 6d. per sack. The brands are not changed from time to time, as was alleged—being simply a number: that is absolutely untrue.

7. *Mr. Fairbairn.*] Had this man this evidence in his possession when he came to us?—Yes. This evidence I produce is a refund to Mr. Simpson himself of 2s., showing that he can get redress. It is not fair for Mr. Boucher to take one case of apples at one price. I have here a copy of account sales. He says the charges are all eaten up in expenses. This is an exact copy of account sales for twenty cases of Motueka apples [account sales read]. Total charges, £1 4s. for £4 worth of fruit—that is, 2s. 9d. is returned from every 4s. gross: that is for oversea fruit. Take fruit brought by rail: that is 6d. per case railage, and the expenses are only 14s. 8d.: the net return is 3s. 3d. per case, for 40 lb. case.

8. Do the cases all average 40 lb.?—Yes, the bushel cases do. You can buy a single case of this fruit, and anybody can bid.

9. *The Chairman.*] There is no agreement amongst retailers to stop quiet when fruit is put up?—No. The larger portion of the retail business is done by Chinamen. I have never seen anything of the scheme not to bid up when they want to get the fruit cheap. I have seen that, but not in the last ten or twelve years. They would not run up the price if a private person came in. The Chinese will run up the prices against one another—there are two races of Chinamen here, and they hate each other.

10. *Mr. Fairbairn.*] I think you have a wrong impression of Mr. Boucher's evidence: he never suggested that the auctioneers did not acquaint growers with the state of the market—he said there was no arrangement to limit the quantities sent in. He did say that the auctioneers advised growers, but they did not say what quantities should be sent in?—I see.

11. *The Chairman.*] He wanted some organization, so that one man in control could regulate the supplies on the different markets?—That is exactly what we do. That is why all the fruitgrowers sign their names to the report. Brown, say, got a good price for the peaches; Smith got a poor price: Brown would then send out a good report, and Smith a poor one. We took this step of a joint report to equalize the matter. As to the reasons for having a glut and how to stop it, there are only two things to do. The fruit business is, for summer fruit, about three months; that comes in every day and must be got rid of, because there are no protections through canning and cold-storage. That is the protection the growers want. Look at the canned fruit that is imported, and our summer fruit is every bit as good as the American fruit, and it should be canned. Take the enormous quantity of fruit imported from Tasmania; and if the growers knew the right kinds of fruit to grow there would be no necessity for this. In 1910 over twenty-three thousand cases were imported, and that is quite unnecessary [figures quoted]. We do not send out the fruit to any great extent, but we import a great deal, and there is no necessity for it.



12. If the people handled the proper kind of fruit and grew it here, the cost of living would be cheaper?—Yes; at some times of the year we pay 1d. per pound duty, at other times  $\frac{1}{2}$ d. per pound. There is no necessity for us to import any of that fruit—we ought to grow it all here. In 1910 twenty-five thousand cases of American apples came to New Zealand—arriving from December to January. Under present conditions, there is no reason why this should not come in; we have no fruit of our own then. But if we had cool-storage—I put this before the fruitgrowers in Motueka—we could grow all we wanted. We carry on the fruit business with  $7\frac{1}{2}$  per cent. commission. We deal also in grain and general produce: it is necessary for us to do that to keep our staff together; it is not the everyday man who can handle fruit. It would not suit us to have fresh men coming on—then fruit would go up in value. So far as Wellington is concerned, our staff is kept on all the year round; we pay them a fair rate of wages, and they signed against any union—they are so well paid. There is not a fat thing in our business at all; and in the last twenty-five years we have been in business there are seventeen firms that have thrown up the sponge. That does not sound as if it were so very profitable a business. They have not come back to the business, either.

13. *Mr. Macdonald.*] What was that rebate of 2s. for respecting Mr. Simpson?—That was for one case of apples—a rebate.

14. If that is a returned case, it is not a contradiction of Mr. Simpson's evidence: he spoke of getting no redress if there was deterioration of the fruit in the case?—We do not sell with the case-lid shut up—the fruit is always open. There is a fruit-stack of, say, five cases; there are two put on the table; they are opened, and the buyer takes the two or the stack; and they will be sold again—put up to auction—if opened. The cabbages are in sacks sewn with flax, and so are the cauliflowers; and they are turned out on the floor when a buyer wishes.

15. You would not take his word that the stuff was bad if he came back next day?—Of course not; he can examine his goods before he takes them away; and we have to study the buyers. We take 1d. bids, and the public can come in freely; and if we can get 1d. more for the grower we should do so.

16. *Mr. Fairbairn.*] What is the lowest price at which you have sold apples this season?—Apples have sold as low as 3s., and when the glut is on, and the keeping-quality is not good, they may be sold for 2s. even

17. *Mr. Boucher* aid that occasion lly apple were sold at  $\frac{1}{2}$ d. per pound to 2d. per pound—sold by auction—that is, 1s. 8d. to 6s. 8d.?—That is not a fair average—not keeping-apples. I dare say they have been sold at  $\frac{1}{2}$ d. per pound—perhaps once or twice in a season.

18. What would this  $\frac{1}{2}$ d. fruit be retailed at?—I have seen 15 lb. of apples for 1s. in retail shops.

19. Is that this season?—Yes.

20. Good fruit?—Yes.

21. *The Chairman.*] From the barrows or the shops?—From the shops; from the barrows it would be about the same. I wanted to take exception to Mr. Boucher's statement of 6d. per pound for dessert apples. You can buy Jonathans at 4d.—a very good apple; Sturmers, that cannot go wrong either as cookers or eaters, they are 3d. to 4d. per pound; Pearmains, 3d. per pound; Cleopatras (eating or cooking), 2d. per pound. If the public are not getting the benefit, I would like to know who is.

22. The statement that apples carry profit of 100 per cent. from auction-room to consumer—is that correct?—About 25 per cent. would be correct. They might get 25 per cent.

23. That is for cost of distribution?—No.

24. They might get 25 per cent., you say: what would that percentage be?—I should say that about 25 per cent. would be as much profit as there is. You must be careful in that—in asking the question.

25. I ask, what is a fair average retail profit on apples all the year round?—There are times that apples may be sold at 1s. 8d. to 1s. 6d. per case; a month later they go from 5s. to 10s. per case. It is rather hard then to say what is the average profit. There is a good deal of difference in method adopted by the retailers; some of the retailers sell out the fruit haphazard, others sort the fruit.

26. We have a definite statement that the retail profit is 100 per cent. You say the profit is about 25 per cent.?—I think that 25 per cent. would be the average profit all through.

27. *Mr. Macdonald.*] Would that cover wastage?—Yes, the whole lot of it. You may get some tradespeople who do not know the percentage of profit—people may handle an article they do not understand—and they put on at times a lower price than they pay. I know of this being done. The grower now grades the fruit much better than years ago. A man buys a case of fruit for his shop, and tickets some at 6d. per pound and some at 4d. per pound. Then the 6d. apples do not sell, and that does not enable him to have enough money to buy more at auction, although he has sold all the 4d. apples.

*Witness* (recalled) said that he wished to state that the public of Wellington had the opportunity of buying peaches and soft fruits at 2d. to 3d. per pound when the glut is on. Cherries bring a bigger price, because there is never a great quantity of them. But all other soft fruits can be bought in times of plenty at 2d. to 3d. per pound.

ALFRED LONGMORE, Land and Estate Agent, examined on oath. (No. 240.)

1. *The Chairman.*] What is the percentage by which the land in Wellington has risen in value in the last ten years?—I only got my subpoena this morning, and this information I submit was prepared last week. Take the rents first: within the last ten years—I could make out a statement; would that be better?

2. Yes, we would like to have that this week?—In the city itself there has been no decrease in the business sites, but in the suburbs, except Kelburne and Hataitai, prices have been on the down-grade

during the last five years. A number of properties in the suburbs would be let go for the mortgage-money. I received one letter which I might produce.

3. Are those working-class houses?—Houses for the workers—rents from 14s. to 18s. per week. [Letter read.] I have another property on our books—it has been up three years, cost over £1,450, to build, and the owner will take £1,300 for it. That is due to depreciation of land-values. It is about half an hour away from the Post-office. Land-values have dropped in the suburbs in some places, but not in city properties. There is a slackening-off in building city property. Speaking personally, the last six months has been worse in this way than any I have known for the last fifteen years. If any means could be devised to build houses within fifteen minutes' walk of the city, four-roomed houses would let by the score. But the ground-values are too high. Last night I came across one of my old books, and saw there was a property on Lambton Quay which in 1898 sold at £45 per foot. A property near there was sold in the same year for £2,150—land 33 ft. by 92 ft. : three months after it was sold for £3,150. Land in Ballance Street was sold for £1,500—49 ft. 6 in. by 83 ft. 10 in. Four years ago I sold land practically adjoining this for £90 per foot : the former price would work out £30 per foot. In Lambton Quay twelve years ago land sold at £95 per foot—land 50 ft. by 85 ft. : twelve months later I sold it for £6,500, £130 per foot. The Wellington Piano Company paid £8,500—£170 per foot—for this same property. City properties have not gone back in the last twelve years.

MALCOLM FRASER,\* Government Statistician, examined on oath. (No. 241.)

1. *Dr. Hight.*] Are the methods employed in collecting and presenting the statistics of New Zealand under your direction and control, as Government Statistician?—Not entirely. Although the Census and Statistics Act of 1910 gives the Government Statistician full power, subject to the direction of the Minister, to collect annually all the statistics of the Dominion, statistics in regard to certain matters are at present collected and compiled by the Departments particularly concerned.

2. (a.) What is the status of your office at present? (b.) Can you give us a brief account of its development?—(a.) The Government Statistician is at present, in accordance with the provisions of the Census and Statistics Act, invested with all the statutory powers necessary to carry out the provisions of that Act, but is declared to be "deemed to be a member of the Registrar-General's Office." Thus, while he is entirely responsible for the carrying-out of the various duties imposed upon him by the Act, he is under the authority of and dependent upon the Registrar-General in regard to the staff, office accommodation, &c., necessary for carrying out the statistical work. (b.) Briefly, until 1910 the statistics of the Dominion not compiled in the special Departments were compiled in the Registrar-General's office. The Registrar-General is also Chief Electoral Officer. In December, 1910, a Government Statistician was appointed, since when, by arrangement with the Justice Department, all statistics in regard to the Supreme and Magistrates' Courts, and as to prisoners, are now compiled by the Statistician from material supplied on cards by officers of the Justice Department. The Justice Department is supplied with such tables as are required for their annual reports; the cost of the compilation previously made in the Justice Department is saved, while any confliction of figures due to differences in classification is avoided. A similar arrangement has been made with the Department of Agriculture, whereby the Department undertakes the collection of the returns, while compilation of the tables is made in the Statistician's office under his direction. Agricultural and pastoral statistics are not, however, at present in a settled state. Their complete annual collection by the Agricultural Department was discontinued in 1909 on account of the cost being considered more than the results warranted. We are now endeavouring to introduce a system whereby results of practical value may be obtained at a reasonable cost. Negotiations with the Labour Department for somewhat similar arrangements are at present under consideration, and further developments may take place on those lines.

3. Do you not consider that you 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, to render proper comparisons possible, and to minimize the risk of fallacious reasoning from them?—I think there is a good deal to be said in favour of having all official statistics prepared in one central office, where methods of collection and tabulation can be specialized. Manufacturers need only be called upon for one annual return, which could be made to serve statistical and other Government requirements. The tendency at the present time all over the world in regard to statistics is to centralize and specialize. It is the system adopted in Australia, and as the national life of the two countries are so much alike it is of great importance that we should work along similar lines. A central Statistical Office in New Zealand would be able to co-operate with and help to co-ordinate the statistics of the two countries. Statistical comparisons can only be properly made where uniformity of definition and classification are continuous. 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 centred there without interference with the administrative duties of the other bureaux."

4. Do you consider that any economic inquiry such as this is can be properly carried out without reference to comprehensive and accurate statistics?—No, I do not. Much interesting and valuable information as to conditions obtaining can no doubt be ascertained, but no really reliable conclusions can be arrived at without accurate statistics covering a considerable period to prove or disprove those conclusions

\* Part of Mr. Fraser's evidence was taken in camera, and is not published.

5. Would it be practicable to conduct a "census of production" in New Zealand, to give information *re* the quantity and value of the output of the various trades, the number of persons employed in each, the number of dependants on them, the value per head employed of the output, the cost of the raw materials used, and the value added to the raw materials in the process of manufacture?—Without going into the question at any length, I hardly think it would be practicable to take a census of production to the extent suggested at present. If the work was to be done well the cost would be heavy. A good deal of this material, partial results of which have been published, was collected in conjunction with the recent census. Perfectly accurate results could not possibly be obtained, owing to the numerous varying conditions obtaining in the several trades in New Zealand: so many different industries are carried on in a small way by the same persons, and no proper separate accounts are kept. For instance, the trade of jam-making, fruit-preserving, and the manufacture of sauces, pickles, and grocers' sundries are carried on together in varying degrees, and in many instances some of the hands employed are common to all the trades. In other cases manufacturing trades are carried on in conjunction with retail businesses. Dressmaking, millinery, and tailoring, saddlery, tinsmithing, &c., material is supplied from the retail shop, and the factory hand may serve in the shop. When no proper accounts are kept it is difficult to separate the retail from the manufacturing. Very few keep account of how much of the material is sold over the counter and how much goes into the factory to be made up. The timber industry is one of the most difficult—there are so many differing conditions: there is so much labour contracted for, and seldom on exactly the same basis in each mill. Resawing and planing mills nearly always run timber-yards, and no proper account is kept between timber which they merely store and sell and timber on which some manufacturing process is expended before sale. There are clothing-factories who merely make up for wholesale houses, and have no knowledge whatever of the cost of the materials operated on, which are supplied and made up at so-much per garment, all they supply being the thread and smaller trimmings. Cycle-factories are mainly assemblers of parts and repairers: a great quantity of parts are sold without the addition of any manufacturing process whatever. Blacksmiths are mixed up with coachbuilding and agricultural-implement making or repairing, and so on. The difficulties of taking such a census with any great degree of accuracy are enormous, but with care and patience, and the utilization of an efficient permanent staff, very valuable and approximately correct data could be collected and tabulated. A matter which would require very careful consideration would be the extent of the field to be covered by the inquiry. For instance, if only the larger factories were dealt with greater accuracy would be possible in regard to such factors as "cost of raw material" and "value added in process of manufacture," but even then the latter would be difficult to ascertain. I presume it is desirable to obtain the "value added in process of manufacture" exclusive of any profits to the manufacturer, and the practice in larger factories appears to be to state the "cost of manufacture" as including only labour, materials, mill sundries, and fuel, and a further percentage is then added to cover rent, interest, depreciation, and profits. On the other hand, if the smaller factories are excluded there are so many of them that the volume of the "output" and the number of "hands employed" would be materially understated. To ensure as much accuracy as possible at least twelve months' notification should be given to manufacturers of what will be required, and forms supplied in advance. The collection should be made by the Inspectors of Factories, who should keep in touch with the manufacturers during the year, and the tabulation should be made by members of the permanent staff, so that the suppliers of the returns would have no fear of their confidence being misplaced. Permanent officers are under control, and can be better dealt with in the event of misconduct. Temporary officers are beyond control immediately their work is finished, and they leave the Department.

6. We shall be glad to receive any other statement you may have to make?—Some criticism has been ventilated before the Commission against New Zealand official statistics. I would like to point out to the Commission that the statistics cover a wide field, and that industrial statistics are only a part of our work. It may be interesting to note that when the Right Hon. Lloyd George's national-insurance scheme was being prepared the actuaries engaged in the work had to resort to New Zealand statistics, as will be seen from the following extract from the *Economist* of the 3rd June, 1911: "In the absence of proper statistical information in the United Kingdom, the probabilities of issue being born to males and females respectively during each year of age had to be based on the official statistics of New Zealand during the five years 1903-7." The tables *re* "wages and prices" which have appeared in our statistics since 1873 have received some attention from witnesses appearing before the Commission. Mr. Von Dadelszen, who was Registrar-General until 1909, I believe considered the table as to prices a very valuable and reliable one. Perhaps some explanation as to its construction might be of interest to the Commission. It is made up from returns furnished by the police in various centres throughout the Dominion. The heading of the table is perhaps somewhat misleading. The prices are not, strictly speaking, average prices. They more properly represent the "range" of prices at typical centres in each provincial district, and are the prices for the month of December in each year. I have with me the work-sheets of the latest table published, and may explain further as to what the prices quoted are.

TUESDAY, 9TH JULY, 1912.

STANLEY STUART BROWN, Managing Director of Samuel Brown (Limited), Timber, Coal, and General Merchants, examined on oath. (No. 242.)

1. *The Chairman.*] How long has that business been established?—About forty-five years. I have a thorough knowledge of the business.

2. What is the percentage of delivery-costs as compared with costs of coal as bought by you?—I have some figures run out, sir. Cost ex wharf, £1 5s. for Westport and Stockton—screened as from

the mine; cartage, 1s. 6d. per ton to the yards; trimming, 6d. per ton; rescreening in yards, loading, bagging, 1s. per ton; cartage from yard to house or other place, 3s. 5d. per ton; loss on slack, 1s. 7d. per ton; loss on sacks, 8d. per ton: total, £1 13s. 8d. Cartage is what we pay—1s. 6d. per ton; some dealers pay 2s. 6d. to 3s. 6d. per ton. We deliver with our own carts, but not from the wharf to our yards. Loading, screening, &c.: We allow a man does 1 ton per hour: his wages are 1s. per hour. Cartage: We estimate wages at 8s. per day, horse-feed at 16s. per week—five and a half days' work for the horse—comes to 3s. per day: total, 11s. per day for horse-feed and man. Say the man delivers  $3\frac{1}{4}$  tons per day, that is 3s. 5d. per ton. Loss on slack: The usual percentage on West Coast coal is 10 per cent. Out of a ton of coal you get 18 cwt. screened coal, 2 cwt. slack; selling the coal at 34s. per ton—retail price per ton lots, that is £1 10s. 7d.; slack 2 cwt., average price 18s. per ton—£1 10s.—total £1 12s. 5d.; showing a loss of 1s. 7d. per ton for slack. What we call "screened coal" in Wellington delivered to householder is the screened coal from mine rescreened in our yards. Sacks average 7d. each—we pay 7d. for all our grain and chaff sacks and utilize them for coal. We use a sack twenty-two times in summer and in winter twelve times—average all the year round seventeen times. The sacks cost originally 11s. 8d. for twenty sacks—they are 2 cwt. sacks, but we only put 1 cwt. in them. After being used seventeen times they are useless—thus the average cost is as stated. We always allow 3 lb. of coal for the sack. The costs are absolutely based on bed-rock for cartage, &c., and I assume that we deliver coal all day long. When we have bad weather we have to put on extra labour—that may last for two days; then we get fine weather and possibly could do with half the staff. In these estimates it shows on ton lots a profit of 4d. per ton, to pay for rent, rates, taxes, insurance, repairs, maintenance, renewals of stock, plant, buildings, office expenses, allowances for bad debts, &c.

3. How much would you allow per ton on those?—3s. per ton.

4. You have a loss of 3s. and profit of 4d. per ton?—That is so; but I will explain that. We estimate £1 15s. 7d. per ton realized, taking in the small coal. This is a percentage of how our coal is sent out: ton lots, 46.5 per cent.;  $\frac{1}{2}$  tons, 20.3 per cent.;  $\frac{1}{4}$  tons, 11.2 per cent.; hundredweights, 22.2 per cent. The cartage-costs are very high, owing to the hilliness of the place here, and through lack of space people are only able to take small quantities. At present there are thirty-two dealers in Wellington. This includes the State Depot, Westport, and ourselves. Taking out these three, of the twenty-nine left sixteen employ no labour; they do all their own carting, bagging, &c., and delivering. Four other firms are worked solely by the principals, no labour being employed. The balance employ one to two men; one firm three men, and the principals work the same as the employees. With the smaller dealer his day is not 8 to 5—he is probably working 7 to 7 p.m., and then doing his book-work at night-time. In 1906 Westport coal cost 24s. 6d. less  $2\frac{1}{2}$  per cent. ex wharf—practically 24s. It was retailed at 36s. per ton in ton lots, 19s. per  $\frac{1}{2}$  ton, 10s. per  $\frac{1}{4}$  ton, 2s. per hundredweight. At the present time, from the 1st July there will be a rise—Westport costs 25s. ex wharf net, and is retailed at 34s. per ton, 18s. per  $\frac{1}{2}$  ton, 9s. 6d. per  $\frac{1}{4}$  ton, and 2s. per hundredweight.

5. *Mr. Fairbairn.*] Are these less  $2\frac{1}{2}$  per cent.?—No, net. The selling-prices are net too. In 1906 the cost of coal was 1s. per ton less—I am comparing with 1912 prices—or perhaps 1d. more; and the price realized was 2s. per ton more; so that at present we are realizing 3s. less per ton than in 1906. In 1906 the driver's wage was 45s. per week; they now get 47s., and are asking for more. Horse feed has increased 20 per cent. at the least in cost. In 1906 there were thirty-seven dealers; of that number there are only eleven in the trade now. Sixteen of them closed up entirely—could not even sell out their businesses, the other ten were fortunate enough to sell out. We had a depot in Tinakori Road, which has since been leased; from there we used to supply Karori and Northlands at a charge of 2s. per ton more than town prices, to pay for extra cartage, &c. That was up to one year ago. We charged 2s. per ton extra to cart out to Karori and Northlands; we found that did not pay, and we cut out those suburbs altogether. The last six years firewood has increased 25 per cent. It may seem peculiar that we keep on the retail business, but it is only one-sixth of our business; we are agents for Westport-Stockton Company, and have cargoes arriving every week, and also cargoes landing regularly from Newcastle. We have to keep the yards open to take in any surplus coal, and also to be in a position to supply contracts if the bar is bad at Westport. Also, at times trucks may not be available—the steamer has to get away and the coal put ashore. Take the "Mapourika": she had to sail on Tuesday, and all coal had to be out by Tuesday morning, she is a time-table steamer, and cannot be delayed. We have a good deal of capital lying in Wellington in properties connected with the coal trade, and plant and stock. Our yards are not paying; we are not alone in this position; we are not getting any return on capital laid out in the retail business. Our yards would have been closed down two years ago if it had not been a necessary adjunct to the wholesale business.

6. *Mr. Robertson.*] Is there free competition here?—Yes; there are thirty-two dealers in the business. The large bulk of our retail trade is for household purposes.

7. Is it larger than in ton lots for manufacturing purposes?—No; that is done from the ship's side.

8. It is interesting to see the different number of coal-dealers here as compared with Auckland. Perhaps you have no association?—No, not for five years.

9. *Mr. Macdonald.*] The retail business is affected by the fact that Westport Coal Company does its own distributing?—Yes. When they came into the business they dropped the price 4s. per ton, and only reduced the wholesale price 1s. per ton. The State have raised their coal 3s. per ton in the last four or five months.

10. *Mr. Fairbairn.*] When did the Westport Coal Company drop the prices of coal?—About two years ago last March, I think.

11. This drop in price—when did it take place—in your coal?—When the Westport Coal Company dropped their price—that was responsible for it.

12. You mentioned 3s. per ton as overhead expenses: have you any statistics bearing on bad debts?—No. I could go into it and let you know. I will drop the Commission a note of that.\*

13. *Mr. Hall.*] What is the wharfage in Wellington?—1s. per ton—that is included in the ex-wharf price.

EDWARD BULL, Secretary and Manager of the New Zealand Candle Company (Wellington Works, Kaiwarra), examined on oath. (No. 243.)

1. *The Chairman.*] Has the cost of candles to the public gone up of late years?—No. My object is to refute certain misstatements that have been made. Certain evidence which appeared in the Press as tendered by Mr. Bolton is wrong. I take it he has been correctly reported. He states that up to two years ago the price was controlled by manufacturers and merchants jointly, &c. [extract read]. That is absolutely untrue. The merchants never have had anything to do with the fixing of our prices, although there are certain merchants on our directorate. As regards the starting of new firm and the action of the Burmah Company having brought down the prices 1d., that is not true. The drop which took place about that time was due to a decline in the cost of paraffin wax—which has been cheaper than ever before in the last eighteen months: that alone brought down the price. There has been no meeting to my knowledge of the New Zealand candle-manufacturers, either to alter prices or for any other purpose.

2. *Mr. Macdonald.*] You do not know of any meetings?—No, I know of none; if any had been held, I would have been bound to hear of them. Mr. Bolton also says that New Zealand candles are only 15 oz. instead of 16 oz., and that represented so much loss. I know of only one company that makes 15 oz. candles. We have not made a ton of 15 oz. candles; we try to turn out 16 oz. net always. There is one company turning out 15 oz. candles pretty generally. Mr. Bolton further suggests as a remedy that the duty on candles should be reduced. That would shut up every candle-manufacturer in the Dominion in six months. The candle-manufacturers of the Dominion cannot base their selling-cost on cost of production—in fact, they might not bother to make up costs, for the reason that they always have to fix a selling-price lower than that of, say, Price's or Ogston's; our prices must be under those.

3. *The Chairman.*] With the duty added?—Yes. Then, again, the present duty on candles is 1½d. per pound, whilst the candle-manufacturers have to pay 1d. per pound on paraffin wax.

4. Your material, then, is taxed?—Yes, to the tune of 50 per cent. on some qualities. Another thing is that considerable dumping takes place here in New Zealand. Foreign manufacturers will frequently quote at reduction on Home prices for export to New Zealand, and we, of course, have to face that and endeavour to fix our prices so that we shall get a fair share of the business. Since the year 1900—in which year the tariff was altered (prior to that the duty was 1½d. on candles and 1d. on wax)—the Government amended the tariff, and made the duty on paraffin ¾d. and the duty on candles 1d.; the effect of that was that the output of the manufacturers of the Dominion dropped 50 to 60 per cent. In 1908 the Government again dealt with the tariff, and raised the duty on candles to 1½d. and raised paraffin wax to 1d. We are also suffering, and have been for some considerable time, from candles imported from Burmah; these have been sold at very, very low prices, and contracts booked over a certain number of years. These candles are made by black labour, the only white people being the heads of the departments—the rest is black labour. We consider that to let those statements go would probably do injury to our business, and my object is simply to refute those.

*The Chairman:* You are perfectly right to come and correct any misstatements.

5. *Mr. Fairbairn.*] What was the price of your wax candles two years ago?—In 1910 our lowest price was 5½d. to 5¾d.; 1909, 5¾d. to 6d.

6. What was the lowest rate two years ago?—That was two years ago. I was speaking of the lowest grade of candles. Our best grade was 5¾d.; in 1911 it was 5½d., and 1912 the price is 5½d. 5d. is for the lower grade to-day.

7. When your prices were reduced, was that owing to an independent firm starting here who refused to agree to the arrangements made with the New Zealand candle-manufacturers?—No, nothing whatever to do with it; we have never approached them nor they us. Our prices fell, as I explained, owing to the drop in paraffin wax, not owing to competition. We have a price-list as handed in—the discounts are shown on the price-list.

8. Will you sell 250 boxes to any retailer?—Yes; the trade is quite open.

9. Would you refuse any distributor 250-box lots?—No, nor a lesser quantity; the trade is perfectly open so far as we are concerned; we are simply out for business. The wholesale house gets 5 per cent., regardless of quantity—he does not have to take 250 boxes; that has been our arrangement for years.

10. Have you no common understanding as to prices?—Yes; the prices in relation to the melting-point.

11. Occasionally you overlap in districts—Wellington candles may come to Timaru, &c.?—Yes; and we have an understanding as to prices.

12. I think you have formed a wrong opinion about Mr. Bolton's evidence [evidence read]. He made no reference to your candles?—I thought from the newspaper report he did. I say our prices are not fixed by the merchants—we manufacturers fix our own prices. I have given the reason for the drop in prices of wax. It dropped from 2¾d. in 1909 to 2¼d. for one grade, and 2⅞d. for another grade in 1910, and it dropped to 2d. and 2¾d. in 1911. Those prices have now advanced.

13. But it is a curious coincidence that there was a drop when this new firm started to the lowest price for many years?—No; our prices fluctuate. In 1901 our prices were 6d. to 6½d., and they have gradually dropped in price. In twelve years the lowest point reached is the price of to-day; fourteen years ago they were as low, owing to lower cost of wax.

\* Witness subsequently wrote, "Assuming average price realized £1 15s. 7d. per ton, our experience is that 0·92 per cent. (18s. 4d. per £100) is for bad debts. This works out at 3s. 9d. per ton."

14. You state definitely you would not refuse to supply any merchant or retailer with a 250-box lot?—I do. I will take any orders that like to come along. I will take an order from either wholesale or retail men—from any man.

15. *Dr. Hight.*] Why is paraffin wax taxed?—I cannot answer that—there always has been a duty on the wax; but that wax has never been produced in the colony, and should come in free. It will be manufactured if they make a success of present petroleum-fields.

16. *Mr. Macdonald.*] There is no pooling of plants among the manufacturers?—No; the object of our arrangement is to ensure standard-quality candles.

17. *The Chairman.*] Do you know of any arrangement with associated merchants to control the price of candles?—I do not know of any. They take our candles, and these become their property then. We show the discount as on the list, and the retailer can buy on the same terms as the merchants.

WILLIAM SIMM, Manager of the Wellington Branch of the D.I.C., examined on oath. (No. 244.)

1. *The Chairman.*] Have you been many years in the drapery trade?—Twenty-nine years.

2. Have you noticed any general rise in the price of drapery?—There is no appreciable rise, speaking generally; in men's clothing there has been no appreciable rise in the last ten years. There has been a change in the character of the trade. A better quality is demanded and better style is demanded. Where thousands of pairs of moleskin trousers were sold, now they are sold in tens.

3. Is that general advance in taste and quality demanded by all classes?—It is more noticeable with the working-classes.

4. Have you a difficulty in getting shop-assistants?—There is always opportunity offering for good hands.

5. Has their pay and general condition advanced in the last few years?—The pay has not advanced; the general conditions have improved—the hours are less and the holidays more.

6. Have you noticed a great deal of rise in rent?—Our property is leasehold. That is rather a sore point. We recently came through the Arbitration Court, and had to suffer material increases. The rise in land-values are very appreciable.

7. *Dr. Hight.*] Can you give us any figures as to comparative costs of making clothing?—No.

8. Can you say anything as to tariff reductions?—The tariff reduction is passed on to the public in drapery—there is no question about that—competition effects that.

FREDERICK WALVOT BURRIDGE GREVILLE, Editor of the *New Zealand Dairyman*, examined on oath. (No. 245.)

*Witness* said that, in his opinion, the three principal causes of the increased cost of living were—(1) The legacy left to the people of New Zealand by the Legislative Council in 1870, when by striking out a clause in the Loan Bill of that year they cast the burden of the millions to be borrowed for all time on to the general body of the taxpayers instead of on to the unsold Crown lands, as was intended by Sir Julius Vogel; (2) the rise in the values of locally grown foodstuffs, such as meat, butter, and cheese, by the introduction of artificial refrigeration, which enabled us to sell these products for their true value instead of selling them for offal prices, as was done in the days of the boiling-down works, when a 9 lb. leg of mutton was sold for 6d., and butter was retailed in Taranaki for 3d. per pound; and (3) by the toll imposed on the people by the food-packers, by which they (the people) were robbed of 25 per cent. of the money they paid for the goods purchased. For instance, a reputed 1 lb. tin of coffee contained only 12 oz. instead of 16 oz., and this applied to practically every packed article sold out of grocers' shops, if packed in New Zealand.

1. *Mr. Macdonald.*] Does the customer ask for a tin or a pound of coffee?—The woman customer comes in and asks for a pound of coffee. If she buys a pound of coffee loose she will get 16 oz. for 1s. 8d.; in the tin she gets 12 oz. for 1s. 8d. I will bring some articles this evening with scales, and they can be weighed. I have been a grocer, so I know what I am talking about. Butter was sold in New Zealand from November to February this season at 1d. per pound less to the merchants, owing to the phenomenal prices being realized in England; but, as many of these firms had spent thousands of pounds advertising their brands on the local markets, it was wiser to retain this than to gain the temporary advantage of the extra 1d. on the London market. There was no philanthropy about it. New Zealand is one of the few civilized countries in the world that has no Pure Food Commissioner, and it is about the only country in the world where acetic acid and water can be sold for vinegar, and where alum can be used for adulterating bread with impunity. Bread loaded with alum will carry from  $\frac{1}{4}$  lb. to  $\frac{1}{2}$  lb. more water than a loaf made without alum, and is, besides, very injurious to health.

*Witness* then gave some instances of the great increases in land-values. The first instance was that of a 400-acre farm offered to his brothers twelve years ago at £21. This was sold to cut up into smaller farms ten years later at £52, no improvements being made in the interval. The second was of a farm in the same locality which had been bought ten years ago for £30, and which had no more improvements on it than a Maori pa, and this would sell by public auction for £60 per acre to-morrow. The third was a farm owned by a man whom *witness* considered one of the best farmers in New Zealand. Eighteen years ago this farm was bought for £18 per acre, and about £17 per acre had been spent on improvements, and this had been sold for £65. The area of this farm was 200 acres. Referring to the clause struck out of the Loan Bill of 1870, by which the burden of all the millions to be borrowed for all time was cast on the general body of the taxpayers instead of on the unsold Crown lands, as was intended by the Bill, *witness* said that two important conditions that were part of Sir Julius Vogel's land scheme has been lost sight of. Sir Julius Vogel intended that certain important conditions should attach to borrow-

ing the millions—for one, a regular system of immigration, fetching in more people to share the taxation. That Bill of Sir Julius Vogel contained vital conditions which were jettisoned—immigration for one, and provision for completion of railways. Witness then proceeded to show that a great deal of wealth was lost to the producers through ignorance, and continued: I put in a table attached to the balance-sheet of the Ballance Co-operative Dairy Company. These figures show the losses of the company for ten years through making the butter absurdly dry. The table goes back to 1902. In that year their deficiency was 8 per cent. of the whole turnover (see *New Zealand Dairyman*, 10th September, 1910). These losses were borne by the farmers through pure unadulterated ignorance, because they would not engage analysts. In conclusion, I would say that five hundred farmers within a radius of a few miles from Manaia are paying a tax of thousands per year to ignorance, because they have never analysed their cheese.

2. *Mr. Macdonald.*] I want to know how the unsold Crown lands will pay for the borrowed millions?—Take the Ballance Special Settlement: that land, which is quite some of the best in the district, was given to those people—Mr. A. W. Hogg was one of them—at £1 per acre. Make a liberal allowance for improvements—say £10 per acre. They could all sell out to-day for £30 or £40.

3. You mean the unearned increment?—I was careful to point out what was intended when the borrowing policy commenced. Many millions of acres have been disposed of since 1870.

4. *Mr. Hall.*] Do you think these high prices will be sustained if there is a fall in the price of butter?—If there was a big fall in the price of butter half the dairy-farmers would be ruined; the price of land would drop very heavily. The annual increase in consumption of butter in England has just kept pace with the total output of the Dominion of New Zealand—only just kept pace; and the consumption of margarine is bigger than ever. The butter-supply is not equal to the demand, nor will it ever be. The same applies to cheese. Canada is now gradually decreasing her cheese export because of her own growth of population. On all farm-products there has been a steady fall in value except butter, which has steadily increased. The Maketawa Company is one of the best dairy companies in New Zealand. In 1896 they paid their farmers 7½d. per pound for butter-fat; this year they pay 1s. That is a fair example of how the butter has gone up in value. In cheese fifteen years ago the factories got about 7½d. per pound equivalent, and this year they will get 1s. 3½d., and a factory at Hawera expects to pay 1s. 3½d.

5. *The Chairman.*] Do you think butter has increased in price because of the large quantities of cheese manufactured?—No; there are factories that cannot make cheese, and these factories will keep up the supply of butter.

6. *Mr. Veitch.*] What was the date of Sir Julius Vogel's Bill?—1870.

7. *Mr. Robertson.*] Would you say land-values have risen in about the same ratio as butter-fat has risen?—Yes, about the same.

The Commission met again at 8 o'clock the same evening, when witness attended with a parcel of packed groceries which he had bought in the interim. The following are the goods purchased, and the weights as tested by witness before the Commission:—

Name of Article.	Gross Weight as packed.	Net Weight of Goods.
Butter—	Oz. dwt.	Oz. dwt.
Gold Leaf brand .. .. .	14 7	14 4
Primrose brand .. .. .	16 0	15 14
Defiance brand .. .. .	16 3	16 0
Candles—		
Apex brand .. .. .	16 7	15 3
Golden Ray brand .. .. .	16 2	15 2
Excelsior brand .. .. .	15 15	15 7
Pepper—Brown, Barrett, and Co.'s brand .. .. .	4 0	2 8
Baking-powder—Edmonds's brand .. .. .	16 0	14 0
Jam—Golden Bee brand .. .. .	16 0	13 0
Arrowroot—Sun brand .. .. .	14 8	13 0
Biscuits—Aulsebrook's brand .. .. .	32 0	23 0

Sundry other articles of English manufacture were weighed, and found to be of correct weight.

[These weights were subsequently verified on tested scales by an officer of the Agricultural Department, at the request of the Commission: *vide* page 469 hereof.]

*Witness*, before leaving the room, asked: Does the Commission admit that I have proved my case?

*The Chairman:* Oh, yes.

WILLIAM BRUNSKILL, Boot and Shoe Manufacturer, Wellington, examined on oath. (No. 246.)

1. *The Chairman.*] How long have you been in the trade?—Eighteen to twenty years.

2. Has there been any increase in the price of boots in that period?—No. Materials have risen greatly in price, but the trade has been revolutionized in the way of machinery; the extra cost of labour and of materials have been counterbalanced by this efficient machinery.



3. What is your opinion in regard to the supply of leather from New Zealand: is the tanning industry declining?—I do not think so. The tanners say hides are becoming scarce, and they have to pay higher prices, they say—they charge higher prices for their leathers. The tanners tell me that they can make more money if they ship Home all the hides and import as leathers.

4. Is there any understanding among the manufacturers to regulate prices?—No, it is impossible, because we do not all produce the same kind and value of boots. Nineteen out of every twenty of the merchants and retailers could not tell the difference between a similar-looking boot of two different values.

5. Do you consider the retail profit is fair considering the trade expenses?—Yes. We have heard of odd instances in country districts where excessive profits are made.

6. Is there a prejudice against New-Zealand-made boots?—Yes, there is. We have never put on fancy brands, but we have copied foreign-made boots for them and sold them unbranded. Nowadays very few of our boots are branded. The retailer will not have them branded, and generally they want them put in plain boxes, too.

7. So that he can give free scope to his imagination?—He can then supply a New-Zealand-made boot, or an American boot, or English boot, and so on. The boots worn here are not all made in New Zealand; we import £300,000 worth. The children's boots, &c., are not made in New Zealand; we do not want to make them here. The men's boots are imported largely, and made in New Zealand too. We asked a customer why we did not get his orders, and he said that if he bought an imported boot of the same value as ours he could get 2s. extra profit on it. I do not know how.

8. He bought direct from people at Home?—He would indent them, and the stock in that man's shop would be 90 per cent. imported.

9. Do you import as well as manufacture?—In a very small way; some things we have to import.

10. *Mr. Hall.*] How could this man get 2s. per pair profit extra on imported boots?—He is pushing the boots more; that is the only reason I know.

11. Have you any reason to think that the retailer can buy imported boots of the same value 2s. cheaper?—He cannot; he charges 2s. extra to the customers for them. He admitted that the local-made boot was as good.

12. *Mr. Veitch.*] Are there any Customs alterations you can suggest?—When the preferential duty was imposed it made a very considerable difference. I think the Government ought to put on more duty and shut out this stuff. Why should we allow people's prejudice to kill our trade when we can make the boots as good? I think the number of men employed in the trade is not so great as it was; the machinery would make a bigger output, and instead of that we have reduced the hands employed.

13. *Mr. Hall.*] Are there any lines carrying heavy duties that are not made in New Zealand?—Yes—slippers, for instance. There is a duty of 6s. 8d. on one line—one dozen pairs—alone I inquired into. These slippers were 3s. 9d. per dozen at Home, and the duty was more than double the cost of manufacture.

14. *Mr. Fairbairn.*] Would you favour 25 per cent. duty *ad valorem*?—That would not get over the trouble from the manufacturers' point of view.

15. The more expensive boots carry a less duty, and yet the bulk of manufactured boots in New Zealand are more expensive boots?—I do not think that is right; I think the difference is between the previous and the present duty. On boots at 10s. 6d. in London it would be nothing—the duty would be the same; below that a higher duty has now to be paid.

16. More than half the boots manufactured in New Zealand are sold at about 20s. to 30s.?—Oh, no, that is not right. There are factories working almost wholly on boots—heavy boots—at 12s. to 15s., retail price. That is for heavy kip boots.

17. Some factories may cater for higher-priced boots?—Yes, we have done that. Our highest price boots is 22s. 6d., but our best selling-price is from 12s. to 16s. wholesale. The retail price would be 18s. to 22s.

18. *Mr. Hall.*] The cheap slippers are not manufactured in New Zealand?—I do not think they are.

19. Could that duty be removed to help the consumer without injuring the bootmakers?—It could.

GEORGE ALDOUS, Tobacconist, examined on oath. (No. 247.)

1. *The Chairman.*] Have you been in that business long?—Twenty to twenty-five years.

2. Do you consider that the present tariff on tobacco is a fair one for all classes: do you not think 3s. 6d. per pound presses too hardly on poorer tobaccos and too lightly on high-class?—No. I think if the duty was altered the manufacturer would eventually get the advantage.

3. The percentage on Juno, say, is very heavy?—Yes, as compared with high-class tobaccos.

4. Why should the pressure for an article that is hardly a luxury but a necessity for many workers be so great?—It would be better to have a lighter duty, but I doubt if the manufacturer would allow the working-man to benefit permanently.

5. *Mr. Robertson.*] How would the manufacturer get the advantage?—The manufacturers are after all they can get, and they know that the man can pay so-much, and they will get all that. Competition between tobacco-manufacturers is nothing—there is none—there is none worth speaking of.

6. Which manufacturers control the tobacco trade here?—All those in the British Empire Trading Company—W. D. and H. O. Wills, Players, Lambert and Butler, Bells—those are the main people in England; in America, T. C. Williams and Wm. Cameron.

7. Is the position this: there is one large American tobacco combine?—Yes, and a British combine.

8. So far as New Zealand is concerned these two are in agreement?—Yes.

9. Does that apply to Australia?—Yes. That is why I think no Customs tariff would benefit the consumer. The trust regulates the retail trade.

10. *Mr. Fairbairn.*] Do you know that the British Empire Trading Company confines supplies to certain firms?—I do not know; I buy from merchants. We have a list given us of tariffed prices.

11. Who determines these prices?—The British Empire Trading Company, in conjunction with the merchants.

12. It is not possible for you to purchase tobacco direct from the manufacturers?—Absolutely impossible.

13. *The Chairman.*] Do you think if the duty was off, or put more in favour of the badly paid man, that the manufacturer would get the whole of that benefit or share with the associated merchants?—He might—just might—share with the merchants.

14. *Dr. Hight.*] Is the manufacturer not getting the highest price the trade will bear?—Yes.

15. If the price is raised, would not the demand fall off?—No, people will have their tobacco.

16. What is the definition of "one pound of tobacco"?—It would be 16 oz. to the pound; but with certain kinds there are eight sticks given, whereas eight sticks and three-quarters make the pound. They have to pay more for the eight sticks and three-quarters.

17. What is the weight of that three-quarter stick?—The sticks go eight and three-quarters to the pound.

18. Has tobacco increased in price in the last ten years?—About 3d. per pound on the average in the wholesale price; the retail has remained about the same. There is very little difference in the charges made retail.

WILLIAM THOMAS YOUNG, Secretary of the Seamen's Union, examined on oath. (No. 248.)

1. *The Chairman.*] Have you a statement to make to us?—Yes, sir. In the first place, I have compiled a few figures which I need not weary you by reading. These are a comparative statement of wages paid in Wellington District in 1892 and 1909 in accordance with Year-books. They are the wages for different trades, and also domestic servants, dressmakers, and farm-workers. In some cases daily rates have been given; in other cases weekly without board, and wages per annum with board. There is also a corresponding statement of prices of provisions in Wellington District in 1892 and 1909 [see Exhibit No. 10], obtained from Year-books. I have taken these records because I view them as impartial. In addition I have a comparative statement of wages paid to seafaring classes [see Exhibit No. 11]. The classes of employees are mentioned in this statement. In the years 1891, 1890, and 1889 the wages were the same as specified in my table for 1892. There is also a comparative statement of overtime [see Exhibit No. 12]. I have also compiled a statement relating to the s.s. "Maori" [see Exhibit No. 13]. After the seamen made their agreement in January last fares were raised 5 per cent.; freights were also raised, but I shall not deal with freights. I have taken this ship on the 5-per-cent. increase of fares to show the Commission what has taken place, dealing with the "Maori" only. The second-class fare prior to the increase was 12s. 6d. I allow for six trips per week which the "Maori" makes between Wellington and Lyttelton. So far as overtime is concerned, I may explain that the £1 per month per man is overestimated, because this ship carries twenty-seven men in the stokehole and engine-room, and they make little overtime, and the agreement has not materially increased their overtime. The overtime increases refer mostly to the thirteen men employed in the deck department.

2. *Mr. Fairbairn.*] You speak of an increase of 5 per cent. in fares: is it exactly 5 per cent.?—Yes, I gather the increase is 5 per cent. all round.

3. What has been the advance on return first-class fares?—It used to be 35s.; it is now 37s.

4. And the second class?—5 per cent. also applies there. They used to charge 12s. 6d., and I believe it is now 13s. 9d., but I am not quite sure of that.

5. We ought to have the definite figures—what you quote is 10 per cent.?—I could get the exact information for you to-morrow. I have equally divided the first- and second-class passengers, but these vessels between Wellington and Lyttelton carry many more first class than second. I have a further statement [see Exhibit No. 14] showing the effect of putting on extra fares in the different steamers.

6. Is it possible to get the exact number of passengers carried?—Yes, from the Customs authorities; we could get the exact number of the "Maori's" passengers for the last twelve months.

7. *The Chairman.*] Over what period does that twelve months carry?—January to December inclusive. I put this last table into the Commission to show how increase of wages are passed on to the community. That company is making a profit of between £190,000 and £200,000—a net profit; and their capital has not been increased one farthing. They have acquired, in addition, all their plant from profit. I want to speak now of the increased cost of butter. It is said that no butter ring exists. I leave it to the Commission to draw its own conclusions from my evidence. I know a shop in this city which the year before last was selling Defiance butter at 1d. per pound less than the ruling rate that was allowed to regular customers. Last winter butter was up to 1s. 5d. per pound, and this shop received notification that if they sold the butter at less than the ruling rate to any person they would not be supplied by the factory.

8. We should get that fact from the owner of the shop?—That fact is within my knowledge, because my wife was the person who bought the butter. There is another aspect of this matter which is within my knowledge: another shop was receiving the same brand of butter, and they were not allowed to sell the brand under a certain figure prescribed by the manufacturers, and in

order to escape that the shopkeeper took off the Defiance wrapper and put on a wrapper of his own.

9. Did you ever weigh any of the butter?—No. In 1910 New Zealand exported butter as shown in the following statement. I have a clipping from the *Evening Post* showing Eltham Factory output sold at 11 $\frac{3}{4}$ d. Last year I wrote to the Government Statistician for information in regard to this matter, and I received this letter in reply [letter put in: see Exhibit No. 15]. *Re* price of cheese: You cannot buy this in Wellington under 8d. or 10d., and it is produced at 4 $\frac{1}{2}$ d. per pound, according to the Official Year-book.

10. *Mr. Fairbairn.*] Do you know how cheese is sold—that shippers cannot ascertain the value beforehand sometimes?—Yes, I understand that. Therefore the Year-book figures are not always quite reliable, I know. In regard to coal, I hand in the following return [see Exhibit No. ].

11. Is this screened household coal?—It is a general statement given by Mr. Joachim. It may not be screened coal—it may be a statement covering the whole of the coal-production; but at the time when that evidence was given coal was selling in Wellington at 36s. 6d. per ton.

12. *Mr. Macdonald.*] It is a good deal lower now?—Yes, in the State depot; it is 36s. 6d. per ton for Westport coal, ton lots. [Witness quoted figures showing the output of the State coal-mine, as referred to above.] The question of charges to consumers and marine freights has to be considered together—the State is paying 5s. 3d. per ton for freights. I know that is the rate payable for freight—I cannot say whether it is the same as published in the newspapers recently here. If we take the output of the mine at 216,000 tons, that equals £54,000 per annum. In marine freights, from the last report of the Department, the total amount paid was £59,200 on coal—that is, the amount paid in marine freights. That may have included transport on plant to the West Coast. I believe that if the State would get their own vessels to transport this coal they would not only make a profit out of the transaction, but they could reduce the price of coal considerably to the consumer. I have gone into this matter briefly, and have worked out a statement that I would like to put before the Commission on this particular matter. I was one of the deputation interviewing the Minister of Mines last week in regard to the price of State coal and delays in delivery, and one of the reasons put forward by the Minister was that by giving private enterprise £59,000 per annum in freight they were able to get private enterprise to consume their slack coal. If they had their own vessels those vessels would consume the slack, except any balance which could be comfortably consumed in other directions. As shipbuilding goes to-day—I call attention to the “Mokoia” and other vessels built at £12 per ton—shipbuilding is cheaper to-day. Take two colliers at 2,000 tons each, and allowing for cost of construction at £15 10s., say, per ton, they could be produced for about £90,000, and would carry, say, 3,500 tons of coal. [See Exhibit No. 16.] The State Coal-mines Act was passed in 1901, and we have paid in freight to private enterprise since then £320,000 and more, which might all have been saved to the people, and the coal reduced in price. This also I wish to put on record. In 1896 the total number of factories was 4,647: 32,387 workers were employed—6·99 workers per factory. In 1906 there were 9,881 factories, and 70,403 workers were employed—7·12 workers per factory. In 1911, 12,768 factories: 78,790 workers were employed—6·09 workers per factory. I have also the copy of a letter sent by a Sydney firm to a Wellington firm in regard to butter. The letter refers to the Coronation trade. The letter was sent by a firm of Wellington merchants to the Trades and Labour Council, denying that they were a portion of the butter ring. The same firm imported a shipment of 100 boxes of butter from Sydney. It was selling retail in Sydney at 10d. per pound, the freight was  $\frac{1}{2}$ d. per pound, and the duty 20 per cent. The butter was brought here and put on the market at 1s. 5d., and for aught I know it may have had the Defiance wrapper put round it. I could not say whether it was factory butter or dairy butter. Whilst we were paying 1s. 5d., and it was suggested that it would go up to 1s. 6d.—and it would have gone up but for the row raised by the Trades and Labour Council—the same article produced in the same country was selling in the London market at 1s. 1d. per pound, after paying a freight of 1d. per pound—that 1s. 1d. was the retail London price, I am sure. In my judgment the reason for that was that when it entered the London market it entered a competitive market—a kind of market that does not exist here; here we have only a monopoly market. I suppose the price of bricks may have a bearing on the matter of rent. Certain local employers stated the price of bricks as £2 12s. per thousand. That is an enormous charge. In New South Wales the Government established State brickworks, and a cablegram dated the 15th September last says that the bricks are turned out at a cost of 24s. 2d. per thousand. The permanent cost is stated to be 19s. per thousand. I wrote to the Public Works Minister in Sydney and asked for information, and received his reply as follows [Exhibit No. 17]. The following is the professional opinion on the State bricks [Exhibit No. 18]. That is quite in contrast to £2 12s. per thousand, and the conditions of the labourer in New South Wales are on a par with those in New Zealand. I would also draw the attention of the Commission to this point: Some eight years and a half ago we had established in this country State coal-mines, and coal was then supplied to the consumer at 27s. 6d. per ton for ton lots; last month or the month before the price was increased to 28s. 6d. per ton; and I went in yesterday to order coal and found that another 2s. had been put on—it is now 30s. 6d. per ton. I do not know anything that has occurred in the labour world to cause that increase.

13. There are reasons for that—there are sections now worked out?—The Point Elizabeth is capable of turning out 450,000 tons per annum, and it is turning out only 190,000 tons. In Mr. Joachim's evidence before the Coal-mines Commission these details are furnished in 1901. The total cost f.o.b. is 11s.; the freight from Westport to Wellington at that time was 5s. 3d. per ton; therefore coal was landed at the Wellington wharf at 16s. 3d. per ton. Whilst there has been an enormous increase in the number of factories since 1896, the percentage of persons employed per factory has been very much reduced. There is just a little problem which I wish

also to put on record. Taking £150 a year as representing the family income of a considerable portion of the working-class, we shall arrive at a conclusion that this part of the population, though fighting a perpetual battle with want, pays an average of £17 19s. 4d. per family for taxation for natural purposes, or a sum equal to a tax of slightly under 2s. 4½d. in the pound. The well-to-do family of equal number, with an income of, say, £2,000 a year, will not consume more taxable articles; their food, to a far greater extent, will consist of meat, milk, fruits, and other non-taxed articles. The amount of taxation paid by two families of equal size, one with an income of £150 and the other of £2,000 a year, works out at 2s. 4½d. in the pound on his income for the poor man, and for the rich man at just over 2d. in the pound on his income. There is another matter of interest, which has a bearing on the question of royalty, and concerns the "Lusitania." When she is under steam she consumes 70 tons per hour [see Exhibit No. 19].

14. *The Chairman.*] You are using this argument to show that the transport service costs a good deal more than it should?—Yes, that is expenditure in a wrong direction; it goes to show how the working-man is ground down in wages and working-conditions, and thereby prevented from acquiring the necessities of life, while the landowner can extort so much more than even 333 stokehold men can earn. Some years ago there was a flour-milling trust formed in New Zealand, and this took in pretty well all the flour-mills except five—the Northern Roller Mill in Auckland stood out. Flour went up after the trust was formed 5s. per ton; and then a meeting of bakers was held and bread was raised, the rise being equal to £1 per ton on flour, so the baker made a profit out of the rise of 15s. per ton. In regard to rent and values of land, I may say at the outset that so far as Wellington is concerned rent is enormous, although I believe that during the past eight or twelve months there has been a decrease. But land-values have a bearing on the question. At the time that it was mooted to extend the tramway service to Hataitai and Kilbirnie land in the former place was selling at £1 5s. per foot; then a syndicate came forward with a proposal to give £10,000 towards the construction of a tunnel; they ultimately gave the £10,000, and by that transaction they made thousands and thousands of pounds. The tunnel was completed, the tramway service duly extended to that district, and six months afterwards you could not purchase the same land under £6 10s. to £7 per foot. The same argument applies to Island Bay. I know a friend who purchased land at Island Bay, on my advice; he paid 10s. per foot before the tramway service was extended, and he sold it after the service was extended for £3 per foot.

15. *Mr. Macdonald.*] You do not maintain that was good advice?—Well, he was a friend of mine.

16. *The Chairman.*] You were an accessory before the fact?—That is so. The people are paying not only for the tramways, and then also paying afterwards for the land—the people spend thousands of money in order to pay more to live. When we widened Adelaide Road property went up in value, and the City Council tried to get a portion of the value back by applying the betterment principle, but they could not do so, because they could not get evidence, it was alleged. There is one more point I want to mention in regard to price before I close. A short time ago a friend of mine purchased two pieces of dress material from a certain warehouse—the price paid was 7s. per piece. He sold one piece to a friend of mine for 9s., and gave the other piece to his wife. On the piece he sold he made a profit of 2s. You can take that same material with you into any shop, and they will not sell you a piece of similar material at less than 18s. That is an absolute truth. My wife purchased the material for 9s., and the same thing cannot be bought by her under 18s. If the shops are losing at these rates they are losing by robbery.

17. *Mr. Macdonald.*] The increase in the Union Company's fares and freights have more than covered the rise in wages?—Yes, more in fares alone. I would not be surprised to learn that the Commission has had given it figures to prove fares are a loss to the Union Company.

18. They have to pay extra for food-supplies now for passengers?—The contract price for meat was not raised by the seamen's agreement. There is very little difference in the contract prices for meat now and formerly.

19. But the rise in fares and freights has not yet taken place on the West Coast?—I do not know. They may be carrying under contract, and so they cannot raise the fares there; but the increased fares came into operation here in March last—before our agreement came into force actually.

20. *Dr. Hight.*] Do you know of any cases in which an increase of wages has not been followed by an increase of fares in the history of the Union Company?—There has really been so very few increases in the matter of wages and overtime, as my tables will show. From 1892 right up to 1908 the wages were the same. There was a reduction of £1 per month in 1903, and we did not recover that till 1908. We obtained an increase that year, but I do not think anything was put on as a result.

21. Was the increase in wages the only reason given by the company for the increased fares?—Yes. I know a small firm in Nelson owning two small vessels who recently put up fares and freights, and they said it was the improvement in the seamen's agreement which caused the rise, and the agreement did not apply to them at all.

22. *Mr. Hall.*] What was the date at which the butter was selling in London at 1s. 1d.?—About the middle of last year. I was comparing the prices during the cheap season in London with those of the dear season here.

CHARLES CATHIE, Clothing-manufacturer, Wellington, examined on oath. (No. 249.)

1. *The Chairman.*] How many hands do you employ?—Seventy to eighty, and three-fourths of them are girls.

2. Has clothing risen in price in the last ten years?—Yes, a higher class of goods are selling. We are selling a larger quantity of higher-class goods now; the suits are better, and they are

costing generally more to produce, although the leading lines are selling at the same price. There is no combination of manufacturers further than an association to meet workers when an award is wanted. It is not an association for regulating prices; we compete with each other freely, and I speak for myself only. Labour has increased 20 to 25 per cent. in ten years, and is likely to increase. The chief reason why the labour has gone up is the scarcity of hands; the employers are competing for the labour. I think immigration is the only means to get female labour, but the Government is not likely to foster this.

3. The increased cost of labour has been met by improved methods of manufacture?—Partly, and we have a bigger turnover; we had a bigger turnover last year and made less profit—that is, the percentage of profit was less. All cotton goods imported have gone up very greatly even in the last three or four years. That is due to shortage of cotton-supplies and increased output from England; none of these goods are made here. It has formed a factor in our increased costs, of course.

4. Could you tell us anything in regard to the increased cost of living?—From our own trade, I should say the people are all living better and dressing better, and consequently they cannot have the money in their pockets; they are spending their money. That is throwing some of the demand home to England, because the labour is not available locally. We are advertising for apprentices at 50 per cent. above award wages—7s. 6d. per week to beginners instead of 5s.

WILLIAM HENRY MILLWARD, Chairman of Directors, Gear Meat Company, examined on oath.  
(No. 250.)

1. *The Chairman.*] You have wholesale and retail establishments?—We do not supply butchers, but we have an export wholesale trade; retail work we do in our own shops. The wholesale trade does not affect the cost of living; we could not exist without the exports from New Zealand. I have the prices paid for meat retail, as follows:—

*Cash Price List.*

	1890.		1912.	
	s.	d.	s.	d.
Beef—				
Rump steak .. .. .	0	8	0	8
Sirloin beef .. .. .	0	6	0	7
Prime ribs .. .. .	0	5	0	5
Back and top ribs, with bone .. .. .	0	2½	0	3
Steak beef in piece .. .. .	0	4	0	4
Gravy beef .. .. .	0	4	0	3½
Beef steak .. .. .	0	5	0	5
Fresh brisket on bone .. .. .	0	2	0	2½
Corned brisket on bone .. .. .	0	3	0	2½
Corned round .. .. .	0	5	0	5
Shins, legs, clods, and neck beef on bone .. .. .	0	1½	0	1½
Mutton—				
Hindquarter with flap .. .. .	0	4	0	4½
Leg .. .. .	0	4½	0	5
Loin .. .. .	0	4½	0	5
Forequarter .. .. .	0	3	0	3
Shoulder .. .. .	0	3½	0	4
Neck and breast .. .. .	0	3	0	2½
Chops .. .. .	0	5	0	6
Sundries—				
Suet .. .. .	0	6	0	5
Tripe .. .. .	0	5	0	5
Dripping .. .. .	0	6	0	6
Sausages .. .. .	0	5	0	5
Sausages (pork) .. .. .	0	8	0	6
Ox tongues .. .. .	3	0	2	6
Ox tails .. .. .	1	0	1	0
Ox kidneys .. .. .	0	6	0	6
Sheep's heads .. .. .	0	3	0	3
Sheep's tongues .. .. .	0	1	0	1½
Sheep's fries .. .. .	0	3	0	3
Sheep's kidneys .. .. .	0	1	0	0½

2. *Dr. Hight.*] Are the 1890 prices abnormally low?—No, they were ruling at other shops. I put in to-day's prices as well. We do not belong to the Master Butchers' Association—we do not belong to any association. The trouble in the retail business is the cost of distribution, and I have worked that out. Average weekly expenses of a cart: Wages, £2 16s.; proportion of groom, 5s. 3d.; horse-feed, 15s.; repairs, depreciation, &c., harness and cart, shoeing, depreciation, &c., horse, 7s. 6d.; workers' compensation, &c., premiums, 10d.: total, £4 4s. 7d.: or four weeks and three-sevenths at £4 4s. 7d.=£18 14s. 7d. per month. The average monthly trade is £110, of which the above charges amount to over 17 per cent. Apart from distribution by cart, there is the shop expense, and that has to be added on; thus the total cost of distribution is 23·42 per cent., or nearly 1d. per pound.

3. *Mr. Macdonald.*] There would be the same expenses in the shop for cash trade?—Oh, yes. The cost of delivery is very high in Wellington; we have to go round twice a day in some districts. The proportion of people who call for their meat is so small that it does not affect us. If we could sell for cash over the counter that would be much cheaper. When I was in England recently I noticed that people do not go to market as they used to do; probably they have a little more money, and prefer to have the stuff brought to their door, and everybody has not the time to go to market. I have had a body of beef cut up, and the figures are as follows:—

lb.	<i>Fore-quarter of Beef.</i>					£	s.	d.
45 ribs at 5d.	..	..	..	..	..	0	18	9
36 top roll at 4d.	..	..	..	..	..	0	12	0
36 under roll or gravy-beef at 4d.	..	..	..	..	..	0	12	0
29 bone out of brisket and back ribs, say	..	..	..	..	..	0	1	0
18 brisket at 4d.	..	..	..	..	..	0	6	0
36 clod, shin, and neck at 1½d.	..	..	..	..	..	0	4	6
200						£2	14	3

Equal to 3·255d. per pound.

lb.	<i>Hind-quarter of Beef.</i>					£	s.	d.
21 rump steak at 8d.	..	..	..	..	..	0	14	0
6 undercut at 9d.	..	..	..	..	..	0	4	6
4 rough fat at 2d.	..	..	..	..	..	0	0	8
9 bone, say	..	..	..	..	..	0	0	6
14 suet at 5d.	..	..	..	..	..	0	5	10
22 top-side steak at 5d.	..	..	..	..	..	0	9	2
40 loin beef at 7d.	..	..	..	..	..	1	3	4
22 thick flank at 5d.	..	..	..	..	..	0	9	2
2 gravy-beef at 3½d.	..	..	..	..	..	0	0	7
2 cramp-bone	..	..	..	..	..			Nil.
18 leg beef at 1½d.	..	..	..	..	..	0	2	3
20 silverside at 5d.	..	..	..	..	..	0	8	4
14 thin flank at 2d.	..	..	..	..	..	0	2	4
6 bone from top side, say	..	..	..	..	..	0	0	2
200						£4	0	10

Equal to 4·85d. per pound.

	£	s.	d.
Fore-quarter	2	14	3
Hind-quarter	4	0	10

£6 15 1 = 400 lb. at 4·052d. per pound.

So far as mutton is concerned, the prices I have put in are as shown:—

lb.		s.	d.
25 side mutton at 4d.	..	8	4
15 hind-quarter mutton at 4½d.	..	5	7½
10 fore-quarter mutton at 3d.	..	2	6
		8	1½
7½ leg mutton at 5d.	..	3	1½
6 loin mutton at 5d.	..	2	6
5¾ shoulder mutton at 4d.	..	1	11
3¾ neck and breast mutton at 2½d.	..	0	9½
2 flap-mutton at 2d.	..	0	4
		8	8

I did not put in veal, pork, and lamb, as these are not necessities, and they vary in price. We have also to pay towards the abattoirs, 1s. 8d. per head on beef, and charges on mutton, although we do not use the abattoirs at all. Everything we sell in the city has to bear the charges, as follows: Cattle, 1s. 8d. per head; sheep, 3¼d. per head; lambs, 3¼d. per head; calves, 11¾d. per head; pigs, 1s. 5¾d. per head. 700 lb. beef=1 body; 60 lb. mutton=1 body.

4. What are the abattoir charges?—I do not know what the ordinary butchers pay for abattoir, including labour. I put in catalogue dated June, 1912, showing the present prices for New Zealand meat at Home are 2d. per pound extra as compared with New Zealand prices. The prices are exceptionally high this year at Home for New Zealand meat. The requirements are more sanitary in the butchers' shops here, and they cost more to keep up. The shop we have on the Quay is tiled and fitted with electric fans and lights. Of course, we cannot weigh correctly to the ounce; and then a good many people order more expensive meat than a good cook could make equally palatable: that is through lack of knowledge. Hotels get a discount, but any person

can have the meat delivered to their houses at the prices on my list. The hours of labour have been reduced by fourteen hours per week; and I think there is a greater demand for food-products, and that, too, affects the price. We have only one shop in town now. We used to have three others. Having the one shop reduces the cost of distribution.

5. *Mr. Fairbairn.*] In connection with the averages for beef and mutton: beef is much lower than prices we have had quoted for other centres?—I have always contended that meat is sold lower here than elsewhere. We have no arrangement with any other company to regulate prices—we have no arrangement of this kind whatever. There is always an open door; anybody can come and freeze with us at the lowest rates in the colony. They can get their skins from us, and sell at the best available prices. There is a good deal of speculation, in fact, with us in this way.

6. *The Chairman.*] You mentioned that the export trade was an enormous benefit to the New Zealand people?—Yes. I do not think it has increased the price of meat; the prices on my lists show no special increase. Sheep would be worth only what the wool and tallow would fetch if we could not freeze and export. I think it is recognized that our imports and our interest must be paid for out of exports. The exports have failed to meet our bills sometimes, and we had a rough time. We have the debts, and must pay for these some time. I think the children should be taught thrift in regard to money, time, and material as well: that would enable great masses of people to expend their money properly. The people with small sums of money do not know what to do with it very frequently.

ALFRED ERNEST DONNE, Secretary of the Wellington Woollen Manufacturing Company, examined on oath. (No. 251.)

*Witness:* I heard Mr. Cathie's evidence, and agree that there is about 20 per cent. extra for making up clothing. We manufacture our own materials as well as make them up.

1. *The Chairman.*] Has the rise in the cost of the garment been due to extra labour-costs?—Yes, and in trimming. There is not a great advance in the cost of the materials.

2. About how much has labour increased?—About 20 per cent.

3. And the trimmings?—About 12½ per cent. They fluctuate owing to the price of cotton.

4. *Mr. Fairbairn.*] Did you get any benefit through reduction of duty?—No; tailors' trimmings are free.

5. *The Chairman.*] Do you make a better class of suits?—Yes; the old style has gone out. They make a box suit now, and each suit is put in its own box, and is a better article. We are very short-handed in the way of labour; we want boys and girls at the mills and machinists in town. There is a shortage of individuals, I think. They get their own price practically in the tailoring trades now, the shortage in labour is so great.

6. There is a perfectly open and free market here?—Yes, absolutely.

7. There is no agreement to keep up prices?—No, none at all. An arrangement was made as to regulating minimum prices for blankets, &c., but even that did not last long. The profit is very low on them.

8. *Mr. Macdonald.*] What is a fair difference between the wholesale and retail price?—We do not sell retail.

9. Supposing you sell at £2, what would be a fair price for the retailer to sell at?—I could not answer that question; that would be for the retailer to say.

10. *Mr. Fairbairn.*] You said that material at the mills had not increased much?—Yes, not much. Taking it "by and large," there is not much increase in price of our materials—our manufactures.

11. *Dr. Hight.*] Have you generally improved your methods of production?—Oh, yes, we have installed much better machinery; otherwise the cost of our manufactured articles would be much greater. We should be very pleased to show the Commission over the mills. There is a minimum wage of 25s., and sometimes we pay as much as 32s. 6d. I point this out because a statement was made recently that 18s. was the rate paid to tailoresses.

*Re* WHOLESALE MERCHANTS (subpœnaed).

*Mr. Skerrett* appeared on behalf of Mr. Aitken. He wished to say—

*The Chairman:* If you appear to decline for him, that is sufficient. We do not want any explanations.

*Mr. Skerrett:* I have not said so yet; I have not said that Mr. Aitken declines. I desire to protest against being refused to explain the grounds why Mr. Aitken does not desire to give evidence.

*Mr. Fairbairn* objected to Mr. Skerrett being allowed to make any statement on behalf of his clients.

*Mr. Skerrett* said he would accept the ruling of the Chairman, whom he regarded as the mouthpiece of the Commission.

*The Chairman:* I rule that the Commission will hear no explanation from you on behalf of your clients, Mr. Skerrett, but you can give evidence yourself if you wish.

*Mr. Skerrett* said he wished respectfully but firmly to protest against this attitude not only on behalf of Mr. Aitken and himself, but also on behalf of Mr. Tripe, the solicitor for New Zealand for the Merchants' Association, and Mr. Gold, the secretary for the same association.

*The Chairman:* My ruling is that no explanations for non-obedience of a subpœna can be offered by solicitors to the Commission.



WEDNESDAY, 10TH JULY, 1912.

JOHN FREDERICK TURNBULL, Grocer, examined on oath. (No. 252.)

1. *The Chairman.*] How long have you been in Wellington as a grocer?—Six years.

2. Have you been long in the trade before that?—No.

3. You have a statement to be read?—Yes. I have been in the grocery business in Wellington for the past six years. I am not a member of and do not know of any combination among Wellington grocers for the purpose of fixing the selling-price of commodities retailed by them. If the Wellington Merchants' Association has little or no influence with the manufacturers in and out of New Zealand, then it is a strange coincidence that the prices of goods advanced considerably soon after passing under its control. The retailer, to protect himself, has to pass it on to the consumer, though in numerous cases he is unable to do so. *Re matches:* Under the merchants' tariff list we pay for matches 3s. 11d. per gross, taking a case of twelve gross. Prior to the Merchants' Association obtaining control we paid 3s. 6d. per case, so that the price now is an advance of 12 per cent. on the pre-tariff price. *Keiller's marmalade:* This I was able to buy a short time ago at 6s. 5½d. net, but this line has passed under the control of the Merchants' Association, and the price is now 7s. 3d. net—an advance of over 9 per cent. *Corn-brooms:* These were advanced by 3s. 6d. per dozen recently, and I put this down to the credit or discredit of the same organization. The advance on the cheaper grades is over 20 per cent., thus hitting the poor man heaviest. *Cigarettes:* I could buy the British Empire Trading Company's cigarettes at 33s. 10d. per thousand three years ago. To-day the same lines are tarified by the Merchants' Association at 36s. 6d.—an advance of 8 per cent. So far as I know there has been no advance in the cost of the raw material or in manufacture. *Starch:* Twelve months ago I could buy colonial-manufactured starch at 32s. per hundredweight, but the price recently rose to 39s. 6d.—*i.e.*, over 22 per cent. and I can find no other reason than that there is a ring among makers of the same and merchants. *Sugar:* This important commodity is controlled by the Sugar Company and the New Zealand Merchants' Association. The best terms quoted by the company are ½ per cent. cash discount and a rebate of 5 per cent. if purchases amount to £25,000 per month. This amount is equal to about half the total New Zealand consumption, yet I have heard that certain favoured retailers are obtaining this discount. The Merchants' Association sell at Auckland list rates, and this allows them a commission of 5 per cent., but they do not handle the goods, and freight, cartage, insurance, and exchange is paid by the retailer. If I sent cash with the order to the Sugar Company I could not obtain this discount. Sugar is one of the principal lines in the grocery trade, and the extra discount, were it allowed to the retailer, would amount to £46 16s. per annum to a grocer putting out 1 ton per week. *Butter:* Prior to four years ago a ring, self-styled the "Butter Committee," used to meet every week and fix both the wholesale and retail price of butter, but the advent of two fresh competitors since then has kept prices within reasonable limits, though there are indications that the committee is about to be resuscitated. I have had many times experience of short weight in butter supplied to me, and many cases of excessive moisture. I have in my possession now butter supplied to me recently which averages less than 15 oz. to the pat, and which from the condition of the wrappers can be easily seen contains more than the normal percentage of water. The damp paper wrapper itself weighs half an ounce, so that, apart from the short weight, the butter-merchants receive the price of a pound of butter for every thirty-two wrappers. There are at least two firms who supply the Wellington market which will not allow grocers to take more than their regular supplies of butter for fear of their storing it at certain seasons against a rise in price. *Kerosene:* Since the Commercial Trusts Act came into force the merchants have been content to handle this line on a basis of 2½ per cent. on cost, though formerly their profit was three times that. Kerosene costs 10½d. net per gallon, and is retailed at about 1s. Occasionally I have been able to buy at 2½ per cent. better terms ex wharf. *Short weights:* In regard to tinned jams and jellies, all of these with the exception of Frimley brands that I have handled are gross 1 lb. tins containing not more—whatever less—than 13 oz.; ¼ lb. tins of pepper contain only 2½ oz. Other lines are on a par. As a remedy for this form of theft I should suggest that all goods tinned, jarred, bottled, or otherwise made up in packets and not retailed by weight on the grocer's counter ought to have the net weight printed on the outside wrapper similar to Home-manufactured goods such as Colman's mustard. *Town tariffs v. country tariffs:* That the Merchants' Association have combined for the purpose of inflating prices is to me proven by the fact that, despite the difference in cost of freight, the country storekeeper is supplied at a cheaper rate than the town retailer. When I purchase biscuits I receive a trade discount of 15 per cent. But my country *confère* receives 25 per cent. from the same firms, although freight and other charges are greater than on the same goods supplied to me and other city grocers. Merchants are allowed to sell Colman's mustard in halves at 15s. in town, 14s. 5d. in the country; in quarters, 17s. 6d. in town, 16s. 3d. in the country. With Robertson's groats the procedure is the same—town 7s. 3d., country 6s. 11d. Robertson's barley—town 7s. 3d., country 6s. 9d. *Neave's food:* I once could buy this article at 8s. 3d., but the lowest I can get it at now is 9s. 3d.—an advance of 12 per cent. Up to the end of June it could be obtained outside Wellington at 8s. 9d., but since July this price was withdrawn by the Merchants' Association. It may be that, having found the tariff for the town so profitable, the members of this association are sighing for other kingdoms to conquer, and are about to lay all New Zealand under tribute. *Symington's coffee-essence:* This line is on the merchants' tariff at 12s. 6d. per dozen, and can be bought by Wellington grocers only at that figure, although a country storekeeper supplied by the same wholesale house as myself gets it at 12s. per dozen. I was at one time able to buy at 11s. 10½d. in Wellington, but the supplies of the merchant from whom I bought were stopped for selling below the association tariff. I have mentioned only those lines which have come under my own

personal observation. I have no idea how far the fixing of selling-rates by the Merchants' Association extends. So far I have been able to conduct my business in open competition with other grocers, and have not found the necessity of an association to fix retailing rates; nevertheless, if prices are forced up to the retailer he in his turn must adopt some means whereby he can pass the same on to the public, and it is to be feared the means adopted are not always above reproach. If you ask me if there is any remedy for this state of things, I have to add that I am afraid there is none short of the abolition of our present commercial system and the setting-up of a co-operative commonwealth in its room and stead.

4. *Mr. Fairbairn.*] Is it a practice of the biscuit-makers to pay freights?—Yes, partly, and wharfage as well, for the country customers.

5. *The Chairman.*] Have you any knowledge that any retail firm is allowed to buy their goods at the same rates as if they belonged to the Merchants' Association?—I do not think so—there is no arrangement like that, so far as I know.

6. *Mr. Macdonald.*] How do you know there is a Butter Committee?—I have been told by the committee themselves that they did meet and fix the wholesale prices; that was four years ago. If I sold below the fixed retail price my supplies would be stopped, I was told.

7. What were the names of the men who told you?—Hill—that was four years ago, when Mr. Hill was with McEwan's—he told me that. McEwan stood outside the ring. Mr. Hill had told me that the committee held meetings, and he was told by the committee.

8. What member of the committee told you that prices were fixed?—Mr. Hill told me that he had been asked by the committee to join the ring, and he refused, and the price of butter came down when McEwan came into the field. Hill told me that somebody had told him—that is third-hand knowledge, but it is a fact. Competition brought down the price 4d. per pound when McEwan stood out. By what I hear, the Butter Committee is to be resuscitated: I have heard that from the commercial traveller. The price of butter is the same all round now, and I have been told by travellers that is the reason—they have all the same reason to give.

9. Have you ever sent cash to the Sugar Company and been refused discount?—I know they would not give discount?—I have seen their card of terms.

10. Could you obtain the discount if you gave an order for £25,000?—Probably, but I could not sell half the sugar-turnover of New Zealand, which that represents.

11. There is practically no one grocer who can do that single-handed?—No, it is impossible.

12. Do you know from your own knowledge that country grocers get 25 per cent. discount as you mention?—Yes, I have seen the invoices, and I have had the biscuits too.

13. *Mr. Fairbairn.*] The effect of this merchants' tariff for Wellington means that the Wellington retailer is compelled to pay higher than the storekeepers outside Wellington?—Yes, outside a 20-mile radius; that is, the consumers in Wellington pay 10 per cent. more for groceries and 10 per cent. more for their biscuits.

14. *Mr. Hall.*] Is there no retail grocers' association in Wellington?—No, none whatever.

*Witness* handed in 1 lb. of butter which he bought, and said: I know it is 1 oz. short; I weighed it. I swear this pat is exactly as I bought it. I have not tested it for moisture. [The pat of butter was sealed up by the secretary by direction of the Chairman, and the pat was afterwards weighed and tested for moisture-content.] That pound is worse than the average in shortage; the better class of butters are full weight. That particular brand of butter has been short for years. I bought this pat of butter last Friday. I believe it contains an excessive amount of moisture. I swear that it is exactly as I bought it.\*

CHARLES EDWARD FENTON, Joiner, examined on oath. (No. 253.)

1. *The Chairman.*] Are you resident in Wellington?—No; in Wanganui East.

2. Would you like us to question you, or do you wish to make a statement?—I myself and five others started in Wanganui East the Machine Framing Company, just twelve months ago. Our scheme was to cut the frame of a house out by machinery; no hand-work would be in it whatever—that is, for roof, studs, braces, &c.—for the whole framework. We entered into negotiation with a mill on the Main Trunk line (Rangataua); an agreement was drawn up for five years to supply us with 350,000 ft. of timber, and 21,000 ft. periodically. We got the machinery and set up our establishment, and then our supplies of timber ceased. We wrote and telegraphed and asked for the reason of the delay, and the mill said they were reorganizing. We found that the managing director resigned, and from that date we got no material. To make our scheme a success we needed an unlimited supply of timber. We were not strong enough to buy our own timber: the conditions were that we supplied the ground to stack the timber, and charged no rent; we then had the use of the timber. The yard was made a retail yard for Wanganui East.

3. Did they cease supplying timber to other persons in Wanganui East?—No; their trade is going on all the time to others.

4. *Mr. Fairbairn.*] Did you have an agreement?—Yes, signed by our company and signed by the timber people.

5. *Mr. Macdonald.*] Why not take action?—We are doing so.

6. Do you maintain that it was because of the operations of a ring that your supplies were stopped?—I can only give you our history.

7. Is there anything else you have to say?—The managing director of this mill resigned, and from the day he left the premises our supplies ceased. A new manager came in, and we have never had an inch of timber since. The excuse is that they were reorganizing their business. They are doing their ordinary business outside our yards.

8. *Mr. Veitch.*] Everybody but you can get timber?—Yes. In the first place, they never stocked our yard to the agreement.

\* The butter when tested weighed 1 oz. 9 dr. short with wrapper, and 1½ oz. short without wrapper. The moisture content was 12.4 per cent.

9. *Mr. Macdonald.*] Were there any financial reasons why they should not supply the timber?—No; they are a wealthy company, and have made no insinuations against us financially. They say that the old manager had never consulted the directors, and they make that excuse for not supplying. When we opened our yard and were ready for business the price of timber dropped 2s. in the three timber-yards in Wanganui.

10. Were you selling timber?—Yes, on behalf of the Rangataua Company. The timber was not ours, but we undertook to sell their timber and use our yard for certain concessions. The new mill fixed all the prices; it was their timber. The rate was a lower rate than supplied by other yards—15 per cent. reduction on timber and 25 per cent. on machine framing. When we closed up our yard we could not carry on because our supplies had stopped; and then timber rose to the original 2s., and they put on another 6d. further. The drop when we came into business was 2s.; when we went out the 2s. was put on again, and 6d. more.

11. What do you infer from what you have told us?—I have no proof that there is a ring; I just tell you the facts.

12. Your belief is that this timber company fell into the combine?—Yes, we think they were approached and did so.

13. What is the price of that timber-mill's timber to-day?—I do not know.

14. Have they gone out of business?—No.

15. At what price do they sell to the general public?—I could not say. All the trade is done now by the truck; there is no local timber-yard for this company now.

16. Do you not know of anybody who has bought a truck of timber from this company? Is the price the same as the other timber companies sell at?—I do not know.

17. *Mr. Fairbairn.*] When you were selling on account of this company you were selling to the public and to builders?—To the builders; and I do not know if they sell to the general public. The company has been reorganized. They have no yard for distribution in Wanganui, and they sell on the railway sidings now; you have to buy a truck in the station-yard.

18. Do they supply the other timber-merchants?—That I could not say.

19. *Mr. Veitch.*] The result of this difficulty is that you shut down your mill altogether?—Yes, it is standing idle now.

20. Your firm was financially sound enough to carry on if you had the stock?—Yes.

21. And your operations would have represented a reduction of 15 per cent. on timber-prices?—Yes, and a saving in the cost of labour in housebuilding.

22. Have you some samples to show the Commission?—Yes. [Samples shown to Commission to illustrate method of cutting out framework of house by machinery.]

23. *The Chairman.*] You can cut according to any specification supplied to you?—Yes, we can cut according to the specification, marking each piece. We know it takes four men a week to cut the plates, studs, braces, rafters, purlins, and everything ready to receive weatherboarding, by hand. Two men on our machines do all this cutting in a day and a half: that shows a 25 per cent. labour reduction; and we were making an infinitely superior job, because machinery-work is far better than hand-cut work.

24. *Mr. Veitch.*] The effect of this method meant an improvement in quality?—Yes.

25. And a reduction in cost of labour?—Yes, a great reduction all round. On a £400 house we could save £28—that is, in labour-costs only.

26. There would be also a 15 per cent. reduction in the cost of timber?—In a four-roomed house there is 17,000 ft. to 18,000 ft., and so the reduction would amount to about £25 10s.

27. *The Chairman.*] Would there be a saving in the material cut up through less wastage?—Yes, the owner would pay only for the rafter measured as cut; there would be no "ends." In three weeks to a month the iron would be put on, ordinarily; in our scheme the iron can be put on in one week.

28. Why should not the builders support you?—They never had a chance; we only cut out two places and our supplies stopped, and we are not strong enough to buy our own supplies right out. If we could have carried on we would get a great deal of work.

29. Have you tried to get capital to aid you?—I have tried for four months, but we had to take in four idlers with capital to make the company a limited-liability one. We wanted to have workers only in the company. The following letter was given to me recently from an engineer for whom we did some work: "Wanganui East, 9th July, 1912.—Mr. Fenton.—DEAR SIR,—It gives me pleasure to testify to the creditable workmanship of the framing for outbuildings supplied by the Machine Framing and Trenching Company. Comparisons with the ordinary hand-cut frame gives the machine-cut frame a great lead for fit, alignment, and general finish, and the ease with which the frame goes together and its perfect rigidity, even without nailing, gives the owner a sense of security; and I shall have no hesitation, if opportunity offers, in again placing my order with you. Wishing you every success, yours faithfully, D. DAVIS, Engineer."

EDWARD DANIEL BARBER, Master Butcher, examined on oath. (No. 254.)

1. *The Chairman.*] Have you been resident in Wellington some years?—Yes, all my life.

2. Have you found there is any ring controlling prices?—None whatever. I buy some dead stock from wholesale butchers; some I buy alive.

3. Have you found amongst the sellers that there is any regulation of prices that would imply an understanding?—The rise in prices are simultaneous, but they are warranted.

4. But you infer there is an understanding?—Well, the rise in price is simultaneous.

5. Is that due to telepathy?—I do not know anything about mental science. The auctioneers publish stock reports, and half buy on the hoof in the markets, and half the butchers buy dead; and

they know when a rise in price is warranted in dead stock by the prices of live stock. The margin of profit to the wholesale butcher is very fine, and they find out when a rise is warranted.

6. When a rise is made, that is always warranted?—Yes.

7. Do you know of any retailer association to control prices?—We have two-thirds of the butchers in the association, and one-third are outside the association. Our association was formed to regulate closing-hours and holidays before these were statutory; since then we have tried to regulate the retail price of meat, but no coercion has ever been used. In fact, we never got unanimity.

8. Do the firms outside the association follow your lead in the matter of prices?—Frequently. There is generally one firm which does some cutting, and possibly the difference in quality enables them to do so.

9. Is the meat sold locally of as high a class as that exported?—Yes, quite. The export trade has undoubtedly raised the price of meat in New Zealand. We used to sell legs of mutton before export days at 1s., and boiled down the rest of the carcass. The export trade is of value to New Zealand, undoubtedly; we would not have the population here unless we had this export trade—there would be plenty to eat, but no money to spend.

10. *Mr. Robertson.*] How do you explain that?—I cannot discuss that economic principle, I think.

11. *Mr. Fairbairn.*] Who are the wholesale butchers?—Wellington Meat Export Company, A. A. Moore, and Isaac Sykes.

12. How do they come between the retail trade and consumer?—They buy the meat from the farmer, slaughter it, and bring it to the butcher's shop-door.

13. The butchers seem to work differently in the various towns [Christchurch practice described]?—Half the trade work the same as in Christchurch, and about half do not. A butcher can go to Johnsonville and purchase his stock, see it marked—each butcher has his own mark—get a delivery note from auctioneer, hand it to the authorities in charge of the abattoirs, and the rest is all done by contract, and delivery given to his shop.

14. What are the inclusive charges for a sheep?—About 1s. to the butcher—that is for a 60 lb. sheep—from saleyard to the shop. That includes all charges from saleyard to the shop. A bullock costs about 6s. 6d. for the same services; that includes all abattoir fees. That is sinking the offal (waste). The skin and fat belong to the butcher; so does the head.

15. Can you give us some prices in regard to beef and mutton—ten years ago and now?—I have brought a list of wholesale prices which I put in. [See Exhibit No. 20]. The retail prices have not varied much in the last ten years. Three years ago they dropped 1d. per pound, and then eighteen months after we had to bring them back.

16. Can you give to-day's quotations for beef retail?—Sirloin 7d., prime ribs 5d., topside 4d. to 5d., corned round 5d., corned roll 4d., back ribs (bone taken out) 4d., gravy-beef 4d., beef steak 5d. to 6d., rump steak 8d., fillet steak 9d.

17. Could you give us the prices for the same joints ten years ago?—Just about the same prices prevailed. I have my ledger here to show that. The prices for July and November, 1902, are as follows: July, 1902: Beef—rump steak 8d., beef steak 6d., gravy-beef 4d., sirloin 6d., prime ribs 5d., topside 4d., corned roll 4d., corned round 5½d., shin beef 1s.; mutton—hind-quarter 4d., fore-quarter 2½d., leg 4½d., loin 4½d., shoulder 3½d., neck and breast 3d., chops 6d., cutlets 8d.; lamb—hind-quarter 8d., fore-quarter 6d.; veal—fillet 7d., loin 5d., shoulder 5d., neck and breast 4d.; pork—corned 7d., fresh 7d., chops 8d.; sundries—pork sausages 8d., beef sausages 5d., German sausages 6d., suet 6d., tripe 5d., mince 4d., ox-tongues (each) 2s. 6d., ox-tails (each) 1s., ox-kidneys (each) 6d., sheep's tongues (each) 2d., sheep's fry (each) 3d., sheep's kidneys (each) 1d. (delivered and booked). November, 1902: Beef—rump steak 8½d., beef steak 6½d., gravy-beef 5½d., sirloin 6½d., prime ribs 5½d., topside 5d., corned roll 4½d., corned round 5½d., shin beef 1½d.; mutton—hind-quarter 4½d., fore-quarter 3½d., leg 5½d., loin 5½d., shoulder 4½d., neck and breast 3d., chops 6½d., cutlets 8½d.; lamb—hind-quarter 9d., fore-quarter 8d.; veal—fillet 7d., loin 6d., shoulder 6d.; pork—corned 8d., fresh 8d., chops 8d.; sundries—pork sausages 8d., beef sausages 5½d., German sausages 6d., suet 6d., tripe 5½d., mince 5d., ox-tongues (each) 2s. 6d., ox-tails (each) 1s., ox-kidneys (each) 6d., sheep's tongues (each) 2d., sheep's fry (each) 3d., sheep's kidneys (each) 1d. (delivered and booked).

18. *Mr. Hall.*] Is there any discount on these prices you have quoted?—No, they are cash prices.

19. *The Chairman.*] We have prices here for mutton of different parts [prices quoted]: what would the value of the sheep of 60 lb. be, taking it all through?—I have not worked out that, but a customer might come in for hind-quarter and fore-quarter—4½d. and 3d. respectively. We cut hind-quarter to weigh 17 lb. and fore-quarter 13 lb.

20. So that the price of the whole sheep sold retail would be 19s. 3d.?—Yes, about that.

21. *Dr. Hight.*] You say that some of the butchers buy dead and live?—Yes; they fall back on the dead if they think the live is sold too dear, and *vice versa*. I buy most of my meat dead, and can telephone for these orders at night and get the meat the next morning. We can always check the dead-meat prices by the live-meat prices.

22. *The Chairman.*] What becomes of the head?—That is sold for 3d., and the kidneys 1½d., all the year round. The liver is worth 3d. That makes about £1 altogether.

23. Supposing anybody bought the meat at your shop, is that cheaper?—We charge ½d. for delivery, but that is too little; I have worked it out at 0-96d., as follows: Cost of running a cart for one week: Wages, £2 16s.; horse-feed, 14s.; shoeing, 1s. 6d.; rent, 5s.; maintenance of cart, 2s. 6d.; provision for accident and sinking fund of cart, 2s.; maintenance, provision for accident and sinking fund of harness, 2s. 6d.; provision for accident and sinking fund of the horse, 2s. 6d.: total, £4 6s. In addition to the above is the proportion of rent of shop, clerical expenses, and shopman's wages for supervision, which is 5 per cent. of the above: this makes the total expense of the cart £4 10s. 3d.

Our carts average just £26 per week business. In order to ascertain the cost of delivery per pound I have ascertained that the average value per pound of the meat delivered is 5½d., which gives a total weight of meat delivered by each cart per week of 1,134 lb. at a cost of £4 10s. 3d., which works out 0·96d. per pound., without provision for bad debts.

24. That is for delivery and booking?—Yes, and no provision for bad debts or 5-per-cent. discounts.

25. *Mr. Fairbairn.*] You supply over the counter and give credit too?—Yes, we have the two systems; these are cash prices I quote.

26. *The Chairman.*] Is delivery dearer here?—Yes; we have found men refuse to do the delivery in some places, and their objections were warranted by the hilly nature of the roads. I hand in names of all butchers in Wellington cited before the Arbitration Court. There are about fifty-three men altogether on the list, I think.

27. *Mr. Veitch.*] With regard to the cost of distribution, is not that due to overlapping?—No; I have the town set out in districts for my carts. There is no overlapping as far as my business is concerned; with regard to the butchery business generally there is certainly overlapping. I save by preventing overlapping within my own business. If there was no overlapping at all there would be reduction, but I cannot reduce my costs.

28. Supposing the Municipality undertook the business, could they not prevent overlapping?—That would not overcome expensive management—that is, company management. Of course, if well managed, saving must be effected.

29. All the butchers are not in the association?—No; but if they all were we could not put up the price, because some other man would come in and cut the price. We have always had a cutting shop to compete with; we ignore them and sell at the old rates—we cannot sell any cheaper. Mr. Moore made some very rash statements, I think, and I take exception to the allegation that there is an agreement with the retail butchers, nor have I heard that the auctioneers are in combination. I think the Johnsonville market is a fair dealing market.

JAMES WALL, Farmer, examined on oath. (No. 255.)

1. *The Chairman.*] What class of country do you farm?—In the King-country. It is a farm and a sheep-run that I have. There is not much agriculture at present on my land, on account of the new roads, and so forth. The farm is part freehold and part leasehold.

2. Do you run sheep or cattle?—Both. I have farmed for seventeen years in Wairarapa.

3. About how many sheep have you now?—It is only a new place—only about seven hundred sheep and two hundred head of cattle; there is 2,500 acres of the place yet to burn.

4. On a large sheep-run, say, of ten thousand sheep, how many shepherds would be employed?—Four.

5. Would there be any other men employed permanently?—Yes. You would want fencers, say, two men. If there were many rabbits you would probably want two men on permanently; if the rabbits were not very bad one man would do, with casual help for poisoning. Those shepherds should muster the sheep. Then there would be the shearers: one man to every shearer as an extra hand, and ten shearers to ten thousand sheep.

6. They shear at £1 per hundred?—That is the standard rate in the North Island.

7. Would there be any other expenses besides?—Yes; there are additional hands at shearing-time, such as fleecers, wool-rollers, and an odd man or two in the yards.

8. How many of those persons would be employed per ten thousand?—About one man to each shearer—that is, to cover the work of the shearing, penning, dagging, pressing, wool-rolling.

9. How many shearers would you have?—It is practically all machine shearing in up-to-date places, and we would average about a hundred and fifty sheep per day per shearer. Machine shearing and blade shearing is the same rate of pay here.

10. Could you give us the cost of a two-tooth wether at the time it is sold—the cost to produce it?—The cost of providing the land, the attention and rearing of the sheep, you mean. Each individual farm would have a different cost—each man would keep his books in his own way, I mean. If a certain man has a farm that has cost him £5 per acre, he will capitalize that cost, and work out his expenses according to the cost per acre to him; whereas the farm may be worth £15—therefore one man may produce a wether cheaper than another.

11. On a sheep-run in the back country you could produce sheep more cheaply than on high-priced land near the town?—Yes.

12. In regard to manufactures we can trace the cost of production and the sale prices, and yet when I attempt to try and find out what is the cost of producing sheep we cannot get at the facts?—Stock is somewhat different from boots, and crockery, and so on; stock fluctuates so—the markets fluctuate every week. Although a man may have given, say, 8s. to 10s. for a wether—it may have cost 8s. to 10s. to produce—the fact remains they might be sold for 7s.: the market price.

13. I know the prices they are sold at, but I want the production-cost?—You can take the price of the land and work it out at £5 per cent. We should be able to get at something like the cost of production.

14. Do not stockowners keep any balance of profit and loss?—Yes; every station-owner keeps a perfect set of books, but I do not see that that would help them to find out what it costs to produce a wether.

15. A manufacturer's business is to know the cost of production of boots before he knows what he can sell at?—That is so. The farmer knows exactly what the sheep cost, but not in the way you put it. For the purpose of carrying on a station, the best way is this: Supposing you start with five to ten thousand sheep; a valuation is placed on those by a competent man; that serves no purpose in

assessing the value if you keep them year in and year out, because a ewe may be worth 18s. to-day, and you have to keep that ewe for twelve months. During the meantime she rears her lamb, and by the time it is weaned, sheep may have dropped in value from 18s. to 13s., and then you would make a loss on the ewe; therefore you have to keep ewes on to the next year, and so you carry on those ewes to next season, and perhaps then they have risen to 18s.; therefore it is a sound rule to value stock on a low basis. As to what it costs to produce a wether: I could give you a fair average in a certain district with a little thought, but it would entail a fair amount of thought to get at the whole of New Zealand, because I should have to average station property throughout New Zealand.

16. *Mr. Fairbairn.*] Would not the first thing be cost of land, how many sheep to the acre, cost of stock originally, percentage of loss in lambing, abnormal loss through drought or snowstorms—all these would have to be considered?—Yes.

17. It is quite possible for sheep to be produced at a high profit one year?—Yes; and the following year there might be heavy loss.

18. During the last fifteen years there is no doubt stockowners have had good times—good markets and fair freedom from loss?—They have had better times this last fifteen years than previously, due to the fact of refrigerating. Your method of counting is right—that is the way to obtain the cost of production of a two-tooth wether; but all the districts in New Zealand would have to be averaged to get the average cost of production.

19. *The Chairman.*] Supposing a man goes to Mackenzie Country: do you think you should average that over the North Island where there is no snow?—You would have to take one with the other before the figures could be used for the whole of New Zealand.

20. *Dr. Hight.*] All the sheep are sold in the one market?—The frozen ones are.

21. Could you put it this way: that the price got for a sheep in the market measures the costs of producing that sheep on a sheep-farm worked under the most disadvantageous conditions—that is, reared by a farm producing only average profit?—The price of the sheep depends on what you get for him in the market. In the long-run, farmers will not produce sheep unless they get satisfactory prices to cover their costs—that is, the people who can turn their land to other advantages. The people on the backblocks of Canterbury cannot change over their farms. In the long-run those men even could not keep on producing at a loss.

22. All those who are producing sheep under more favourable conditions naturally get a higher rate of profit?—Yes.

23. If they do not own their own land the surplus proportion of that profit has to be handed over as rent?—Well, they have to pay the rent or go out.

24. And the amount of the rent would depend on the surplus of their profit over the rate of profit got by the farmer working his farm under the most disadvantageous conditions?—Well, the rent of a run or farm could not be based on one or two markets; they are generally leased for fourteen to twenty-one years. The way to get at what it is worth you would have to take the prices of stock over a period of years, and you would strike an average and say the land would be worth so-much.

25. If at the end of the lease you find the prices of sheep have been higher than estimated you find other people competing for the lease?—Yes.

26. And so you will be forced to resign part of your surplus profits to the owner of the land in the shape of increased rent?—I do not know if I would put it that way. Supposing stock had fallen in fourteen years you would not make so much profit.

27. Then you would offer a lower rent?—If it suited you you would, otherwise you would go somewhere else.

28. It would suit you to pay lower rent if you had not made so much profit as you expected?—Yes, naturally—that is what I say.

29. *Mr. Veitch.*] Can you give us a rough estimate of the average cost of a wether?—What the wether is worth, you mean?

30. What it costs to produce, I mean?—I can give you a pretty fair estimate in a certain locality—one district.

31. Will you give us that, say, in the Wairarapa?—I chiefly bred there fat lambs—kept the ewes and bred the fat lambs. We ploughed, grew rape, turnips, oats, and so forth, for fattening and selling the lambs. Before the refrigerator started—this was in 1895—I sold lambs for 5s., and then for 6s., and gradually they went up to 13s. The 5s. did not pay, but we were working up the trade.

32. *Mr. Robertson.*] What was the land valued at in 1896?—£4 10s.

33. When did the fattening of lambs become a paying proposition?—I maintain you cannot sell sheep under 10s. 6d., average price.

34. At what point did it pay on £4 10s. to produce fat lambs?—10s. 6d. before it would pay.

35. You were losing a lot of money at 5s.?—Yes; lots of the stations did not pay 3 per cent. in those days.

36. Leaving out the factor of rent, what does it cost to produce those lambs?—The feed is quite expensive. It would cost about 10s. to 10s. 6d., allowing 5 per cent. interest on the land.

FREDERICK WILLIAM MANTON, Candle-manufacturer, examined on oath. (No. 256.)

1. *The Chairman.*] You reside in Wellington?—No, at Petone. I have been manufacturing about two years and a half. I have imported candles for some years previous to that.

2. Have you a statement to make to this Commission?—Yes. I want to make a statement against the allegation of the 15 oz. candle. We were first importing from Scotland, but we found that we could import candles from Australia and compete at the same time with the New Zealand manufacturers. As no doubt you are aware, for some years past there has been a Candle-manufacturers'

Association, and they, of course, have arranged prices. After we had been importing from Australia for some time the manufacturers showed some concern, and although at that time the price of wax was unchanged—that was in 1900—the manufacturers reduced their price  $\frac{1}{4}$ d. That practically shut out the Australian candle. Then we decided to put in a plant in New Zealand, thinking we could compete. When we started to manufacture we naturally procured candles manufactured by the associated factories, not so much to test their quality as to test their weight; we found that the bulk of the trade was done in 15 oz. net-weight candles, or 16 oz. gross. I only remember one instance of a brand being put on to show that the candle-packets were 16 oz. gross—a Christchurch-made article. We put out a similar-weight article to compete. We make all-weight candles; for instance, we might put eight candles to the pound instead of six. After reading the evidence of Mr. Bull I made it my business to stay in town and get some candles. One of the Candle Company's leading brands, which I have here, was purchased this morning from a leading store in Wellington. That goes 16 oz. gross; I think it will be 15 oz. net. I got one of my staff this morning to take off the lid of a stock case of our candles, and on the end of this packet the weight is marked "16 oz. g." (16 oz. gross). I produce this, and also another of my brands, and both run over 16 oz. gross. I give this evidence because Mr. Bull stated that he knew of only one factory making 15 oz. candles. As I take it I am the other factory, I have come and put the facts on record—I want to give a denial to Mr. Bull's statement. Not only in Wellington, but in other parts of New Zealand, I have been up against this association—the New Zealand Candlemakers' Association. I know there is an association, and that I am up against it. I think you will find what I say is correct. If you were to try to-day to buy, say, an Auckland candle in Wellington, or a Wellington candle in Christchurch (outside my own manufactures), or a Christchurch candle in Dunedin, you would find it impossible. Mr. Bull also stated that the reduced price of candles was brought about on account of the reduction in the price of wax. To a manufacturer this is amusing. Wax, since we started manufacturing two years and a half ago, has varied on low melting-points  $\frac{1}{4}$ d.—that is on my own purchases. My purchases date from two years and a half ago. I do not mention wax I buy in Australia—for that I would pay more—I refer to wax obtained direct from various parts of the world in shipments. In 1909 the price of candles locally was put down  $\frac{1}{4}$ d. I have several of the association's lists. From the end of 1908 to January, 1911, the price of general household candles fell 1d. per pound—that is,  $\frac{3}{4}$ d. in the last two years and a half. The price of wax varied in that time only  $\frac{1}{4}$ d. If we went into the market to-day to buy wax we would have to pay  $\frac{3}{4}$ d. more than buying last year. The candle business in New Zealand is practically a non-payable one. The Rangoon people have something to do with this. I think the first shipment of these candles at low rates arrived in New Zealand about October, 1910. My chief object in coming here is to deny the statement that there is only one factory making 15 oz. candles.

3. *Mr. Robertson.*] How does the duty on paraffin-wax affect you?—We lay out so much more capital only, and we have to even the matter up with  $\frac{1}{2}$ d. duty on imported candles. We would be in the same position if  $\frac{1}{2}$ d. was taken off candles and wax came in free. If we could get a 1d. candle duty kept on and wax free we would make more money, of course.

4. Would candles come down if the  $\frac{1}{2}$ d. was taken off wax?—No; we are working at a loss now, or just holding our own. Very shortly we shall have to pay more for wax; we are running on a current contract now.

5. *Mr. Macdonald.*] Can you buy wax at the same prices as other manufacturers?—Yes, I have nothing to say against the wax people. I buy at the same prices as others. I think the arrangement of territories shows an arrangement among other candle-manufacturers—that is the legitimate inference to be drawn. I sell my candles anywhere myself.

6. *Mr. Fairbairn.*] Can you tell me when Wellington candles were sold in Timaru?—There are certain places in New Zealand which are open to the manufacturers. Timaru is not one, I think; but the four centres are allocated.

7. Would it be fair to take the present advance in wax into consideration, bearing in mind that manufacturers buy supplies ahead?—The other day I had to buy a high-melting-point wax, and had to pay the increased price.

8. The price of wax candles has dropped 1d. per pound?—Yes.

9. And it was alleged that was due to reduced cost of wax  $\frac{3}{4}$ d. per pound?—The evidence I give is correct. I do not know what date they can have referred to.

10. Is there any arrangement between manufacturers and merchants?—The Candle Company here will sell to any one, I believe; I think that has prevailed for some time.

FRANK MEADOWCROFT, Local Agent for Cadbury's Cocoa (Manager for New Zealand Branch), examined on oath. (No. 257.)

1. *The Chairman.*] Have you a statement to make?—Yes, to rebut something said by a Dunedin witness. This witness is Mr. Wilson, grocer, Dunedin. He said he could not buy Bournville cocoa outside the association. Bournville cocoa can be bought outside the Merchants' Association—can be bought direct from us in Wellington. We are not members of any trade association, and we are willing to supply any retailer at the same price as to any wholesaler. We have no understanding at all with the Merchants' Association. That same condition has prevailed since Bournville cocoa was introduced in New Zealand. People can buy from us quite freely so long as they sell at a certain price. The retailer buys from us at the same price as the wholesaler, and then we dictate selling-conditions to the retailer to prevent undercutting.

[Correspondence *re* Bournville cocoa read to witness as follows :—]

"DEAR SIRS,—

"Wellington, 1st July, 1909.

"Our representative, Mr. Thomson, gives us to understand, from an interview with you, that under a misapprehension you have been breaking the tariff arranged for the price of Bournville



cocoa, as per enclosed circular; and on his pointing out that all merchants throughout the colony had entered into an agreement to observe the tariff so as to secure an assured profit, you informed him that you could not see your way to fall into line; therefore there is no other course open to us but to refuse supply, which we are very loth to do. Will you kindly reconsider this matter before forcing us to take this step. We thank you very much for all your interest in Bournville cocoa, and regret the occasion very much if we should have to cease doing business in this line. Awaiting the favour of your reply.

“Yours truly,

“F. MEADOWCROFT,

“New Zealand Manager.

“Messrs. Fairbairn, Wright, and Co., Christchurch.”

“DEAR SIR,—

“5th July, 1909.

“In reply to your favour of the 2nd instant, we have to say that as you are not prepared to accept our selling-rates, as per our printed list, we regret that until you see your way to fall in with same we shall have to instruct our agents to refuse further supplies. We regret having to take this course, but there is no other left to us.

“Yours truly,

“Per pro CADBURY BROS. (LIMITED),

“F. MEADOWCROFT,

“New Zealand Manager.

“Messrs. Fairbairn, Wright, and Co., Christchurch.”

“23rd March, 1908.

“OWING to the great increase in the price of raw cocoa, we are advancing the price of cocoa-essence and Bournville cocoa. The advance will come into operation on Wednesday next, 25th March, and for orders received on and after that date, except those already booked by our own representatives and agents, the following prices will be charged: Single boxes, 3s. 4d. per pound, any size; six boxes, 3s. 3d. per pound, any size; twelve boxes, 3s. 2½d. per pound, any size; twenty-four boxes, 3s. 2d. per pound, any size; thirty boxes, 3s. 1d. per pound, any size. Bournville cocoa is packed in boxes of 3 lb. each; cocoa-essence is packed in boxes of 6 lb. each.

“To secure to the trade a sure profit, which has been needlessly cut down by competition, we shall allow a bonus upon purchases made direct from us during the year 25th March, 1908, to 25th March, 1909, as follows: 1¼ per cent. bonus on £10 and upwards during the year; 2½ per cent. bonus on £25 and upwards during the year; 3¾ per cent. bonus on £50 and upwards during the year; 5 per cent. bonus on £100 and upwards during the year. No bonus given on purchases under £10. The bonus will be paid only by our special bonus cheque on or about 1st May in each year. It must in no case be deducted from the account.

“The following are the conditions under which the bonus will be allowed, which if not complied with the bonus will be forfeited: (1) That our terms of credit are strictly adhered to; (2) that our cocoa is not quoted or sold below the scale prices; (3) that no wholesale dealer shall supply any retailer under the net wholesale prices quoted, or supply any retailer who quotes or sells below the following net lowest retail prices, nor shall the wholesale dealer quote or sell under these net prices in any of his own retail shops: ¼ lb. tins, 11d.; ½ lb. tins, 1s. 9d.; 1 lb. tins, 3s. 4d.

“If unable to obtain from your merchant, write to Wellington direct.”

2. *Mr. Macdonald.*] These copies of your letters are correct, are they?—Yes; I have copies before me here.

3. *Mr. Fairbairn.*] I asked for this correspondence to be read to make the position clear: a retailer must be in a very large way of business to get the maximum bonus?—Not necessarily so.

4. You know that is so?—I do not accept that.

5. Could Mr. Wilson buy that quantity of cocoa?—I could not say. I do not know Mr. Wilson at all. If you mentioned any Wellington man I might answer the question.

6. The quantity is clearly beyond Mr. Wilson's requirement to earn the bonus?—£13 worth of cocoa is not beyond his requirements. He buys at 3s. 1d., and gets the bonus at the end of the year. There are some merchants who do not buy £100 worth in the year.

7. You say a retail grocer can get the same terms as any merchant, but he must buy £100 worth of cocoa?—Yes, that is so.

8. There are very few retailers who can buy £100 worth of cocoa in the year?—I do not admit that; there are a number of grocers who buy £100 worth of cocoa, and who get the maximum bonus.

9. How many do buy £100 worth of your cocoa in the year?—I cannot say without my books. There are a number of them. I could supply the names. There will be no objection to my supplying the number, at any rate. There is one wholesale firm in this town who themselves have supplied a retail firm with £100 worth, and given him the 5-per-cent. bonus—in effect, they have done his whole business for nothing.

10. You have refused to supply a certain wholesale firm who would not agree to your selling-conditions?—We did do so; we refused also to sell to a retail firm who were cutting—not selling at a fair profit.

11. *Mr. Macdonald.*] What right have you to fix the retail selling-price?—So that the retailers will not be cutting one another's throats. We want all the retailers to be interested in pushing our cocoa, and they will not unless there is a profit on it. Van Houten's was pushed down to a non-paying price.

12. By fixing the selling-price you get a bigger turnover?—No, a sure profit to the retailer.

13. Does that bring you more business?—One cannot prove that.

14. Van Houten's cocoa was knocked out, you said?—Oh, no, I did not say that—I did not infer that.

15. To fix a retail selling-price does help the sale of your cocoa?—Yes, because it pays the grocer to push the sale, and so the sales would increase. My sole point was that we are not tied in any way—not bound to any association.

16. *The Chairman.*] But you tie the other people?—We have a list of all the merchants in Auckland, Wellington, Christchurch, and Dunedin, who have all agreed that they will accept our selling-conditions.

17. Have you any knowledge that these merchants in the four centres are allied together for any other purpose?—I have a knowledge of it. I am not a member. I suggested that I should become a member; but being in confectionery, where we cannot observe the same terms of credit, there would be conflict—we would not be able to rigidly adhere to monthly credits in confectionery.

18. *Mr. Fairbairn.*] A small buyer buying six boxes would pay 3s. 3d. per pound?—Yes.

19. The price to the public is 3s. 4d. per pound?—Yes.

20. But a large buyer would get thirty boxes at 3s. 1d., and bonus and cash discount  $2\frac{1}{2}$  per cent., so that the price would be 2s. 11d.: so that the large buyer is getting his cocoa at 2s. 11d. as against 3s. 1d.—10 per cent. better, that is?—Yes, that is clear.

21. Your position is that large retailers can get 10 per cent. better profit than the small retailers can do?—Yes, that is so; but we give them all the same chance if they take the same quantity.

22. *Dr. Hight.*] Your fixing the retail price of your cocoa would not imply absolute restriction of competition?—Oh, no; we have no control over other maker's brands—there is great competition between the different makers. There are some merchants I said who could not buy enough to get the bonus.

SING KEE, Fruiterer, examined on oath. (No. 258.)

1. *The Chairman.*] You live in Wellington?—Courtenay Place, yes.

2. Do you find in buying fruit that you have a fair chance the same as the others?—Yes, quite fair.

3. There is no ring of men who force up the price?—No.

4. Do the Chinese agree as to the prices they will give?—Yes.

5. Do you all buy together?—No, not altogether—one by one.

6. You are not all partners?—No.

7. Do you all give the same price?—There are different prices—one man gives one price, I give another.

8. Do you agree all to sell at one price?—There are different selling-prices in the different shops.

9. What is the price of the best eating apples?—9s. 6d. to 10s.

10. What do you sell at?—3d. to 4d.: that has been the same for two weeks. Before that they were 7s. to 7s. 6d. per case: the price in shops then was  $2\frac{1}{2}$ d. to 3d. for cooking apples.

11. What were Ribstones and Pearmains?—4d.; they have been that for one month.

12. Before that, what were they?—3d. per pound.

13. *Mr. Fairbairn.*] Are you a member of the Retail Fruiterers' Association?—I never go. I am not a member. Some of the Chinese are members; I am not a member.

14. You are quite sure best apples have not been sold more than 4d.?—No, 4d.

15. *Mr. Hall.*] Are there any apples in the windows ticketed 6d.?—No.

16. Have any been ticketed 6d. the last fortnight?—No.

17. I mean, at any of the shops?—I have seen no apples in town ticketed 6d.

RICHARD SLINGSBY ABRAHAM, of the firm Abraham and Williams, Stock Auctioneers, Palmerston North, examined on oath. (No. 259.)

1. *The Chairman.*] Have you a statement to make to us?—Yes. The principal object of my coming is to controvert some statements made by a previous witness—Mr. F. T. Moore. There is a short paragraph I would like to read: "The directors of the large meat companies conspired with auctioneers to put high reserves on all fat stock yarded for sale by public auction, forcing the independent buyer to pay an exorbitant price. Should any stock fail to fetch the fictitious value placed upon it, it is passed in, and privately sold to the freezing company at figures far below what was asked at auction. These conspiracies between the large meat companies and the auctioneers enable trade to be monopolized and free competition completely prevented." I can only characterize that statement as entirely wrong; there is no truth in it. I have been interested in the fat-stock sales for the last twenty years at Johnsonville, and our trouble is the meat company's will not come and buy at all. Consequently the effect of their competition on the meat-market is almost nil; they have their own agents out buying, and that is the reason they do not come. If they wanted, say, one thousand wethers they could not depend on getting them at the sale without paying more than they are prepared to; if they make a private bargain with their own regular clients they can depend on getting their stock. I should like to put in statement of stock purchased at Johnsonville by the two meat companies during the twelve months 1st July, 1911, to 1st July, 1912, and the quantity of stock bought in and sent to the companies during the same period: Wellington Meat Export Company (Limited)—70 sheep (18th October, 6 lambs; 12th June, 64 wethers); the Gear Meat-preserving Company (Limited), nil. The Gear Meat-preserving Company (Limited), 11 bullocks; the Wellington Meat Export Company (Limited), nil. I have done a good deal of freezing on my own account, and I have always found companies willing to freeze for me and treat me fairly, although I had to enter into the market as a competitor with them to get my stock. It is quite possible for what we call the c.i.f. buyer to get an order from Home for a line of sheep, say, at a price that will enable him to give, say, 1s. more than the companies are giving? This naturally forces the price up on the companies, but

nevertheless I do not remember any single occasion, although I have to send my stock to them to be frozen (there is no one else to go to), in which they have not given me full satisfaction. I may say this: I am not here to represent the companies, but the original companies in New Zealand were formed to act on behalf of the farmers—to freeze and ship for them; but at that time the prices realized were so bad that farmers would not freeze, and consequently the companies had to start and buy.

2. Did they afterwards become more in the nature of joint-stock companies?—Yes, business companies, and as such conducted on business lines. There is an association of master butchers, I believe, to which the companies do not belong. That association is formed to protect their own interests in many ways. For instance, they work an insurance fund, under which any beasts diseased can become a claim on the insurance fund when condemned at the abattoir. The association regulates prices to a certain extent. There is no town in New Zealand at which meat is sold cheaper than in Wellington. I know that in Palmerston North, in my own time, right in the centre of our fat-stock district, meat is sold there a little dearer or about the same price as here, where they have to meet with all the disadvantages of railage, &c. I think I should put in this old cutting referring to meat belonging to Mr. Moore being rejected by the Wellington Meat Export Company: it is from the *Evening Post* of 1906 or earlier. At the time it was published we were shipping stuff to Africa—inferior meat was sent to Africa in war-time; and I think it rather shows the reason for Mr. Moore's attitude in some respects. Out of fifty-eight cattle sent in by Mr. Moore thirty-three were "rejects."

3. Is that all you have to say?—Yes, I think so.

4. *Mr. Robertson.*] I noticed something in the Press with regard to the operations of the American Meat Trust: can you tell us anything about that?—I think it is not affecting New Zealand markets except in respect to the Home operations; they have no say in the New Zealand meat except as the Home markets affect us. Their action there will affect the price of our meat. They have no say whatever in any freezing company in New Zealand so far as I know. I have not seen any agents of the trust in New Zealand—I know nothing of their operations, at any rate. The only meat concern which is not a purely local concern is that in Hawke's Bay—Borthwick's. Nelson is also connected with Home people. Borthwick's may have buyers to act for them—independent buyers.

5. You are connected with the Manawatu Meat Company?—I am chairman of directors.

6. That owns the abattoirs?—Yes; and we also own a retail establishment.

7. There is a retail butchers' association in Palmerston North?—Yes, the Manawatu Meat Company is a member.

8. Does that association fix prices?—It regulates prices. There is a reason for that: if there is no association formed to protect their own interests, then they are liable to the meat-hawker coming in. He is not in a responsible position—he gets a cart and sells a very inferior class of meat, and the result is disorganization of the trade.

9. How many shops has your firm?—One; but we supply other shops at wholesale rates.

10. Are the members of the association subject to any penalty not to sell under certain prices?—I do not think so. The arrangements are made by my manager. No penalties could be enforced; it is not a registered association.

11. Your manager would fix your arrangements?—The manager might have come to an agreement with the association—but that has not been reported to me. All our meat is slaughtered at the abattoirs. I do not think we are in any advantageous position as compared with other retailers—the retail shops all pay the same charges and are subject to the same conditions.

12. Is the retail price of meat in Palmerston North higher than in Wellington?—About the same. I do not know the Feilding prices. I should be surprised to hear that Palmerston North prices were 1d. per pound more than Feilding prices—I do not believe it.

13. Are you aware of any complaints about all the stock being slaughtered at your abattoir?—No, I think the Palmerston North butchers are thoroughly satisfied with the arrangement; they make no complaints to us.

14. Would 1d. per pound cover the distribution charges?—I could not say. I am not a practical man. We are paying 5d. per pound for pork now, so we could not sell at that price—we cannot buy for 4d. now. I ought to know how many carts we have—three or four, I think it is—I am not quite sure.

15. Can you tell us the retail prices of meat in Palmerston North?—I pay my own bills and pay the same price as anybody else—I think the price varies from 4d. to 6d. I could let you have a list.

16. *Mr. Fairbairn.*] Is the bulk of your meat bought from the farmer on c.i.f. basis for shipment?—No, it is bought by the freezing companies—the bulk of it; they may have c.i.f. contracts.

17. What percentage of the export from your district is consigned by owners?—Very small portion of it; it is practically all c.i.f. sales, or sold direct to the meat companies.

18. Is it customary for graziers to put a price on stock in the markets?—Yes, that is the usual practice.

19. What percentage of meat is sold under those reserves?—A very small percentage. The stores are the main sale; the bulk of the trade is done privately between the grower and the freezing companies or the butchers. There are certain small lines come in—ten or twelve bullocks, say, or fifty to one hundred sheep—to the market, but the bulk of the trade is done privately.

20. What percentage of the sales would be for local consumption in New Zealand?—All of it.

21. In fixing a minimum price is there not a danger that the local market is taken advantage of—I mean in auction buying?—No, I do not think that is prejudicial to the community; the minimum price is governed by supply and demand. The vendor brings in the cattle, then comes to the auctioneers and asks what the cattle will likely fetch; the auctioneer says so-much, and in most cases that is the reserve put on. They are put up to auction; they do not fetch within 5s. perhaps; then the buyer can take them home or sell at the less price—he generally does the latter.

22. Have the reserves ever exceeded the c.i.f. price?—Oh, yes, local demand will naturally cause prices to be higher.

23. Local demand is supposed to return a grower a better price than the Home market?—I always argue that it does.

24. Then the local consumer pays more for his meat than the grower would take in the English market?—No, not always—he may get less.

25. If he sells on a c.i.f. basis he knows the price?—Yes; but the local buyer does not know the c.i.f. prices. Very often the price fetched in the local market is less than the companies are giving privately; it entirely depends on the supply and demand. At present prices tend to go higher. I am speaking of the local market prices.

26. Have you ever known beef sold lower in the English market than in New Zealand?—Oh, yes, constantly; there again the operation of supply and demand comes in.

27. If the grower gets rid of all the surplus stock on the English market he is in a position to regulate the local market?—That is true to a certain extent.

28. *The Chairman.*] Re insurance of cattle: that spreads the loss over the whole body of farmers?—Not the farmers—the whole body of the butchers. The farmer does not take any part in it. The individual farmer sends his stock to the market, and pays 1s. per pound for insurance fund, consequently he gets a better price because the butchers know that if they buy those cattle and they are condemned, the butchers will be repaid. In the old days, the butchers had to lose the diseased beef. I do not think that tended to make the farmers careless; they are liable to be fined if they knowingly exhibit a diseased animal—the exposure in the saleyard would render them liable. The farmers pay 1s. and the butchers pay 1s. too. The great majority of diseased beasts cannot be told as deceased till they are slaughtered except by experts and “vets.”

29. Has it ever come to your knowledge that the butchers had entered into a bond for £20 not to sell below a certain price?—I never heard of that in Palmerston; I think there was some discussion about it; and I think there was a bond fixed.\*

30. You do not think it was put in the articles of association?—It may have been—I am going on the reports alone; I cannot say if such a bond exists or not.

31. If butchers said they had to sell at high rates instead of low rates thereby, would you think that possible?—I do not think so. In these associations the binding part is a moral binding: these bonds cannot be enforced.

32. Do you not think there is a little danger in auctioneers trading on their own account, as the fish-auctioneers do [practice described]. Supposing the auctioneers buy, would not there be a temptation to favour their friends?—We have to supply every week the requirements of the Wellington butchers at Johnsonville. There are other outside firms supplying, and consequently we have to meet this: when we bring our stock to market we find half the butchers have been supplied by other firms, and consequently the stuff is thrown away—does not fetch its fair value.

33. With the law of supply and demand, should not the public get the benefit of these low prices?—No, I think not; I do not think the auctioneer would so control prices that the public would be in danger of paying high prices. The effect of this uncertain price has resulted in farmers saying they will not supply, as they did with export stock—getting a bad price several times stopped them shipping; so with us at the market. Consequently if we are to keep the market supplied we must buy. Somebody must buy for the market; otherwise, how can the public of Wellington be supplied?

34. *Dr. Hight.*] You said that if the farmer gets rid of his surplus stock on the English market he can control the local market?—I mean the prices of local stock go up then. He is not in a position to control—the more surplus exported, the less there is locally. If you have not enough to supply local demand, then the price goes higher. The more stock is exported from this country the higher will be the tendency for prices to go here. If you export stock beyond a certain quantity, then that creates a scarcity here, and the price rises. There would still be competition between the farmers on the local market. The farmers having fattened their stock would have to get rid of it.

35. *Mr. Macdonald.*] Are you a member of any merchants' association?—No, of the auctioneers' association.

36. Do you think having cold storage steadies prices?—Yes. We keep a freezer attached to the abattoirs at Palmerston, and a local butcher buys more than he can use at times and puts the meat into the freezer, and then draws it out when prices go up.

CHARLES CAMPERDOWN ODLIN, Timber-merchant, examined on oath. (No. 260.)

1. *The Chairman.*] Are you resident in Wellington?—Yes. I have been connected with the trade twelve years in Wellington. The prices of timber on all good lines—first-class lines—have increased in the last ten.

2. By what percentage in the last ten years?—The price of kauri has increased 25 per cent.; the price of totara has also increased.

3. *Mr Fairbairn.*] Can you give us relative prices?—Yes.

4. *The Chairman.*] What is the price of kauri now?—Kauri was sold in Wellington four years ago for 29s., less a discount of 7½ per cent. to the trade; and the price to-day is 32s., less 2½ per cent. only. I have not got lists further back than four and five years ago.

5. What are the prices for dressed red-pine?—It is cheaper to-day than it was four years ago. Red-pine four years ago was sold at 14s. 6d. per 100 O.B., and the price to-day is 12s. 6d. with 2½ per cent.; off the 14s. 6d. there was 7½ per cent. Half the timber used is O.B. red-pine.

\* Witness subsequently wrote: “I stated in my evidence there might be a bond executed by members of the association. I find on inquiry this is not so, although, as a guarantee of good faith, each member of the association has signed a promissory note for £10, though what good it is I cannot say, as no Court would ever enforce payment.”

6. *Mr. Fairbairn.*] Can you get any figures for us in the last ten years?—Yes, I think so.

7. *Mr. Macdonald.*] Is there any timber association here?—No. I think the price of timber will go up. The position is we cannot get the local timber we want; we have to import Oregon and other timbers.

8. It would ease the market to take duty off Oregon?—Yes, ease the market on the best class of timber. We use Oregon now because the millers will not cut the big balks we want—they have not got the machinery.

9. *Mr. Hall.*] Do you think it would be in the interests of the public if the duty was removed from Oregon?—Yes, the duty on the big sizes; then the cutting-up would have to be done here.

ALEXANDER ANDERSON GELLATLY, Land Agent (of J. H. Bethune and Co.), examined on oath. (No. 261.)

1. *The Chairman.*] Have the rents in Wellington gone up much in the last few years?—Yes; they have gone up and gone down to some extent, but have not receded to anything like the same extent as they exceeded. That recession took place in the last four or five years. Suburban land has greatly increased—some times that has receded; in others there has been no recession. Rural lands have increased. Our business is mostly with city lands.

2. Could you give us an idea of the causes of the inflation and the depression of city land?—There was a gradual increase in population in Wellington—it increased for ten years fully without a break, dating from fifteen years ago; from then for ten years population increased and prices of land rose. Then population became slightly less—people went away to Australia principally—and houses became empty, and naturally rents receded.

3. There have been attractions in Australia in the way of large building operations in New South Wales which took some of our population?—Yes.

4. Could you give us any idea of the variations of house-values in the last ten years?—The letting-values of four-roomed houses would be from 17s. to 20s. now within the penny section.

5. Supposing we say within the twopenny section, what would the rent be?—From 12s. to 16s.

6. And on the threepenny section for the same house?—About 10s. to 13s. for the same house—I am counting a four-roomed house. The fact that tram-fares have to be added and that the people cannot get home for lunch means that the rents lower. For the last four or five years houses of £75 per year rental value have gone down in rental value.

7. Have you any statement to make?—From my notes I find in the last five years the large houses—boardinghouses—have been more difficult to let than moderate-sized houses for families, and the reduction in boardinghouse rents has been greater than family houses: that would imply that the young man with no family ties was the one who had gone away to Australia. The average reduction in letting-value of houses in the last five years is about 15 per cent. We can point to cases where there is no reduction, and also where reductions are more than 15 per cent.—the 15 per cent. is the average reduction over all classes of houses.

8. *Dr. Hight.*] Could you put in a list of rents for the same houses over a period of years?—It seemed to be impossible to get that—I did try. The information would hardly explain the position. For instance, we could take Kelburne and show houses that have fallen in value 25 per cent, and to others that have increased almost alongside them. The ones falling in value have been built on bad sloping sections, the others are on choice sites.

9. There are considerable differences in quality of sections in the same district?—Oh, yes.

JOHN KEIRBY, Dairyman, examined on oath. (No. 262.)

1. *The Chairman.*] Have you been in the business long?—Twelve months here. I have not been in the business before in New Zealand—only in England.

2. Do you find the price of milk sold by retailers here to be greater than in England?—I do not think there is much difference when everything is reckoned up. It depends upon what part of the country you are in—the price varies accordingly.

3. Does delivering milk add greatly to the expense?—Certainly.

4. What percentage does it add to the value of the milk to deliver it?—The biggest part is unrecoverable debts.

5. Does the man who delivers the milk stand any part of that loss?—No; my own sons deliver the milk for me.

6. Is there any agreement as to prices of milk among the sellers?—I believe there is an association among the farmers to say when the milk shall be put up for the winter months.

7. Where does your milk come from?—Silverstream and Makara.

8. When your cart has been up the street delivering milk, then another man comes up with his cart and delivers milk next door?—Yes, sometimes he delivers to the same house; there is great waste in this overlapping.

9. *Mr. Macdonald.*] Are you in the business now?—Yes.

10. *Mr. Hall.*] Do you buy milk from the farmers now?—Yes. The price varies: it varies by the time of the year and it varies with different farmers. The association is giving 6d. in summer and 9d. in winter.

11. What is it retailing at in Wellington?—That varies: some sell for 4d. per quart and some for less.

12. These farmers agree to supply a certain quantity?—No, they agree to serve you, and the quantity varies; but there are some who would like to make arrangements for a given quantity.

13. What was milk retailed at in England?—In Lancashire it was 3d. per quart; wholesale, 10d. per gallon.

JAMES FAIRWAY, ex Restaurant-keeper, examined on oath. (No. 263.)

1. *The Chairman.*] Have you had some years' experience in Wellington?—Yes, thirteen or fourteen years.

2. Did the price of articles rise during your term of business?—Yes, especially during the last six years. The chief items that rose in value were butter, meat, bacon, fish, and oysters. All those rose in value.

3. That made it more difficult to get a profit?—Yes; but the business increased in Wellington, and so I made up with a larger turnover.

4. Did you find the fish-supply fall off very much?—Yes, during the last five or six years it has gone off, especially in flat fish.

5. Did you believe there was a combination of fish-merchants to control prices?—No, the poor supply accounted for it—the supply is not equal to the demand.

6. Did your rent rise much during that time?—Yes, it went up 50 per cent.

7. That was the largest item of increase?—No; when I started business rents were fairly low, so I was in a better position than people who entered later. Fish went up 50 per cent. too, and oysters have gone up 30 per cent.—Stewart Island oysters. They were sold at 17s. per sack fourteen years ago, then they fell to 15s., and now they are 16s. for 200-lb. bag. Previous to that the weight of the sack was 280 lb. There is a reduction in the size of the bag of 80 lb.

8. *Mr. Hall.*] What years do you refer to in regard to rent?—The last fourteen years—up to 1912. Stewart Island oysters were sold at 3d. per dozen in the shell within two years; now they are 6d. per dozen.

9. *The Chairman.*] Has the cost of living gone up in every item of food?—Yes.

10. Is there any desire for better quality of food, and did you have to give more table decorations in the way of flowers, and so on?—I do not think there is any difference in that respect. People certainly live better than they did fifteen years ago; but the price of meals is the same now as twenty years ago.

11. I thought I had noticed a great change for the better in the way tables were set out—white napery and flowers, &c., are more evident?—That may be so in some places.

12. Do you know of anything else which would lead to higher cost of living besides the growing population?—I think the consumer is outstripping the producer in many cases—the supply is not great enough.

JOHN VARCOE, Grocer, examined on oath. (No. 264.)

1. *The Chairman.*] Have you found in buying and selling an absolutely free market?—No.

2. Are there lines to which you are denied access except through the Merchants' Association?—It is only from them you could procure them—you have no choice in the matter unless you indent for yourself.

3. Suppose you tried to buy K jam from Nelson—could you deal direct?—I do. That is not a tarified line, so far as I know.

4. It is sold to you at the same rates as to the merchants?—Yes, perhaps a little better.

5. Does that apply to New-Zealand-made condensed milk?—I think that can be got only through the merchants.

6. Can you tell us anything about the market being tied?—I believe there is a tariff on certain lines, put there by the merchants, but they do not tell you what you shall sell at.

7. Not even with Bournville cocoa?—There is probably a selling-price—that is the only item I can think of—and that you need not stand to unless you like.

8. Is it right that certain articles should only be procurable through certain persons, do you think?—If they are the only persons who indent them you have no help.

9. *Mr. Hall.*] What do you mean by saying that you need not stand by the price unless you like?—You could lose the discount, I mean, or get another cocoa.

10. *The Chairman.*] Is there any retail association of grocers?—Not so far as I know—a few may call themselves an association.

11. Do you know any retail grocer who can deal direct with Home firms?—Any grocer can, as far as I am aware.

12. *Mr. Fairbairn.*] As far as you know, a grocer can deal anywhere at Home?—There may be one exception so far as I am concerned.

13. Can you draw supplies of Colman's goods direct?—I do not know—I have not tried. It is possible one has to deal with the Merchants' Association, because there may be no other way of getting the things. I know they have tarified rates, and we cannot buy outside these rates—they all quote the same rates. I handle Bournville cocoa—there is a good deal sold here; I sell a good quantity.

14. How much in relation to Van Houten's?—A little more of Van Houten's, I think—not much more—perhaps 25 per cent. more.

15. How much Bournville cocoa would you sell in twelve months?—I could not say—I have not looked up the matter. I pay 3s. 1d. per pound. I buy thirty-box lots; there is a small discount beyond that for cash.

16. *The Chairman.*] Have you anything else to say?—One firm in Wellington stopped my supplies of goods because I sold cheap; that was a firm of merchants—Fairbairn, Wright, and Co.

17. *Mr. Fairbairn.*] What were the goods?—Some proprietary medicines and other lines: this was about a year ago.

18. What were the lines?—I cannot say at the moment. They stopped my supplies. They came and asked for business; I gave them business for two weeks; they then stated that through complaints made by their customers that I was selling too cheap they would not supply

further. It was not Scott's emulsion; I do not know that special lines were specified. Is that news to you?

19. It is, unless they were tariffed lines?—I can think of a baby's feeding-bottle: I was selling it at 8d., and that showed a profit of 22½ per cent., and I was told it should be sold at 1s. I paid cash for all my goods for about a fortnight. That prevented me getting business. I did not know how other merchants would treat me, and so I did not try to get goods. I have been in business twenty-five years, and this happened about twelve months ago.

20. Why did you not make an effort to get those lines on the market cheaper within the twenty-five years?—It was a new departure, this cash business; I should have kept on longer than two weeks. I did not mark down their goods only.

21. Will you give me a list of the goods which the firm refused to supply you?—They would supply me with nothing more.

*Witness* asked for leave to amend his evidence as follows: With regard to the question asked me by Mr. Fairbairn as to whether I could buy supplies anywhere at Home, I misunderstood this question: I thought Mr. Fairbairn referred by "home" to Wellington. I meant that there was one firm from which I could not buy supplies in Wellington.

WILLIAM EDWARD GWILLIM, Dairy-produce Grader, examined on oath. (No. 265.)

*Witness*: I consider the scale with which I weigh the pat of butter produced to be perfectly accurate. The weights are all accurate weights, and have been duly tested. The weight of the pat as a one-pound pat is 1½ oz. short without the wrapper; it is 1 oz. 9dr. short with the wrapper. With regard to the moisture test: I have carried this out also in the presence of the Commission, and find that the moisture-percentage is as follows: 12.4 per cent. Two other pats of butter of different brands were weighed: one was 16 oz. with wrapper, and the other 16 oz. 3 dr. full with wrapper. Three packets of candles were weighed: one packet was, without wrapper, 15 oz. 3dr.; the same packet with the wrapper was 16 oz. 7dr. Another packet without the wrapper weighed 15 oz. 2 dr., and with the wrapper weighed 16 oz. 2 dr. The third packet weighed, without the wrapper, 15 oz. 7 dr., and with the wrapper the same packet weighed 15 oz. 15 dr. The moisture test was taken for another pat of butter, and was found to be 14 per cent.\*

DAVID KENNEDY PRITCHARD, Bootmaker, examined on oath. (No. 266.)

1. *The Chairman.*] How are you engaged?—Engaged in the Dominion Shoe-factory, Newtown.

2. Could you make any statement to the Commission?—My object in appearing is not to present a specially prepared case, but because I feel there is a demand for imported shoes in preference to local-made articles. This I do know: that in certain lines of boots sold to a certain class of society there is undoubtedly a demand for a certain class of imported goods. I wanted to prove that the colonial-made article is equal to anything imported into the Dominion. My determination to come here is only of very recent origin, and these samples I have brought have not been specially selected. This is the season when enterprising firms make up samples for the market—some of them are such samples, and I have brought them in various stages of manufacture so that the Commission can see they are solid leather, and just what we profess them to be. I do not know in what manner the preference for imported goods originated, but my own idea is different from what I have heard expressed. I think the majority of workers who repair their own boots buy leather designated "English leather," (known as "English bends"), and this is superior in wear to ordinary colonial leather, and so they conclude that the soles on English imported boots will be the same. I have seen more English leather used for soles in New Zealand than in England or Scotland. A little higher up the social scale the preference is given for detail after the boot is really made, and detail which is of no practical use, and is not practised in New Zealand; that is an expert department in England and America. With one importer you get the boot wrapped up in swansdown—faked in the finish to look nice—that colonial manufacturers do not try to imitate. I want to prove that a certain amount of benefit has accrued to the Dominion through the last tariff, and more through the present one, on boots. The wages and hours are different in England from those in New Zealand. Where I worked in Glasgow the minimum wage is 29s. per week, and the hours range from forty-eight to fifty-two. In Glasgow suburbs there is a large co-operative factory, and the minimum wage there is 32s. In Leeds the minimum wage is 30s., in Leicester 32s., and in Northampton last year it was raised to 32s. The hours worked in these centres (which are the largest) are: Glasgow, in my factory, forty-eight; the general run was fifty-two hours, and in the Co-operative Factory fifty. In Leeds, Leicester, and Northampton the hours to-day are fifty-two and a half. Real authentic evidence is hardly available, but from the *Superintendent and Foreman*—an American leather-trade journal—I find that the hours in America are fifty per week and the wages about 2 dollars per day. This shows the difference in the industrial conditions in New Zealand and elsewhere. It has been suggested, and is to-day being advocated by the New Zealand Boot Operatives' Federation (of which I was a member, but I am not a member now—I am here merely as foreman in charge of the factory I have named)—the remedy advocated is to buy only New-Zealand-made boots, and they advocate the brand "Made in New Zealand." The Hon. J. A. Millar promised to bring in that legislation, but nothing has been done so far. I do not believe for a moment that the branding of the boots in this way will have any effect. I have said this before. We have boots coming to New Zealand branded as made in England, Sweden, Norway, Denmark, Germany, America, and that carries no weight—it means nothing. If such a stamp were put on, "Made in New Zealand," that would only indicate the country of origin of the boot. Before I left the Wellington union, of which I was president, I gave them the nucleus of a scheme which I hoped would be useful; I gave the late Mr. Taylor the

\* For name and description of goods weighed and tested see evidence of Mr. F. W. B. Greville, page 447.



same suggestions; those suggestions were that if legislation were enacted there might be a word such as "Guaranteed," and if that meant that every boot marked thus, whether local-made or imported, should mean that the boot was made under good conditions and contained only solid leather, that would prevent shoddy being used in imported or local-made boots. I worked for a small factory in Wellington, and know that shoddy was used—cardboard and light flimsy material which was no good to wear. This is one of the curses of protection. If the word "Guaranteed" were marked on, as I suggest, good would result. I would like also to endeavour to justify the sustaining of the present tariff. I am not in favour of a further increase, because I believe that tariff can be abolished if things are run sensibly. You can take the price of Territorial boots as sold to-day to see how we in New Zealand can compete—there is a fair profit on this line, too. The question of the allocation of additional tariff in 1908 has been discussed, but I have never heard an employee say he got no benefit—only there was doubt as to whether he has got his full share. The Boot Operatives' award was made in 1909, and the workers were graded: some workers were paid 1s. per hour under this; many men received advances up to 15s. per week by this 1s. per hour. If I take twenty of these 1s.-per-hour men, and average their advances at 10s. per week, there must have been in the aggregate for the three-years award £600 paid to those twenty men. In 1909 the girl workers in Auckland were brought for the first time under the award, and some of those girls were then getting 17s. 6d. per week, and after the award 27s. 6d. Those advances were paid after the award was made and through the advanced tariff. Last week an agreement was made in the boot industry, and the minimum wage is now £2 12s. 6d. per week—a rise to first-grade of 5s. 7½d., and to second-grade men of 7s. 6d. The assumption is that these wages could not have been paid but for the revision of the tariff in 1908. Although the minimum wage now is £2 12s. 6d., yet I have a wages-list of the factory in which I work, and I shall read this to the Commission,—

*Comparative Statement showing (A) Rates of Wages paid in a Wellington Factory, and (B) Rates paid in England to Men doing equal Work.*

(A.)	(B.)	(A.)	(B.)
£ s. d.	£ s. d.	£ s. d.	£ s. d.
2 12 6	1 12 0	2 12 6	1 12 0
2 10 0	1 10 0	2 17 6	1 14 0
3 5 0	1 15 0	3 0 0	1 15 0
3 5 0	1 15 0	2 12 6	1 12 0
3 0 0	1 15 0	2 15 0	1 17 6
2 17 6	1 14 0	2 12 6	1 12 0
3 2 6	1 15 6	2 12 6	1 12 0
2 15 0	1 12 0	3 0 0	2 0 0
2 17 6	1 14 0	2 17 6	1 14 0
2 17 6	1 14 0	2 17 6	1 14 0
2 10 0	1 12 0	0 15 0 (Boy)	0 5 0
2 15 0	1 12 6	3 0 0	1 15 0
2 15 0	1 12 6	0 15 0 (Boy)	0 5 0
2 12 6	1 12 0	3 0 0	1 15 0
2 7 0	1 10 0	1 10 0 (Youth)	0 15 0
3 15 0	2 0 0		
3 5 0	1 15 0	£88 9 6	£50 2 0

Those wages are paid on the basis of £2 6s. 10½d. for first-grade men in the 1909 award. I have quoted the wages that men doing equal work would get in the Old Country. I am on oath, and I swear that these wages I assess are approximately correct. If the benefit can be attributed to the increase of tariff—and I submit the advance is due largely to that—you will ask me what I think would be the result of a reduction of the tariff. I have worked on the bench, and I am now an overseer, and therefore I can speak impartially. I say, under existing commercial conditions and the inextricable entanglement and interdependence of industrial conditions—I say that a reduction of the tariff would ruin the industry in New Zealand. No one wants a reduction except the indentors. I am not in favour of a higher tariff. I believe there is a way of emancipation, and that is this: I have advocated the Boot Operatives' Federation taking steps to open shops to purchase only New-Zealand-made boots; that would be the first step towards the practical realization of co-operative manufacture. The Boot Operatives' Federation offered the Government £2,000 free of interest to help starting a boot-factory: that is an evidence of the faith the bootmakers have in the profits of manufacture. I think the Government should subsidize the union, and let the union start manufacturing themselves. In my opinion, the prices charged in many of the shops are outrageous—even in drapers' shops, which often do a large retail trade in boots. I know one retail house in Wellington disposed of over three thousand pairs of boots in three days. I put in some figures which have been taken from a Labour Department report: these show the wages before the tariff and after the new tariff was imposed.

Year.	Number of Employees.	Total Wages.	Wages per Head.
1906-7	3,158	£ 203,086	£ 64.3
1907-8	3,168	214,250	66.9
1908-9	2,896	234,737	81.0
1910-11	2,760	250,837	90.8

There are 136 less employees in last year than in the previous year, and yet the wages total was higher and increased over £9 per hand.

3. *Mr. Fairbairn.*] Do you consider it fair that 20s. boots should carry a lower duty and the poorer quality of boots carry far higher percentages?—That is the crux of the question. The factory in which I am engaged up to twelve months ago was producing common work. Then a man from Leicester was engaged as manager, and he has tried to bring up production to high grade. Some of these samples are the finishing product by which we are trying to cater for the best trade. The work of our factory is continually getting better in quality.

4. The Customs tariff undoubtedly favours the wealthier section of the community?—Yes, that is so.

5. Do you consider it fair to the community in general that imported boots retailed at 20s. to 35s. should carry a duty of about 20 per cent. while children's boots, slippers, and boys' and men's boots retailed at 3s. to 12s. should carry 60 to 33 per cent.?—I believe that if one went minutely into costs of production there would be fully the 20 per cent. difference in the cost of the better-class articles. There are great economic complexities surrounding the question. I believe if you went into the calculations you would find there was 20 per cent. difference in the cost of production here as compared with England, say. I do not know what inspired our legislators to put such a high duty on girls' and children's boots, and I do not know why the duty was put on. The duty is not high enough for protective purposes, because they are not manufactured here—we can argue that.

6. Would you favour an *ad valorem* duty on boots right through?—Yes, I should say I would.

7. Would you recommend a duty of 25 per cent.?—Would that be extra 5 per cent. on ladies—I think we have 33 per cent. duty now.

8. Oh, no. If a pair of boots were invoiced at 20s., the duty would be 4s. 10d.?—That is about 25 per cent. now. My reply is this: Seeing that under existing conditions the tariff on the children's boots and boys' boots has failed to foster their production, I do not think it just that it should be sustained any longer. I would favour an *ad valorem* duty.

9. *Mr. Macdonald.*] Would you favour an abolition of the duty on boots which cannot be manufactured in the Dominion, considering the matter purely from the commercial point of view?—The duty has not affected its purpose, certainly. No, I think the duty should not be abolished, because I cannot see any other way of getting the revenue. I would favour it if the taxation could be got without harm in other ways. When we can abolish the middlemen in the factor of distribution, then I am in favour of this abolition of the extra duty on high-grade boots. When you abolish the middlemen you will give to the consumer the 50 per cent. or more that the middleman reaps at present. There are ways of getting the boots direct to the consumers by means of co-operation—that is, by co-operative factories, of which there are several factories in England and Scotland. Directly, the consumers there might pay much the same, but indirectly they gain through better conditions of work and returned profits.

10. *Dr. Hight.*] You mentioned the extra wages: increase to first grade 5s. 7½d., and to second grade 7s. 6d.?—Yes.

11. The percentage of increase is much higher in second-grade men?—Yes; the second-grade men in 1909 for the first time came under an award, and for the first time in the history of the trade the workers were graded—that was at the request of the employers at a private conference: and now the grading has been wiped out, and the men have been put on the one level. The men in the second grade were not less skilful. The rough-stuff cutters were ignored at first, but ultimately they came into the union and they demanded attention; they were second grade in 1909, and now they have won the uniform rate of pay with the other men.

12. *Mr. Fairbairn.*] What amount of actual labour is in the men's box-calf Derby balmorals [sample shown]?—The retail price is 28s. to 30s. The cost of the boot is the cost of material plus the cost of labour—machinery and hand labour cannot be separated.

THURSDAY, 11TH JULY, 1912.

JOHN DAWSON (Reverend), General Secretary of the New Zealand Alliance, examined on oath. (No. 267.)

1. *The Chairman.*] Will you make a statement?—It seems to the executive of the New Zealand Alliance that we have very important facts to bring before you bearing on cost of living and taxation as a result of the liquor traffic. We have prepared a pretty full statement, and I thought if I left these with you it would serve your convenience. We understand the primary purpose of this Commission is to help the people—to find out how money is wasted, and how taxation may be reduced and better conditions of living secured. We have, therefore, emphasized the cost spent on liquor in New Zealand, which by us is regarded as waste, and worse than waste, and as being a cost to others than the actual consumers or their families. We believe, instead of the liquor business producing a net revenue for the Dominion, it causes an actual loss. We put before you the drink bill in detail for 1911, which shows that at gallon rates £3,859,371 was spent in the year 1911. The gallon rates are as shown in table [see Exhibit No. 21]. This is taken from the Customs returns for the year 1911; we are giving you the Customs return of the quantity of liquor, and the prices are given us by the Customs. They give a return each year—they assess their taxation on the value of the liquor that goes through their hands.

2. *Mr. Fairbairn.*] It is per gallon, not on value, that the Customs impose taxation?—That is the only method by which we can get the figures.

3. Then I think some of your figures are open to question.?—Well, we think they are valuable. This return shows the amount of duty collected in New Zealand [see Exhibit No. 22].

4. Oh, yes; but how do you base your estimates for the wholesale value?—On figures supplied by the Customs.

5. Where do you get the 4s. per gallon for New Zealand beer?—If not from them, I do not know where the figures come from. This is the method of calculation we have adopted; I cannot tell you anything further about it. The total increases in the year are shown in my tables. The effect of the liquor bill is very serious on the community.

6. *The Chairman.*] We are inquiring into the rise of the cost of living?—Yes; and I have given the figures from 1884. I also produce a special official return showing the number of offences committed—the number of convictions for drunkenness included. [See Exhibit No. 23.]

7. *Dr. Hight.*] That is not the number of persons convicted?—No; even the Department do not seem sure of that. The Department assure me that such a record will be kept in future.

8. *The Chairman.*] It is ineffective to make one person appear with numerous convictions to his discredit?—Yes, but there is a return of persons not previously convicted. The figures certainly want to be more exact. A man may be convicted in Auckland, and then come to Wellington and be convicted and called a first offender.

9. *Mr. Macdonald.*] It is worse than that: a man is treated as a first offender for the first offence committed in each year—he starts afresh every January?—I am afraid the return is not sufficiently clear, as made by the Department at present. The Department say the return means what it says, and when I asked if the return means this or that, there is doubt raised at once, and the Department are inquiring into the matter. We also try to show in our tables that there is a deficit and not a surplus in our revenue, and we also give an estimate of the cost of crime and other things which are the result of strong drink; the estimate is quite under the mark, we think. The prisons cost £44,392 in 1910–11, estimating 75 per cent. due to drink, we get £32,000, and so with other figures as quoted. [See Exhibit No. 24.] As independent testimony *re* increase in cost of crime we quote various authorities. We also supply a statement showing what the money spent legitimately would provide. This may be considered speculative. I would mention one concrete case in New Zealand which is a direct and complete charge on the State as a result of the liquor state—I refer to the two islands in the Hauraki Gulf maintained by the Salvation Army for the sole purpose of trying to reform drunkards. Derelicts, men and women who are past all self-control, are committed there by the Government; at the present time there are one hundred men and thirty women (approximately). I understand the Salvation Army receive from the Government 10s. per week for each of those people. I would like to give testimony as having visited the islands. The people do some work, but I do not think they make any contribution themselves. I would bear testimony to the excellence of the work done by the Salvation Army. I think it is much better these people should go there than to prison by all means; my feeling is they are victims that should be cared for and helped; so that my remarks are in no sense adverse to the Army nor to the Government. With 130 people there, the institution is not large enough; there are others who should go there. In many instances these men's families are left to be supported by charitable aid. One man on the island asked me to see his wife and five children. I went there; I found the wife and five children, while he was there for twelve months dependent on charitable aid and what the wife could earn by washing. This is an instance of how the taxation of the community is increased by the fact of our having to find money for such a purpose as this. On the question of impaired efficiency, on the loss to the State of what these men should produce, another witness will have more to say.

WILLIAM JAMES COMRIE (Reverend), Chairman of the Executive of the New Zealand Alliance, examined on oath. (No. 268.)

1. *The Chairman.*] Do you wish to make a statement?—Yes; I want to lay emphasis on one or two points which arise out of Mr. Dawson's figures, particularly in regard to efficiency or inefficiency caused through drink. To take the illustration of Rotoroa and the other island—that applies to the persons in asylums and gaols as the result of drink; not only is there the cost of maintaining these persons, but the State is losing the value of their labour, which would tend to the general good. Brigadier Bray, of the Salvation Army, estimates that each of these men, if not subjected to drink, would be making an additional income of £2 per week, which would go to the support of their families, and which would help the general revenue of the State. We have certain burdens to bear in the way of taxation, and particularly in the Customs duties; if these people are bearing their proportion, then the general average will be less. Further, I wish to make this point: that the cost of deterioration must be added to the general charges of indulgence in alcoholic liquors to excess. A farmer, say, has a man employed who is working a team of horses; that man, owing to drink, is off work one day per week; his earnings are less in proportion; perhaps the farmer does not pay him, and the team is idle, and the farmer and the community lose the man's time and the team's work too. The same thing applies in a factory: a man is in charge of a machine—perhaps an expensive machine. Say a three-horse team is worth more than the man's wages; the machine is also frequently worth more than the man's wages. The owner of the factory has to charge sufficient on his output to cover not only the loss of the man's time, but the time of the machine too.

2. *Mr. Fairbairn.*] Would not that argument hold good in regard to, say, illness?—Yes, but that ordinary illness is preventible. Between the preventible and non-preventible causes of stoppage there is a difference. Take the case of a man at work, but not so competent as he should be because he drinks a glass or two, sufficient to dull his brain; it is common knowledge that many occupations are debarred to men who take drink. There are many instances where men do drink, and as a result an accident occurs, and so the man's team, say, goes over an embankment. A delivery-cart may collide with a tram and the owner loses the time and the delay, and he has to pay for the repairs. The grocer

or farmer, or whoever it is, has to add this to the cost of living, which thus becomes higher. I wish to point out that we regard these losses as serious handicaps to the people generally. We cannot say so-much is due to inefficiency and so-much to drink definitely; we regard the general losses I have named as a means of increasing the general cost of living to the whole community. When to this is added the money spent on drink as being wholly unproductive, this is another serious question. Say a man produces a pair of boots, the money is passed on to the producer from the customer; when this producer spends his money on drink, the money vanishes, but he has nothing equivalent to the boots: thus the whole money spent on the drink is unproductive. We consider that the liquor traffic is one of the serious causes of the high cost of living to the community.

3. Have you any figures to show the cost of living in any country which forbids the use of drink?—No. The figures could be obtained as to the relative prosperity of a State, say, in America, compared with another State—one State under license and one under no-license; such figures would be most useful, and could be obtained.

4. *The Chairman.*] Such figures are most contradictory: take the case of the votes cast in Maine?—Yes, but our statements regarding Maine votes were proved correct, and I feel sure that our figures as to the relative prosperity of Maine will also prove ultimately correct.

5. *Mr. Macdonald.*] What is the effect on rent—can you tell me?—I think it is a fair assumption that the man who is not spending his money on liquor can afford to pay more rent, but that does not mean that the rentals will necessarily increase. The rents have not increased in the prohibition districts of New Zealand.

6. I have seen such evidence—that certain hotels in Ashburton have been closed and are drawing bigger rents as warehouses?—Possibly that may be so, and the buildings immediately adjacent to a closed hotel will rise in rent. That house-rent will be higher for the community does not follow, except that people choose better houses and pay a better rent for them.

7. *The Chairman.*] You have spoken of the loss to the community through inefficiency: what is your opinion of the community that is willing to build its roads and bridges on revenue obtained from the degradation of some of its people?—Such a community is looking at the matter from a very low ethical standpoint.

GEORGE ALLPORT, Secretary of the Marine Department, examined on oath. (No. 269.)

1. *The Chairman.*] Your Department controls the fisheries?—Yes.

2. We have heard evidence in regard to the depletion of certain waters in New Zealand of fish near the towns; is it possible to adopt any mode of preventing this depletion?—The making of a close season for some kinds of fish is certainly advisable; we have proved that by experience. Take mullet: that was very plentiful in the north, but in some parts—notably Hauraki and Whangarei—now we have a close season, and the fish are increasing rapidly in numbers. With the exception of oysters, that is the only fish for which there is a close season. In the case of some fishes I think that system could be satisfactorily extended; but in the deep-water fish I do not think it would make much difference. One effective means of preserving the fish is to stop the taking of the small fish; that is a great difficulty to us; we have a prescribed size of nets, and also we provide that the nets shall be emptied into the water, but that law is evaded in very many cases.

3. I have noticed hundreds of crayfish brought into Wellington full of spawn: is that advisable?—Not if the fish are scarce, but they are plentiful so far. A crayfish has a very large number of ova; it is a poor fish whilst it is spawning. Our greatest difficulty is to make a close season for any kind of fish.

4. We heard a pitiful story about Mr. Sandford's trawler?—Not Mr. Sandford's trawler: there was a trawler—or a boat belonging to two men—which was forfeited; it belonged to Edean and somebody else; it was a launch valued at £800. They were out taking oysters illegally, and the boat was forfeited. The boat was returned on payment of a fine of £50. The trouble in Auckland as regards trawlers is this: the trawling started a few years ago, and operations were carried on near shore; there are a large number of line fishermen in the gulf and in the Thames, and they made bitter complaints that trawling was ruining their mode of fishing. The Department made inquiries and ascertained that there were very good trawling-grounds outside the limits of the line fisherman; consequently we prohibited trawling within certain parts of the gulf. If the trawlers go outside that limit they can get good fish, and the line fishermen, of whom there is a large number, do not have their means of living curtailed. Both classes of fishermen can get a good class of fishing.

5. If you were told the principal fish-merchants got their living by selling below cost price, would you believe that?—No, but there might be occasions when it paid them to do this. I have some information regarding boats and trawling. I will put this in. Some years ago the Department spent large sums of money in carrying on experimental trawling; we chartered a trawler, and sent out our Inspector and a proper crew. They tested all the fishing-grounds, charted them at short distances, and we published the chart, which has been of considerable value to trawlers, in that they know where to go now for the best fishing-grounds. I can let you have a copy of our report with the charts attached. We have also endeavoured as a Department to do our best to get the Railway Department to give all possible facilities for the conveyance of fish to inland towns, and for their speedy transit by the quicker trains. We have also done our best to get the principal municipalities in the country to establish fish-markets. We as a Department believe that if fish-markets were established to which the fishermen could take their fish and sell them without having to put them through a dealer the public would soon find that they would be able to get cheaper fish and fresher fish in many cases than they can get now. Wellington is establishing such a market, I understand. No doubt it will take a little time for the public to get into the habit of going and buying their fish—too many of us like the fish brought to our doors; but ultimately the public will patronize the market, and will be much better served with fish

than now. One of our best fish is the blue-cod, and I am afraid we shall never get the price of that very low while there is the demand for it in Australia. All our best blue-cod, besides other fish, are frozen and sent to Melbourne and Sydney. To show the extent of the trade I might mention that we sent the following amounts:—

*Quantities of Fish exported during the last Three Years, and their Value.*

Year.	Dried, Pickled, and Salted.		Frozen.		Potted and Preserved.	
	Quantity.	Value.	Quantity.	Value.	Quantity.	Value.
	Cwt.	£	Cwt.	£	Lb.	£
1909 .. ..	40	52	12,083	17,720	130,356	5,826
1910 .. ..	57	92	8,893	13,220	151,896	7,288
1911 .. ..	33	58	13,313	20,913	131,738	6,637

The return also shows the other exports of fish. We have a fair export trade of fish from New Zealand.

6. Does that tend to raise the price of fish in New Zealand?—Oh, yes, I think undoubtedly it does.

7. *Mr. Fairbairn.*] Have you any knowledge of large quantities of fish being destroyed to keep up the price to the public?—Yes, there is no doubt that has been done—a few years ago that was done largely; I have seen the fish lying on the beach around Wellington, especially warehou. We have evidence that the same thing goes on in other parts of New Zealand. The fishermen will not or cannot sell below a certain price. There was provision made in the Act imposing a fine for destroying fresh fish. The practice still goes on, though not so much, perhaps, as formerly.

8. We have been informed that frozen fish when cooked are found quite unfit for consumption?—Nothing of that has come under my knowledge. Frozen fish is not quite so good, but still it is good fish. I would rather have a fish quite fresh than frozen.

9. Does it decompose rapidly after being thawed?—I do not think so.

10. Would a short close season in, say, Wellington and Auckland be desirable?—For some kinds of fish it might—say, for flounders in the harbours. In Wellington Harbour a portion of the harbour is permanently closed. We think the northern portion is the breeding-ground, and so we do not allow fishing there; but generally at sea, with deep-water fish, I do not think a close season would be much good.

11. *Dr. Hight.*] Are there any statistics *re* fish—numbers put on the market, &c.—available?—No; we have a provision that that should be done, and we are in correspondence with England asking what is done there. We want figures as to the production of fish from the owners of licensed fishing-boats; all fishing-boats are licensed.

12. Would it be practicable to get the number of fish on sale?—It would be possible to get it from the dealers, but difficult to get it from the hawkers about the country; the only way would be to make the fisherman responsible for giving his catch and the quantity he sells.

13. Is it the practice to take the fish out of the freezer, offer it for sale, and then put it back if unsold?—I do not know.

14. Have you any knowledge that blue-cod is destroyed in Stewart Island?—Yes, large quantities of very small cod have been taken and sold in spite of the law against it. We have recently made a regulation increasing the size at which blue-cod can be taken. Formerly it was 8 oz.; in the case of whole fish we make it 16 oz., and in the case of cleaned fish 11 oz. The Stewart Island fishermen are fighting us over it. These regulations are administered through local Inspectors and through the local Customs officers, and a great many police are appointed local Inspectors of Fish.

15. *Mr. Hall.*] Is there any trawling in the Auckland Harbour?—There is a trawler there, but I do not know if she is working.

16. Have you any information as to a rise in the price of fish in consequence?—No. We had allegations that prohibition of trawling has increased fish; we do not find this.

17. The trawler was said to destroy sharks and stingaree?—That may be; but I do not think the sharks and stingaree made much difference. We have the statement made that the protection of seals in Westport causes depletion of fish-supply, but years ago there were more seals and more fish.

18. What is the cost of cleaning the fish by the fisherman?—We have no regulations as regards the cleaning at all.

19. *The Chairman.*] Would cutting the fish up on fishing-grounds tend to drive them away?—No, I do not think so.

WALTER THOMAS MILLS, Teacher, examined on oath. (No. 270.)

1. *The Chairman.*] In what capacity do you appear?—I have no personal knowledge on the subject of current prices, but I wish to present some economic views. I have made a few notes, and if it would be agreeable to the Commission I would go over these and then be questioned afterwards. Human life is supported only by the waste of life in the production of the means of life.

2. Is that necessary?—Yes, it is. I use the word “waste” in the sense of the expenditure of human energy—that might perhaps be substituted for the word “waste.” Production is complete only when the thing produced or the service rendered is finally delivered, not to be sold again. Consumption is the reward of production; all consumers ought to be producers; all producers ought to have the opportunity to be consumers. The only thing which can command the services

of production without rendering service in production is privilege. The cost of production, and hence the cost of living, measured by the expenditure of human energy, has been greatly reduced in recent years, and is rapidly falling at this time. All inventions, discoveries in industrial process, improvement in equipment and in the organization of production, tend exclusively to lowering the cost of production as measured in the expenditure of human energy. Consumption and production complement each other through the service of the market; ultimate exchange is human service in exchange for human service. One man produces boots and another food; the market exchanges food for boots; but what is really exchanged is human service in producing food for human service in producing boots. This service of the market involves transportation, storage, accounts, gold, credit, and privilege. All improvements in transportation reduce the cost; all improvements in storage reduce the cost; all improvements in simplifying accounts reduce the cost. The power of one article to exchange itself for others in the market is called its value, and the price of the article is that value expressed in the terms of money. The power to purchase any given article is determined by the prices which one is able to get for the services he sells as compared with the prices he pays for the services he buys. The volume of gold as related to the volume of business will cause these prices to increase or diminish; the volume of credits available at any time may have the same effect. But gold, if it influences prices through increasing or diminishing the supply as related to the volume of business, acts alike on both sides of the equation, and cannot possibly affect the ratio of exchange. Privilege, in an economic sense, is the power to extort services without rendering services. Whatever privilege is able to obtain without rendering service, others must provide without receiving service in exchange. Economic privilege is manifest in two general forms: ground-rents, and industrial and commercial monopolies. Ground-rent does not represent service on the part of the individual who benefits by its collection. Ground-rent is the sum charged by virtue of the power of land-monopoly not for services rendered in production, but for simply consenting to permit production to proceed. Just prices would always enable producers to obtain for their products and to obtain their supplies in return at a rate which would be a just and equal exchange for services in producing the thing sold for services in producing the thing purchased, always bearing in mind that production involves every service up to the point where the thing produced or the service rendered is finally disposed of, not to be sold again in the market. Prices are determined in one of three ways: by competition among those who are making the sales; by mutual agreement among all parties interested; or by the power of monopoly. Competitive prices always tend to fall to a point practically at the cost of production. If any producer attempts to sell in a competitive market for very much more than cost of production, underbidding on the part of competitors will lose him his market. If in the effort to secure the market he sells for less than the cost of production it means bankruptcy. In a real competitive market the selling-price cannot go very far from the cost of production. The only power which can ever raise and hold the selling-price above the cost of production is the power of private monopoly. Only by monopoly through the private control of some natural opportunity or through arbitrary combination on the part of the producers can the selling-price be advanced and maintained at a point above actual cost in production. Prices may be fixed by mutual agreement of all parties concerned; but if so, as both parties to every transaction must be consulted, it is inconceivable that prices so fixed through the co-operative action of both buyers and sellers could ever very far depart from the cost of production. There are other items which enter into the cost of services as now rendered which might be eliminated: first, imperfect equipment in production. This is the age of machinery, and yet most workers are employed with rude and imperfect equipment and almost entirely without the benefits of modern industrial organization in this country. The boot-factories employ so few that team-work becomes impossible, minute subdivision out of the question. A boot-manufacturer last week told me that he had a machine for which he paid £450; it has been idle for three years because lack of organization within the industry has made its use impossible. The largest bakery in New Zealand employs eight hands; that is the statement from the *Labour Journal* reports I have here. The same authority gives the number of bakeries in Wellington as seventy-one. The whole bread business in Wellington would be insufficient to employ a completely equipped up-to-date bakery. What is true of the bakeries is practically true of all other lines of production. Rent is paid on seventy-one locations; accounts are kept at seventy-one points; deliveries are sent from seventy-one points. The complaint has been frequently made before the Commission that a share of the cost of living is in the cost of delivery. The most expensive way of providing for delivery would be for each family to go to the market on its own account. The cheapest possible way to provide for delivery is not to abandon household service, but to organize effectively household delivery. Another waste is unskilled labour. The most pitiful thing in the life of New Zealand is the large proportion of her native-born sons who are unskilled workers. The waste in the use of incomplete equipment is very great, but the greatest waste of all is in the inevitable incapacity of untrained workers. One of the important items in the services of the market is the services of the banks. The business of the bank is to accumulate the collective credit of the community and make it available for individual purposes. The power of the bank to grant credit rests upon its ability to obtain deposits. But the cash actually in hand is always a small item as compared with the credit business transacted through the agency of the bank, whose credit in turn depends upon its depositors. Duplicating of services, duplicating of institutions, duplicating collection agencies, and charging more for the services rendered than the cost of the service becomes a most serious item in the markets of this and every other country. Another item is the matter of commissions and profits. Consumers are not only willing, but I take it they are anxious, to make full payment for every service rendered, but they are entitled to know what the nature of each service is and how much they are paying for it. Taxes: all taxes collected in connection with incomes, imports, licenses, and personal-property taxes, stamp duties, and all the rest, are a direct charge against industry, and the amount of such collection

must be paid as a part of the cost of carrying on the markets. The private appropriation of ground-rents, the value of which depend entirely either upon the gifts of nature or upon the presence and the enterprise of the general public, permits the paying into private accounts of vast sums of money—of great values created solely by the public. The State, instead of appropriating these values, which are created by the State for the purposes of the State, permit the landholder to privately appropriate what the public produces, and then puts the burden of public service on industry and commerce. Whatever advances have been made in the selling-price have been made in the face of the fact that the cost of production in human service has constantly fallen, while the prices paid have constantly risen. Whatever influence gold may have had on prices cannot explain any difference that has arisen in the selling-price of labour and in the selling-price of commodities. The only explanation why one class of prices should increase more rapidly than the other is to be found in the fact of private monopoly. Remedies suggested: the public appropriation of ground-rents and the abolition of all taxes. There are difficulties in the way of this recommendation. So far as the appropriation of ground-rents shall be undertaken only in place of other taxes now collected, it would be found that all users of land for all purposes whatsoever will be immediately and greatly benefited; but the larger share of such ground-rents would be still left untouched by such a proposal. To publicly appropriate such ground-rents would directly involve the confiscation of all private investments in unimproved land-values, and ought not to be undertaken except upon some basis which would protect all such investments from anything like public appropriation of private property without just remuneration. But, like all monopoly property, it will be more expensive not to make such monopoly property public property than it will be to make it public property. Second, public support of centralization of manufactories and markets.

3. Does that include all trades?—I will explain. Wherever competition is possible competition alone will provide market prices at real cost of production; wherever prices appear in excess of the real cost of production monopoly has arisen, and the only possible escape from private monopoly is public control. And the only rational method for controlling any business is for those who are to be the managers of the business to be the owners of the business they are to manage. What I have in mind is this. There is in all countries an effort being made by legislation to preserve and protect inadequate equipments and irrational methods of rendering industrial and commercial service. The law is frequently invoked to perpetuate and protect the doing of a service in the most wasteful manner. What I mean by this is that the State, instead of regarding processes of centralization as necessarily enemies to the public good—that bodies like this Commission be created with authority to secure complete information as to the cost of providing the service rendered by these central institutions, and instead of forbidding them, should protect and encourage them, and give them the service of the State in studying the world's markets, in getting information regarding processes of production, and in every way lessening the expenditure of human energy in producing the desired results—but to do so in such a way that the economies resulting from this better organization and better equipment shall fall to the common good and not to a private monopoly. Third, 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 European 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. Again, if an individual is to be privately advantaged by the use of the public credit, the public whose credit he uses should control the credits, but should render the service at the cost of the service. That will mean a State bank. In the matter of transportation, nothing in New Zealand calls more loudly for centralization and systematic management than the matter of transportation, both between this country and other countries, and within the country itself. A producer now ships his products, and they must either change ownership many times over on the way to the consumer, or he is obliged to pass his shipments through successive agencies on their way to delivery. Speaking for New Zealand alone, the coastal service, the railways, the tramways, the express business, and the delivery lorries should all be combined in a single central public service, managed from a single headquarters in such a way that a shipper could deliver his goods to the public servant with the certainty that they would be delivered and a receipt returned without further attention or unnecessary expense on his part. In international transportation and in international markets we enter upon ground where New Zealand cannot act without the co-operation of other countries—cannot act effectively. That co-operation should be sought. In the instance of Australia it would be easily obtained. In Canada and in Western Australia the farmers' products are shipped directly to Government plants—the animals slaughtered, frozen, the butter manufactured, all shipped, sold in the world's markets, and the returns directly accounted for to the individual



producers. The Government finances itself by selling bonds in the London market, but the bonds are paid for with New Zealand butter and wool and mutton. If the Government is to market the bonds that are to be paid for with the butter and the mutton, it would seem only a rational thing that New Zealand producers who must pay the bonds should have the service of the Government in the sale of the butter and wool and mutton, with which the bonds are paid. If this is to be done on things shipped away from Home there is no reason why it should not be done on things to be imported. This would not interfere with individual enterprise, provided the individual enterprise is rendering actual services for the collections which it is making. A Government agency disposing of New Zealand products on the individual accounts of the producers, and purchasing supplies on the world's markets also on the individual accounts of the producers, would give the best guarantee that international monopoly was not practising extortion on the workers of this country. It is frequently said that the cost of living has been raised because the standard of living has been raised. The cost of producing the means of living has been greatly reduced; the standard of living has not been correspondingly increased. But the recommendation in effect to lower the standard of living and lessen its conveniences in order to keep down the cost of living is not to be tolerated. The desire to maintain and to raise the standard of living is the only worthy motive for industrial and commercial advance. All other motives are anti-social; this alone is to be defended and provided for.

4. *Dr. Hight.*] You said that gold acts alike on both sides of the equation, and cannot affect the ratio of exchange: you mean in the long-run, allowing time to elapse necessary for the equilibrium to be reached?—I was stating the general principle, and your question indicates a point it is well to cover. Prices subject to monopoly control can be easily pushed up and down; prices which can be advanced only on the co-operation of large numbers of people (wages) advance slowly, but may drop suddenly.

5. You agree that profits are more flexible than wages in their movements?—Yes, and more difficult to discover; wages are investigated by the Arbitration Court, and all the items are discussed and acted upon; but there is no corresponding body to investigate and act with authority on the profits involved in the same industry.

6. When you say that in a competitive market the prices tend to equal cost of production you are again stating a general principle. You realize there are times when the price is largely determined by the utility of the only available supply on the market in relation to the demand for it?—Even in that case, if it were an article where each of the persons ordinarily having it for sale were in a position to compete for the market, still the cost of production would determine the selling-price except by mutual understanding—the element of monopoly. Under such circumstances the mutual understanding would be easily arrived at.

7. I assume that you provide further that increased supplies are brought on the market. Take the fish-market, in which the supply is limited, and there are competitive sellers of fish, but the weather conditions are such that other fish are brought in?—There is an element of insurance—the market was suddenly glutted; that would be an exception to my statement.

8. There are temporary periods when the price is not determined by cost of production?—Yes; but that would not interfere with the general principle.

9. No. What do you include in the term “cost of production”—profit and return to the producer for his services?—The ordinary economic statement is that land, capital, management, and labour are included—they enter into the processes of production, and that the product must be distributed among the four. So long as producers do not own the land they use they must pay rent; so long as they do not own their tools, they must pay interest; and so long as they are employed by private enterprise renting land and borrowing capital they must pay profits. The cost of production, then, would cover the wages paid, the services of superintendents (which is only another form of wages), the interest on investments, rent on the land, and an additional sum which you might call insurance in risks. Anything above that sum charged for the service now is purely a monopoly charge. The elements of the rent paid by the public to private account should be succeeded by the payment of that sum to public account, and therefore would be eliminated from the net cost of production, because it would be returned in social services; and in the instance of vast and expensive industrial equipment that also should be covered by public account. That done, the cost of production in any given instance would eliminate interest payments, which sometimes represent more water than wealth—based more on water than wealth, I mean—and make an end of private rents; but immediately and without these further savings the monopoly price should be eliminated in the only way possible, *i.e.*, through public enterprise in the monopoly undertaking.

10. What do you mean by the term “ground-rents”: will you analyse that as to urban and rural lands?—Lands are valuable for use because of three things: natural fertility, the improvements which are the result of the industrial enterprise connected with the particular piece of land, and values which are the result of public improvements and public enterprise.

11. Would you add situation?—Yes, I had intended to cover that by the third. The public determines by the way it happens to go where are the desirable situations for business; and desirable situation in residence are largely determined by the public too. Ground-rents are the sums charged for the use of all values adhering to the land aside from the improvements on the land itself.

12. Do you consider there are any great practical difficulties in separating those elements?—Not serious difficulties. It is very difficult to fix a price on anything and be sure your price is right—the best we can do is to approximate; and I think you could come nearer a just price for unimproved-land values than almost any other thing about which it is necessary to make a price. When land is sold the selling-price is always arrived at by a process which involves fixing a price on unimproved values. You have a piece of land with a certain house on it; certain drains have been established, and other improvements; you want to sell; in making up your mind as to price, whether as seller or purchaser, both separate the unimproved values and the value of the improvements.

13. *Mr. Macdonald.*] That is the method laid down in our present Act, and it is unsatisfactory?—The way to make the unsatisfactory experience in connection with the fixing of unimproved values is not by abandoning it but by adopting more scientific methods. It is curious how often an inventor has come along and devised new methods. In the matter of city lands a device has been brought out to fix values on which assessments for taxation purposes have been levied, and it is so satisfactory that insurance companies, for instance, have adopted that public assessment instead of any reports of their experts for making loans. That is called the "Somers system," it is in operation in several American cities, and it has the enthusiastic support of real-estate agents as well as others.

14. The same thing happens here; we have a provision in the Trustees Act which renders that necessary [provision explained]?—That is not so in America. One of our great difficulties in assessing taxation is in the great difference in assessed land-values having practically the same advantages—they have been fixed by boards of assessors much after the manner adopted in New Zealand, but these men were not scientifically trained men, and made the assessment as the result largely of a guesswork process. Mr. Somers devised a mathematical formula by which in a city having fixed the value of certain points like railway-stations, post-offices, banks, theatres, churches, then turned over to a force of clerks who took the city surveys and figured out by mathematics the actual value of each square foot of space. That was adopted in St. Paul, then New York, then Detroit, and wherever it has been adopted it has satisfied the public mind, and particularly all the people whose properties were involved, that they were getting a just assessment.

15. *Mr. Fairbairn.*] Did they use that for building up statistics?—They make the valuation, and then as improvements go on they make revaluations. There was vast improvement, say, in New York, when the Pennsylvania railway tunnelled the Hudson River; values multiplied four times over in one section. They took increased values by increased prices of sale, and then they rewrote the whole valuation according to the effect of this central improvement. I agree that is quite necessary there should be a scientific method of determining values, and that the Government should give its attention to this matter very early.

16. *Mr. Macdonald.*] I did not quite catch whether you asserted that exchange value should be the labour value of the commodities?—I dislike to be involved in a discussion of technical terms. "Exchange value" and "labour value" might be confusing. I have tried to avoid this. There is no other thing to exchange that is just exchange value except human service against service; whatever else interferes is by accident, or it must be a monopoly. If it is a monopoly raising prices then it is arbitrarily adding to the selling-price, not because of service rendered but because of the power of monopoly to add to the price.

17. How do you discriminate unearned increment of land and of shares: suppose I took gas shares worth £1, and they are now worth £5?—It is quite possible that you took advantage of the fact that there is a monopoly and you raised the price; that is the power of monopoly; it is not an unearned increment. Unearned increment in land is the added advantage because of public improvements. If you raise price of a monopolized product and then raise the capitalization, that is different.

18. Do you suggest the State takes the difference in the shares?—No, the Government should take the gas company; that is the only way. I would have the Government appropriate for public purposes the annual rental of unimproved values of land, and done on a basis that would thoroughly protect all private investments now made. I would do the same with the gas company; but instead of taxing the ability to make a rise, the Government should take over the business. Wherever an industry has a monopoly and can create an arbitrarily raised price, the only escape is through public enterprise; but in the case of land it is impossible for all of the people to collectively occupy all of the land—space on the earth's surface is of such a nature that any particular space occupied by one person cannot be occupied by another person at the same time; therefore individual occupation is necessary. The public must appropriate the ground-rents.

19. Would you say that a drapery company, for instance, with shares at £1, and these have increased, has the State a right to the difference?—No; if the State is to take over the difference in those values it still leaves the monopoly. The drapery must be a monopoly or its shares would not increase. If there is 300 per cent. advance it is for two reasons: because the location has brought additional business so that the ground-rents have been enormously increased and they are able to appropriate those rents and figure them as profits in their business, or else because of an arbitrary widening of the distance between the cost of the article and the selling-prices—that is, (1) land-values, or (2) private monopoly.

20. Do you think the big businesses in America cheapen prices?—Yes. The economies of the great enterprises are so great that the earnings of the money invested has increased, but the prices have dropped. They are still too high, and represent a monopoly rake-off rather than a service.

21. *Mr. Fairbairn.*] Two people in the same business handling the same class of goods, it would be possible for one man to sell low and make money while another might sell high and go bankrupt?—Yes, certainly; and I build upon that this conclusion: that if the business is of such a nature that the larger the enterprise the larger the earnings per shilling invested, then by that process it must become a monopoly.

22. *Mr. Robertson.*] When you are speaking of a monopoly of land you mean in regard to any given piece of land?—Yes; monopoly does not mean the amount invested; I may monopolize a chair while I occupy it. Monopoly means the power to exclusively possess and control—that is inevitable in land, whether half an acre or half a million acres. Society is bound to ask that the values created by the State in land should be productively used with the largest possible rational returns, and that the share of the product that belongs to the advantage of situation shall fall to the collective account of the nation.

23. *Mr. Fairbairn.*] Do you fix these limitations nationally?—They prevail everywhere.

24. It is understood that all values in New Zealand are due to the freezing trade—that is, including land-values; the freezing business brought about great activity in industry in New Zealand,

and our lands were raised greatly in price in sympathy with advances in mutton, &c. A man had values added to his land by conditions outside this country?—Yes, we were so far from the central market that without the freezer we were separate from it; the freezer brought the market twelve to fourteen thousand miles nearer, not only in distance travelled, but enabled us to prepare the product for the market; it related New Zealand commercially to the balance of the earth, and made all the conditions of the outside world an added factor in New Zealand. This was not done by any individual action of landowners, it was a part of the racial development, and if the share could be adopted for all New Zealand, and if the share due to other countries could be appropriated by them, that would be international justice.

25. *Mr. Macdonald.*] If a nation changed its gold currency it would be ruined: can a nation change its whole system without international agreement?—Yes, except at the point where in my original statement I made exception—transportation was international. Wherever New Zealand is at one end of the bridge and New York at the other, it is essential that both countries should co-operate. On the other hand, in all ordinary matters, if New Zealand will take the lead she will secure the benefits for all her people, and in doing so will provoke activity on the part of those who are victims in other countries to secure like institutions, and so make possible international co-operation.

ERLE HAMPTON, Master Butcher, examined on oath. (No. 271.)

1. *The Chairman.*] Where are you resident?—In Palmerston North. I have been there for the last five years in business.

2. Do you find any restrictions in the way of your trade?—None except that prices are high; that is due to so much stock being exported and the scarcity of fat stock in the stick. I think the export trade raises the local price. I think the best stuff goes Home, and the rejects are sold here. The best is sent away; I would not say it was inferior only that was kept here. I buy my meat direct from the farmers.

3. You are able to buy at greater advantage than at the sales?—Yes, if there is any advantage to be gained.

4. Do you know the Manawatu Cold-storage Company?—Yes.

5. Has that company other establishments besides their main works?—Yes, they run the abattoirs.

6. Who is the principal meat-auctioneer?—Mr. Abraham. Mr. Abraham is the chairman of the board of the company too.

7. Do you think that owning the abattoirs and having a local meat-shop and being interested in the company gives him an advantage?—Yes. His works has the only freezer, too—the old cold-stores. We work up our surplus into small goods; we rely entirely on our shop.

8. Do you know anything of an association of butchers in Palmerston?—Yes; pretty well every town has a master butchers' association.

9. Have you an agreement amongst yourselves?—A sort of agreement.

10. Is there any regulation binding you not to sell below certain prices under penalty?—Yes, there is such a bond.

11. What would happen supposing you broke that bond and sold lower than association prices?—If they proved the case we would lose the bond; I do not know that we would lose our supplies as well—I do not think they could boycott a man.

12. Can you tell us anything further in regard to the increased cost of living?—I think why meat has gone up slightly is because of extra cost of labour. Five years ago our shop could do with one man less, and the wages were not near so high. Our business has not increased in such a way as to account for this; it is the curtailment of the hours and increase of wages that has to be passed on to the meat. That is a legitimate increase; I think there is nothing to cause an illegitimate increase.

13. *Mr. Hall.*] Can you get as good meat as on the market if you buy from farmers?—Not if a large buyer has been to the farmer—he would naturally get the first pick. That picked stuff goes Home to England.

14. Is much beef shipped from here?—Yes, a good deal lately—Longburn has sent away a lot. The sheep are graded by quality and by weight, too.

15. *Mr. Fairbairn.*] Would it pay you to sell meat costing you 3½d. for 5d. cash?—It all depends on the class of meat. Say you bought a sheep, extra fat, and you had to pay the same as one that gave you more meat, the waste would mean that you would not get so much profit.

16. If you bought a carcass for 3½d. per pound, could you sell for 5d.?—I do not think a man could do that.

17. You said there was a bond of £20 which you thought would restrain you from selling meat below the fixed prices. If a butcher did sell below those prices, would that end the matter: would not your supplies be stopped?—No. That might apply to certain butchers who dealt with the Manawatu Storage Company—they supply five butchers; but I am my own agent.

18. If you bought from abattoirs or saleyards, what would be the position?—I could not say.

19. *Mr. Macdonald.*] Have you signed this agreement?—Yes.

20. How do you provide for enforcing the penalty?—We lose our bond.

21. Have you put up the cash?—A promissory note—payable on demand. It is backed by myself.

22. Would not they have to sue you on this promissory note?—They would summons if you refused to honour it.

23. Did you take any advice as to whether this agreement was a breach of the Commercial Trusts Act?—No.

24. Did you know that meat was included in the schedule of that Act?—No.

25. It is in the schedule of the Act. What are you selling meat at retail?—At different prices. Sirloins are 6d. per pound delivered; prime ribs, 5d.; back ribs, 4d.; steak in the piece, 5d.; steak,

ordinary, 6d. per pound; rump steak, 8d.; undercut steak, 9d.; whole rump, 5d.; briskets, 3½d.; corned beef, 5d.; legs of beef, 1s. 3d.; shins, 1s.

26. *Mr. Robertson.*] You get all your slaughtering done at the abattoirs?—Yes.

27. Do you find the arrangement perfectly satisfactory whereby a competitor in the trade owns the abattoir?—No; I am not altogether satisfied myself. I speak only for myself, and cannot say if other butchers are dissatisfied; sometimes they have said things about it, but I cannot answer for them. My dissatisfaction is due to the fact that I think the abattoirs should be run under different conditions; we should be able to keep a man there to see that we get all our own stuff, as it is put in.

28. Do you think the Manawatu Meat Company use the abattoirs to their own advantage?—I think so, though they might not treat me differently from themselves.

29. Do you not think you get all you are entitled to?—I am not prepared to say.

30. What are your charges for slaughtering?—I think it is 5s. 9d. per bullock, 8d. for sheep and lambs.

31. *Mr. Fairbairn.*] Is that inclusive from the abattoir to your shops?—No, we do our own delivery—that price I quoted is just for killing and dressing and inspection; I do not pay extra for inspection.

32. Are all the butchers in Palmerston North in the association?—All except one. He is practically mutually agreed with it although he is not a member; he sells at exactly the same prices. I do not think it would be possible for him to afford to sell at less. I do not know anything of the prices of meat in Feilding—I cannot say I have heard it is sold for less there. There is a municipal abattoir there; I do not know what the charges are.

JOSEPH PATRICK FRENLEY, Doctor of Medicine, and Medical Secretary to the Department of Health, Hospitals, and Charitable Aid, examined on oath. (No. 272.)

1. *The Chairman.*] Have you a statement to make to us?—Well, I have some remarks outlining very generally the Sale of Foods and Drugs Act. While I have had a part in the administration of this Act for some considerable time, yet it is only at three days' notice that I am asked to inform the Commission of the effect of this Act on the cost of living. The Sale of Foods and Drugs Act was passed in the session of 1907, and in the consolidation of the Acts it became the Sale of Foods and Drugs Act, 1908. Regulations were gazetted under this Act in 1908, regulating the standards for various foodstuffs and for milk in general; in 1910 regulating the manufacture and labelling of jams; and at the end of 1910 regulating the standards for butter and cheese. Analyses are performed mainly in Wellington by the Dominion Analyst (Dr. Maclaurin); at Christchurch there is an Analyst; and last year an Analyst under the Act was appointed at Auckland. The samples taken between the years 1908 and 1912 amount to the following numbers: Milk, 2,538; bread (mainly with regard to short weight), 365; alcoholic drinks, 71; other samples, 225. In the annual reports of the Department are set out also data concerning the various foodstuffs destroyed on account of being decayed or putrified, action being taken on the initiative of officers appointed under the Act. The various Hospital Boards throughout the Dominion have appointed trained Sanitary Inspectors, and these have been gazetted officers under the Act. My Department is now therefore in a better position to control and investigate the food-supplies of the inhabitants. In June, 1910, under the Commonwealth and Australian States, a conference on uniform standards for foods and drugs was held in Sydney. The conclusions of that conference have been made the fullest use of by the Department's Food Standards Committee in the preparation of a very full set of regulations now in the hands of the Crown Law Officers, and on its return to be put before the Minister of the Department for submission to Cabinet for its approval for gazetting or otherwise, as the case may be. These proposed regulations deal with (a) the labelling of food-stuffs (I am speaking generally), to secure a statement of the trade name or description of the contents of the package so labelled, to secure the net weight or number or true measure or volume of the contents being displayed on such label, to secure leading information as to the manufacture and place of manufacture; (b) the restriction of the use of preservatives and artificial flavourings; (c) the protection of foodstuffs from contamination when in course of preparation or storage; (d) the standards to be followed for the more commonly used foodstuffs; and (e) penalties for non-compliance with any portion of these regulations. Now, as to labelling, for instance, in regard to margarine: we do not for one moment say that margarine is not a good foodstuff, but we aim at having it so labelled that the purchaser cannot have something partly or wholly composed of margarine sold to him as butter, and that no fancy names suggesting butter shall be used; also that margarine shall be so put up for sale that analysis will readily disclose its presence. The manufacturers of margarine will require to add a certain oil to the stuff, so that should a very small amount of margarine be added to a pat of butter, it will be quite easy to disclose its presence. This is a vegetable oil and does not make the commodity disagreeable. To go back to the preparation of these proposed regulations: the Department's Food Committee consists of Dr. Maclaurin (Dominion Analyst), Dr. Makgill (Pathologist), and myself, and we have considered it advisable, while paying due regard to the special needs of New Zealand, to follow the Commonwealth lines as closely as possible. We were and are of opinion that to do otherwise would entail a useless and needless expenditure, more particularly in the matter of labelling on the part of manufacturers supplying foodstuffs to the Dominion and the Commonwealth, and this added expenditure would most likely be passed on to the consumer, and so raise the cost of some of the foodstuffs. To put it in perhaps the simplest terms: it would inevitably mean, if a manufacturer had to use, say, a different type on his label for New South Wales, another for Tasmania, another for New Zealand, that the added cost of preparing the different labels would very likely be added to the cost of the foodstuffs; so that is one aspect of the question of cost

which has been considered by the Department. Then, in regard to adulterations of food in ordinary use, my opinion would be that there would be a saving to the consumer in obtaining what he asks for, and by his reaping thereby the advantage which now goes to the unscrupulous manufacturer who adulterates. For instance, when the Department first took samples of pepper, it was not infrequently found that pepper manufactured and sold as "pure white pepper" was adulterated with as much as 30 per cent. of flour or ground rice; the price of such "pepper" was admittedly low, but more had to be used to get a proper "pepper effect." No doubt some members of the Commission have been astonished in, say, a country hotel to see your neighbour handling the pepper-pot in a most lavish fashion. If it had been genuine pepper the user would have been sneezing violently, but it was not. That kind of thing is being altered; and peppers now on the market are rarely other than pepper. The price of the same-sized tin is higher, but less has to be used; therefore the contents go further for the greater sum of money, but the purchaser is saved through not paying for the added adulterant. No one wants flour with pepper, and if one-third is flour the purchaser pays a certain amount for what he does not want.

2. And probably the flour with which the pepper is adulterated was itself adulterated?—Very likely, sir.

3. And so we would have the adulteration argument continued in infinite series?—That is so. But through stopping this adulteration the purchaser is benefited. It is obviously possible to put out an inherently dirtier condensed milk through the use of preservatives—the manufacturer can make the milk "keep" by copiously adding boracic acid. By preventing him doing this the price may go up, because a better quality of milk will have to be used initially; and in that direction the effect of the Act would be to raise the cost of the foodstuffs, but the purchaser would obtain what he wants—really good condensed milk. Again, it is quite possible to use meat very stale and on the verge of decomposition in the manufacture of sausages, if the makers of those sausages can use various flavouring matters and much preservative; but as we propose to limit the amount of flavouring matters and the amount of preservative, he will, as the result of this Act and these regulations, have to put better meat than the refuse of his shop into the sausages. There again there is a likelihood of a rise. But again I say it is to the advantage of the purchaser.

4. Are you talking from your own knowledge when you say that the butcher puts the refuse of the shop into sausages?—I have seen in a country butcher's shop meat used for sausages that was riddled with blow-fly matter, and it was greenish in bits. I will not go into any further details.

5. *Mr. Fairbairn.*] Do I understand those regulations you speak of are not actually in existence, but are proposed since this conference was held in Sydney?—These regulations, drawn up by the Health Department, now are before the Crown Law Officers, and then they go before the Minister, and then before Cabinet for its approval; therefore I cannot hand in a copy to you now; they do not exist at the present time, except in a general form as I have given them to you.

6. Can you tell us anything about the milk-supply?—Yes. As to milk a very great amount of work has been done in this direction by the Department, but I am not satisfied that we have gained much yet. The fines imposed in the ordinary cases of watered milk are absolutely futile. I do not wish to reflect upon the Magistrates—no doubt they know their own business better than I do; but with these small fines, it only requires a little judicious adding of water during the succeeding days of the prosecution to make up the amount of the fine. Under the Sale of Foods and Drugs Act there is the power to publish the name of a man who offends; and in Napier we did publish the name of a man who was twice convicted for selling light-weight bread; but in the matter of milk no amount of publicity seems to affect the quality of the milk. In all parts of the world it has been recognized that mere prosecution for milk adulterated with water has had little or no effect. I am of opinion that there is little or no hope of obtaining good milk in large towns except under municipal schemes, a part of which shall be that the milk is bought from the suppliers on the butter-fat basis. A great improvement has taken place undoubtedly in the quality of milk supplied to butter-factories, but there is no incentive for the suppliers of milk for human consumption to improve the quality. The farmer who supplies honest milk, as it comes from the cow, so long as it is sold at so-much per gallon, has to compete with the man who sends in milk containing perhaps 15 per cent. to 30 per cent of added water. We have had two prosecutions where there was 30 per cent. of added water. They were first offences, and so the fines were not very considerable. I quite realize that a really efficient system of municipal milk-supply is for New Zealand a matter of the far future. The municipal control of meat is comparatively easy compared with that of the milk-supply. Partial municipal schemes such as have been established in various towns in England have been generally an utter failure, by reason of lack of public support and a cost out of all proportion to the expense incurred. A complete municipal scheme, apart from obtaining a better quality of milk, would increase the cost unless the municipality undertook the distribution too. To press that point: it may be that in one street you have three milk-vendors supplying different people. Now, a greater number of people require milk daily than require their letters delivered daily, and if you had three postmen supplying different houses in a street with letters, obviously you could not possibly hope to run a penny-postage system. No doubt at present in Wellington there is a tendency for milk-vendors to supply certain areas. The objection to this, and to the more exact limitation of a milk-vendor's area, is that such vendor has a monopoly, and that the consumer cannot very well complain of the quality of the milk: he must take what he gets or go without, for no other vendor is willing to enter on his *confreres'* preserves. In a municipal scheme that could all be overcome. If we could definitely secure that the milk-vendor of any particular area would supply absolutely good milk in that area, then there would be no need for a municipal scheme, but it is very difficult; and to go to the extreme in the matter of taking samples of milk as supplied to the households day by day throughout New Zealand would mean additional cost to the State, and so the cost of the milk would be increased to the consumers. The

cost of distributing of late years—the higher wages and greater cost of horse-feed, and (in an infinitesimally small degree) the operations of the Sale of Foods and Drugs Act have tended to keep up the price of milk. The municipal scheme which I reported upon some years ago to the Wellington City Council is not likely to be a matter of practical fact for many years. It is bound to come, because from this point of view of distribution alone something must be done to keep down the cost of a thing which everybody needs, especially children, every day. Perhaps there is one other point I might refer to—the desire, among people from the highest social position right down to the lowest, to be humbugged. The public are always willing to pay and pay considerably for being humbugged. I have been informed of a certain jam, made of New Zealand fruit, packed in New Zealand, fetching a higher relative price to others of the same quantity and quality because the label made it appear that the jam had some relationship to Hobart. The Department drew attention to this misleading statement, and people are no longer allowed to delude themselves into believing they ought to pay a little more because the word “Hobart” appears on this particular jam-tin. That is one example of humbug. I have another experience, of an institution for boys asking the Department to ascertain if the malt vinegar they were using was pure malt vinegar. Analyses showed it was not pure malt vinegar, and the institution asked the man who had a contract with them to supply genuine malt vinegar. The manufacturer who supplied this man said they were selling him what was regarded as pure malt vinegar, but they would supply the real article if it was so desired. He did so, and the grocer at the same time got in a stock of this genuine pure malt vinegar. But the public had so allowed themselves to be humbugged that now he cannot sell the real pure malt vinegar. He impresses upon the public that what they are buying is not pure malt vinegar—that he keeps the real article in stock—but they insist on having the spurious stuff.

7. *The Chairman.*] Perhaps they have acquired the taste for that?—Perhaps so. My experience is that they do not much care what they pay so long as they are humbugged. They will pay anything if it suits their fancy to do so. If, for instance, there are two lines of tomato-sauce offered for sale, one coloured as red as the skin of a ripe tomato, the other uncoloured, the grocer will easily sell the red tomato-sauce, although every person knows that you cannot possibly, after boiling tomato-sauce, have it red. There was an American tomato-sauce on the market, coloured red, and it had a ready sale over other sauces.

8. *Mr. Hall.*] Is there any margarine made in New Zealand at the present time?—Yes.

9. A large quantity?—No; but the Department has information of more than one firm desiring to start the manufacture of margarine in New Zealand.

10. What steps have been taken to prevent its being sold as butter?—There is a Margarine Act, which is administered by the Agriculture Department dealing mainly with the export, which lays down how the margarine should be labelled; but unfortunately that does not cover the sale of margarine coloured so as to imitate butter. We have found that by experience in the investigations we have made, and until we have the regulations we want, we cannot take much action in regard to prevention of its sale.

11. Do you think the sale of this margarine would have a prejudicial effect on the butter industry?—Most certainly—that is, the sale of margarine in any way as butter.

12. What is the proposed definition of “butter” in your new regulations?—I am rather in a difficulty in answering that question. These regulations as to specific details are hardly ready for publication.

13. Can you give us a personal definition?—I might get over the difficulty in that way.

14. The English definition I know: butter is the product of pure milk and must not contain more than 14 per cent. of moisture?—Well, perhaps I need not raise any more difficulty about the matter. I can give you the definition of butter as it actually stands in New Zealand. This is given in the *New Zealand Gazette* of the 6th October, 1910: “Butter is the clean non-rancid solid product obtained by the churning of milk or cream with or without the addition of common salt and of harmless vegetable colouring matter, and includes ‘milled butter’ as hereinafter defined. Milled butter is butter made in two or more private or farm dairies, and mixed, worked, or packed together, or formed into pats or prints, for sale or shipment. The standard for butter shall be as follows: it shall contain not less than 82 parts per cent. of milk-fats and not more than 16 parts per cent. of water. Allowed addition: boron compounds estimated as boric acid may be mixed with butter as a preservative substance, provided that the proportion present does not exceed one-half of 1 part per cent. by weight. Harmless vegetable colouring matter may be added to butter. Prohibited addition: the addition to butter of any foreign substance (including foreign fat and preservatives and colouring-substance) other than those substances allowed under this regulation is hereby prohibited. Labelling: Milled butter shall not be sold save with a statement or label attached on which shall be clearly written or printed on a white ground in red capital letters of a size not less than  $\frac{1}{4}$  in. in length the words ‘milled butter.’”

15. Would whey butter come under that definition?—These were drawn up in 1910, in conjunction with Mr. Cuddie, of the Agriculture Department, and at that time, so far as I am aware, whey butter was not regarded as a matter of much consequence. It is now; and I take it that our new regulations will have to take cognizance of it.

16. What protection do consumers in New Zealand have in regard to butter: we know that all butter exported is examined?—We have in the past taken samples of butter offered for sale to local consumers, but we have not been successful in obtaining prosecutions for overmoisture, as we thought was the case. Butters have also been examined for the presence or absence of margarine, and we are now in a stronger position, having more officers ready to take samples of butter offered in shops throughout the Dominion.

17. Have you heard of large quantities of absolutely good fish being destroyed here?—No; I have not heard of it. I have seen a fair quantity of decayed or partly decayed fish sent to the destructor, but not fresh fish.



18. *Mr. Macdonald.*] What difficulties are there in the way of the Municipality of Wellington taking over the distribution of milk?—Well, the whole problem has been very fully considered, and I think it amounts to a question of raising the money for starting a central depot—a matter of £20,000—without which distribution cannot be carried on. That amount has been suggested as the probable cost.

19. *Mr. Robertson.*] Would that include the distribution of milk?—No, that scheme stopped short of distribution. The Council at the time did not wish to interfere with the milk-vendors. The idea was that the milk-vendors would get the milk from that station, and distribute it themselves; but that would not be an efficient municipal system likely to bring about a reduction in cost.

20. One Auckland witness said that if the delivery was properly organized it would be possible for each milkman to deliver double the quantity he does now?—Oh, yes.

21. Is margarine sold as butter at present for household purposes?—No; we have made investigations and have not found that to be the case; margarine is principally used in the confectionery trade.

22. You said that the municipal milk-supplies in England were of a partial nature: would that account for their failure?—Yes; the question of distribution came in. If you had a municipal scheme in Wellington which proposed, say, to supply parents with a specially good milk for children, and if out of fifty families at Miramar only two would take this milk, and then there were another two or three at the Thorndon end of the town, obviously the cost of distributing breaks the scheme; that is what has happened in England. Those depots were partial schemes with the object of supplying pure milk for children.

23. You think better quality would be ensured in a municipal scheme if the milk was purchased on a butter-fat basis?—Yes.

24. The tendency now is to get quantity instead of quality—to just keep the milk to the butter-fat test requirements?—That is so.

25. And the man who can do that, even by watering, has a distinct advantage over his competitor who delivers the milk as it comes from the cow?—Yes.

26. Questions have been raised as to short weights: does that come under your Department?—Oh, yes; we purpose regulating for that. It will no longer be possible for a man to sell a tin of jam without stating on the outside clearly and distinctly what is the net weight of the contents. It does not follow that all jam-tins will require to be 16 oz. tins, but if they contain only 12 oz. the label must say so.

27. *The Chairman.*] Is there not a great deal of deceit arising from the offer of these smaller tins? The ordinary housewife does not look over the tin to see the weight. If she asks for a  $\frac{1}{2}$  lb. tin of pepper, she does not look at the label to see that there is only 2 $\frac{1}{2}$  oz. weight of pepper in the tin, and she is still deceived?—There is a possibility of that; but I am given to understand by some manufacturers that they already have installed machinery at very great cost for making the tins of a given size, and that it would be a very great hardship to them to have to scrap all that machinery in order to add, say,  $\frac{1}{2}$  oz. to the contents.

28. *Mr. Robertson.*] In regard to the general sanitary condition of factories and shops: can you tell us anything about that?—Those at present are inspected conjointly by the officers of the Labour Department and the Health Department; and it is proposed to add more restrictive and particular regulations in regard to several foodstuffs.

29. Reverting to margarine: you stated, I think, that there were several firms anxious to commence its manufacture in New Zealand?—Yes, two in the North Island.

30. In your opinion would it be detrimental to the health of the community if it became an article of common consumption—if it took the place of butter?—I think so. At present I understand from recent notices from England that the bacteriologists there are making an art of “faking” margarine with bacilli associated with butter and other organisms, and I think it would not be very long before it is possible to turn out a margarine that tastes identical with butter, and there will not be much difference in the food-value then perhaps.

31. *Mr. Macdonald.*] What is the harm, then?—I am rather an amateur in connecting foods with the cost of living, but I think there would be harm. We should have to be assured, at any rate, that it would be sold as margarine.

32. If it has the same food-properties what is the harm?—I think we have yet to get experience of this “faked” margarine to see how it will react upon young children. I do not think we are in a position to state yet how such products affect young children.

33. *The Chairman.*] Would it be a good thing to see a country like New Zealand supplying London with butter and eating margarine itself?—I do not think the New-Zealanders will ever put up with that.

34. *Mr. Robertson.*] But there is no difference in effect by feeding children on margarine you say?—I do not say that. Almost all households in the days when children were not so much coddled as now were accustomed to use what is called “bread-and-scrape”—that is, bread with dripping on it; and we all know that one or two slices of that go a much longer way in your stomach than one or two slices of bread and butter; so that the fat is evidently heavier and harder to digest—liable to “repeat”; butter-fat does not do that unless the butter is rancid.

35. *Mr. Hall.*] Have these margarine-factories to be licensed?—Yes, by the Agricultural Department; they are under the control of that Department.

36. Are there any returns available showing the quantities turned out?—There is only one factory in New Zealand, in Wellington, to my knowledge now, and I think the returns would be available from Mr. Cuddie.

37. *Mr. Fairbairn.*] Are milled butters registered as factory butter?—That is not in my Department; I believe they are; they come under the Agricultural Department.



MATTHEW JOSEPH CASEY, Chief Clerk, City Engineer's Office, examined on oath. (No. 273.)

1. *The Chairman.*] Can you give us any information as to the amount of fish and fruit that goes to the destructor?—Last year there was 257 tons of fish and fish-offal; 50 per cent. of that would be fish.

2. Was that fresh fish?—No, it would not be fresh.
3. All this is decayed or stale?—Yes, it is not fit for consumption—not any of it.
4. Does any of it come from the freezer?—No, from the retail shops in town. It is all destroyed.
5. Does much fruit come for destruction?—Yes, a fair quantity.
6. How much?—There would be about 100 tons a year.
7. What kinds of fruit?—Oranges, apples, pears, and all sorts.

FREDERICK PILKINGTON, Manager for Fairbairn, Wright, and Co., examined on oath. (No. 274.)

1. *The Chairman.*] I understand you want to make a statement in reference to the evidence given yesterday that your firm stopped supplies to Mr. Varcoe?—It was reported to me that Mr. Varcoe was selling a tariffed line below tariff rates, and I issued instructions to my storeman not to supply Mr. Varcoe until I had an opportunity of discussing the matter with him. I met Mr. Varcoe and discussed the question with him, and he replied that it was no business of mine what price he sold his goods at; that he could draw his supplies from any other house on exactly the same terms as we gave; and that he would close his account with us at once. He can draw his supplies on that tariffed line from any wholesale house. I took no further action in connection with the matter.

2. *Mr. Robertson.*] Did you report this action to your principals?—No, I had not refused to supply Mr. Varcoe; he closed his account whilst we were discussing the matter. I have a letter I would put in *re starch* :—

DEAR SIRS,—

“Napier, 27th June, 1912.

“We acknowledge receipt of your favour of the 20th instant, covering cheque, for which accept our thanks. We note your remarks *re* the price charged you, and quite agree that you should be charged the same price as members of the Merchants' Association; but the New Zealand makers have agreed upon a tariff, and although we advocated putting such firms as yourselves on the same footing as the members of the Merchants' Association we were outvoted and had to abide by the decision, which decision made the price to you £39 10s. and £41 10s., less 2½ per cent. trade and 2½ per cent. cash discount, for orders of not less than twenty cases delivered in one month in towns where there are starch-factories, the price to include into-store charges. From this you will see that we pay into-store charges. Kindly let us know what they amounted to, and we shall pass a credit for the amount. Our customers usually deduct the charges when remitting. We have been moving for some time now to get the other makers to agree to such firms as yourself being placed on the same footing as the members of the Merchants' Association, and we think that they will do so, and that it will be retrospective. Awaiting your further valued commands,

“We remain, &c.,

“CHAS. MCLEOD AND CO.

“(A. L. FALLS.),

“White Swan Starch Manufacturers.

“Messrs. Fairbairn, Wright, and Co., Dunedin.”

I have no further advice in connection with this letter as to what action has been taken.

3. *Mr. Fairbairn.*] Scott's emulsion is a tariffed line, and wholesale and retail prices are fixed?—Yes.

4. If we supplied to a man who sold below retail prices we should incur responsibilities?—Yes; if we supplied a retailer it is questionable if our supply would not be stopped.

5. Have you any further statement to make?—No.

EDWARD BULL, Candle-manufacturer, recalled. (No. 275.)

1. *The Chairman.*] I understand you wish to supplement your evidence?—Yes, in reference to evidence given by Mr. Manton. He stated, according to the Press, that my evidence *re* paraffin-wax was incorrect. I stated that the decline in paraffin-wax during the last two to three years had been ¾d. per pound. Mr. Manton states that is not correct—that the decline has been only ¼d.

2. *Mr. Fairbairn.*] I think you are mistaken in that?—This morning I have been to the manufacturers' agents through whom we draw our supplies of wax, and I asked them to say the ruling price in 1908 up to now. They write as follows: “In accordance with your request we have to state that the price of 118/20 paraffin-wax was in 1908 and up to May, 1909, 2½d. per pound ship's slings. In 1911 the price for the same grade was 1¾d. per pound ship's slings.—We are, &c., PHILIPS AND PIKE.”

3. *Mr. Macdonald.*] When did Mr. Manton start manufacturing?—Two years and a half ago.

4. *The Chairman.*] The price up to May, the letter says, was 2½d.?—Yes, it came down to that—it dropped from 2½d. to 2¼d., then to 2d., and then 1¾d.

5. *Mr. Fairbairn.*] During what periods?—During 1908–9 we made our contracts in the middle of the year, and so the drops took place in 1909–10, again in 1910–11, and the price of our candles came down from ¾d. per pound in reductions of ¼d. per pound from 5¾d. to 5d. As to weights, I have nothing to add to my evidence; our candles go 16 oz. to the pound, or nearly that. We have some 16½ oz. net weight without the wrappers.

6. You stated different prices in your previous evidence for wax [figures read]?—I was dealing with the higher-grade wax then; we do not use the lower-grade wax, as quoted in this letter.

7. I do not think Mr. Manton questioned your figures?—Yes, I say the variation is more than  $\frac{1}{4}$ d., as stated by Mr. Manton. Mr. Manton gets his wax from the same people as we get ours, and therefore he would get his wax at the same prices. We get our wax direct—the wax is imported from America or Burmah. Mr. Manton's business is an Australian business, and he may buy in Australia. I have been associated with the candle-manufacture for thirty years, Mr. Manton for two years and a half, and he says my statements to him are amusing. The last quotation for wax was  $2\frac{3}{8}$ d. for the low grade.

8. You say that the price of your candles rises and falls in proportion to the price of wax?—We have to wait for the foreign article to advance before we can put up our price sometimes. Now we are not paying  $\frac{3}{8}$ d. more for wax.

9. When you gave the quotation of  $2\frac{3}{8}$ d. was that for high-grade wax?—No, 122 melting-point. The prices have recently advanced, and the price for lower grade now is  $2\frac{3}{8}$ d., but we have not bought at those prices yet.

## EXHIBITS.

### EXHIBIT No. 1.

(Put in by Mr. G. Joachim. See page 6.)

#### STATEMENT OF THE PRICES OF WESTPORT COAL FOR THE PERIODS 1891-1900 AND 1901-1910.

Household coal:—							
Wellington—							
1891-1900 .. .. .	..	..	..	..	..	..	s. d.
1901-1910 .. .. .	..	..	..	..	..	..	36 0
1891-1900 .. .. .	..	..	..	..	..	..	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
Steam coal:—							
In trucks at foot of incline—							
1891-1900 .. .. .	..	..	..	..	..	..	s. d.
1901-1910 .. .. .	..	..	..	..	..	..	7 2.25
1891-1900 .. .. .	..	..	..	..	..	..	8 1.87

### EXHIBIT No. 2.

(Put in by Mr. F. J. Gunn. See page 11.)

#### SPECIAL NOTICE.

THE following rates will be charged for State coal on and after 1st February, 1911 (net cash with order):—

	Per Ton.	Per $\frac{1}{2}$ -ton.	Per $\frac{1}{4}$ -ton.	Per Bag.
	s. d.	s. d.	s. d.	s. d.
Double-screened State coal .. .. .	33 0	16 6	8 6	3 0
Unscreened State coal .. .. .	30 0	15 0	7 9	2 9
Eggettes .. .. .	33 0	16 6	8 6	3 0
Nuts .. .. .	27 0	13 6	6 9	2 6

Briquettes 8s. 3d. per 100, 4s. 6d. per 50, 2s. 6d. per 25.

On the hills outside the Town Belt the following rates will be charged:—

	Per Ton.	Per $\frac{1}{2}$ -ton.	Per $\frac{1}{4}$ -ton.	Per Bag.
	s. d.	s. d.	s. d.	s. d.
Double-screened .. .. .	34 0	17 0	9 0	3 3
Unscreened .. .. .	31 0	15 6	8 3	3 0
Nuts .. .. .	28 0	14 0	7 3	3 0

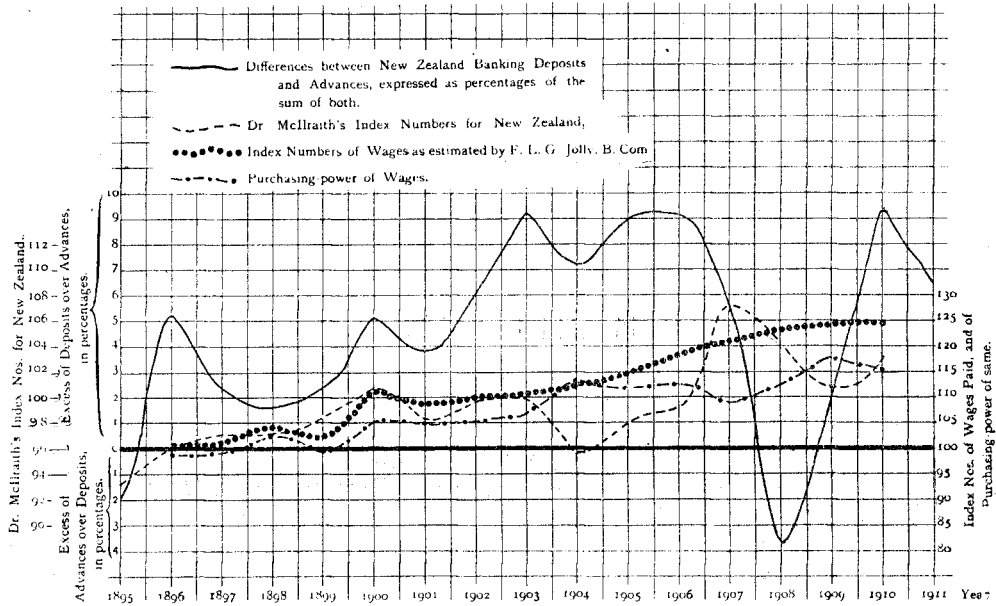
4th June, 1912.

F. J. GUNN, Depot Agent.

EXHIBIT No. 3.

(See page 196.)

A



[Graph prepared by F. L. G. Jolly, B.Com.]

TABLE SUPPORTING EXHIBIT NO. 3.

Year.	Totals of Average Wages.	Index Numbers of Wages, Base Year (1896) being 100.	Dr. McIlraith's Index Number of Prices for New Zealand.	Index Numbers of Purchasing-power of Wages, Base Year (1896) being 100.	Difference between New Zealand Banking deposits and Advances expressed as Percentages of Sum of both.
1896	124	100	96	100	+5.2
1897	125	101	97	100	+2.33
1898	128	103	97	102	+1.7
1899	126	102	98	100	+2.2
1900	138	111	101	106	+5.1
1901	132	107	98	105	+3.7
1902	137	110	100	106	+6
1903	138	111	100	107	+9.2
1904	139	112	95	113	+7.2
1905	142	115	98	112	+9
1906	146	118	101	113	+9.5
1907	150	121	107	109	+5.6
1908	152	122	104	113	-3.8
1909	154	124	101	118	+2.8
1910	154	124	103	118	+9.4
1911	...	...	...	...	+6.5

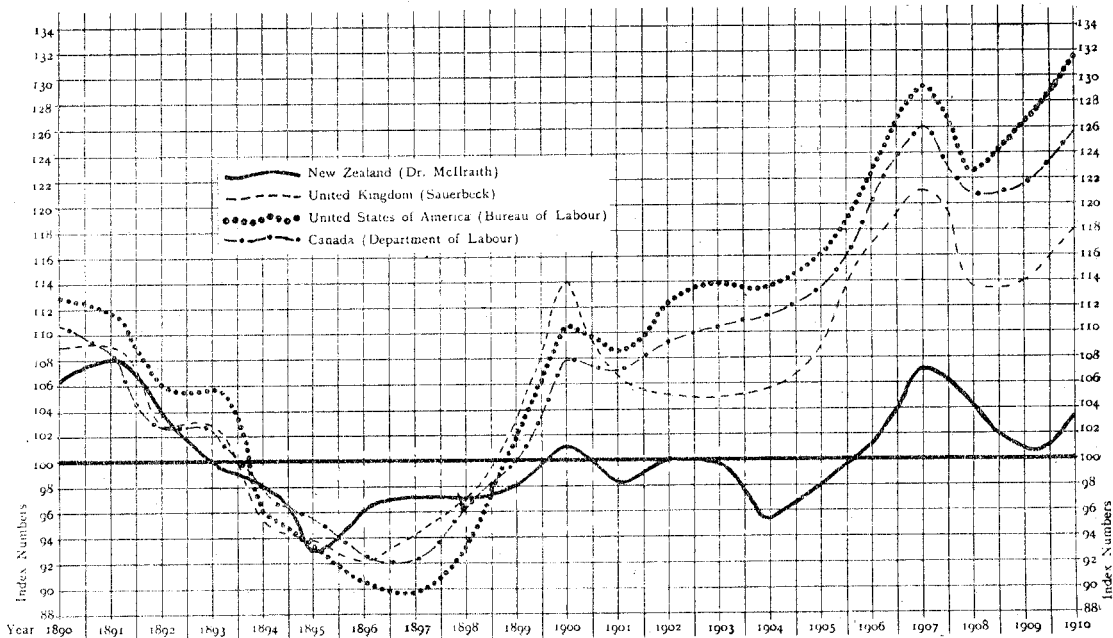
+ Excess of deposits over advances.

- Excess of advances over deposits.

EXHIBIT No. 4.

(See page 198.)

B

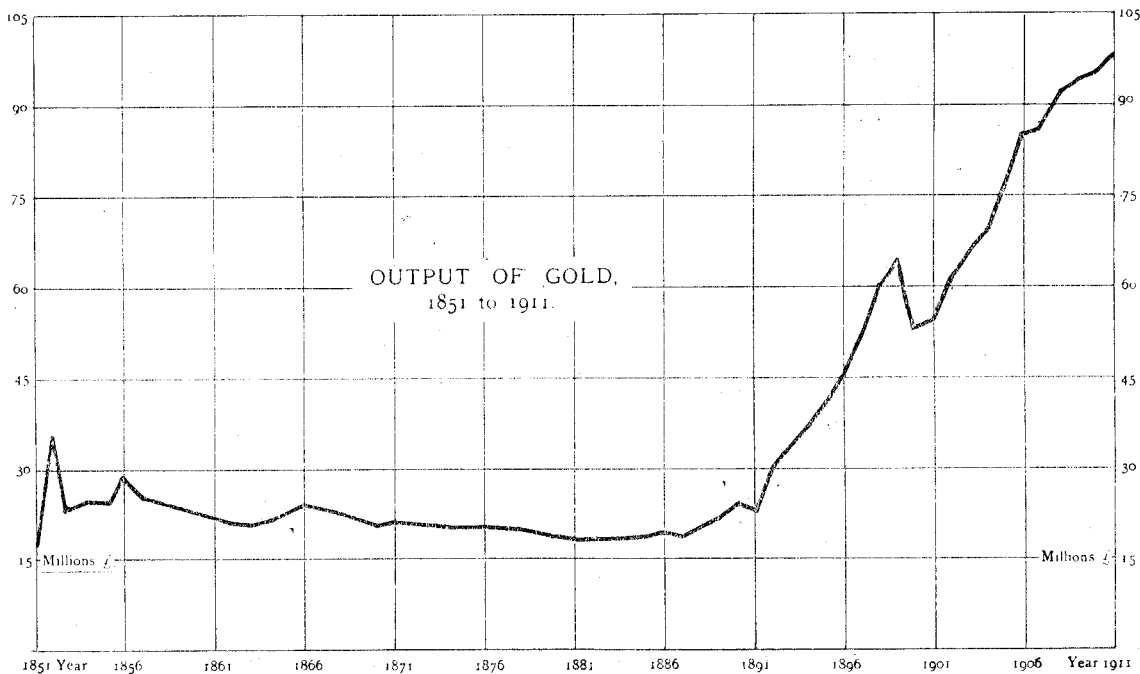


[Graph prepared by F. L. G. Jolly, B.Com.]

EXHIBIT No. 5.

(See page 310.)

C



[Graph prepared by Prof. Segar (Auckland).]

EXHIBIT No. 6.

(Prepared by Mr. W. A. Boucher, Assistant Director of Orchards, Agricultural Department. See page 365.)

AVERAGE WHOLESALE AND RETAIL PRICES OF FRUIT IN AUCKLAND, WELLINGTON, CHRISTCHURCH, AND DUNEDIN, JANUARY TO JUNE, 1912.

CLASS OF FRUIT.	WHOLESALE.					RETAIL.					
	Auckland.	Wellington.	Christchurch.	Dunedin.	Auckland.	Wellington.	Christchurch.	Dunedin.	Wellington.	Christchurch.	Dunedin.
Apples (dessert)	24d. to 14d. per lb.	..	..	2½d. per lb.	4d. per lb.	6d. to 4d. per lb. ...	..	..	6d. to 4d. per lb. ...	..	4d. per lb.
" (cooking)	21d. to 14d. per lb.	..	..	2½d. to 2¼d. per lb.	3d. per lb.	2½d. to 2d. per lb.	..	..	2½d. to 2d. per lb.	..	3d. per lb.
Pears	1½d. to 1¼d. per lb.	..	..	3d. to 2½d. per lb.	3d. to 2d. per lb.	6d. to 4d. per lb. ...	..	..	6d. to 4d. per lb. ...	..	6d. to 4d. per lb.
Grapes	..	..	..	1s. 4d. to 1s. per lb.	..	..	..	..	1s. 6d. per lb.	..	1s. 9d. to 1s. 3d. per lb.
Peaches	3½d. to 3¼d. per lb.	..	..	6d. to 2¼d. per lb.	10d. per doz.	6d. to 3d. per lb. ...	..	..	6d. per lb.	..	8d. to 4d. per lb.
Apricots	3½d. to 4¼d. per lb.	..	..	4¼d. to 2d. per lb.	8d. per lb.	6d. to 4d. per lb. ...	..	..	5d. per lb.	..	6d. to 3d. per lb.
Plums (English)	3½d. to 2d. per lb. ...	..	..	3¼d. to 2d. per lb.	3½d. per lb.	4d. to 3d. per lb. ...	..	..	4d. per lb.	..	6d. to 3d. per lb.
" (Japanese)	1½d. to 1¼d. per lb.	..	..	3¼d. to 2d. per lb.	2½d. to 2d. per lb.	4d. to 3d. per lb. ...	..	..	4d. per lb.	..	6d. to 3d. per lb.
Greengages	..	..	..	..	..	6d. per lb.	..	..	..	..	..
Cherries	..	..	..	10¼d. to 3¼d. per lb.	..	1s. 6d. to 1s. per lb.	..	..	10d. per lb. ...	..	1s. 3d. to 6d. per lb.
Raspberries	..	..	..	5d. per lb.	..	8d. to 6d. per lb. ...	..	..	6d. per lb.	..	6d. per lb.
Strawberries	..	..	..	9d. to 6d. per lb. ...	..	2s. 6d. to 1s. per lb.	..	..	1s. per lb.	..	1s. to 8d. per lb.
Lemons	6d. to 5½d. per doz.	..	..	..	8d. per doz.	1s. 6d. to 1s. per doz.	..	..	1s. per doz.	..	1s. per doz.
Tomatoes	..	..	..	10d. per lb. (hot-house), 8d. to 5d. per lb. (outdoor)	..	1s. to 6d. per lb. ...	..	..	1s. per lb.	..	1s. per lb. (hot-house), 9d. to 6d. per lb. (outside).
Cape Gooseberries	..	..	..	..	..	6d. per lb.	..	..	..	..	..
Persimmons	..	..	..	..	..	..	..	..	..	..	..
Passion-fruit	..	..	..	..	..	6d. to 4d. per doz.	..	..	..	..	..
Pineapples	..	..	..	..	..	1s. 6d. to 6d. each	..	..	..	..	..
Nectarines	4½d. to 4d. per lb. ...	..	..	..	6d. per lb.	6d. to 4d. per lb. ...	..	..	6d. per lb.	..	6d. to 3d. per lb.
Bananas	..	..	..	..	..	8d. to 3d. per doz.	..	..	..	..	7d. per doz.
Oranges	..	..	..	..	..	1s. to 8d. per doz.	..	..	..	..	1s. to 6d. per doz.
Black currants	..	..	..	..	..	6d. to 4d. per lb. ...	..	..	..	..	5d. per lb.
Walnuts	..	..	..	4d. per lb.	..	..	..	..	..	..	..
Gooseberries	..	..	..	3d. per lb.	..	12s. to 8s. per cwt.	..	..	4d. per lb.	..	4d. per lb.
Potatoes (good)	..	..	..	..	..	..	..	..	..	..	..
" (medium)	..	..	..	..	..	..	..	..	..	..	..
Onions (prime)	..	..	..	..	..	1½d. to 1d. per lb.	..	..	..	..	..

Month of January, 1912.

AVERAGE WHOLESALE AND RETAIL PRICES OF FRUIT IN AUCKLAND, WELLINGTON, CHRISTCHURCH, AND DUNEDIN, JANUARY TO JUNE, 1912—continued.

CLASS OF FRUIT.	WHOLESALE.					RETAIL.						
	Auckland.	Wellington.	Christchurch.	Dunedin.	Auckland.	Wellington.	Christchurch.	Dunedin.	Auckland.	Wellington.	Christchurch.	Dunedin.
	<i>Month of February, 1912.</i>											
Apples (dessert)	1½d. to 1¾d. per lb.	3½d. to 1¾d. per lb.	1d. per lb.	2 7/10d. to 2 2/5d. per lb.	3d. per lb.	6d. to 3d. per lb. ...	3d. per lb. ...	4d. per lb.	3d. per lb. ...	6d. to 3d. per lb. ...	3d. per lb. ...	4d. per lb.
" (cooking)	1 1/10d. to 1 1/4d. per lb.	1 1/10d. to 1 1/10d. per lb.	1d. per lb.	2 7/10d. to 2 2/5d. per lb.	2d. per lb.	2 1/2d. to 2d. per lb. ...	2d. per lb. ...	3d. per lb.	2 1/2d. to 2d. per lb. ...	2 1/2d. to 2d. per lb. ...	2 1/2d. to 2d. per lb. ...	3d. per lb.
Pears	3d. to 2 9/10d. per lb. ...	2 7/10d. to 1 1/4d. per lb.	2d. per lb.	2 7/10d. to 2 2/5d. per lb.	4d. to 1 3/4d. per lb.	6d. to 3d. per lb. ...	4d. to 1 3/4d. per lb. ...	6d. to 4d. per lb. ...	4d. to 1 3/4d. per lb. ...	6d. to 3d. per lb. ...	4d. per lb. ...	6d. to 4d. per lb.
Grapes	2 7/10d. to 2 1/4d. per lb.	1s. to 6d. per lb. ...	1s. per lb.	1s. 3d. to 1 1/4d. per lb.	8d. per doz.	1s. 6d. to 1s. per lb.	1s. 6d. to 1s. per lb.	1s. 6d. to 1s. 3d. per lb.	1s. 6d. to 1s. 3d. per lb.	1s. 6d. to 1s. 3d. per lb.	1s. 9d. per lb.	1s. 6d. to 1s. 3d. per lb.
Peaches	3 1/10d. to 3d. per lb.	3d. to 1 3/4d. per lb. ...	2 1/2d. per lb.	5d. to 1 3/4d. per lb.	6d. per doz.	6d. to 3d. per lb. ...	6d. to 3d. per lb. ...	8d. to 3d. per lb.	6d. to 3d. per lb. ...	6d. to 3d. per lb. ...	4d. per lb. ...	8d. to 3d. per lb.
Apricots	2 1/10d. to 1 1/2d. per lb.	4 1/2d. to 2 2/5d. per lb.	2 1/2d. per lb.	4d. to 1 3/4d. per lb.	6d. per lb.	6d. to 4d. per lb. ...	4d. per lb. ...	6d. to 3d. per lb.	4d. per lb. ...	4d. per lb. ...	4d. per lb. ...	6d. to 3d. per lb.
Plums (English)	2 1/10d. to 1 1/2d. per lb.	2 7/10d. to 1 1/10d. per lb.	1 1/2d. per lb.	2 2/5d. to 1 3/4d. per lb.	3d. per lb.	6d. to 3d. per lb. ...	6d. to 3d. per lb. ...	6d. to 2d. per lb.	4d. per lb. ...	6d. to 2d. per lb.	4d. per lb. ...	6d. to 2d. per lb.
" (Japanese)	1 1/2d. to 3/4d. per lb. ...	2 7/10d. to 1 1/10d. per lb.	1 1/2d. per lb.	2 2/5d. to 2d. per lb.	1 1/2d. per lb.	6d. to 3d. per lb. ...	6d. to 3d. per lb. ...	6d. to 2d. per lb.	4d. per lb. ...	6d. to 2d. per lb.	4d. per lb. ...	6d. to 2d. per lb.
Greengages	...	2 7/10d. to 2 1/4d. per lb.	...	3d. per lb.	...	6d. to 4d. per lb. ...	6d. to 4d. per lb. ...	4d. per lb.	...	6d. to 4d. per lb.	...	4d. per lb.
Cherries	...	5 1/4d. to 3 3/4d. per lb.	6d. per lb.	5d. per lb.	...	1s. 6d. to 9d. per lb.	1s. 6d. to 9d. per lb.	1s. 6d. to 9d. per lb.	...	1s. 6d. to 9d. per lb.	...	1s. 6d. to 9d. per lb.
Raspberries	...	...	...	...	...	8d. to 6d. per doz.	8d. to 6d. per doz.	6d. per lb.	...	8d. to 6d. per doz.	...	6d. per lb.
Strawberries	...	...	...	...	...	1 1/2d. to 3/4d. per lb. ...	1 1/2d. to 3/4d. per lb. ...	2s. 3d. to 1s. per lb.	...	1s. 6d. to 1s. per lb.	...	2s. 3d. to 1s. per lb.
Lemons	...	8d. to 6 1/2d. per doz.	24s. per case	...	8d. per doz.	1s. 6d. to 1s. per doz.	1s. 6d. to 1s. per doz.	1s. per doz.	...	1s. 6d. to 1s. per doz.	...	1s. per doz.
Tomatoes	...	...	6d. per lb.	10d. to 7d. per lb.	...	6d. to 4d. per lb. ...	6d. to 4d. per lb. ...	9d. per lb.	...	6d. to 4d. per lb. ...	...	1s. to 9d. per lb.
Cape gooseberries	...	5d. to 4d. per lb. ...	...	(hothouse), 4d. to 2d. per lb. (outside)	...	6d. per lb.	6d. per lb.	(hothouse), 6d. to 3d. per lb. (outside)	...	6d. per lb.	...	3d. per lb. (outside).
Persimmons	...	...	...	...	...	...	...	...	...	...	...	...
Passion-fruit	...	...	...	...	...	...	...	...	...	...	...	...
Pineapples	...	...	...	...	...	...	...	...	...	...	...	...
Nectarines	...	2 1/2d. to 1 1/2d. per lb.	2 1/2d. per lb.	2 3/4d. to 2 1/2d. per lb.	4d. per lb.	4d. per lb.	4d. per lb.	4d. per lb.	...	4d. per lb.	...	6d. to 4d. per lb.
Bananas	...	...	...	...	...	...	...	...	...	...	...	7d. per doz.
Oranges	...	...	...	...	...	...	...	...	...	...	...	1s. to 6d. per doz.
Walnuts	...	9 1/2d. to 6d. per lb. ...	...	...	...	...	...	...	...	...	...	...
Potatoes (good)	...	4s. 6d. to 3s. per cwt.	...	...	...	...	...	...	...	...	...	...
" (medium)	...	...	...	...	...	...	...	...	...	...	...	...
Onions (prime)	...	1 1/2d. to 1d. per lb. ...	...	...	...	...	...	...	...	...	...	...

EXHIBIT No. 6—continued.  
AVERAGE WHOLESALE AND RETAIL PRICES OF FRUIT IN AUCKLAND, WELLINGTON, CHRISTCHURCH, AND DUNEDIN, JANUARY TO JUNE, 1912—continued.

CLASS OF FRUIT.	WHOLESALE.				RETAIL.			
	Auckland.	Wellington.	Christchurch.	Dunedin.	Auckland.	Wellington.	Christchurch.	Dunedin.
Apples (dessert)	1 $\frac{1}{8}$ d. to 1 $\frac{3}{8}$ d. per lb.	2 $\frac{1}{2}$ d. to 1 $\frac{3}{8}$ d. per lb.	1d. per lb.	2 $\frac{1}{2}$ d. to 2 $\frac{1}{2}$ d. per lb.	3d. per lb.	6d. to 3d. per lb.	2d. per lb.	4d. per lb.
" (cooking)	1 $\frac{1}{8}$ d. to 1 $\frac{1}{2}$ d. per lb.	1 $\frac{1}{8}$ d. to 1 $\frac{1}{2}$ d. per lb.	1d. per lb.	2d. to 1 $\frac{1}{2}$ d. per lb.	2d. per lb.	2 $\frac{1}{2}$ d. to 2d. per lb.	2d. per lb.	3d. to 2d. per lb.
Pears	2 $\frac{1}{2}$ d. to 1 $\frac{1}{2}$ d. per lb.	2 $\frac{1}{2}$ d. to 1 $\frac{1}{2}$ d. per lb.	1d. per lb.	9d. to 6d. per lb.	3d. to 2d. per lb.	6d. to 3d. per lb.	2 $\frac{1}{2}$ d. per lb.	1s. to 8d. per lb.
Grapes	2 $\frac{1}{2}$ d. to 1 $\frac{1}{2}$ d. per lb.	10d. to 4d. per lb.	9d. per lb.	5d. to 1 $\frac{1}{2}$ d. per lb.	6d. per doz.	6d. to 2d. per lb.	1s. per lb.	6d. to 2d. per lb.
Peaches	3 $\frac{1}{2}$ d. to 2 $\frac{1}{2}$ d.	2 $\frac{1}{2}$ d. to 2 $\frac{1}{2}$ d.	2d. per lb.	2 $\frac{1}{2}$ d. to 2d. per lb.	6d. per lb.	6d. to 4d. per lb.	4d. per lb.	6d. to 3d. per lb.
Apricots	1 $\frac{1}{2}$ d. to 1 $\frac{1}{2}$ d. per lb.	2 $\frac{1}{2}$ d. to 1 $\frac{1}{2}$ d. per lb.	1d. per lb.	2 $\frac{1}{2}$ d. to 1 $\frac{1}{2}$ d. per lb.	2d. per lb.	4d. to 2d. per lb.	3 $\frac{1}{2}$ d. per lb.	4d. to 2d. per lb.
Plums (English)	2 $\frac{1}{2}$ d. to 1 $\frac{1}{2}$ d. per lb.	2 $\frac{1}{2}$ d. to 1 $\frac{1}{2}$ d. per lb.	1d. per lb.	3 $\frac{1}{2}$ d. per lb.	1 $\frac{1}{2}$ d. per lb.	4d. to 2d. per lb.	3 $\frac{1}{2}$ d. per lb.	6d. per lb.
" (Japanese)	3 $\frac{1}{2}$ d. to 2 $\frac{1}{2}$ d. per lb.	3 $\frac{1}{2}$ d. to 2 $\frac{1}{2}$ d. per lb.	1d. per lb.	2 $\frac{1}{2}$ d. to 2d. per lb.	1 $\frac{1}{2}$ d. per lb.	6d. to 4d. per lb.	3 $\frac{1}{2}$ d. per lb.	4d. per lb.
Greengages	..	..	..	..	..	..	..	..
Cherries	..	..	..	5d. per lb.	..	..	..	6d. per lb.
Raspberries	..	..	..	..	..	..	..	..
Strawberries	..	..	..	..	..	..	..	..
Lemons	8 $\frac{1}{2}$ d. to 7 $\frac{1}{2}$ d. per doz.	6 $\frac{1}{2}$ d. to 4d. per doz.	25s. per case	9d. to 4 $\frac{1}{2}$ d. lb. (hot-house), 5d. to 3d. per lb. (outside)	10d. per doz.	1s. 6d. to 1s. per doz.	1s. per doz.	1s. to 6d. per lb. (hot-house), 6d. to 4d. per lb. (outside).
Tomatoes	..	3 $\frac{1}{2}$ d. to 1 $\frac{1}{2}$ d. per doz.	2 $\frac{1}{2}$ d. per lb.	..	..	..	..	..
Cape gooseberries	..	5 $\frac{1}{2}$ d. to 4 $\frac{1}{2}$ d. per lb.	..	..	..	..	..	..
Persimmons	..	4s. per box	..	..	..	..	..	..
Passion-fruit	..	6s. 6d. to 6s. per half case	..	..	..	..	..	..
Pineapples	..	21 $\frac{1}{2}$ d. to 1 $\frac{1}{2}$ d. per lb.	2d. per lb.	3d. to 2 $\frac{1}{2}$ d. per lb.	4d. per lb.	1s. 6d. to 6d. each	4d. per lb.	4d. per lb.
Nectarines	..	10s. 6d. to 9s. per 6 in. case	..	..	..	6d. to 4d. per lb.	..	..
Bananas	..	7d. to 6 $\frac{1}{2}$ d. per lb.	..	..	..	8d. to 4d. per doz.	..	..
Oranges (Island)	..	5s. to 4s. per cwt.	..	..	..	1s. to 8d. per doz.	..	..
Walnuts	..	1 $\frac{1}{8}$ d. to 3 $\frac{1}{2}$ d. per lb.	..	..	..	12s. to 8s. per cwt.	..	..
Potatoes (good)	..	..	..	..	..	..	..	..
" (medium)	..	..	..	..	..	..	..	..
Onions (prime)	..	..	..	..	..	1 $\frac{1}{2}$ d. to 1d. per lb.	..	..



EXHIBIT No. 6—continued.

AVERAGE WHOLESALE AND RETAIL PRICES OF FRUIT IN AUCKLAND, WELLINGTON, CHRISTCHURCH, AND DUNEDIN, JANUARY TO JUNE, 1912—continued.

CLASS OF FRUIT.	WHOLESALE.				RETAIL.			
	Auckland.	Wellington.	Christchurch.	Dunedin.	Auckland.	Wellington.	Christchurch.	Dunedin.
Apples (dessert)	2½d. to 1¾d. per lb.	2½d. to 1¾d. per lb.	1½d. per lb.	..	3d. per lb.	6d. to 3d. per lb. ...	3d. per lb. ...	..
" (cooking)	1¾d. to 1½d. per lb.	1½d. to 1¾d. per lb.	1½d. per lb.	..	2d. per lb.	3d. to 2d. per lb. ...	..	..
Pears ..	1¼d. to 1¾d. per lb.	3d. to 1¾d. per lb.	¾d. per lb.	..	3d. to 2d. per lb.	6d. to 3d. per lb. ...	4d. per lb. ...	..
Grapes ..	9g. to 8g. per doz.	7g. to 4½d. per doz.	1s. per lb.	8½d. per lb.	..	1s. 6d. to 1s. per doz.	1s. 6d. per lb.	1s. per lb.
Lemons ..	..	3d. to 1d. per lb. ...	27s. per case	7d. to 6d. per lb.	..	4d. to 2d. per lb. ...	1s. per doz. ...	10d. to 8d. ½ per lb.
Tomatoes ..	..	..	2d. per lb.	(hothouse)	..	4d. per lb.	4d. per lb. ...	6d. per lb.
Cape gooseberries	..	5d. to 3½d. per lb. ...	..	4d. per lb.	..	6d. per lb.	..	..
Persimmons	..	4s. per box	..	..	..	6d. per lb.	..	..
Passion-fruit	..	5s. to 2s. per box	..	..	..	8d. to 6d. per doz.	..	..
Walnuts ..	..	7d. to 6½d. per lb. ...	..	..	..	..	..	..
Pineapples	..	..	..	..	..	..	..	..
Nectarines ..	..	..	..	..	..	1s. 6d. to 6d. each...	..	..
Apricots ..	..	..	..	3d. to 2½d. per lb.	..	6d. to 4d. per lb. ...	4d. per lb. ...	4d. per lb.
Potatoes (good)	..	..	..	3d. to 2¼d. per lb.	..	6d. per lb.	5d. per lb. ...	5d. to 3d. per lb.
Potatoes (medium)	..	6s. to 4s. 6d. per cwt.	..	..	..	12s. to 8s. per cwt.	..	..
Onions (prime)	..	..	..	..	..	1½d. to 1d. per lb. ...	..	..
Peaches ..	4½d. to 1¼d. per lb.	¾d. to ¾d. per lb.	2d. per lb.	4½d. to 2d. per lb.	1s. per doz.	6d. to 3d. per lb. ...	4d. per lb. ...	6d. to 3d. per lb.
Plums (English)	1½d. to 1¼d. per lb.	3d. to 1¾d. per lb.	..	2¼d. to 1¾d. per lb.	3d. per lb.	4d. to 2d. per lb. ...	3½d. per lb. ...	4d. to 2d. per lb.
" (Japanese)	..	3d. to 1¾d. per lb.	..	3¼d. to 3¼d. per lb.	..	4d. to 2d. per lb. ...	3½d. per lb. ...	6d. to 4d. per lb.
Greengages	..	..	..	..	..	6d. to 4d. per lb. ...	..	..
Raspberries ..	..	..	..	1s. 2½d. per lb.	..	8d. to 6d. per lb. ...	..	1s. 3d. per lb.
Strawberries	..	..	..	..	..	1s. 4d. per lb. ...	..	..
Bananas	..	..	..	..	..	8d. to 3d. per lb. ...	..	..
Oranges ..	..	..	..	..	..	1s. to 8d. per doz. ...	..	..
Cherries ..	..	..	..	..	..	..	..	..

Month of April, 1912.

EXHIBIT No. 6—continued.  
 AVERAGE WHOLESALE AND RETAIL PRICES OF FRUIT IN AUCKLAND, WELLINGTON, CHRISTCHURCH, AND DUNEDIN, JANUARY TO JUNE, 1912—continued.

CLASS OF FRUIT.	WHOLESALE.					RETAIL.						
	Auckland.	Wellington.	Christchurch.	Dunedin.	Auckland.	Wellington.	Christchurch.	Dunedin.	Auckland.	Wellington.	Christchurch.	Dunedin.
Apples (dessert)	2½d. to 1½d. per lb.	3d. to 1⅞d. per lb.	1½d. per lb.	2½d. per lb.	3d. per lb.	6d. to 3d. per lb.	3¼d. per lb.	4d. per lb.	3d. per lb.	6d. to 3d. per lb.	3¼d. per lb.	4d. per lb.
" (cooking)	1¼d. to 1⅞d. per lb.	1¼d. to 1⅞d. per lb.	1¼d. per lb.	1¼d. per lb.	2d. per lb.	3d. to 2d. per lb.	3¼d. per lb.	2d. per lb.	3d. to 2d. per lb.	3d. to 2d. per lb.	3¼d. per lb.	2d. per lb.
Pears	2½d. to 1½d. per lb.	4½d. to 1½d. per lb.	2d. per lb.	3½d. to 2½d. per lb.	4d. to 2d. per lb.	6d. to 4d. per lb.	4d. per lb.	6d. to 4d. per lb.	6d. to 4d. per lb.	6d. to 4d. per lb.	4d. per lb.	6d. to 4d. per lb.
Grapes	11½d. to 10½d. per doz.	1s. to 6½d. per doz.	..	2s. 3d. to 4d. per lb.	..	1s. 6d. per lb.	..	2s. 6d. to 6d. per lb.	..	1s. 6d. per lb.	..	2s. 6d. to 6d. per lb.
Lemons	..	..	..	..	..	..	..	..	..	..	..	..
Tomatoes	..	..	..	..	..	..	..	..	..	..	..	..
Cape gooseberries	..	..	..	..	..	..	..	..	..	..	..	..
Persimmons	..	..	..	..	..	..	..	..	..	..	..	..
Passion-fruit	..	5s. 3d. to 2s. 6d. per box	..	..	..	6d. to 4d. per doz.	..	..	6d. to 4d. per doz.	6d. to 4d. per doz.	..	..
Walnuts	..	7d. to 4d. per lb.	..	..	..	..	..	..	..	..	..	..
Pineapples	..	..	..	..	..	..	..	..	..	..	..	..
Peaches	..	..	..	..	..	..	..	..	..	..	..	..
Apricots	..	..	..	..	..	..	..	..	..	..	..	..
Potatoes (good)	..	7s. to 5s. per cwt.	..	..	..	..	..	..	..	..	..	..
" (medium)	..	..	..	..	..	..	..	..	..	..	..	..
Onions (prime)	..	1½d. to 5⅞d. per lb.	..	..	..	..	..	..	..	..	..	..
Oranges	..	..	..	..	..	..	..	..	..	..	..	..
Bananas	..	..	..	..	..	..	..	..	..	..	..	..
Peanuts (roasted)	..	..	..	..	..	..	..	..	..	..	..	..
" (unroasted)	..	..	..	..	..	..	..	..	..	..	..	..

Month of May, 1912.

EXHIBIT No. 6—continued.  
AVERAGE WHOLESALE AND RETAIL PRICES OF FRUIT IN AUCKLAND, WELLINGTON, CHRISTCHURCH, AND DUNEDIN, JANUARY TO JUNE, 1912—continued.

CLASS OF FRUIT.	WHOLESALE.					RETAIL.				
	Auckland.	Wellington.	Christchurch.	Dunedin.	Auckland.	Wellington.	Christchurch.	Dunedin.		
	<i>Month of June, 1912.</i>									
Apples (dessert)	2½d. to 2⅞d. per lb.	2¼d. to 1½d. per lb.	2d. per lb.	2¼d. per lb.	4d. to 3d. per lb.	6d. to 3d. per lb.	3¼d. per lb.	4d. per lb.		
" (cooking)	1½d. to 1¾d. per lb.	1¾d. to 1¼d. per lb.	2d. per lb.	1½d. per lb.	3d. to 2½d. per lb.	3d. to 2d. per lb.	3¼d. per lb.	2½d. per lb.		
Pears	2⅞d. to 2½d. per lb.	4½d. to 1½d. per lb.	2d. per lb.	3½d. to 1½d. per lb.	6d. to 3d. per lb.	8d. to 4d. per lb.	5d. per lb.	6d. to 2½d. per lb.		
Grapes	..	1s. 4d. to 8d. per lb.	..	..	..	..	..	..		
Lemons	9½d. to 8½d. per lb.	8½d. to 4d. per doz.	..	..	1s. 6d. to 1s. per doz.	1s. 6d. to 1s. per doz.	1s. per doz.	..		
Tomatoes	..	3⅞d. to 1½d. per lb.	..	..	8d. to 6d. per lb.	8d. to 6d. per lb.	..	..		
Cape gooseberries	..	5½d. to 4½d. per lb.	..	..	8d. per lb.	8d. per lb.	..	..		
Persimmons	..	4s. per ½-box	..	..	..	..	..	..		
Passion-fruit	..	5s. 9d. to 2s. per ½-case	..	..	..	6d. to 4d. per doz.	..	..		
Walnuts	..	7d. to 6d. per lb.	..	..	..	1s. per lb.	..	..		
Pineapples	..	..	..	..	..	1s. 6d. to 6d. each..	..	..		
Potatoes (good)	..	6s. to 5s. per cwt.	..	..	..	12s. to 8s. per cwt.	..	..		
" (medium)	..	5s. to 4s. per cwt.	..	..	..	..	..	..		
Onions (prime)	..	..	..	..	..	1½d. to 1d. per lb.	..	..		
Bananas	..	..	..	..	..	8d. to 3d. per doz.	..	..		
Oranges	..	..	..	..	..	16 to 14 for 1s.	..	..		
Peanuts (roasted)	..	..	..	..	..	6d. per lb.	..	..		
" (unroasted)	..	..	..	..	..	4d. per lb.	..	..		

EXHIBIT No. 7.

RETURN SUBMITTED BY A. LEIGH HUNT, MANAGER, NEW ZEALAND FARMERS' CO-OPERATIVE DISTRIBUTING COMPANY (LIMITED), WELLINGTON, SHOWING COST OF UNDERMENTIONED FOODSTUFFS IN WELLINGTON MARKET 1900 TO 1912 (WHOLESALE PRICES).

	1900.	1901.	1902.	1903.	1904.	1905.	1906.	1907.	1908.	1909.	1910.	1911.	1912. (March.)	1912. (July 4).
Potatoes, per ton—														
March	2 10 0	4 10 0	3 10 0	3 10 0	3 10 0	9 0 0	12 0 0	6 10 0	7 10 0	4 5 0	5 15 0	4 10 0	4 15 0	5 0 0
September	2 10 0	6 0 0	5 0 0	4 0 0	2 10 0	*13 0 0	12 10 0	4 0 0	5 10 0	4 15 0	8 10 0	4 10 0	..	..
Onions, per ton—														
March	4 10 0	7 0 0	5 17 6	7 5 0	5 10 0	9 10 0	7 10 0	5 0 0	7 10 0	5 15 0	4 12 6	4 15 0	8 0 0	9 10 0
September	8 10 0	19 0 0	9 10 0	6 0 0	10 0 0	18 10 0	15 10 0	6 10 0	13 0 0	8 10 0	6 0 0	6 10 0	..	..
Cheese, per pound—														
March	0 0 5	0 0 5 <sup>3</sup> / <sub>4</sub>	0 0 5	0 0 6	0 0 5 <sup>3</sup> / <sub>4</sub>	0 0 4 <sup>3</sup> / <sub>4</sub>	0 0 6 <sup>1</sup> / <sub>4</sub>	0 0 6 <sup>1</sup> / <sub>4</sub>	0 0 6 <sup>1</sup> / <sub>2</sub>	0 0 6 <sup>1</sup> / <sub>2</sub>	0 0 6 <sup>1</sup> / <sub>2</sub>	0 0 6 <sup>1</sup> / <sub>2</sub>	0 0 7	0 0 7
September	0 0 6	0 0 5 <sup>3</sup> / <sub>4</sub>	0 0 5 <sup>3</sup> / <sub>4</sub>	0 0 5 <sup>3</sup> / <sub>4</sub>	0 0 5	0 0 6 <sup>1</sup> / <sub>4</sub>	0 0 7	0 0 6 <sup>1</sup> / <sub>4</sub>	0 0 6 <sup>1</sup> / <sub>2</sub>	0 0 5 <sup>3</sup> / <sub>4</sub>	0 0 5 <sup>3</sup> / <sub>4</sub>	0 0 5 <sup>3</sup> / <sub>4</sub>	..	..
Dairy butter, per pound—														
March	0 0 7	0 0 7	0 0 8 <sup>1</sup> / <sub>2</sub>	0 0 8 <sup>1</sup> / <sub>2</sub>	0 0 8	0 0 8	0 0 8	0 0 9	0 0 9	0 0 9	0 0 9	0 0 9 <sup>1</sup> / <sub>4</sub>	0 0 9 <sup>1</sup> / <sub>4</sub>	0 0 11
September	0 0 9	0 0 9	0 0 9	0 0 9	0 0 8 <sup>1</sup> / <sub>2</sub>	0 0 10	0 0 11	0 0 8 <sup>1</sup> / <sub>2</sub>	0 0 8 <sup>1</sup> / <sub>2</sub>	0 0 9 <sup>1</sup> / <sub>2</sub>	0 0 9 <sup>1</sup> / <sub>2</sub>	0 0 9 <sup>1</sup> / <sub>2</sub>	..	..
Eggs, fresh, per dozen—														
March	0 1 2	0 1 0	0 1 3	0 1 9	0 1 5 <sup>1</sup> / <sub>2</sub>	0 1 7	0 1 6	0 1 6	0 1 6	0 1 7	0 1 5	0 1 6	0 1 5	0 1 6
September	0 0 9	0 0 9 <sup>1</sup> / <sub>2</sub>	11d. to 1/1	0 0 11	0 0 11	0 0 11	0 1 1	0 1 0	0 1 0	0 1 1	0 0 11	0 0 10	..	..
Bacon, sides, per pound—														
March	0 0 6 <sup>1</sup> / <sub>4</sub>	0 0 6 <sup>1</sup> / <sub>4</sub>	0 0 6 <sup>3</sup> / <sub>4</sub>	0 0 6 <sup>3</sup> / <sub>4</sub>	0 0 7	0 0 7	0 0 7	0 0 7	0 0 7	0 0 7	0 0 7	0 0 7 <sup>1</sup> / <sub>2</sub>	0 0 9 <sup>1</sup> / <sub>2</sub>	0 0 9 <sup>1</sup> / <sub>2</sub>
September	0 0 6 <sup>3</sup> / <sub>4</sub>	0 0 7	0 0 7	0 0 7	0 0 7	0 0 7 <sup>1</sup> / <sub>4</sub>	0 0 7 <sup>1</sup> / <sub>4</sub>	0 0 7 <sup>1</sup> / <sub>4</sub>	0 0 7 <sup>1</sup> / <sub>4</sub>	0 0 7 <sup>1</sup> / <sub>4</sub>	0 0 7 <sup>1</sup> / <sub>4</sub>	0 0 8 <sup>1</sup> / <sub>2</sub>	..	..
Honey, per pound—														
March	0 0 4	0 0 4	0 0 3 <sup>3</sup> / <sub>4</sub>	0 0 4	0 0 3 <sup>3</sup> / <sub>4</sub>	0 0 4	0 0 4 <sup>1</sup> / <sub>2</sub>	0 0 4 <sup>1</sup> / <sub>2</sub>	0 0 4 <sup>1</sup> / <sub>2</sub>	0 0 4 <sup>1</sup> / <sub>2</sub>	0 0 4 <sup>1</sup> / <sub>2</sub>	0 0 4 <sup>1</sup> / <sub>2</sub>	0 0 4 <sup>1</sup> / <sub>2</sub>	0 0 4 <sup>1</sup> / <sub>2</sub>
September	0 0 4 <sup>1</sup> / <sub>2</sub>	0 0 4 <sup>1</sup> / <sub>2</sub>	0 0 4 <sup>1</sup> / <sub>2</sub>	0 0 4 <sup>1</sup> / <sub>2</sub>	0 0 4 <sup>1</sup> / <sub>2</sub>	0 0 4 <sup>1</sup> / <sub>2</sub>	0 0 4 <sup>1</sup> / <sub>2</sub>	0 0 4 <sup>1</sup> / <sub>2</sub>	0 0 4 <sup>1</sup> / <sub>2</sub>	0 0 4 <sup>1</sup> / <sub>2</sub>	0 0 4 <sup>1</sup> / <sub>2</sub>	0 0 4 <sup>1</sup> / <sub>2</sub>	..	..
Apples, per pound, in bushel cases—														
March	0 0 1 <sup>3</sup> / <sub>4</sub>	0 0 1 <sup>3</sup> / <sub>4</sub>	0 0 1	0 0 1	0 0 1 <sup>1</sup> / <sub>2</sub>	0 0 1 <sup>1</sup> / <sub>2</sub>	0 0 1 <sup>1</sup> / <sub>2</sub>	0 0 1 <sup>1</sup> / <sub>2</sub>	0 0 1 <sup>1</sup> / <sub>2</sub>	0 0 1 <sup>1</sup> / <sub>2</sub>	0 0 1	0 0 1	0 0 1	0 0 1 <sup>1</sup> / <sub>2</sub>
September	0 0 2 <sup>1</sup> / <sub>4</sub>	0 0 2	0 0 2 <sup>1</sup> / <sub>2</sub>	0 0 1 <sup>3</sup> / <sub>4</sub>	0 0 2 <sup>1</sup> / <sub>4</sub>	0 0 2	0 0 2 <sup>1</sup> / <sub>4</sub>	0 0 3	0 0 3	0 0 2 <sup>1</sup> / <sub>4</sub>	0 0 2 <sup>1</sup> / <sub>4</sub>	0 0 3	..	..
Flour, per ton—														
March	7 5 0	7 0 0	11 7 6	11 15 0	9 15 0	10 2 6	9 5 0	9 5 0	11 5 0	11 5 6	10 15 0	8 15 8	9 7 0	9 0 0
September	7 5 0	7 15 0	11 0 0	10 10 0	10 6 0	9 5 0	9 5 0	11 5 0	11 7 6	11 0 0	9 5 8	9 5 8	..	..
Oatmeal, per ton—														
March	11 0 0	10 2 6	14 15 0	13 10 0	10 0 0	10 10 0	11 10 0	14 5 0	13 5 0	10 0 0	11 10 0	12 5 0	13 0 0	14 0 0
September	12 0 0	12 0 0	14 15 0	10 0 0	10 10 0	10 5 0	14 15 0	16 15 0	13 5 0	10 10 0	12 10 0	14 15 0	..	..

\* Potato-blight appeared in New Zealand.

Auction Prices, Wellington Market, in Sack Lots.

	December, 1903.	May, 1904.	September, 1904.	December, 1904.	March, 1905.	August, 1905.	October, 1906.	September, 1910.	March, 1911.	September, 1911.	March, 1912.	July, 1912.
Cabbages	s. d. 4 6	s. d. 6 6	s. d. 6 6	s. d. 5 6	s. d. 2 6	s. d. 2 6	s. d. 2 0	s. d. 7 0	s. d. 3 0	s. d. 3 0	s. d. 1 6	s. d. 2 0
Cauliflowers	s. d. 5 6	s. d. 10 0	s. d. 10 0	s. d. 7 0	s. d. 4 0	s. d. 4 0	s. d. 3 0	s. d. 8 0	s. d. 6 6	s. d. 7 0	s. d. 7 6	s. d. 10 6

## EXHIBIT No. 8.

(Supplied by Mr. F. W. Rowley. See page 431.)

## SUMMARY OF RETURN SHOWING THE INCREASE AND DECREASE IN THE NUMBER OF PERSONS ENGAGED IN THE VARIOUS OCCUPATIONS IN NEW ZEALAND FROM 1891 TO 1906.

Class.		1891.	Number according to Average Increase in Total Population at 41·8 %.	1906.
1	Persons engaged in the production or manufacture of necessaries of life	159,730	226,456	238,851
1A	Persons engaged in the distribution of necessaries of life ..	32,253	45,806	61,786
1B	Persons engaged in necessary work, but not production or distribution ( <i>i.e.</i> , hairdressers, launderers, &c.)	8,173	11,620	13,974
1C	Persons engaged in domestic work, &c.).. .. .	147,901	209,770	236,401
2	Persons engaged in occupations indirectly necessary to Class 1 (school-teachers, medical men, &c.)	7,272	10,325	11,840
2A	Persons engaged to occupations indirectly necessary to Class 1 (police, local government, &c., to second degree)	2,044	2,898	3,311
3	Persons engaged in the production of things of secondary importance (luxuries)	3,533	5,028	6,485
3A	Persons engaged in the distribution of luxuries .. .. .	513	727	1,071
4	Persons engaged in literary and art work .. .. .	1,606	2,277	3,410
5	Persons engaged in occupations which do not assist production or distribution (law, defence, &c.)	1,397	1,982	2,213
6	Persons engaged in the production of sporting requisites ..	57	81	105
6A	Persons engaged in the distribution of sporting requisites ..	93	131	313
7	Persons engaged in other occupations which do not assist production or distribution (engaged in religion and charities)	1,321	1,875	2,015
8	Persons engaged in occupations largely unnecessary (brewers, &c.)	550	780	797
8A	Persons engaged in the distribution of Class 8 items .. .. .	253	360	547
8B	Persons engaged in financing and speculating, &c. .. .. .	2,376	3,371	4,423
9	Persons engaged in racecourse and theatre work and attendance on well-to-do	1,031	1,470	2,506
10	Scholars and students .. .. .	146,761	208,000	164,582
10A	Dependants, including inmates of institutions .. .. .	102,276	144,965	122,476
10B	Pensioners .. .. .	585	830	2,641
10C	Independants, including persons without occupation .. .. .	5,794	8,226	6,792
11	Miscellaneous .. .. .	546	758	433
	Government Departments*, M.P.'s, and Cabinet Ministers	593	842	1,606
	Totals .. .. .	626,658	888,578	888,578

\* Excluding Railway and Postal services, Judges, Stipendiary Magistrates, health and education officers, police and penal officers, and law-court officers (shown separately).

**EXHIBIT No. 9.**  
(See page 441.)  
**RETURN OF MARKET PRICES, COMPILED BY GEORGE THOMAS AND CO., FRUIT AND PRODUCE MERCHANTS, ALLEN STREET, WELLINGTON.**

Average for Month of	Apples.		Pears.		Island Oranges.	Bananas.	Grapes.	Lemons.	Plums.	Peaches.	Apricots.
	Cooking.	Dessert.	Cooking.	Dessert.							
July, 1912	4/3 to 6/5	6/3 to 9/1	5/ to 6/6	10/3 to 15/6	5/10 to 7/4	10/ to 11/6	2/1½ to 2/5	8/ to 11/11	..	..	Per Half-case.
Aug., 1911	5/9 " 7/8	6/9 " 10/9	7/6 " 9/	10/ " 11/	7/4 " 9/10	7/6 " 11/	..	7/8 " 11/11	..	..	..
Sept., 1911	6/9 " 8/11	8/2 " 12/3	9/ " 10/8	..	5/ " 6/6	8/ " 10/	1/6 to 2/	7/3 " 10/11	..	..	..
Oct., 1911	8/6 " 10/6	9/ " 12/11	..	..	9/4 " 13/10	8/ " 12/	2/ " 2/10	5/8 " 13/8	..	..	..
Nov., 1911	..	14/ " 14/6*	..	..	8/9 " 15/2	8/ " 10/3	2/1 " 2/6	9/3 " 14/2	4/6 to 5/6	..	8/6 to 10/6
Dec., 1911	3/ to 6/6	13/6 " 14/9*	..	..	14/8 " 19/2	9/ " 10/6*	1/6 " 1/9	11/ " 15/	5/4 " 8/6	6/ to 9/	7/9 " 11/2
Jan., 1912	3/2 " 5/5	7/3 " 9/2	..	7/5 to 14/9	15/ " 18/	3/9 " 6/9	1/ " 1/5	10/6 " 11/6	2/ " 3/5	2/11 " 5/11	4/8 " 6/11
Feb., 1912	2/6 " 4/3	3/3 " 7/6	..	4/8 " 10/5	5/6 " 6/5	4/6 " 6/	8d. " 1/0½	8/9 " 11/	1/9 " 3/8	1/11 " 5/6	..
Mar., 1912	3/8 " 5/2	6/3 " 9/2	..	5/9 " 8/5	6/4 " 9/2	5/6 " 6/11	6½d. " 10d.	6/9 " 9/3	2/3 " 4/	1/10 " 4/4	..
April, 1912	4/ " 4/11	4/9 " 9/3	3/5 to 5/8	5/8 " 9/6	5/ " 5/11	5/3 " 8/2	6½d. " 1/3	4/6 " 10/6	1/6 " 2/3	2/10 " 4/8	5/ to 12/
May, 1912	4/5 " 5/5	5/6 " 9/	4/9 " 7/2	6/9 " 10/3	4/8 " 6/2	5/3 " 6/9	11d. " 1/2	9/6 " 13/3	..	..	..
June, 1912	3/9 " 5/9	5/9 " 8/8	5/9 " 7/2	6/9 " 13/2	7/8 " 9/5	5/4 " 6/10	10½d. " 1/2	10/11 " 15/3	..	..	..

Average for Month of	Cherries.	Tomatoes.	Potatoes.	New Potatoes.	Swedes.	Onions.	Cabbages.	Cauliflowers.	Carrots.	Parsnips.	Pumpkins.
July, 1911	..	..	5/3 to 6/3	18/	1/10	7/6 to 8/8	1/8 to 3/6	5/9 to 9/8	2/5 to 3/3	3/ to 3/9	3/8 to 4/8
Aug., 1911	..	..	4/10 " 5/10	19/ to 22/6	1/5 to 2/	6/9 " 7/8	1/8 " 4/3	3/ " 7/9	2/8 " 3/5	2/3 " 3/3	3/2 " 4/2
Sept., 1911	..	..	4/8 " 5/8	17/3 " 23/	1/3 " 1/9	7/10 " 8/10	5/ " 8/5	4/5 " 8/8	3/6 " 5/3	2/3 " 3/5	4/6 " 5/9
Oct., 1911	..	..	3/ " 4/	9/ " 14/	1/8 " 1/9	9/11 " 12/5	3/9 " 8/6	5/3 " 10/9	2/2 " 3/	1/6 " 2/6	4/10 " 6/2
Nov., 1911	17/4 to 24/	..	3/6 " 4/6	5/8 " 7/9	1/11 " 2/4	9/9 " 14/	4/9 " 9/2	4/9 " 9/3	4/2 " 6/	3/3 " 5/4	7/8 " 9/4
Dec., 1911	14/ " 19/	12/3 to 16/	4/ " 6/	5/2 " 6/6	2/ " 2/6	8/2 " 9/3	3/11 " 8/2	4/3 " 7/9	5/5 " 7/2	5/ to 6/3	..
Jan., 1912	16/ " 30/	4/ " 7/2	..	3/8 " 7/10	..	6/8 " 7/6	4/ " 7/2	5/9 " 8/5	7/2 " 9/3	4/ to 5/	..
Feb., 1912	..	1/6 " 2/11	..	..	1/8 to 2/	5/2 " 5/9	3/6 " 5/8	5/3 " 8/6	4/5 " 6/5	4/ " 5/	..
Mar., 1912	..	1/5 " 2/2	3/11 to 4/5	..	1/ " 1/6	5/ " 7/6	8d. " 2/2	2/3 " 3/11	2/ " 2/6	2/3 " 3/3	3/9 to 5/
April, 1912	..	1/10 " 3/3	3/ " 4/	..	1/ " 2/	3/8 " 5/	1/ " 2/6	4/ " 8/6	2/2 " 2/7	2/10 " 3/10	3/2 " 4/2
May, 1912	..	2/8 " 5/4	4/5 " 4/10	..	1/5 " 2/	4/8 " 6/11	1/2 " 2/1	5/5 " 8/8	2/ " 2/9	2/2 " 3/	2/6 " 4/
June, 1912	..	8/ " 10/10	5/3 " 6/3	..	1/2 " 1/7	5/2 " 7/6	1/ " 2/3	4/6 " 8/2	2/2 " 3/	2/2 " 2/9	3/2 " 4/2

\* American.

## EXHIBIT No. 10.

(Nos. 10 to 19 put in by Mr. W. T. Young. See pages 450-52.)

## WELLINGTON PROVINCIAL DISTRICT.—COMPARATIVE STATEMENT OF THE PRICE OF PROVISIONS IN THE YEARS 1892 AND 1909, PER OFFICIAL RECORDS.

Class of Article.	Price, 1892.		Price, 1909.		Increase.	
	s.	d.	s.	d.	s.	d.
Flour, retail, 50 lb. bag .. .. .	6	0 to 6	6	6 to 7	0	6
Bread, 4 lb. loaf .. .. .	0	6 ,, 0	0	6 ,, 0	0	0½
Beef, per pound .. .. .	0	3½ ,, 0	0	4 ,, 0	0	0½
Mutton, per pound .. .. .	0	3½ ,, 0	0	3 ,, 0	0	0¼
Veal, per pound .. .. .	0	4 ,, 0	0	4 ,, 0		
Pork, per pound .. .. .	0	5 ,, 0	0	6 ,, 0	0	1
Lamb, per pound .. .. .		6d.	0	6 ,, 0	0	1
Butter, fresh, per pound .. .. .		10d.		11½d.	0	1½
" salt, per pound .. .. .	0	8 to 0	0	7 to 1	0	1
Cheese, colonial, per pound .. .. .	0	6 ,, 0	0	6 ,, 0		
" imported, per pound .. .. .	0	10 ,, 1	1	4 ,, 1	0	4½
Milk, per quart .. .. .	0	3 ,, 0	0	3 ,, 0		
Potatoes, per hundredweight, retail .. .. .	6	0 ,, 8	6	6 ,, 8		
Onions, per pound .. .. .	0	0¼ ,, 0	0	1 ,, 0	0	1¼
Carrots, per dozen bunches .. .. .	1	0 ,, 2	1	0 ,, 1	3d.	decrease.
Turnips, per dozen bunches .. .. .	1	6 ,, 2	1	0 ,, 1	3d.	"
Cabbages, per dozen .. .. .	1	0 ,, 1	1	0 ,, 3	0	11
Bacon, per pound .. .. .	0	6½ ,, 0	0	8½ ,, 0	0	3
Ham, per pound .. .. .	0	9 ,, 0	0	9½ ,, 1	0	1¼
Tea, per pound .. .. .	2	0 ,, 3	1	6 ,, 2		Decrease.
Coffee, per pound .. .. .	1	6 ,, 2	1	6 ,, 2		
Sugar, per pound .. .. .	0	3 ,, 0	0	2½ ,, 0		Decrease.
Rice, per pound .. .. .		3d.	0	2 ,, 0		"
Salt, per pound .. .. .	0	1 to 0		1d.		"
Candles, per pound .. .. .	0	7 ,, 0	0	7 to 0		"
Coal, per ton .. .. .	34	0 ,, 50	32	0 ,, 45		"
Soap, per hundredweight .. .. .	15	0 ,, 26	21	0 ,, 30	5	0
Geese, per pair .. .. .	5	0 ,, 9	7	0 ,, 10	1	0
Ducks, per pair .. .. .	3	6 ,, 4	5	0 ,, 7	2	3
Fowls, per pair .. .. .	2	6 ,, 3	3	0 ,, 5	1	1½
Turkeys, per head .. .. .	3	0 ,, 5	6	0 ,, 10	3	9

## WELLINGTON PROVINCIAL DISTRICT.—COMPARATIVE STATEMENT OF THE AVERAGES OF WAGES PAID IN THE YEARS 1892 AND 1909 IN ACCORDANCE WITH OFFICIAL RECORDS.

Class of Worker.	Wages paid, 1892.	Wages paid, 1909.	Increase.
<i>Wages per Day, without Board.</i>			
Masons .. .. .	9/ to 12/	12/ to 13/4	3/ and 1/4
Plasterers .. .. .	9/ ,, 12/	12/8	2/2
Bricklayers .. .. .	9/ ,, 12/	12/8	2/2
Carpenters .. .. .	8/ ,, 10/	10/ to 11/6	2/ and 1/6
Wheelwrights .. .. .	8/6 ,, 10/	10/ ,, 11/8	1/6 ,, 1/8
Shipwrights .. .. .	12/	10/ ,, 10/8	Decrease.
Watchmakers .. .. .	9/ to 15/	8/6 ,, 12/	"
Plumbers .. .. .	8/ ,, 12/	10/6 ,, 12/	1/3
Painters .. .. .	8/ ,, 10/	9/ ,, 10/	6d.
Saddlers .. .. .	7/6 ,, 10/	7/ ,, 10/	Decrease.
Coopers .. .. .	7/6 ,, 10/	10/	1/3
Shoemakers .. .. .	7/6 ,, 10/	8/ to 10/	6d.
Tailors .. .. .	10/	8/ ,, 10/	"
General labourers .. .. .	6/ to 8/	8/	1/
Engine-drivers .. .. .	9/ ,, 14/	8/ to 10/	Decrease.
Farm labourers .. .. .	6/	7/ ,, 8/	1/6
Ploughmen .. .. .	6/	8/ ,, 9/	2/6
Harvesters .. .. .	9/6	8/ ,, 12/	6d.
Gardeners .. .. .	6/ to 8/	8/ ,, 9/	1/6



EXHIBIT No. 10—*continued.*WELLINGTON PROVINCIAL DISTRICT.—COMPARATIVE STATEMENT OF THE AVERAGES OF WAGES PAID IN THE YEARS 1892 AND 1909 IN ACCORDANCE WITH OFFICIAL RECORDS—*continued.*

Class of Worker.	Wages paid, 1892.	Wages paid, 1909.	Increase.
<i>Wages per Week, with Board.</i>			
Grooms .. .. .	20/ to 25/	20/ „ 30/	2/6
Cooks .. .. .	12/ „ 25/	20/ „ 30/	6/6
Laundresses .. .. .	10/ „ 16/	15/ „ 30/	9/6
General house-servants .. .. .	10/ „ 15/	15/ „ 20/	5/
Housemaids .. .. .	10/ „ 15/	15/ „ 20/	5/
Nursemaids .. .. .	8/ „ 12/	7/6 „ 15/	1/3
Needlewomen .. .. .	15/	15/ „ 20/	5/
Station labourers .. .. .	15/ to 20/	20/ „ 25/	5/
Men cooks on stations .. .. .	20/ „ 30/	25/ „ 40/	7/6
<i>Wages per Week, without Board.</i>			
Tailoresses .. .. .	15/ to 25/	21/ to 36/	8/6
Dressmakers .. .. .	15/ „ 40/	20/ „ 30/	2/6 decrease.
Machinists .. .. .	15/ „ 25/	25/ „ 30/	5/
Milliners .. .. .	20/ „ 45/	30/ „ 50/	7/6
Storekeepers' assistants .. .. .	30/ „ 50/	25/ „ 60/	2/6
Drapers' assistants .. .. .	30/ „ 60/	40/ „ 60/	5/
Grocers' assistants .. .. .	35/ „ 50/	45/ „ 54/	7/
Butchers .. .. .	30/ „ 50/	40/ „ 60/	10/
Bakers .. .. .	40/ „ 60/	45/ „ 60/	2/6
Storemen .. .. .	40/ „ 60/	48/ „ 60/	4/
Compositors .. .. .	40/ „ 60/	48/ „ 65/	6/6
<i>Wages per Annum, with Board.</i>			
Married couples, without family .. .. .	£65 to £90	£70 to £100	£7 10s.
„ with family .. .. .	£65 „ £85	£85 „ £90	£12 10s.
Shepherds .. .. .	£60 „ £80	£65 „ £90	£7 10s.
Stock-keepers .. .. .	£65 „ £75	£65 „ £80	£2 10s.
<i>Shearers, with Board.</i>			
Per 100 sheep .. .. .	17/6	20/	2/6

## EXHIBIT No. 11.

COMPARATIVE STATEMENT OF WAGES PAID TO THE HEREINAFTER-NAMED CLASSES OF SEAFARING WORKERS EMPLOYED ON THE NEW ZEALAND COASTAL TRADING STEAMERS, INTERCOLONIAL TRADING STEAMERS, AND SOUTH PACIFIC ISLAND TRADING STEAMERS DURING THE PAST TWENTY YEARS.

*Wages per Month.*

	1892.	1894.	1897.	1899.	1908.	1912.
	£ s.	£ s.	£ s.	£ s.	£ s.	£ s.
Bosuns .. .. .	8 0	7 0	7 10	7 10	8 0	9 0
Quartermasters .. .. .	7 0	6 0	6 10	6 10	7 0	8 0
Lamps and A.B. .. .. .	8 0	7 0	7 10	7 10	8 0	9 0
Lamps .. .. .	7 0	6 0	6 10	6 10	7 0	8 0
Able seamen .. .. .	7 0	6 0	6 10	6 10	7 0	8 0
Ordinary seamen .. .. .	5 0	4 0	4 10	4 10	5 0	6 0
Ordinary seamen .. .. .	4 0	3 0	3 10	3 10	4 0	5 0
<i>Four-hour Watches.</i>						
Donkeymen .. .. .	10 0	9 0	9 10	9 10	10 0	11 0
Firemen .. .. .	9 0	8 0	8 10	8 10	9 0	10 0
Greasers .. .. .	9 0	8 0	8 10	8 10	9 0	10 0
Trimmers .. .. .	7 0	6 0	6 10	6 10	7 0	8 0
Storekeepers .. .. .	9 0	8 0	8 10	8 10	9 0	10 0
<i>Six-hour Watches.</i>						
Donkeyman .. .. .	10 0	9 0	9 10	10 10	11 0	12 0
Firemen .. .. .	9 0	8 0	8 10	9 10	10 0	11 0
Greasers .. .. .	9 0	8 0	8 10	9 10	10 0	11 0
Trimmers .. .. .	7 0	6 0	6 10	7 10	8 0	9 0
Storekeepers .. .. .	9 0	8 0	8 10	9 10	10 0	11 0

NOTE.—In the years not specified the wages are similar to those in the previous specified year.  
W. T. YOUNG.

## EXHIBIT No. 12.

COMPARATIVE STATEMENT OF THE RATE OF OVERTIME PAID TO THE VARIOUS CLASSES OF SEAFARING WORKERS, PREVIOUSLY NAMED IN THE STATEMENT OF WAGES, EMPLOYED ON NEW ZEALAND COASTAL STEAMERS, INTERCOLONIAL TRADING STEAMERS, AND SOUTH PACIFIC ISLAND TRADING STEAMERS DURING THE PAST TWENTY YEARS.

## Overtime per Hour.

Year.	Working Cargo.		Trimming Coal.		Ship's Work.		Stowing Grain in Bags.		Boating Cargo.		Engine-room Work.				
	s.	d.	s.	d.	s.	d.	s.	d.	s.	d.	s.	d.			
1892 .. ..	1	6	1	6	1	6	1	6	1	6	1	6			
1894 .. ..	1	0	1	0	1	0	1	0	1	0	1	0			
1897 .. ..	1	0	1	0	1	0	1	0	1	0	1	0			
1899 .. ..	1	0	1	3	1	0	1	3	s. d.	s. d.	1	0			
1902 .. ..	1	0	1	3	1	0	1	3	1	6 and 1	9	1	0		
1906 .. ..	1	0	1	3	1	0	1	0	1	6 and 1	9	1	0		
1908 .. ..	1	3	1	3	1	0	1	6	1	6 and 1	9	1	0		
1912 .. ..	1	6	1	6	1	3	1	6	1	9	s. d.	s. d.	1	3 and 1	6

NOTE.—In the years not specified the rates are the same as in the years specified.

W. T. YOUNG.

## EXHIBIT No. 13.

STATEMENT SHOWING THE NUMBER OF VESSELS OF THE UNION COMPANY THAT THE BALANCE IN FAVOUR OF THE OWNERS OF THE T.S.S. "MAORI" WOULD PAY FOR THE ADDITIONAL COST TO OWNERS BY THE AGREEMENT WITH THE SEAMEN'S UNION.

Ship.	Number of Men carried who come under the Agreement.	Additional Cost per Annum.
S.s. "Kamona" .. ..	12	£ 288
S.s. "Komata" .. ..	16	384
S.s. "Rosamond" .. ..	10	240
S.s. "Koonya" .. ..	13	312
S.s. "Kini" .. ..	12	288
(5 ships) .. ..	63	1,512
Balance in favour of owners in t.s.s. "Maori" case..	.. ..	1,575
Balance in favour of owners .. ..	.. ..	£63

It will be noted that the balance of £1,575 in favour of the owners in the "Maori" case pays for the additional cost incurred on five other of their vessels, and leaves the owners a balance to credit of £63.

## EXHIBIT No. 14.

T.S.S. "MAORI."—STATEMENT OF ESTIMATED NUMBER OF PASSENGERS CARRIED BY THE T.S.S. "MAORI" IN A YEAR, SHOWING THE AMOUNT EARNED IN FARES ACCORDING TO RULING CHARGES, THE TOTAL INCREASE IN RECEIPTS PER ANNUM RESULTING FROM AN INCREASE OF 5 PER CENT. IN FARES, AND THE ESTIMATED TOTAL ADDITIONAL COST TO THE OWNERS PER ANNUM AS THE RESULT OF THE RECENT AGREEMENT ENTERED INTO WITH THE SEAMEN'S UNION.

## Second class—

100 second-class passengers per trip at 12s. 6d. each .. ..	£62 10s.
312 trips in a year at 100 passengers per trip .. ..	31,200 passengers.
31,200 passengers at 12s. 6d. each .. ..	£19,500 per annum.
5 per cent. added to £19,500 returns an increase per annum of .. ..	£975.

## First class—

100 first-class passengers per trip at £1 each .. ..	£100.
312 trips in a year at 100 passengers per trip .. ..	31,200 passengers.
31,200 passengers at £1 each .. ..	£31,200 per annum.
5 per cent. added to £31,200 returns an increase per annum of .. ..	£1,560.

## Second- and first-class passengers combined—

312 trips in a year at 200 passengers per trip .. ..	62,400 passengers.
62,400 passengers at 12s. 6d. and £1 each .. ..	£50,700 per annum.
5 per cent. added to £50,700 returns an increase per annum of .. ..	£2,535.

Under the agreement with the Seamen's Union wages were increased £1 per month, and overtime estimated at £1 per month.

T.s.s. "Maori" carries 13 men on deck and 27 in the stokehold and engine-room, who come within the scope of the agreement: total, 40.

Wages of 40 men increased £2 per month per man .. ..	£80 per month.
£80 per month increased cost .. ..	£960 per annum.
5 per cent. added to passenger fares .. ..	£2,535 ..

Balance in favour of owners .. .. £1,575 per annum.

## EXHIBIT No. 15.

SIR,— Registrar-General's Office, Wellington, 15th September, 1911.

Your letter of the 9th instant addressed to the Registrar-General has been referred to me. The particulars asked for are as follows:—

1. The quantity of butter produced in the factories for the year ended 30th April, 1911, was approximately 491,220 cwt.
2. The quantity and value of the butter exported for the year ended 31st March, 1911, was 367,849 cwt., valued at £1,860,546.
3. The quantity of cheese produced in the factories for the year ended 30th April, 1911, was approximately 480,200 cwt. The quantity and value of cheese exported for the year ended 31st March, 1911, was 456,371 cwt., valued at £1,216,137.
4. The number of butter and cheese factories in the Dominion, 30th April, 1911: Butter-factories, 185; cheese-factories, 218; skimming-stations, 414.

I have, &c.,

M. FRASER,

Government Statistician.

W. T. Young, 27A Panama Street, Wellington.

## EXHIBIT No. 16.

## COAL-MINES COMMISSION REPORT, 1901: EVIDENCE OF MR. JOACHIM.

	Per Ton.
	s. d.
Cost of coal at bins tip-head .. .. .	5 9
Royalty .. .. .	0 6
Commissions, agencies, and management .. .. .	0 7½
Miners' Accident Fund .. .. .	0 0½
Railway haulage .. .. .	3 2
Depreciation, plant, &c. .. .. .	0 8
Stores, &c... .. .	0 3
F.o.b. total cost.. .. .	11 0

	Tons.
Point Elizabeth Mine capable of an output daily (if facilities for shipment were sufficient) of..	1,500
The output of the mine yearly is about .. .. .	216,000
If working 303 days its output at 1,500 tons would be .. .. .	469,500
This would give an increased output per year of .. .. .	253,500

## STATE-OWNED COLLIERIES.

Freight paid to Union Company .. .. .	5s. 3d.
Average yearly output (about) .. .. .	216,000 tons.
216,000 tons at an average of 5s. per ton .. .. .	£54,000
Three colliers of 2,000 tons each at £15 per ton .. .. .	£90,000

## One Week—Estimated Earnings.

	£ s. d.
Wages for week (about) .. .. .	72 16 0
Labour—Loading and discharging .. .. .	75 0 0
Wharfage—2,000 tons at 1s. .. .. .	100 0 0
Bunker coal, say, 30 tons at 6s. .. .. .	9 0 0
Total .. .. .	256 16 0
2,000 tons at 3s. freight .. .. .	300 0 0
Balance .. .. .	43 4 0
Freight—Return, say, 200 tons at 5s. .. .. .	50 0 0
Labour applied to return freight .. .. .	93 4 0
Balance, credit .. .. .	20 0 0
Balance, credit .. .. .	£73 4 0

## Summary of Credit of Earnings.

One collier clearing £73 per week for fifty weeks, £3,650 per annum; three colliers clearing £73 each per week, £10,950 per annum. So in nine years the earnings to credit would be £98,550. This would pay off the cost of vessels. State Coal-mines Act passed 1901. Averaging it at 40,000 each year for eight years we have paid in freight to private enterprise £320,000.

## EXHIBIT No. 17.

SIR,—

Public Works Department, Sydney, 28th September, 1911.

I have the honour to furnish replies to the questions contained in your letter of the 1st instant, with regard to the recent establishment of brickworks by the Government of this State:—

- (1.) Q. The average price of bricks per 1,000 prior to the State works being established.—  
A. 42s. per 1,000 at kiln.
- (2.) Q. The price of bricks per 1,000 turned out by the State works.—A. 25s. per 1,000 at kiln.
- (3.) Q. What profit, if any, the State works is making on its present charges per 1,000.—  
A. Bricks are supplied to the Department at cost price.
- (4.) Q. Is there any probability of the existing State price being further reduced.—A. Yes; price will be reduced to under 20s. per 1,000.
- (5.) Q. The wages paid to men employed at private-owned works, and that paid to men engaged at the State works.—A. Union rates of wages in both cases.

For your information I also enclose a copy of a paragraph recently published in the local daily Press, respecting the quality of the bricks produced.

I have, &amp;c.,

W. J. HANNA, Under-Secretary.

Mr. W. T. Young, Secretary, Federated Seamen's Union, Wellington, New Zealand.

## EXHIBIT No. 18.

## STATE BRICKWORKS.

*Professional Officer's Opinion as to the Quality of the Bricks manufactured.*

In June last the Minister for Public Works announced that the first order had been placed to supply bricks for a Government work, the job in question being the Newtown-Marrickville storm-water channel. This order was for 100,000 bricks. It has now been completed, and Mr. Griffith has received a report from the engineer in charge of the work. The report states that the bricks were of first-class quality, well burnt, and very regular in size. They were far superior to any the officer had used for years past, and owing to their uniformity the bricklayers were able to lay a considerable number more bricks per day than would otherwise have been the case.

Commenting on the satisfactory nature of this report, Mr. Griffith explained that it was not contemplated the works would be in a position to supply bricks until the permanent kilns were completed and the whole plant installed, at about the end of the year. It having been found, however, that the plant was turning out more than could be immediately used in erecting kilns, &c., arrangements were made to supply such orders as were possible. The manager expects to be in a position to light the first permanent Hoffman kiln by the end of next week, and immediately afterwards to commence providing public departments with a large regular weekly supply.

## EXHIBIT No. 19.

WHEN the "Lusitania" is under steam she consumes 70 tons of coal per hour, a quantity equal to 1 ton 3 cwt. 37 lb. per minute, or 1,680 tons per day of twenty-four hours. The stokehold crew consists of 120 trimmers, 192 firemen, and 21 greasers—a total of 333 men. Royalty is a payment exacted by the landlord from the producers of coal, and ranges from 4d. per ton to 3s. 6d. per ton. The highest wages paid out of Liverpool to seamen has never exceeded £4 10s. per month for trimmers, equal to 3s. per day; for firemen, £5, equal to 3s. 4d. per day; greasers, £5 10s. per month, equal to 3s. 8d. per day. Royalty on the best Welsh coal amounts to 1s. 3d. per ton, so that on a consumption of 1,680 tons the landowner (who does no work whatsoever) pockets £105 per day. How does that amount compare with the daily wages of the entire stokehold crew?—120 trimmers at 3s. per day, £18; 190 firemen at 3s. 4d. per day, £32; 21 greasers at 3s. 8d. per day, £3 17s.: total wages for 333 labouring-men per day, £53 17s. The royalty on coal consumed in one day amounts to £105, which is £51 3s. more than the total wages paid to 333 men. The rate of wages work out at 1½d. per hour for the labourer, and the royalty at £4 7s. 6d. an hour for landowner.

The passage from Liverpool to New York occupies five days; allowing an equal period for returning, the round trip will occupy ten days, and the coal-consumption amounts to 16,800 tons. Royalty on the coal consumed (16,800 tons) at 1s. 3d. per ton amounts to £1,050. Wages on the round trip—120 trimmers, £180; 192 firemen, £320; 21 greasers, £38 10s.: total wages paid to 333 men, £538 10s.

## EXHIBIT No. 20.

COMPARATIVE BUTCHERY PRICES FROM OCTOBER, 1901, TO FEBRUARY, 1912, INCLUSIVE.

Date.	Ox Beef,	Cow Beef,	Wethers,	Ewes.
	per 100 lb.	per 100 lb.	per lb.	per lb.
	s. d.	s. d.	s. d.	s. d.
October, 1901 .. .. .	19 0	*	0 2 $\frac{3}{4}$	0 2 $\frac{1}{4}$
February, 1902 .. .. .	19 0	*	Nil	0 2 $\frac{3}{4}$
October, 1902 .. .. .	27 0	*	0 3	0 2 $\frac{1}{2}$
February, 1903 .. .. .	26 0	*	0 3	0 2 $\frac{1}{2}$
October, 1903 .. .. .	25 0	*	0 3 $\frac{1}{2}$	0 3 $\frac{1}{4}$
February, 1904 .. .. .	19 0	*	0 3	0 2 $\frac{1}{2}$
October, 1904 .. .. .	20 0	*	0 3 $\frac{3}{4}$	0 3 $\frac{1}{4}$
February, 1905 .. .. .	17 0	*	0 3 $\frac{1}{4}$	0 3
October, 1905 .. .. .	20 0	*	0 3 $\frac{3}{4}$	0 3 $\frac{1}{4}$
February, 1906 .. .. .	18 0	*	0 3	0 2 $\frac{1}{2}$
October, 1906 .. .. .	19 0	*	0 3 $\frac{3}{4}$	0 2 $\frac{3}{4}$
February, 1907 .. .. .	18 0	*	0 3	0 2 $\frac{1}{2}$
October, 1907 .. .. .	22 0	*	0 3 $\frac{3}{4}$	0 3 $\frac{1}{4}$
February, 1908 .. .. .	19 0	*	0 3	0 2 $\frac{1}{2}$
October, 1908 .. .. .	21 0	19 0	0 3 $\frac{1}{2}$	0 3
February, 1909 .. .. .	19 0	17 0	0 2 $\frac{3}{4}$	0 2 $\frac{1}{4}$
October, 1909 .. .. .	18 0	16 0	0 2 $\frac{1}{2}$	0 2
February, 1910 .. .. .	18 0	16 0	0 2 $\frac{1}{2}$	0 2
October, 1910 .. .. .	23 0	21 0	0 3 $\frac{1}{4}$	0 2 $\frac{3}{4}$
February, 1911 .. .. .	21 0	19 0	0 3	0 2 $\frac{1}{2}$
October, 1911 .. .. .	25 0	23 0	0 3 $\frac{1}{2}$	0 3
February, 1912 .. .. .	23 0	21 0	0 3	0 2 $\frac{1}{2}$

\* For these periods cannot distinguish separate prices, presumably 2s. less than ox price.

## EXHIBIT No. 21.

(Nos. 21 to 24 put in by Rev. J. Dawson and Rev. W. J. Comrie. See page 471.)

## DRINK BILL FOR 1911.

Spirits, 792,790 gallons, at £2 per gallon (increase 25,170 gallons) .. .. .	1,585,580
Wines, 143,152 gallons, at £2 per gallon (decrease 10,278 gallons) .. .. .	286,304
Imported beer, 273,650 gallons, at 6s. per gallon (increase 2,060 gallons) .. .. .	82,095
Beer brewed in New Zealand, 9,526,960 gallons, at 4s. per gallon (increase 127,520 gallons) .. .. .	1,905,392
<b>Total .. .. .</b>	<b>£3,859,371</b>
Total for year 1910 .. .. .	3,803,438
Increase .. .. .	55,933
Cost per head of estimated population—	
Estimated population of Dominion (exclusive of Cook and other Pacific islands) on 31st December, 1911, taken from returns of Government Statistician ( <i>New Zealand Gazette</i> , 1912, No. 13, p. 691) .. .. .	1,075,250
Estimated population on 31st December, 1910—	
Estimated increase for year .. .. .	22,604
Estimated mean population for year 1911 .. .. .	1,063,948
	£ s. d.
Cost of liquor per head .. .. .	3 12 6 $\frac{1}{2}$
Cost per head for year 1910 .. .. .	3 13 1 $\frac{1}{4}$
Decrease .. .. .	0 0 6 $\frac{3}{4}$
Per head of population over fifteen years of age (excluding Maoris) .. .. .	5 11 6 $\frac{3}{4}$
Including Maoris .. .. .	5 6 5
Number of occupied dwellinghouses at date of census .. .. .	210,734
Consumption of liquor per dwellinghouse .. .. .	£18 6s. 3d.

## EXHIBIT No. 21—continued.

The annual drink bill, estimated from the Customs and excise returns for the sixteen years from 1870 to 1885, inclusive, average £2,599,553 per annum. This would give for the fifteen years from 1870 to 1884, inclusive, a total of £38,993,295. Following this are given below the annual expenditures for the twenty-six years which have since elapsed to 1910, inclusive. The estimated population prior to 1896 was exclusive of Maoris, but in 1896 and onward has been inclusive of them.

Year.	Estimated Population.	Estimated Cost of Liquor consumed. £	Cost per Head of Population. £ s. d.
1870 to 1884 .. .. .	.. .. .	38,993,295	.. .. .
1885 .. .. .	600,000	2,289,514	3 16 0
1886 .. .. .	600,656	2,154,855	3 11 9
1887 .. .. .	603,361	2,093,430	3 0 5
1888 .. .. .	607,380	2,085,162	3 8 8
1889 .. .. .	620,279	1,911,788	3 1 8
1890 .. .. .	625,508	2,111,498	3 7 6
1891 .. .. .	634,058	2,083,898	3 5 9
1892 .. .. .	650,435	2,169,166	3 6 8
1893 .. .. .	672,265	2,198,335	3 5 5
1894 .. .. .	686,128	2,099,552	3 1 1
1895 .. .. .	703,360	2,129,119	3 0 5
1896 .. .. .	757,503	2,265,900	2 19 8½
1897 .. .. .	762,079	2,371,738	3 2 2½
1898 .. .. .	776,288	2,458,998	3 3 4
1899 .. .. .	790,387	2,557,968	3 4 9
1900 .. .. .	803,333	2,747,170	3 8 4½
1901 .. .. .	822,779	2,922,982	3 11 0½
1902 .. .. .	840,031	2,953,298	3 10 3¾
1903 .. .. .	865,560	3,056,590	3 10 7½
1904 .. .. .	889,776	3,152,849	3 10 10¼
1905 .. .. .	915,060	3,120,705	3 8 2¼
1906 .. .. .	944,490	3,360,121	3 11 1¾
1907 .. .. .	967,017	3,667,379	3 15 10
1908 .. .. .	994,434	3,751,968	3 15 5½
1909 .. .. .	1,021,214	3,628,137	3 11 0½
1910 .. .. .	1,040,442	3,803,438	3 13 1¼
1911 .. .. .	1,075,250	3,859,371	3 12 6½

Total for forty-two years .. .. . £111,998,224

Landed value in 1910, £466,785; and in 1911, £442,251—all sent out of the Dominion.

## EXHIBIT No. 22.

RETURN SHOWING THE TOTAL AMOUNT OF DUTY COLLECTED ON SPIRITS, BEER, AND WINE AT EACH PORT IN NEW ZEALAND, AND THE AMOUNT OF CONSUMPTION THEREOF PER HEAD OF POPULATION, DURING 1911.

Ports.	Spirits at 16s. £	Wine. £	Beer (Imported). £	Beer (Excise). £
Auckland .. .. .	135,263	7,808	6,729	28,108
Kaipara .. .. .	.. .. .	1	.. .. .	.. .. .
Tauranga .. .. .	683	7	.. .. .	.. .. .
Poverty Bay .. .. .	19,874	1,288	1,143	2,654
New Plymouth .. .. .	13,011	786	344	779
Patea .. .. .	1,637	172	3	.. .. .
Wanganui .. .. .	26,576	1,419	1,490	3,438
Wellington .. .. .	135,801	10,339	8,093	13,421
Napier .. .. .	29,859	1,947	1,108	4,096
Wairau and Picton .. .. .	4,746	213	132	1,100
Nelson .. .. .	8,236	406	956	2,021
Westport .. .. .	4,944	389	.. .. .	1,846
Greymouth .. .. .	11,330	797	134	2,059
Hokitika .. .. .	3,514	155	.. .. .	2,573
Christchurch .. .. .	109,321	7,227	4,215	17,923
Timaru .. .. .	15,854	515	199	2,320
Oamaru .. .. .	.. .. .	15	.. .. .	.. .. .
Dunedin .. .. .	84,912	4,351	2,583	35,034
Invercargill .. .. .	28,671	720	236	1,715
Totals .. .. .	634,232	38,605	27,365	119,087
Total quantities .. .. .	792,790 gal.	143,152 gal.	273,650 gal.	9,526,960 gal.
Amount per head .. .. .	2.5 „	0.2 „	0.4 „	13.3 „
Duty per head .. .. .	£1 19s. 2¾d.	1s. 1d.	9¼d.	3s. 4d.

NOTE.—Spirits: Adult male population, including Maoris. Wine and beer: male and female population over fifteen years, including Maoris.

C. S. NIXON,  
For Secretary of Customs.

Department of Trade and Customs, Wellington, 10th January, 1912.

## EXHIBIT No. 23.

Year.	Separate Persons charged with Drunkenness.	Not known to have been previously convicted.
1901	8,032	4,456
1902	8,244	5,202
1903	8,815	4,944
1904	9,615	5,268
1905	8,707	5,141
1906	9,210	5,144
1907	10,203	5,809
1908	10,343	5,840
1909	10,657	6,042
1910	11,718	7,056
1911	11,722	say 7,000
Separate persons in eleven years	.. ..	61,902

## EXHIBIT No. 24.

## WHAT LIQUOR COSTS IN CRIME, ETC.

In the schedule given below the figures in the first column are taken from the latest official returns available. The proportion of the expenditure which is in each case debited to liquor is stated in the second column. The proportion will be found in each case to be less than the estimate of some of the very highest authorities in the various departments concerned. In the case of charitable aid, several local estimates put the proportion due to liquor as high as 80 per cent., and old-age pensions, which are practically charitable aid, would be treated by some authorities in the same way. To be on the safe side, however, we have reduced the proportion by 5 per cent. in the one case and by 30 per cent. in the other. When it is remembered that in these cases the destitution which is due to the intemperance or extravagance not merely of recipients but of those who would have otherwise maintained them is included, the proportions will doubtless be conceded by any competent critic to be well within the mark:—

	Total Expenditure, 1910-11.	Due to Liquor.		Not due to Liquor.
		Per Cent. of Total.	Amount.	Amount.
	£		£	£
Prisons .. .. .	44,392	75	33,294	11,098
Police .. .. .	177,405	75	133,054	44,351
Criminal prosecutions .. .. .	13,021	75	9,766	3,255
Charitable aid* .. .. .	94,240	75	70,680	23,560
Old-age pensions .. .. .	366,033	50	183,017	183,016
Hospitals* .. .. .	171,101	60	102,660	68,441
Mental hospitals* .. .. .	100,877	30	30,263	70,614
Industrial schools .. .. .	33,379	75	25,034	8,345
Totals .. .. .	1,000,448	..	587,768	412,680

\* The returns in these three cases for 1910-11 not having been fully published, those of the previous year have been used, though it is clear from what has already appeared that both hospitals and charitable aid will show a considerable increase.



## ADDENDUM.

### REPLIES TO QUESTIONS SENT TO MEDICAL PRACTITIONERS.\*

From Dr. W. E. COLLINS, Wellington.

1. How many years of practice in New Zealand?  
Thirty-three years.
2. What is the average remuneration of lodge doctors?  
15s. This does not include drugs, but includes attendance on children to the age of fifteen years, and aged parents.
3. Have medical practitioners and friendly societies been generally in amicable relations?  
Yes, as far as I know.
4. Have expenses of doctors increased greatly of late years? If so, in what direction?  
Yes, considerably. Rents are higher than they used to be. In order to enable doctors to get about more quickly many use motor-cars, which are more expensive than buggies or broughams. Books are more numerous and more expensive, and the necessary instruments are also more numerous, and entail a good deal of expense.
5. Has the cost of medical attendance increased in the last ten years, or in twenty years?  
I do not think so, as far as the general practitioners are concerned.
6. Have the cost of drugs and quality of drugs varied in late years—that is, is a finer quality or more expensive kind of drug demanded now than was formerly the case?  
Many drugs of higher quality and of the more expensive kinds are demanded now, and many special forms of treatment, with vaccines, &c.
7. Have maternity expenses increased, and in what direction?  
Generally I should say that maternity expenses have remained about the same during the last ten years.
8. Have maternity homes, State nurses, &c., been of pecuniary advantage to the poorer classes?  
Yes.
9. Have high rents in cities a tendency to keep workers in slum districts or in insanitary dwellings?  
It would be the tendency of high rents to keep workers in old and insanitary buildings.
10. Speaking generally, is there greater tendency to disease in the average man or woman than was the case twenty years ago?  
No.
11. If the cost of living, due to high rents, costly food, &c., is on the increase, would that account for a higher rate of nervous or mental disease?  
Yes, partly; but I think that the higher rate of nervous disease is due much more to the greater stress of life. The mental strain in most businesses is much greater now than it used to be.
12. Is there a greater air of comfort and independence among the artisan and labouring classes than formerly?  
I certainly think so.
13. If disease is increasing, does it appear most in town or in the country? If in towns, is there a dominating cause?  
I do not think that disease is increasing. I should say that, taking the average for ten years, the amount of disease would be much the same, or perhaps a little less at the present time. Such diseases as typhoid, tuberculosis, dysentery appear to be on the decrease, but cancer seems to be on the increase. This, however, may be more apparent than real, owing to the much more exact methods of diagnosis in use now.
14. Have you noticed any diseases arising from occupations (say, in bakers, wharf labourers, tailors, shop-assistants)?  
No.
15. Considering the many evils arising from imperfect digestion and weak nutrition, do you consider that State inspection and care of the teeth of school-children are desirable?  
Very desirable.
16. Do you consider that the birth-rate, being now far lower than it was twenty years ago, arises from—(a) physical weakness in modern women? (b) women engaging in industrial occupations? (c) overwork or disease on the part of the men? (d) limitation of families for economic reasons?  
(a.) No. (b.) No. (c.) No. (d.) Yes, certainly.
17. Do the difficulties attending maternity cases in the backblocks influence married couples towards work in towns?  
Yes.
18. Can you suggest any means for diminishing the cost of living without prejudicial effect on health?  
Not amongst the working-classes.

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\* Dr. H. Goldstein, of Auckland (see page 335), gave evidence there before the Commission.

From Dr. A. F. J. MICKLE, Christchurch.

SIR,—

64 Armagh Street, Christchurch, 10th August, 1912.

I duly received your letter of request that I should reply to the questions forwarded to me—eighteen in all. This I have done in the best way that I could in the time at my disposal. I have not made any reply to question 18. It would require more time and study to do justice to. I think there is a tendency to extravagance and waste, and towards too much amusement; then, too, gambling and dissipation is accountable for much. A reversion to a simpler and more home life would be of most service. I am sorry I cannot do more for you, but perhaps my replies may be of some service.

I am, yours obediently,

A. F. J. MICKLE, M.D.

To the Chairman of the Cost of Living Royal Commission.

1. How many years of practice in New Zealand?

I have practised in New Zealand thirty-one years, the whole of the time in Christchurch, excepting during eighteen months spent in revisiting England on two occasions.

2. What is the average remuneration of lodge doctors?

I am surgeon to the Independent Order of Rechabites and to the Sons and Daughters of Temperance; both are on the total-abstinence principle from alcoholic beverages. The remuneration to the doctor is the same in both—viz., 10s. per annum for professional attendance and medicines, &c., for single members, and 20s. per annum for married members, including wife and children up to sixteen years of age. I believe that in some other lodges—*e.g.*, the Odd Fellows—the remuneration is 30s. per annum for married members. The remuneration has not altered during the past thirty years. When the friendly societies' dispensary was established an adjustment was made, but this did not increase the doctors' payment. No other body of men than doctors or clergy would have continued to work for the same remuneration during the great changes of recent years.

3. Have medical practitioners and friendly societies been generally in amicable relations?

So far as my experience goes, yes. In the early years of my residence in Christchurch I had occasionally a little trouble with some lodges. This would arise out of apparent neglect on my part, but I was able to show that it was unavoidable. Some members of lodges (friendly societies) are apt to think they may be neglected in favour of private patients, but this is not the case; the most urgent cases are given preference, whether lodge or private. For many years my relations with the members of the societies I am surgeon to have been very amicable, and I have received reasonable consideration from the members in respect of attendance required.

4. Have expenses of doctors increased greatly of late years? If so, in what direction?

Yes, rents are higher; wages are at least 50 per cent. higher; the motor-car is more expensive than horses, and generally the cost of living is greater than it was fifteen years ago, but not higher than it was thirty years ago—probably less, except in the matter of wages.

5. Has the cost of medical attendance increased in the last ten years, or in twenty years?

If it is meant by this question, Has the cost of medical attendance to the patient increased during the past twenty years, I must reply that I do not think it has done so. My personal experience is that I am not so well remunerated as formerly, say, fifteen or twenty years since.

6. Have the cost of drugs and quality of drugs varied in late years—that is, is a finer quality or more expensive kind of drug demanded now than was formerly the case?

During the past twenty years, and more particularly the last ten, there has been a continuous introduction of new drugs on a large—*i.e.*, a numerous—scale. New remedies are as a rule high in price, and generally drugs are dispensed in an improved and more palatable form, but at increased cost. Having always kept my own surgery and dispensary, I am able to speak definitely on this point, and I should say that the cost of dispensing has increased from 25 per cent. to 50 per cent.; I think the latter estimate is nearer the increase, and in some cases this is exceeded. The new drugs are brought under our notice by the manufacturers, with reports of trial by recognized authorities, so that we feel bound to use them, and so decide for ourselves as to their merits. Many of these newer drugs are of very high value in the treatment of disease. Unfortunately, many of them are very expensive. The duty of 20 per cent. put upon drugs some fifteen years ago increased the cost of the drug bill considerably. I have always been of opinion that all drugs and appliances used in the treatment of sickness should be free of duty.

7. Have maternity expenses increased, and in what direction?

The chief increase of cost in maternity cases has been in the nursing. Up to fifteen years ago efficient nurses—not highly trained nurses, but practically efficient—could be engaged at 30s. to 42s. per week. Now the charge is from 42s. to 63s.; but certainly the present-day nurse is better trained and more reliable. The charges at maternity homes are also higher. It is now £3 3s. to £4 4s.—usually the latter charge—per week; but here, too, there has been a vast improvement. Most of the maternity homes are well equipped and well conducted. Then, the patient has every advantage of skilled nursing and the best environment. The fees of medical men in maternity cases have not, as far as I know, varied during the past thirty years. My own practice has been to charge a higher fee in first cases, which require much more attention and time and special assistance. The fee varies from £2 2s. to £5 5s., and in cases involving unusual attendance a further charge according to the number of visits required.

8. Have maternity homes, State nurses, &c., been of pecuniary advantage to the poorer classes? Private maternity homes have been of very great advantage to patients, and in many cases it is more economical to go into a home than for the patient to remain in her own house; their greatest use is for country cases. The State maternity homes have, I believe, been largely resorted to, but I have no special knowledge of these institutions, except what I have learnt from the reports in the newspapers. I can say the same of the State nurses, I think—that if their services were confined to the proper class of patients they would be of very great service to a large number of women.

9. Have high rents in cities a tendency to keep workers in slum districts or in insanitary dwellings?

I do not think we have any districts in Christchurch that we could describe as "slums." Certainly there are some streets chiefly occupied by the poorest class of people, but unless they are dissipated, dissolute, and idle they need not suffer any acute poverty. Almost without exception, the poverty-stricken homes are the result of misconduct of one kind or another. Where the poverty is due to sickness, adequate relief is forthcoming either from the State or from private sources, or from both. There is no need for any one who is able and willing to work to suffer want in New Zealand. I repeat that almost without exception poverty is self-inflicted where it exists—I mean, of course, want and destitution. It is true that some families are not as well housed as they should be, sometimes from no fault of their own, but, generally speaking, the working-classes have good houses; many have very superior dwellings fitted with every reasonable comfort and much refinement. There has been a very great advance in the quality of houses of every class during the past fifteen years; in many cases there is a tendency to excessive and useless decoration. The rents of some classes of houses have advanced during the past fifteen years, perhaps 25 per cent. or more, but for this increased rent a better and more commodious house is obtained, and one fitted with labour-saving and sanitary conveniences far in advance of former years. On the other hand, older houses in very good condition let at lower rents than they formerly fetched, say, fifteen years ago. Upon the whole I cannot say that there is any tendency by high rents to keep people in slum districts or in insanitary dwellings. The people as a whole are well housed, infinitely better than they were fifteen or twenty years ago. Seeing that labour has gone up 50 per cent., and building-material and land also increased in price, it follows that rents must also increase.

10. Speaking generally, is there greater tendency to disease in the average man or woman than was the case twenty years ago?

I should say, decidedly not. I believe the health of the people is much better than it was twenty years ago, notwithstanding some disadvantages, the latter chiefly caused by improper diet and bad habits. The general condition of people is better. They are better housed, understand the value of fresh air by day and night, and I believe upon the whole pay more attention to cookery and to food generally. The people are more alert, more sensitive, and observant—in a word, more alive and more thoughtful, and study to make more out of their lives, and to watch more carefully over their health and that of their families; but I must add that many are apt to rely too much on their own opinion in matters of health, and do not resort to the advice of the doctor as early and as frequently as they should, and sometimes this neglect has disastrous results. I have seen many lives absolutely lost for want of seeking timely advice. Upon the whole, I think that the improved conditions of living, the better houses, better knowledge of how to live, the higher value set upon human life will continue to raise the standard of health and happiness and enjoyment of the whole of the people. Unfortunately, there are still some dread diseases which baffle the most skilful healers in the world, but the general advance in medical and surgical knowledge has been so great—and much of this is communicable to the people—that diseases have been robbed of many of their terrors and can be often prevented. I might add that I think there is an increase in some nervous disorders, but I repeat emphatically that the general standard of health has improved during the past fifteen years. In the case of mothers of families I must, however, admit I have observed many cases of general ill health. Often she cannot obtain that rest and, what is of great value, change of air and environment at suitable periods. One of the most urgent needs of the community is convalescent homes for adults and children, either free or at a moderate charge. Such homes would contribute much to the improved health of the people. I consider that every one should resort to a change at least once a year, but the greatest value of change of air, either to seaside or to the hills, is after an illness; its results are then often quite magical.

11. If the cost of living, due to high rents, costly food, &c., is on the increase, would that account for a higher rate of nervous or mental disease?

When the earnings are only sufficient to maintain the home there must be some anxiety as to ways and means and for the future; but so long as a man or a woman has good average health they are not depressed by such responsibility. It is when the nervous system is weakened or depressed from any cause that worry begins; good health naturally carries with it a hopeful disposition, but when the health is impaired mental depression is apt to follow. I cannot say that hard work, or some hard times, is a real cause of mental disease or nervous disorder. When this ensues there is probably a constitutional tendency or ethical cause in that direction, so that I cannot answer this question in the affirmative. There is apparently a considerable increase in the number of cases afflicted with mental disorders. I have noted that in many of these cases it is self-inflicted by some form of dissipation. It must be remembered that, side by side with the increased cost of living, wages have advanced in an equal ratio. The altered conditions have pressed more heavily on some members of the professional classes and on those of moderate independent means.

12. Is there a greater air of comfort and independence among the artisan and labouring classes than formerly?

I have already answered this question, in my replies to questions 9 and 10, in the affirmative.

13. If disease is increasing, does it appear most in town or in the country? If in towns, is there a dominating cause?

I have already answered this question in stating my belief that the general standard of health is better than it was twenty years ago.

14. Have you noticed any diseases arising from occupations (say, in bakers, wharf labourers, tailors, shop-assistants)?

In a portion, perhaps 10 per cent., of persons in these occupations the standard of health is not as high as the average. Occasionally I have known of cases obliged to give up office or shop work on account of possessing a weak constitution, yet on taking to an outdoor occupation they would soon be in perfect health, and remain so. None of these occupations are unfit for persons of good sound constitutions, but those of a weaker habit of body and constitution are affected injuriously by such occupations.

15. Considering the many evils arising from imperfect digestion and weak nutrition, do you consider that State inspection and care of the teeth of school-children are desirable?

The proper care of the teeth is very desirable. I would like to see the parents taking more interest in this matter. Inspection of the teeth of children attending school would, I believe, result in marked benefit, if the necessary treatment were ensured. Of course, it should be remembered that sound teeth are as much a matter of a sound constitution as of any habit of using the tooth-brush. Many people who never use a tooth-brush have excellent teeth, even in our community, and amongst uncivilized people the possession of sound teeth is the rule, without any use of the tooth-brush. This is also true of the Russian peasantry. In all these cases this is probably the result of the use of simple and more natural food. If whole-meal bread were the standard bread used, and also oatcake used daily, and the pastry and confectioners' cakes and sweets discontinued, I think there would follow a much better state of the teeth. Whatever impairs the general health increases the tendency to decay of the teeth.

16. Do you consider that the birth-rate, being now far lower than it was twenty years ago, arises from—(a) physical weakness in modern women? (b) women engaging in industrial occupations? (c) overwork or disease on the part of the men? (d) limitation of families for economic reasons?

(a.) There is no doubt that women are more sensitive and are probably less fertile; it is a fact that advanced civilization with its accompanying luxuries and enervating influences does impair fertility in a definite proportion of the women of a nation. Those nations are most fertile whose people lead the simplest lives and are not much troubled with brain-work. (b.) If the occupation impairs the general health it may diminish fertility; it probably does to some extent, but child-bearing is avoided on economic grounds by some under these circumstances. (c.) Certainly, to some extent, but only in extreme cases. Whatever impairs the natural physique and animal strength would have a tendency in this direction. It is a well-observed fact that where there has been a great mental effort over a long period of life, particularly in early life, fertility is impaired in a considerable number. As I have said before, the simpler the life, and perhaps the more ignorant the people, the higher is the birth-rate; witness that of the Irish and the Russian peasantry. (d.) I think this is an increasing cause of the diminished birth-rate.

17. Do the difficulties attending maternity cases in the backblocks influence married couples towards work in towns?

To some extent this is so. Naturally, women object to go and live in very out-of-the-way places for this and other reasons. Every effort should be made to improve the means of communication with such districts, and to place medical and nursing aid within reasonable access; but it must be remembered that there is far less general sickness in isolated districts than in populous ones. Nansen declared that he and his men never had even a common cold during all their exposure in the Arctic regions, but that as soon as they returned to the habitations of men they all took violent colds. The state of maternity is, as a rule, a safe one. There are, of course, certain risks and emergencies which it would be difficult to provide for in the backblocks; probably the dwellers in the backblocks are as safe on the whole as those in towns. There are many dangers they are free from. Closer settlement should be encouraged, and these difficulties would disappear. In the meantime most mothers living in isolated districts resort to the nearest town when necessary. Such mothers are certainly deserving of assistance from the State if their husbands cannot afford the expense. No woman should undergo the risks of childbirth out of reach of doctor or nurse.

A. F. J. MICKLE, M.D.

18. Can you suggest any means for diminishing the cost of living without prejudicial effect on health?

Memo. on question 18.—The question of municipal and State enterprises to diminish the cost of living is a very difficult one; so far those undertaken appear to have been beneficial, and further efforts might be made. Private enterprise, where the capital is available, seems to be able to carry on an industry at a less cost than the State or municipality, but in that case the profit goes to a few individuals. The whole question is only to be decided by experience, or by careful collection of the experience of other countries.

From Dr. W. H. SYMES, Christchurch.

1. How many years of practice in New Zealand?  
Forty-one years.
2. What is the average remuneration of lodge doctors?  
I have not attended to lodges since 1878.
3. Have medical practitioners and friendly societies been generally in amicable relations?  
The friendly societies, or some of them, seem to be always trying to improve their position at the expense of the medical officers.
4. Have expenses of doctors increased greatly of late years? If so, in what direction?  
Yes, in motor-cars, building, rent, and labour
5. Has the cost of medical attendance increased in the last ten years, or in twenty years?  
The fees are practically the same now as forty years ago: 5s. for advice; 7s. 6d. for visits within two miles; two guineas for confinements.
6. Have the cost of drugs and quality of drugs varied in late years—that is, is a finer quality or more expensive kind of drug demanded now than was formerly the case?  
Ordinary drugs are about the same, but many special and some proprietary (patent) drugs have become usual, and are very expensive, chiefly on account of the duty.
7. Have maternity expenses increased, and in what direction?  
No, except as regards nursing. There are not enough nurses: the hospitals are quite unable to supply the demand. The situation would be greatly improved if nurses properly trained in private hospitals were allowed to qualify by passing examinations. The trained nurses, being so scarce, are very independent. We had about two years ago an outbreak of measles in the Deaf-mute School. Six little girls were isolated in one ward, and we wished to avoid any of the maids going into that room. The nurse I sent at three guineas a week refused to obey the Matron's orders to sweep the room, and insisted on a housemaid doing it. So we dismissed her. Her only reason was that it was not a nurse's duty to do so. On the other hand, I wish to testify to the great improvement in nursing effected by trained nurses. Their skill and devotion to their duties are generally admirable, and I have myself very seldom had any occasion to complain. My own experience of them has made me very grateful for the change since thirty years ago. My only trouble is that there are not more of them.
8. Have maternity homes, State nurses, &c., been of pecuniary advantage to the poorer classes?  
The maternity homes are largely pre-occupied by patients who could afford to pay outside, to the exclusion of poor people in insanitary or crowded dwellings. Medical certificates should be required before admission.
9. Have high rents in cities a tendency to keep workers in slum districts or in insanitary dwellings?  
The chief cause of the high rents for small cottages is the insecurity of recovering them. No Magistrate will make an order against wages. Many persons go from house to house without ever paying more than the first few weeks' rent. If rents could be recovered in Court they would be greatly reduced, probably 50 per cent. Doubtless this results in driving many families into slum districts and insanitary dwellings.
10. Speaking generally, is there greater tendency to disease in the average man or woman than was the case twenty years ago?  
The only disease which I know to have increased is gonorrhœa. Since the abolition of brothels, about twenty years ago, clandestine immorality has taken their place on a much larger scale.
11. If the cost of living, due to high rents, costly food, &c., is on the increase, would that account for a higher rate of nervous or mental disease?  
Increased cost of living must cause more mental strain, and therefore more nervous disorder, but I think a more definite result is the restriction of births.
12. Is there a greater air of comfort and independence among the artisan and labouring classes than formerly?  
Yes, except as regards the unemployed and unemployable.
13. If disease is increasing, does it appear most in town or in the country? If in towns, is there a dominating cause?  
In town, chiefly; though I know of one case in which a highly respectable(?) young lady, who has been employed in a very good business in Christchurch, was sent to take charge of a branch of the business in a small town in the country, with the result that about twelve young men were promptly under treatment for gonorrhœa. All other infectious diseases have greatly diminished in Christchurch and Lyttelton since the improvements effected in drainage and sewerage. I think, also, that the removal of so many families from the city to the suburbs, in consequence of the tramway facilities, has contributed materially to the general good health of the community. I know of no other dominating cause of increase of disease than the one I have mentioned.
14. Have you noticed any diseases arising from occupations (say, in bakers, wharf labourers, tailors, shop-assistants)?  
The only suggestion I wish to offer is that treadle sewing-machines should be prohibited for use by women in shops and factories, because I have found that they are often injurious to the health of girls and women. All such machines should be run by power.

15. Considering the many evils arising from imperfect digestion and weak nutrition, do you consider that State inspection and care of the teeth of school-children are desirable?  
 Yes; but I do not believe that dental treatment will go more than a very short way towards remedying the evils complained of. The essential cause is constitutional weakness, from absence or deficiency of breast-feeding in infancy, and similar allied reasons. The present system of education is not the best to qualify girls for motherhood, both from a physical and a mental point of view. Also, the employment of girls and women in offices, shops, and factories does not conduce to their efficiency as mothers, nor to the welfare of their families. If the mothers were normal the children would cease to be abnormal. Constitutional degeneracy cannot be cured by a tooth-brush.
16. Do you consider that the birth-rate, being now far lower than it was twenty years ago, arises from—(a) physical weakness in modern women? (b) women engaging in industrial occupations? (c) overwork or disease on the part of the men? (d) limitation of families for economic reasons?  
 (a.) Physical weakness in women is already answered. (b.) Industrial occupations also. (c.) Not from overwork in men. I have never seen men overworked in New Zealand except in official positions. As to disease, I need only refer you to Dr. Batchelor's address to the Society for Promoting the Health of Women and Children, which states that "In large centres in the Old World reliable authorities have estimated that some 90 per cent. of respectable married women who are admitted into special wards for diseases of women in large hospitals are suffering from the effects of venereal diseases. I am convinced it is no over-estimate to state that fully 50 per cent. of decent married women who enter the women's ward of the Dunedin Hospital do so as the result of these diseases." This is often due to latent and unsuspected gonorrhoea of old standing in their husbands, contracted previous to marriage, and supposed to have been long since cured. The seeds of the disease lurk insidiously in the system so long that it cannot be pronounced cured without special methods of examination, which must be repeated at intervals for several months, and very few men will submit to this. Sometimes sterility results, and often the health of the mother and child are affected. (d.) Families are often limited for economic reasons. One is probably the increased cost of living, but a much more general reason is the great difficulty of obtaining domestic help. The book-learning imposed on girls turns them against housework. It gives a quite different direction to a girl's ideas and aspirations, and makes her look down on domestic work as drudgery.
17. Do the difficulties attending maternity cases in the backblocks influence married couples towards work in towns?  
 I do not think maternity troubles have so much influence in that way as the desire to obtain better education for children and greater facilities for placing them in business.
18. Can you suggest any means for diminishing the cost of living without prejudicial effect on health?  
 First, I would enable landlords to recover rents. Surely 2s. 6d. or 5s. a week would be a fair order for a Magistrate to make against the wages of a man earning from 50s. to 70s. a week. Next, I would substitute domestic economy and cooking for much of what is now taught to girls over twelve years of age.

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