

SESSION 11.
1912.
NEW ZEALAND

COST OF LIVING IN NEW ZEALAND

(REPORT AND EVIDENCE OF THE ROYAL COMMISSION ON).

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

CONTENTS.

[illegible]

MEMBERS OF THE COMMISSION.

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

Commission assembled 31st May, 1912.

Reported on 30th August, 1912.

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

COMMISSION.

ISLINGTON, Governor.

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

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

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

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

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

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

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

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

GEORGE WILLIAM LEADLEY,

to be Chairman of the said Commission.

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

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

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

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

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

THOS. MACKENZIE,
Prime Minister.

Approved in Council.

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

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

ISLINGTON, Governor.

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

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

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

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

JAMES HIGHT,

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

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

GEO. LAURENSEN.

Approved in Council.

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

EXTENDING PERIOD WITHIN WHICH THE COMMISSION SHALL REPORT.

ISLINGTON, Governor.

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

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

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

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

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

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

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

THOS. MACKENZIE,

Prime Minister.

Approved in Council.

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

FURTHER EXTENDING PERIOD WITHIN WHICH THE COMMISSION SHALL REPORT

ISLINGTON, Governor.

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

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

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

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

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

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

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

W. F. MASSEY,
Prime Minister.

Approved in Council.

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

FURTHER EXTENDING PERIOD WITHIN WHICH THE COMMISSION SHALL REPORT.

ISLINGTON, Governor.

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

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

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

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

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

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

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

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

W. F. MASSEY,
Prime Minister.

Approved in Council.

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

REPORT.

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

MAY IT PLEASE YOUR EXCELLENCY,—

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

Scope of the
inquiry.

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

have to report as follows :—

Order of
procedure.

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

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

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

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

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

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

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

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

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

Definition.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

* "Economics of Industry," p. 44.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

† Elements of Statistics, p. 226.

TABLE 1.—SUMMARY OF INDEX NUMBERS.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

	Prices, 1894–95.	Weights.	Hypothetical Expenditure, 1894–95.	Prices, 1910–11.	Expenditure on same Scale, 1910–11.
	s. d.		£ s. d.	s. d.	£ s. d.
Rent .. .. .	.. .. .	60	60 0 0	20 % increase	72 0 0
Bread	0 4½ lb.	11	11 0 0	0 6	14 13 4
Meat	0 3½ lb.	23	23 0 0	0 4½	33 4 3
Potatoes (vegetables)	2 3 cwt.	6	6 0 0	8 9	11 11 5
Milk	0 3 qt.	12	12 0 0	0 3	3 0 0
Butter { In ratio	0 7 lb.	14	14 0 0	{ 0 11½ 0 10¼	22 9 11
Cheese { Butter : Cheese	0 7½ lb.				
4 : 1					
Sugar	0 3 lb.	5	5 0 0	0 2½	5 3 15 0
Tea and coffee (in ratio Tea :	1 9 lb.	5	5 0 0	1 3½	13 3 15 0
Coffee :: 3 : 1)					
			136 0 0		164 8 11

Increase of 20 per cent.

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

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

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

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

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

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

Summarized from evidence tendered to the Commission.

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

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

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

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

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

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

Rent.

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

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

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

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

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

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

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

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

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

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

PROPORTION OF MAIN ITEMS TO AVERAGE TOTAL WEEKLY EXPENDITURE.

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

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

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

Milk has been stationary in price.
Potatoes have fluctuated more than any other article of food.

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

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

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

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

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

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

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

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

TABLE 12.—HOUSEHOLD NECESSARIES (RETAIL PRICES).

			1894.	1900.	1905.	1910.	1911.
			s. d.	s. d.	s. d.	s. d.	s. d.
Sugar ..	..	..	0 2 $\frac{3}{4}$	0 2 $\frac{3}{4}$	0 2 $\frac{1}{2}$	0 2 $\frac{1}{4}$	0 2 $\frac{1}{2}$
Pearl barley ..	..	..	0 2 $\frac{1}{2}$	0 2 $\frac{1}{2}$	0 2 $\frac{1}{2}$	0 2	0 2 $\frac{1}{2}$
Cornflour ..	..	..	0 3 $\frac{1}{2}$	0 3 $\frac{1}{2}$	0 3	0 3	0 3
Candles—							
National ..	..	..	0 7 $\frac{1}{2}$	0 8	0 6 $\frac{1}{2}$	0 7	0 7
Wax ..	..	..	..	0 7	0 6	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.			
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 (Colman'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
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
Rice ..	..	..	0 2 $\frac{1}{4}$	0 2 $\frac{1}{4}$	0 2	0 2	0 2 $\frac{1}{2}$
Sago ..	..	..	0 2	0 2 $\frac{1}{2}$	0 2	0 2	0 3 $\frac{1}{2}$
Tapioca ..	..	..	0 2 $\frac{1}{2}$	0 2 $\frac{1}{2}$	0 2	0 2	0 3 $\frac{1}{2}$
Soap ..	..	..	6/6 & 10/0	6/6 & 10/0	6/6-10/0	8/6-12/6	9/-12/6
Currants ..	..	..	0 4	0 5	0 4	0 4 $\frac{1}{2}$	0 5
Sultanas ..	..	..	0 5 $\frac{1}{2}$	0 7 $\frac{1}{2}$	0 4 $\frac{1}{2}$	0 6 $\frac{1}{2}$	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

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

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

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

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

Short
weights and
measures.

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

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

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

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

* Short weight or measure.

† Not sold by weight, but at per tin.

‡ Sold as "pats," not as "lb."

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

Attendance.

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

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

Education.

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

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

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

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

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

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

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

CHAPTER III.—COMPARISON WITH OTHER COUNTRIES.

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

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

Direct comparison impossible.

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

Wholesale prices.

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

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

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

* Statistical Journal, December, 1911.

† Highest since 1884.

‡ Including timber.

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

1890-99.
1896 to 1910.

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

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

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

1911-12.

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

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

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

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

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

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

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

(Base 1890-99 = 100.)

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

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

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

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

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

* Nearest whole number.

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

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

Decade averages.

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

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

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

Particular
foodstuffs.

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

TABLE 19.—INDEX NUMBERS OF WHOLESALE PRICES OF PARTICULAR FOODSTUFFS.*
(Base 1890-99 = 100.)
(R. H. Hooker, in *Journal of the Royal Statistical Society*, December, 1911, with addition of Dr. McIlraith's index number for New Zealand.)

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

* To nearest whole number.

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

3. Beef.

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

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

4. Sugar.

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

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

* To nearest whole number.

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

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

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

Materials.

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

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

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

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

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

* To nearest whole number.

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

Decade
averages.

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

(Hooker, with additions.)

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

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

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

Particular
materials.

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

I. Coal.

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

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

* To the nearest whole number.

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

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

3. *Wool.*

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

* To the nearest whole number.

INDEX NUMBERS* OF WHOLESALE PRICES OF PARTICULAR MATERIALS—*continued.*4. *Petroleum.*

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

* To the nearest whole number.

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

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

Comparison of wholesale and retail prices.

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

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

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

(ii.) Assistance publique.

(iii.) *Economat.*

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

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

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

General
conclusion.

CHAPTER IV.—INFLUENCE OF THE GOLD-SUPPLY.

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

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

Gold and the
general level
of prices.

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

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

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

Causes of the
depreciation
of gold.

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

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

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

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

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

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

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

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

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

Increase in the production of gold.

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

TABLE 25.

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

* Rough estimates.

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

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

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

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

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

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

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

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

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

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

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

Confirmation
of history.

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

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

" GOLD-PRODUCTION.				Compared with Average of Decade 1890-99.	
" Prices—					
Fell	2½ per cent.	from 1865 to 1870, an increase of	5 per cent...	..	34 per cent. below.
"	15	"	1870 to 1875, a decrease of 13	" ..	.. 44
"	11	"	1875 to 1880, stationary	.. ..	.. 44
"	12½	"	1880 to 1885, a decrease of 7 per cent...	..	.. 48
"	12½	"	1885 to 1890, an increase of 8	" ..	.. 44
"	4	"	1890 to 1895, " 33	" ..	.. 25
"	6¾	"	1895 to 1900, " 66	" ..	.. 25 per cent. above.
Rose	3	"	1900 to 1905, " 20	" ..	.. 52
"	3	"	1905 to 1910, " 33	" ..	.. 102

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

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

Probable
future of gold
supply

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

Influence of
diminishing
gold output.

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

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

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

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

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

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

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

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

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

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

General
conclusion.

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

Gold and
relative
prices.

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

No uniform
rise of price

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

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

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

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

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

Change in
relative
prices in N.Z.

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

† *Ibid.*, p. 181.

‡ Pages 98 and 99.

§ Page 88

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

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

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

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

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

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

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

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

CHAPTER V.—THE STANDARD OF LIVING.

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

Relation to
cost of living.

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

Methods of
measuring
change.

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

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

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

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

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

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

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

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

A. Spirits and Tobacco.

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

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

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

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

C. Tea, Coffee, &c., Sugar.

Year.	Total Population (including Maoris).	Tea.		Coffee, Cocoa, and Chicory.		Sugar.	
		Per Head.	Duty Per Head.	Per Head.	Duty Per Head.	Per Head.	Duty Per Head.
		lb.	s. d.	lb.	s. d.	lb.	s. d.
1891 ..	675,775	6·00	3 0 $\frac{1}{4}$	0·84	0 2 $\frac{1}{2}$	80·7	3 4 $\frac{1}{4}$
1892 ..	692,426	5·90	2 11 $\frac{1}{2}$	0·79	0 2 $\frac{1}{4}$	83·8	3 6
1893 ..	714,258	5·72	2 10 $\frac{1}{4}$	0·79	0 2 $\frac{1}{4}$	88·3	3 5 $\frac{1}{2}$
1894 ..	728,121	5·67	2 10	0·67	0 2	87·2	3 7 $\frac{1}{2}$
1895 ..	740,699	6·04	2 6 $\frac{3}{4}$	0·65	0 1 $\frac{3}{4}$	88·5	3 8 $\frac{1}{4}$
1896 ..	754,016	5·88	1 11 $\frac{1}{2}$	0·70	0 1 $\frac{3}{4}$	89·4	3 8 $\frac{3}{4}$
1897 ..	768,910	5·93	1 11 $\frac{3}{4}$	0·70	0 1 $\frac{3}{4}$	92·0	3 10
1898 ..	783,317	6·03	2 0	0·67	0 1 $\frac{3}{4}$	93·6	3 10 $\frac{3}{4}$
1899 ..	796,359	6·03	2 0	0·80	0 2	97·0	4 0 $\frac{1}{2}$
1900 ..	810,536	6·38	1 8 $\frac{1}{2}$	0·57	0 1 $\frac{1}{2}$	98·8	4 1
1901 ..	830,800	6·63	1 1 $\frac{1}{4}$	0·44	0 1 $\frac{1}{3}$	98·5	4 1
1902 ..	851,072	5·98	1 0	0·49	0 1 $\frac{1}{2}$	102·8	4 3 $\frac{1}{2}$
1903 ..	875,648	5·98	1 0	0·54	0 1 $\frac{3}{4}$	104·0	4 4
1904 ..	900,682	5·80	0 1 $\frac{1}{4}$	0·61	0 1 $\frac{3}{4}$	104·9	4 4 $\frac{1}{2}$
1905 ..	925,605	6·37	..	0·53	0 1 $\frac{1}{2}$	100·2	4 2
1906 ..	956,457	6·41	..	0·51	0 1 $\frac{1}{2}$	105·6	4 4 $\frac{3}{4}$
1907 ..	977,215	6·93	..	0·62	0 1 $\frac{7}{8}$	106·6	4 5 $\frac{1}{4}$
1908 ..	1,008,373	6·41	..	0·55	0 1 $\frac{3}{4}$	103·9	..
1909 ..	1,030,657	7·08	..	0·44	0 1 $\frac{1}{2}$	114·7	..
1910 ..	1,050,410	7·22	..	0·54	0 1 $\frac{3}{4}$	107·9	..
1911 ..	1,075,250	7·50	..	0·52	0 1 $\frac{3}{4}$	115·4	..

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

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

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

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

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

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

Prosperity
tables.

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

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

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

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

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

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

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

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

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

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

General character of the improved standard of living.

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

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

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

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

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

7. Our inquiries into the movements in the national income during the last twenty years in order to ascertain the extent to which the purchasing-power of the people has increased in that time, and the proportions in which the different classes have benefited therefrom, have been restricted through the paucity of reliable data. No scientific valuation of the national income of New Zealand has yet been made. Certain statistics of wages exist, but they are not comprehensive, and it is difficult to generalize from them. Mr. F. P. Wilson (p. 409) took the figures given in the census report for 1890, and found that in twenty-nine industries, corresponding to Tables I to XXIX of the industrial census of 1911, the average wage for males was £87, and of females £32; whilst an examination of the Tables I to XXIX of the industrial census of 1911 showed that the wages of male employees have risen to £115, and of females to £57·5. The index numbers are: Males—1890, 100; 1910, 132; and females—1890, 100; 1910, 180. The information, however (such is the deficiency in New Zealand statistics), does not allow one to state definitely that these have been the rises in wages for adult workers, since they may have been brought about by an alteration in the ratio of boy and girl workers to adults; but that there has been a substantial rise in nominal wages may be safely asserted, and, in Mr. Wilson's opinion, the rise appears to have been greater than the rise in the wholesale prices of commodities, and about equal to the rise in retail prices.

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

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

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

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

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

Year.				Wages.	Food-prices.	Real Wages.
1895	..	..	..	85	84	101
1896	..	..	..	84	86	98
1897	..	..	..	85	86	98
1898	..	..	..	89	87	102
1899	..	..	..	88	84	105
1900	..	..	..	90	86	105
1901	..	..	..	90	90	100
1902	..	..	..	93	106	89
1903	..	..	..	97	100	96
1904	..	..	..	99	99	100
1905	..	..	..	98	102	96
1906	..	..	..	100	100	100
1907	..	..	..	105	103	101·5

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

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

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

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

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

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

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

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

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

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

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

Relative
consumption.

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

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

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

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

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

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

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

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

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

* All groups. † Groups having incomes of £169 and under and families of more than four members.
‡ Groups having incomes of £200 and under and families of more than four members.

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

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

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

General conclusion.

Standard of comfort of different classes.

CHAPTER VI.—INFLUENCE OF THE PRICE OF LAND.

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

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

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

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

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

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

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

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

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

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

TABLE NO. 42.

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

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

Increasing demand for New Zealand products.

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

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

New Zealand's contribution to Home markets.

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

TABLE NO. 43.

Year.	Australia.		New Zealand.		South America.			Other Countries.	Totals.	New Zealand's Supply as a Percentage of the Total.
	London.	Other Ports.	London.	Other Ports.	London.	Liverpool.	Other Ports.	U.K. Ports.		
1880 ..	400	..	..	..	..	..	..	..	400	..
1881 ..	17,275	..	..	..	..	..	..	..	17,275	..
1882 ..	57,256	..	8,839	..	..	..	..	..	66,095	13·37
1883 ..	63,733	..	120,893	..	17,165	..	..	..	201,791	59·91
1884 ..	111,745	..	412,349	..	108,823	..	..	..	632,917	65·15
1885 ..	95,051	..	492,269	..	190,571	..	..	..	777,891	63·28
1886 ..	66,960	..	655,888	..	331,245	103,454	..	30,000F	1,187,547	55·24
1887 ..	88,811	..	766,417	..	242,903	398,963	..	45,552F	1,542,646	49·68
1888 ..	112,214	..	939,231	..	169,282	754,721	..	..	1,975,448	47·54
1889 ..	86,547	..	1,068,286	..	167,936	842,000	..	..	2,164,769	49·35
1890 ..	207,984	..	1,533,393	..	124,413	1,072,118	..	10,168F	2,948,076	52·01
1891 ..	334,684	..	1,894,105	..	160,340	950,797	..	18,897F	3,358,823	56·39
1892 ..	449,488	55,250 L	1,505,377	34,228 L	166,508	1,081,353	..	17,818F	3,310,022	46·51
1893 ..	636,917	..	1,821,595	36,003 L	109,808	1,263,915	..	16,425F	3,884,663	47·82
1894 ..	939,360	..	1,947,609	10,650 L	171,802	1,199,585	43,428	11,675F	4,324,109	45·29
1895 ..	969,943	35,560 L M	2,412,331	..	142,038	1,360,968	112,789	19,438F	5,053,067	47·74
1896 ..	1,565,360	77,883 M	2,211,895	..	245,573	1,392,700	154,007	..	5,647,418	39·17
1897 ..	1,338,964	68,453 M	2,703,845	..	161,744	1,771,542	188,185	..	6,232,733	43·38
1898 ..	1,238,653	10,000 M	2,784,101	..	201,895	1,935,365	260,077	..	6,430,091	43·30
1899 ..	1,189,563	15,038 L	3,250,100	..	239,703	1,805,646	369,369	..	6,869,419	47·31
1900 ..	906,766	37,158 L	3,157,060	..	271,432	1,773,381	288,024	..	6,433,821	49·07
1901 ..	1,194,157	32,401 L	3,234,119	..	342,525	1,952,625	338,955	..	7,094,782	45·58
1902 ..	648,929	75,368 L C	3,668,061	..	411,913	2,081,128	334,455	.. U S	7,219,854	50·81
1903 ..	449,090	28,947 L	4,566,257	17,503 C	650,004	2,141,469	326,964	.. N A	8,180,234	56·03
1904 ..	413,322	37,001 L	3,695,088	190,143 w	746,096	1,831,149	360,456	..	7,273,255	53·42
1905 ..	1,190,584	177,854 L C	3,479,757	224,809 w	1,102,282	1,697,367	403,561	..	8,276,214	44·76
1906 ..	1,339,677	392,651 w	3,818,506	329,782 w	932,986	1,582,606	403,684	..	8,799,892	47·14
1907 ..	1,762,047	575,884 w	4,353,088	444,279 w	1,002,403	1,607,520	405,306	..	10,150,527	47·26
1908 ..	1,214,753	616,493 w	3,833,012	401,146 w	1,435,137	1,681,620	469,257	..	9,651,418	43·87
1909 ..	1,583,928	1,094,910 w	4,587,217	447,886 w	1,258,007	1,641,430	453,774	.. N O	11,067,152	45·50
1910 ..	2,634,274	1,585,534 w	4,842,959	564,515 w	1,095,555	1,753,166	505,041	..	12,981,044	41·66
1911 ..	2,330,572	1,281,707 w	4,513,457	709,038 w	1,126,303	2,400,959	598,347	..	12,960,383	40·22
Totals	25,239,007	3,198,092	74,277,104	3,409,982	13,326,392	38,077,547	6,015,679	169,973	166,713,776	46·60

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

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

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

TABLE No. 44.

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

The imports of cheese into the United Kingdom were,—

TABLE No. 45.

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

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

TABLE No. 46.

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

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

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

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

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

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

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

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

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

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

Possibilities of New Zealand as a food-producer.

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

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

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

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

Increase of prices abroad.

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

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

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

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

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

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

Year.				Butter. Per Cwt.	Cheese. Per Cwt.
				s. d.	s. d.
1900-01	..	..	..	86 0	46 0
1901-02	..	..	..	89 0	45 0
1902-03	..	..	..	100 0	50 0
1903-04	..	..	..	97 0	56 0
1904-05	..	..	..	100 0	50 0
1905-06	..	..	..	109 8	62 8
1906-07	..	..	..	107 5	63 10
1907-08	..	..	..	111 6	62 4
1908-09	..	..	..	112 9	60 2
1909-10	..	..	..	117 0	58 0
1910-11	..	..	..	107 0	57 6
1911-12	..	..	..	120 0	68 6

Local prices
and
prosperity.

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

New Zealand
prices and
English
prices.

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

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

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

Changes in
relative pro-
duction.

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

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

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

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

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

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

General con-
clusion.

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

† Estimated—and probably too low.

CHAPTER VIII.—POPULATION MOVEMENTS.

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

Inquiries in other lands.

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

Nature and extent of the movement in New Zealand.

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

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

Census.	Counties.	Boroughs.	Percentage.		
			Counties.	Boroughs.	Shipboard and Islands.
1881	291,238	194,981	59·44	39·80	0·76
1886	327,328	245,612	56·58	42·46	0·96
1891	352,097	270,343	56·18	43·14	0·68
1896	391,735	307,294	55·69	43·69	0·62
1901	417,596	350,202	54·04	45·32	0·64
1906	458,797	424,614	51·63	47·79	0·58
1911	496,779	505,598	49·26	50·14	0·60

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

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

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

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

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

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

* 1911 figures are approximate.

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

* 1911 figures are approximate.

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

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

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

Causes of the relative increase of urban population.

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

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

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

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

† Ibid., p. 16.

‡ See p. xxviii.

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

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

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

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

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

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

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

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

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

Its effects in
New Zealand.

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

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

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

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

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

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

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

Influence of
movements
abroad on
New Zealand.

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

CHAPTER IX.—MONOPOLIES.

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

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

Definition.

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

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

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

"Commercial trust," as defined by the Commercial Trust Act of New Zealand, 1910, means any association or combination (whether incorporated or not) of any number of persons established either before or after the commencement of this Act, and either in New Zealand or elsewhere, and (a) having as its object or as one of its objects that of (i) controlling, determining, or influencing the supply or demand or price of any goods in New Zealand or any part thereof or elsewhere, or that of (ii) creating or maintaining in New Zealand or any part thereof or elsewhere a monopoly, whether complete or partial, in the supply or demand of any goods; or (b) acting in New Zealand or elsewhere with any such object as aforesaid.

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

Trusts in New
Zealand.

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

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

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

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

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

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

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

DEAR SIR,—

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

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

Yours faithfully,

For Jeyes' Sanitary Compounds Company (Limited),

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

WM. PLANNER, Secretary.

DEAR SIR,—

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

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

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

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

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

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

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

Yours faithfully,

HAROLD BEAUCHAMP.

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

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

DEAR SIR,—

11th December, 1911.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Hollow-ware.

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

SUGAR.

Sugar.

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

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

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

MEAT.

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

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

FISH.

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

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

SHIPPING AND COAL.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

BUTTER AND EGGS.

Butter and
eggs.

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

In Auckland complaints were made that the wholesale prices for butter and eggs by the merchants were below those actually ruling in the market, and were calculated to mislead the settlers when disposing of their produce. Mr. Schmitt pointed out the following: "In connection with eggs I may say that 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 farmer—that is to say, it leads him to accept 1s. 4d. for his eggs in the country when in reality the price is 1s. 8d., 1s. 9d., or 1s. 10d." (see page 281, question 26).

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

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

FLOUR.

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

TIMBER.

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

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

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

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

WAX MATCHES.

Matches.

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

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

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

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

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

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

CHAPTER X.—TARIFF.

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

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

General principles.

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

Period one of rising prices.

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

Tariff remissions.

TABLE No. 54.

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

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

Effect on prices.

Prices fell as result.

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

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

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

Except where controlled by combinations.

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

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

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

Boots and shoes.

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

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

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

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

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

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

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

				Duty.	
				British.	Foreign.
Shoes or boots invoiced	2s. 6d.	per pair	..	1s. 5d.—57 per cent.	2s. 1½d.—85 per cent.
„	3s. 6d.	„	..	1s. 7½d.—45 „	2s. 5½d.—67½ „
„	5s.	„	..	1s. 10d.—37 „	2s. 9d.—55 „

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

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

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

IMPORTED BOOTS AND SHOES WORN BY THE WEALTHY CLASSES.

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

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

Statistics of boot trade.

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

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

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

Branding.

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

Extent of protection in New Zealand.

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

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

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

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

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

TABLE No. 56.

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

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

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

TABLE No. 57.

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

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

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

CHAPTER XI.—LABOUR LEGISLATION.

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

Summary of
labour
legislation.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Our staple
products.

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

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

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

No indefinite
rise in wages
and prices
possible.

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

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

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

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

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

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

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

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

Arbitration
Court
awards.

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

Wages and
prices.

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

CHAPTER XII.—CAUSES.

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

Causes.

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

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

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

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

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

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

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

- (a.) Increased transportation charges ;
- (b.) The excessive numbers of those engaged in the work of distribution ;
- (c.) The duplication of distributing-agencies.

7. The national waste involved in—

- (a.) Extravagant living, as evidenced by excessive devotion to luxury, sport, and unwise recreation ;
- (b.) Lack of economy in local and national governmental services ;
- (c.) Wasteful domestic methods employed by the great mass of the people ;
- (d.) Rapid changes of fashion, particularly in regard to clothing and boots ;
- (e.) Generally, the devotion of an increasing proportion of wealth to non-productive uses.

8. Increased taxation, both local and national.

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

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

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

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

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

CHAPTER XIII.—REMEDIES.

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

On this subject your Commissioners submit the following remarks :—

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

Improvement
of New
Zealand
statistics.

- (a.) That the Government Statistician should have full control of the collection and publication of all statistics so as to secure uniformity of definition, of methods of collection and presentation generally, in order to render proper comparisons possible and to minimize the risk of fallacious reasoning from them. In 1902 a permanent Bureau to deal with all statistics was established in the United States of America, and the Secretary of the Department of Commerce and Labour, referring to the advantages of such an office, reported as follows : "The Census Bureau is a purely statistical office, employing a body of experts whose main business it is to study statistics and statistical methods with a view to their improvement and perfection. To this work they give their undivided attention, and it is reasonable to believe that a steady improvement in the character of official statistics will result from the concentration in such an office of as much of the statistical work of the Department, no matter what its immediate character, as can be centered there without interference with the administrative duties of the other Bureaux."
- (b.) That, in order to facilitate the above-mentioned improvement of the statistics of New Zealand, the Statistician's Office should form a separate department, and the status of the Government Statistician raised accordingly, with powers sufficient to procure the necessary information. The Commission has carefully considered this important question, after taking the evidence of the Government Statistician, and believes that if this recommendation were carried out, it would enable the office to co-operate more readily with all other Departments, by each of which it could be treated as if it were a Statistical Branch. There should be a considerable increase in the permanent staff and a higher standard of qualification insisted upon, so that more and more regard should be had to the quality of the statistics produced rather than to the quantity. Another reason for increasing the permanent staff in number and efficiency is that the Government Statistician should be freed from much of the personal detailed work which he now has to do, so that he may devote more time generally to improve the statistics and methods, and to studying the methods and statistics of other countries.

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

Supply of
money.

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

Education.

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

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

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

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

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

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

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

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

Domestic
education.

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

Agricultural
education.

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

Functions of
education.

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

The Commission therefore recommends:—

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

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

† *Ibid.*, p. 84.

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

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

Commercial
Trusts Act.

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

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

Board of
Industrial
and Social
Investigation.

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

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

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

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

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

Tariff.

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

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

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

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

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

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

Timber : That the duty on timber be abolished.

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

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

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

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

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

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

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

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

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

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

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

Land
taxation.

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

Rural
housing.

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

Small
holdings.

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

Village
settlements.

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

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

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

Workers'
Dwellings
Act.

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

Utilization of
land.

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

Encouraging
country
settlers.

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

Immigration.

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

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

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

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

Transport.

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

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

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

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

Municipaliza-
tion of
markets and
services.

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

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

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

Money-
lending and
bailments.

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

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

Weights and
measures.

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

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

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

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

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

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

MINORITY REPORTS.

RESERVATION No 1., BY MR. TREGEAR.

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

EDWARD TREGEAR.

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

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

	1883.	1884.	1885.	1886.	1887.	1888.	1889.	1890.	1891.	1892.	1893.	1894.	1895.	1896.
Gold-output (tons) ...	148	155	155	160	157	164	175	177	182	197	224	270	290	300
Index number of prices	109	101	96	92	91	93	96	96	96	91	91	84	81	80

	1897.	1898.	1899.	1900.	1901.	1902.	1903.	1904.	1905.	1906.	1907.	1908.	1909.	1910.
Gold-output (tons) ...	350	425	454	377	390	425	481	500	577	618	631	666	702	712
Index number of prices	81	85	91	100	93	92	92	93	96	103	107	97	90	104

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

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

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

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

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

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

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

ANDREW FAIRBAIRN.

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

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

EDWARD TREGEAR.

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

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

JAMES HIGHT.

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

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

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

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

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

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

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

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

J. ROBERTSON.
W. A. VEITCH.

SUMMARIES OF FINDINGS.

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

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

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

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

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

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

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

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

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

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

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

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

CHAPTER III.—COMPARISON WITH OTHER COUNTRIES.

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

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

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

CHAPTER IV.—INFLUENCE OF THE GOLD-SUPPLY.

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

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

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

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

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

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

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

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

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

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

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

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

CHAPTER V.—THE STANDARD OF LIVING.

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

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

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

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

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

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

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

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

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

9. The case of France.

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

11. The general conclusion is that the standard of living has risen very considerably, but it has risen because of the growing surplus of income left after paying the cost of living as defined in Chapter I.

12. It has not been possible to estimate exactly the degree to which the standard of living has increased for the several classes in the community.

CHAPTER VI.—INFLUENCE OF THE PRICE OF LAND.

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

1. The rise in the price of rural lands has not increased the prices of the necessities of life produced by the farmer. The produce of land is high not because land is dear, but land is dear because produce is high.

2. The same principle applies to urban lands: the site-rents paid in the cities are dependent on the selling-price of the goods sold; these rents do not determine the selling-price.

3. But the increase in the value of agricultural land may have made it more difficult to procure suitable sites in the cities for some industries, and so may have tended to restrict production and raise prices.

4. The wealth obtained by some people from the increase of land-values is often devoted to the pursuit of pleasure and luxury. Capital thus spent is invested in unproductive and antisocial industries. This evil is more marked in classes other than landowners and farmers. Land-bargaining has brought in "speculators."

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

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

1. The world demand for New Zealand products has steadily increased, and our export quantities and values have increased in response.

2. Tables are given showing the extent to which New Zealand contributes to the food-supply of the United Kingdom. Her percentage of the mutton and lamb supply appears to be falling.

3. But generally the demand for our foodstuffs is increasing in the United Kingdom, and there is a probability that further markets may ultimately be available to our producers. The increasing population of Europe and America must lead to higher prices of food. The world's wheat production during the last ten years has remained almost stationary, whilst the number of consumers of wheat has increased very considerably.

4. The possibilities of New Zealand as a food-producer are shown by a comparison of her present position with that of Great Britain.

5. The general trend over the last fifteen years of the prices obtained for New Zealand products in the London markets is upward.

6. The development of the export trade has increased local prices, but has brought about greater general prosperity.

7. As a general rule New Zealand produce is not sold in the London markets at a lower price than in the local markets.

8. The opening of British and other markets to New Zealand produce has disturbed the relative importance of certain commodities to the producer in New Zealand—e.g., some wheat lands have been abandoned to pastoral purposes. Variations in New Zealand's wheat crop for the last twenty years are described.

9. If there were no outside market for New Zealand produce the supply would greatly exceed the demand, prices would fall to an unprofitable level, and the reduction would have a disastrous effect on both town and country population alike.

CHAPTER VIII.—POPULATION MOVEMENTS.

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

1. Similar inquiries abroad have supported the opinion that the drift of population into the towns has had a marked effect on the cost of living.

2. In 1881, 59 persons out of every 100 in the population of New Zealand were living in counties, and 40 in boroughs. In 1911 the corresponding numbers were 49 and 50. In 1901, out of every 100 breadwinners in the population 25 were actively engaged in producing foodstuffs in the country; in 1911 this number had fallen to 23. This different distribution of the breadwinners may indicate only an increasing production of goods of a high order and the improvement of agricultural methods. Within the rural occupations since 1901 those engaged in agriculture have decreased by more than 25 per cent., those in the pastoral industry have more than doubled, whilst those in dairying have nearly trebled.

3. The causes that have brought about the relative growth of the town population are—(1) The unsuitable nature of the education in country districts; (2) the increasing demand for labour in the towns for (a) handling the primary products, and (b) official work; (3) the higher rate of real wages (including hours of labour

and constancy of employment) in the towns; (4) the difficulty married country workers meet in finding suitable housing accommodation, and the lower standard of life in the country compared with the town; (5) the immigration into towns of retired country dwellers; (6) the shifting of certain small industries into the towns; (7) the difficulty of obtaining land in suitable areas and localities on advantageous conditions.

4. Results in New Zealand: (1) Increased house and land rents in the towns; (2) relative scarcity of skilled agricultural labour, and the retardation of the agricultural and dairying industries; (3) the cities appear to have been able to absorb the increase of population up to the present; (4) fears that the rural depopulation abroad may increase the price of foodstuffs in the world markets and therefore in New Zealand; (5) apprehension for the national well-being through the drying-up of the fountain whence the cities draw their supplies of health and vigour; (6) tendency to increased prices through increased velocity of circulation of money, the regularizing of payments, and the extension of banking deposits.

5. Enhanced food-prices abroad, said to be due partly to rural depopulation abroad, have indirectly tended to increase the cost of living in New Zealand; but have had a great effect in making New Zealand prosperous and raising the standard of comfort of her population.

6. Migration into the towns must shrink if foodstuffs continue to rise in price.

CHAPTER IX.—MONOPOLIES.

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

1. The terms "monopoly," "combine," "trust" defined.

2. Not able to measure exactly influence of trusts on prices, but appreciable in regard to some commodities. Influence growing in recent years. New Zealand in special danger of being exploited by combinations fixing selling-prices, imposing penalties on traders, and boycotting independent traders.

3. Merchants' Association refused to give evidence, but it was proved to satisfaction of Commissioners that it has secured control and fixed higher prices for about thirty articles in common use. In no case has price been reduced as a result of the combination. The method adopted to obtain control is illustrated by the correspondence that took place between (a) Mr. Harold Beauchamp, President of the New Zealand Merchants' Association, and the manufacturers of Jeyes' fluid and the New Zealand agent; (b) by the letters of Van Houten and Zoon and James Keiller and Son to Messrs. Laughland, Mackay, and Co., London; (c) that a boycott existed is shown by the refusal of the British Empire Trading Company to supply at least two New Zealand firms although orders were accompanied with cash, and by the treatment accorded Cuthbert Bowyer, H. B. Low, J. J. Westgarth, and J. W. Hall.

4. The evidence of a number of witnesses of repute proves the association raised prices on certain lines.

5. Manufacturers have combined with the association to raise prices, as illustrated by the evidence of G. L. Cull and the buying-conditions imposed by the Sugar Company, which refuses maximum discounts to all but members of the New Zealand Merchants' Association.

6. The capital of the Colonial Sugar Refining Company is shown for several years. It increased from £1,700,130 in 1895 to £3,000,000 in 1911. The profits in a year's trading (basis 1911-12) equal 15·04 per cent. on present capital. Larger discounts are given to favoured retailers and Merchants' Association than to independent traders who buy in large quantities and who will not join the association.

7 and 8. In regard to meat and fish no monopoly exists, though unsuccessful attempts have been made to fix prices.

9. Our coastal trade is controlled by a combine, the predominant partner being the Union Steamship Company. The keystone of the monopoly is the coal-carrying trade. Correspondence that passed between the Union Company and a coal company proves that the former insisted on getting preference and stipulated that f.o.b. sales were to be discouraged before contracting to carry the output, the reason given being that the company would not carry the main bulk of the coal if the effect was to introduce fresh shipping interests which would compete with it in its general trade.

10. Discrimination shown by shipping monopoly in freight-rates between Australia and New Zealand and between ports in New Zealand itself. Typical rates are quoted.

11. Another shipping monopoly has secured control of the Dominion's import trade, and by a system of secret rebates unjustly discriminates against British goods in favour of Continental goods, and thus directly defeats the policy of the Legislature as expressed by the preferential tariff.

12. Although it has been alleged at various times that butter has been "cornered," the Commission found no evidence in support of a systematic exploitation, but a danger exists that under the shelter of the 20-per-cent. Customs tariff speculators may be able to control supplies and inflate prices. At Auckland, butter and egg prices are fixed by merchants below those actually ruling in the market, and are calculated to mislead settlers.

13. Neither flour nor timber has ever been successfully controlled for any length of time, but attempts have been made in both instances to monopolize.

14. Statistics concerning the match industry are quoted. This industry is held by the Commissioners to be a monopoly, a combine, and a trust.

15. Method of dealing with monopolies by legislative action. Amendment of the Commercial Trusts Act suggested.

CHAPTER X.—EFFECT OF TARIFF REDUCTIONS.

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

1. The period during which tariff reductions have taken place has been one of rising prices.

2. A list of the important tariff remissions is given.

3. Table of comparative numbers given, which shows that in New Zealand prices of articles placed on free list fell considerably during this period of rising prices.

4. Where combinations secure control, prices are prevented from falling.

5. Increase of duties on boots and shoes by the 1907 tariff, also statistics of boot industry. Fraudulent boots and shoes are being sold to public.

6. Estimate of whole number of workers in State-protected industries, and amount of protection afforded to each.

7. Our great primal industries are the real sources of our prosperity, and all people employed outside protected industries bear the burden of this protection.

CHAPTER XI.—EFFECT OF LABOUR LEGISLATION.

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

1. Summary of labour legislation is to be found in "New Zealand Labour Laws" (fifth edition) complete to the end of 1908. The Commission has continued the summary to end of 1911.

2. The general effect of this legislation has been improvement in environment of workers. Whether increased efficiency has resulted the evidence does not show, but labour cost of production has increased.

3. Has this extra cost come out of profits, or been passed on to the public? In some instances the former—e.g., coal; in other instances it has stimulated the introduction of better machinery and methods—e.g., boot trade and iron trade.

4. This legislation is unable to affect the prices of our staple commodities which are fixed by the rates ruling in the world-market.

5. But neither prices nor wages can go on rising indefinitely, and a halt would have been called before this had our medium of exchange not been elastic. (Layton, "Introduction to the Study of Prices," Appendix C, quoted.)

6. The awards of the Court of Arbitration affect the whole community, although approximately ninety per cent. of the people are not represented before the Court. (Reservation made by Mr. Tregear.)

CHAPTER XII.—CAUSES.

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

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

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

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

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

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

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

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

(a.) Increased transportation charges;

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

(c.) The duplication of distributing-agencies.

7. The national waste involved in—

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

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

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

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

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

8. Increased taxation, both local and national.

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

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

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

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

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

CHAPTER XIII.—REMEDIES.

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

1. Improvement of New Zealand statistics:—

- (a.) That the Government Statistician should have full control of statistics.
- (b.) That his office should form a separate department.
- (c.) That he should be allowed to travel abroad.
- (d.) That an advisory board of statistics should be created.
- (e.) That the more responsible offices should be filled by men who have gone through a recognized course of training in statistical methods and economics.
- (f.) That the Government should offer a scholarship for post-graduate research in social economics.

2. Supply of money outstripping trade: The Commission has no recommendation to make at this stage, further than to advise that steps should be taken to secure the representation of New Zealand on the proposed International Commission on the Cost of Living.

3. Education:—

- (a.) The inclusion in the primary-school syllabus of a definite course of simple descriptive economics and the development of a more systematic course in the secondary schools.
- (b.) The extension of education in domestic economy.
- (c.) The formulation of a complete scheme of agricultural education.
- (d.) The endowment of research scholarships in agriculture.
- (e.) The extension of the present system of technical education.
- (f.) That those who have passed through a definite course of technical education should receive special consideration in wages rates, &c.
- (g.) That a closer connection should be established between the administrative side of government and the political science and economic departments of the University.
- (h.) That no effort should be spared to improve the education of the people.
- (i.) That steps be taken to secure expert advice for parents in choosing avocations for their children.

4. Additional provisions suggested for the Commercial Trusts Act.

5. Board of Industrial and Social Investigation: That a permanent Board of Industrial and Social Investigation should be set up with full powers to call for persons and papers. Several of its functions are defined in the Report.

6. Customs tariff and protection:—

- (a.) Abolition of the duty on all foodstuffs and on the necessities of life used by the primary producers.
- (b.) Failing this, the reduction of certain duties and the abolition of others are recommended.
- (c.) That all imported and locally made boots containing composition or cardboard should be branded "composition" or "cardboard."
- (d.) That duties on boots, shoes, and slippers, if retained, should be amended, a uniform *ad valorem* tariff to be substituted for the present one.

7. Land and rent:—

- (a.) That such a land policy is required as will break down land-monopoly in town and country; a system of taxation of land values is suggested. (See reservations of four Commissioners.)
- (b.) (i.) The provision of small holdings; (ii.) the extension of village settlements.
- c.) That the workers-home scheme should be extended.

(d.) That the Government should pass a Compulsory Utilization of Lands Act.

(e.) That the Government should provide country settlers with better facilities for obtaining (i) communication ; (ii) maternity nurses.

8. Immigration: The Commission states the need for a systematic and energetic policy of immigration, and the continuation of a similar scheme to that of the Sedgwick plan. The assisted immigration scheme for adult labour is also favoured. The immigration work should be undertaken by a special branch of the Labour Department, to act in conjunction with the High Commissioner's Office and the British Labour Exchange.

9. Transport :—

(a.) That differential rates shall be abolished.

(b.) That the permanent Board of Industrial and Social Investigation should inquire into the whole of the marine transport services.

(c.) That steps be taken to give a trial to motor-trains.

10. Municipalization of markets and services :—

(a.) The Commission is of opinion that municipal fish, fruit, and dairy-produce markets should be established.

(b.) The Commission suggests that the permanent Board of Investigation should take steps to get an authoritative report on the municipalization of the supply of (i) bread, (ii) milk.

11. Money-lending and bailments: The Commission recommends :—

(a.) That in all money-lending transactions the rate of interest computed at the *annual rate* should be embodied in the document confirming the loan.

(b.) That all bailments and documents of sale or mortgage must show the rate of interest computed *annually*.

12. Weights and measures: The Commission recommends that provision should be made to ensure the purity and correct weight and measure of all food-stuffs retailed to the public.

13. That the Commissions of Inquiry Act should be amended to widen the powers of Commissions of Inquiry.

Reservations :—

No. 1, by Mr. Tregear, on Chapter XI, p. lxxxv (par. 6).

No. 2, by Mr. Fairbairn, on Recommendation No. 2.

No. 3, by Mr. Tregear, on Recommendation No. 6.

No. 4, by Dr. Hight, on Recommendation No. 7 (a).

No. 5, by Messrs. Fairbairn, Hall, and Leadley, on Recommendation No. 7 (a).

No. 6, by Messrs. Robertson and Veitch, on Recommendation No. 8.

MINUTES OF PROCEEDINGS.

WELLINGTON.

FRIDAY, 31ST MAY, 1912.

THE members of the Commission met on Friday, 31st May, at the office of the Hon. the Minister of Labour (Mr. G. Laurenson), who welcomed the Commission to Wellington, introduced the members and secretary to each other, and gave a general outline of the Government's wishes in regard to the Commission's work. The Hon. the Minister reported the resignation of Mr. John Ross, of Dunedin, from the Commission, and stated that Mr. Leadley, who had been appointed Chairman, would also be unable to attend the sittings for a fortnight. He, the Minister, had therefore decided to ask the Commission to appoint its own Chairman, and later he would advise the Commission as to the Government's intention in filling the vacancies.*

The Minister and members of the Commission present—Messrs. Andrew Fairbairn, Edwin Hall, W. G. Macdonald, John Robertson, M.P., Edward Tregear, I.S.O., and William A. Veitch, M.P.—met in room F, old Parliamentary Buildings, and Mr. Laurenson took the chair.

On the motion of Mr. Fairbairn, seconded by Mr. Robertson, it was unanimously decided to appoint Mr. Tregear as Chairman.

The Hon. Mr. Laurenson then withdrew from the meeting.

After a short discussion it was resolved that the Commission leave for Christchurch the next day, proceed to Dunedin by the first express on Monday, and open its sittings at Dunedin at 11 a.m. on Tuesday. After completing business at Dunedin, that Christchurch, Auckland, and Wellington be visited in turn.

The secretary was instructed to telegraph to the following witnesses *re* giving evidence at the Dunedin sitting: President and secretary, Trades Council; secretary, Agricultural and Pastoral Association; agent, State Coal Depot; secretary, Employers' Association; secretary, Chamber of Commerce; provincial secretary, Farmers' Union; manager, Taieri and Peninsula Dairy Company; fish-merchant, and secretary, Trawlers' Union; secretary, Tailoresses' Union; manager, Westport Coal Company.

The Commission rose at 12.45 p.m.

SATURDAY, 1ST JUNE, 1912.

The Commission met at 11 a.m., there being present Messrs. Tregear (Chairman), Hall, Macdonald, and Veitch.

Questions in regard to procedure were discussed, and the Commission rose at 12.40 p.m.

DUNEDIN.

TUESDAY, 4TH JUNE, 1912.

The Commission met at 11 a.m. at the Arbitration Court room, Supreme Court Buildings.

All the Commissioners were present.

The Commission was read by the Chairman.

The Chairman announced that the proceedings would be open to the Press and the public.

The following witnesses were examined on oath: Messrs. Steve Boreham, George Joachim, F. J. Sullivan, and M. O'Donnell.

WEDNESDAY, 5TH JUNE, 1912.

The Commission met at 10.30 a.m. at the Arbitration Court room.

All the Commissioners were present.

The following witness was examined on oath: F. J. Gunn.

W. C. McGregor, barrister and solicitor, attended, and stated that the following witnesses had been advised by him not to give evidence, although subpoenaed to do so: Messrs. H. K. Wilkinson (representing Rattray and Co.), W. Scoullar and Co., R. Wilson and Co., Mackerras and Hazlett, and Neill and Co.

The Commission adjourned at 11.20 a.m. to go into committee.

The Commission resumed at 12.10 p.m.

The following witnesses were examined on oath: John E. McManus, Francis Keenan, T. Scurr, R. W. Wilson, J. Ross, A. Mathewson.

* Mr. G. W. Leadley joined the Commission on the 17th June; Dr. James Hight on the 10th June.

THURSDAY, 6TH JUNE, 1912.

The Commission met at 10 a.m. at the Arbitration Court room.

All the Commissioners were present.

The following witnesses were examined on oath: A. E. Beissel, A. Washer, W. M. Roberts, W. A. Bowling, H. L. Young, S. Peden, A. Lowrie, and M. J. Forde.

FRIDAY, 7TH JUNE, 1912.

The Commission met at the Arbitration Court room at 10 a.m.

All the Commissioners were present.

The following witnesses were examined on oath: C. T. Munro, W. D. Mason, T. O'Byrne, J. T. Paul, M.L.C., A. B. Mercer, R. Breen, J. W. Munro, W. H. Warren, T. Smith, D. A. Aitken, W. Grey, J. Clarke, J. Begg, J. W. Timlin, T. J. McCutcheon, and J. Buchan.

SATURDAY, 8TH JUNE, 1912.

The Commission met at the Arbitration Court room at 9.30 a.m.

All the Commissioners were present.

No evidence being forthcoming, the Commission adjourned at 10 a.m., and left for Christchurch at 11.15 a.m.

CHRISTCHURCH.

MONDAY, 10TH JUNE, 1912.

The Commission met at the Provincial Council Chambers, Government Buildings, Christchurch.

Dr. J. Hight, Professor of History and Economics, took his seat with the other Commissioners.

All the Commissioners were present.

The following witnesses were examined on oath: W. H. Bowater, F. G. M. Britten, H. W. Heslop, Effie Julia Margaret Cardale, Augusta Elise Wilson, C. H. Ensor, P. J. De la Cour, Sarah Saunders Page, Ada Wells, Elizabeth Best Taylor, and W. B. Bray.

TUESDAY, 11TH JUNE, 1912.

The Commission proceeded to Sydenham at 9.30 a.m. and inspected the settlement of workers' dwellings there, in company with Mr. J. Lomas, Superintendent of Workers' Dwellings.

The Commission met at 11 a.m. in the Provincial Council Chambers.

All the Commissioners were present.

George Harper, barrister, &c., appeared on behalf of Messrs. T. H. Green and Co. and Benjamin Limited, and stated he had advised these merchants to respectfully decline to give evidence.

The following witnesses were examined on oath: G. Dixon, W. Murray, E. T. Reece, R. Allen, H. H. Barlow, D. Redpath, W. Minty, H. B. Low, E. J. Newman, J. Maher, J. Westgarth.

WEDNESDAY, 12TH JUNE, 1912.

The Commission met at 10 a.m. at the Provincial Council Chambers.

All the Commissioners were present.

The following witnesses were examined on oath: A. Smith, A. C. Nottingham, W. Williams, M. J. O'Brien, C. P. Agar, H. A. Campbell, W. R. Gardner, W. Goss, E. W. Waller, D. Jones, G. F. Simpson, J. N. Du Feu, and G. F. Traverro Rowe.

THURSDAY, 13TH JUNE, 1912.

The Commission met at 10 a.m. at the Provincial Council Chambers.

All the Commissioners were present.

George Harper, barrister, &c., representing Mr. T. Kincaid, grocer, appeared before the Commission, and stated that he had advised his client not to attend and give evidence.

The following witnesses were examined on oath: T. H. Strahan, D. G. Sullivan, and M. Murphy.

Mr. J. A. Flesher, solicitor, appeared for Mr. A. D. Ford (of Ford and Mirams, indent agents), who, on his advice, declined to give evidence. Mr. Flesher stated that his clients were the Canterbury agents of a North Island firm against whom an action was being brought for a breach of the Commercial Trust Act. The Chairman excused Mr. Ford from attendance for the reason given.

The following witnesses were examined on oath: C. Chambers, J. C. Andersen, C. Lafferty, Jane Mitchell, E. Kennedy, F. W. Ricketts, G. Callender, R. Allen, and J. H. Howell.

FRIDAY, 14TH JUNE, 1912.

The Commission met at 10 a.m. at the Provincial Council Chambers.

All the Commissioners were present.

The following witnesses were examined on oath: J. S. Wilson, R. E. Cowper, C. Bowyer, G. L. Cull, H. Oakley, W. H. Hagger, J. S. Myers, W. A. D'orridant, R. C. Bishop, J. A. Pannett, and E. T. W. McLaurin.

SATURDAY, 15TH JUNE, 1912.

The Commission met at 10 a.m. at the Provincial Council Chambers.

All the Commissioners were present with the exception of Mr. W. G. Macdonald.

Charles Lafferty, boot-dealer, made a correction in his evidence given on the 13th instant.

The following witnesses were examined on oath: C. E. Hampton, H. V. Free, R. Evans, and T. Brown.

C. Bowyer supported his evidence, given yesterday, by reading several letters referred to in his previous statement.

MONDAY, 17TH JUNE, 1912.

The Commission met at 10 a.m. at the Provincial Council Chambers.

All the Commissioners were present with the exception of Mr. W. G. Macdonald.

Mr. G. W. Leadley took his seat with the other Commissioners.

The following witnesses were examined on oath: F. F. Jolly, H. Hunter, H. O. Gill, F. H. Steel, F. Williams, F. Blakeway, G. Scott, W. Stephen, G. Sheat, J. Thornton, T. R. Leithead, F. Feaver, E. J. Newman, and C. Taylor.

Mr. O. J. T. Alpers, solicitor, appeared on behalf of W. Pearce, coal-merchant, and stated that his client refused to give evidence.

TUESDAY, 18TH JUNE, 1912.

The Commission met at the Provincial Council Chambers at 10 a.m.

All the Commissioners were present with the exception of Messrs. W. G. Macdonald and W. A. Veitch, M.P.

The following witnesses were examined on oath: T. B. Crawshaw, F. L. G. Jolly, A. W. Jamieson, G. T. Booth, J. Keir, W. T. Lill, and J. S. Scott.

Mr. G. Harper appeared on behalf of Mr. F. A. Cook, and stated that he had advised Mr. Cook to decline to give evidence.

The following witnesses were examined on oath: A. Mander, P. S. Pavitt, and G. B. Nelson.

AUCKLAND.

THURSDAY, 20TH JUNE, 1912.

The Commission met at the Government Buildings, Albert Street, Auckland, at 2 p.m.

All the Commissioners were present with the exception of Mr. W. G. Macdonald.

The following witnesses were examined on oath: A. Withy, J. Flanagan, J. E. Makgill, A. Sanford, and W. P. Black.

FRIDAY, 21ST JUNE, 1912.

The Commission met at 10 a.m. at the Government Buildings, Albert Street, Auckland.

All the Commissioners were present with the exception of Mr. W. G. Macdonald.

The following witnesses were examined on oath: D. H. Lusk, T. Miller, F. Maskell, P. Virtue, W. F. Stewart, Emily Gibson, D. J. McGowan, and J. M. Carpenter.

A. G. Coles, boot-manufacturer, declined to give evidence, stating that he had none to give. He stated he would have no objection to giving his reason privately to the Chairman.

The following witnesses were examined on oath: R. H. McCallum and C. Taylor.

SATURDAY, 22ND JUNE, 1912.

The Commission met at the Government Buildings, Albert Street, at 10 a.m.

All the Commissioners were present with the exception of Mr. W. G. Macdonald.

The following witness was examined on oath: J. W. Hall.

C. Taylor, ex milk-retailer, corrected and supplemented his evidence given on the previous day.

The following witness was examined on oath: A. Ross.

The Commission went into committee at 11.45 a.m., and adjourned at 12.50 p.m.

MONDAY, 24TH JUNE, 1912.

The Commission met at the Government Buildings, Albert Street, at 10 a.m.

All the Commissioners were present with the exception of Mr. W. G. Macdonald.

The following witnesses were examined on oath: J. W. McIlraith, LL.B., Litt.D., J. T. Reid, and R. Salmon.

Mr. Smeeton, grocer, attended, but, under legal advice, refused to give evidence.

The following witnesses were examined on oath: A. Schmitt, E. Phelan, J. B. Tonar, and A. Rosser.

TUESDAY, 25TH JUNE, 1912.

The Commission met at 10 a.m. at the Government Buildings, Albert Street, Auckland.

All the Commissioners were present with the exception of Mr. W. G. Macdonald.

The following witnesses were examined on oath: E. C. Banks and G. L. Peacocke.

Dr. Bamford, barrister, &c., appeared on behalf of John Schischka, merchant, and L. D. Nathan and Co., merchants, and stated that he had advised his clients to refuse to give evidence.

The following witnesses were examined on oath: F. G. Ewington and H. Green.

G. Hutchison, grocer, appeared, and was excused from giving evidence on account of ill health.

The following witness was examined on oath: W. Ranstead.

E. C. Banks was recalled and further examined.

The Commission adjourned at 1 p.m. until 9.30 a.m. on Wednesday, on account of, and as a mark of respect to, the late Sir John Logan Campbell.

WEDNESDAY, 26TH JUNE, 1912.

The Commission met at 9.30 a.m. at the Government Buildings, Albert Street.

All the Commissioners were present with the exception of Mr. W. G. Macdonald.

The following witnesses were examined on oath: J. W. Wiseman, H. W. Segar, G. Winstone, A. C. Caughey, S. Wing, G. George, and A. Kent.

THURSDAY, 27TH JUNE, 1912.

The Commission met at the Government Buildings, Albert Street, at 9.45 a.m.

All the Commissioners were present with the exception of Mr. W. G. Macdonald.

The following witnesses were examined on oath: W. M. Evans, H. N. Bagnall, A. G. Tooley, J. H. Gunson, T. Bell, T. Long, G. C. Garlick, and A. Tooman.

A. J. Entrican, merchant, attended, and refused to give evidence, as, being a member of the Merchants' Association, he was involved in a law-case now pending. The Commissioners excused witness on this ground.

E. Langguth, general merchant, also refused to give evidence.

The following witnesses were examined on oath: E. W. Allison, G. Court, H. Goldstein, M.D., and J. Gallagher.

H. Banfield, secretary, Carpenters' Union, attended, and stated that his union had instructed him to decline to give evidence.

The following witnesses were examined on oath: W. Richardson and A. M. Carter.

FRIDAY, 28TH JUNE, 1912.

The Commission met at 9.45 a.m. in the Government Buildings, Albert Street, Auckland.

All the Commissioners were present with the exception of Messrs. W. A. Veitch, J. Robertson, M.P.s, and W. G. Macdonald.

The following witnesses were examined on oath: W. E. Sill, T. D. McNab, E. A. Craig, W. J. Holdsworth, D. A. Headley, J. W. Garrett, D. Reid, P. J. Nerheny, and J. Rowe.

J. W. Hall, wholesale grocer, was sworn, and supplemented his evidence given previously.

The following witnesses were examined on oath: F. W. Arns, H. Banfield, W. H. Murray, J. Slator, W. H. Whitehead, S. C. Macky, and M. Garnaut.

SATURDAY, 29TH JUNE, 1912.

The Commission met at the Government Buildings, Albert Street, at 10 a.m.

All the Commissioners were present with the exception of Messrs. W. A. Veitch, J. Robertson, M.P.s, and W. G. Macdonald.

The following witnesses were examined on oath: G. Davis, W. F. Bines, A. Crumb.

T. Bell, manager, Union Soap, Oil, and Candle Factory, was sworn, and given an opportunity by the Chairman to send further evidence by sworn affidavit later.

The following witnesses were examined on oath: W. B. Leyland and A. Nixon.

WELLINGTON.

TUESDAY, 2ND JULY, 1912.

The Commission met at the old Parliamentary Buildings at 11 a.m.

All the Commissioners were present with the exception of Mr. W. A. Veitch, M.P.

The following witnesses were examined on oath: W. A. Boucher and W. J. Birch.

The Commission met in Committee at 2.30 p.m. and resumed at 4.30 p.m., when Mr. W. A. Boucher supplemented his evidence given during the morning, by making a confidential statement to the Commission.

WEDNESDAY, 3RD JULY, 1912.

The Commission met at the old Parliamentary Buildings at 10 a.m.

All the Commissioners were present.

The following witnesses were examined on oath: W. Maddison, J. Trevor, T. Quinlivan, N. Fernandos, A. Bolton, C. J. Ward, J. Hutchen, E. Collie, J. Mitchell, W. W. Jones, C. W. Howard, and M. J. Reardon.

THURSDAY, 4TH JULY, 1912.

The Commission met at the old Parliamentary Buildings at 10 a.m.

All the Commissioners were present.

The following witnesses were examined on oath: F. F. Munro, D. Moriarty, G. L. Fulton, D. Carmody, D. Currie, H. G. Hill, D. P. Matthews, and W. Ferguson.

W. A. Blair, solicitor, appeared on behalf of Mr. G. H. Scales, shipping agent, and apologized for his absence, Mr. Scales having left for England that morning.

The following witnesses were examined on oath: H. J. Simpson and W. A. Kellow.

FRIDAY, 5TH JULY, 1912.

The Commission met at the old Parliamentary Buildings at 10 a.m.

All the Commissioners were present.

The following witnesses were examined on oath: F. P. Wilson, J. Lomas, R. W. McVilly, G. L. Marshall, E. C. Jack, and A. Leigh-Hunt.

Mr. Levi, solicitor, appeared on behalf of Mr. Brooks, local manager of the Dresden Piano Company, and stated that his client felt that he could not give evidence as the directorate was located in Dunedin. The Commission excused Mr. Brooks from attending.

The following witnesses were examined on oath: J. Charlesworth, D. J. Cameron, and C. W. Halse.

SATURDAY, 6TH JULY, 1912.

The Commission met at the old Parliamentary Buildings at 10 a.m.

All the Commissioners were present with the exception of Mr. G. W. Leadley.

C. J. Reakes, Director of Live-stock and Meat Division of the Department of Agriculture, was sworn and examined. (The evidence was taken, in part, in camera).

The following witness was examined on oath: T. B. Goddard.

The Commission went into Committee, adjourning at 12.40 to 2.30 p.m., and finally adjourned at 4.15 p.m.

MONDAY, 8TH JULY, 1912.

The Commission met at 10 a.m. at the old Parliamentary Buildings.

All the Commissioners were present with the exception of Mr. G. W. Leadley.

The following witnesses were examined on oath: F. F. Munro, F. W. T. Rowley, W. Temple, F. T. Moore, C. K. Wilson, M.P., W. A. Flavell, A. J. Bishop, S. Richardson, J. Hutchison, R. S. Alward, F. Townsend, A. Longmore, and M. Fraser.

TUESDAY, 9TH JULY, 1912.

The Commission met at 9.45 a.m. at the old Parliamentary Buildings.

All the Commissioners were present with the exception of Mr. G. W. Leadley.

The following witnesses were examined on oath: S. S. Brown, E. Bull, W. Simm, F. W. B. Greville, W. Brunskill, G. Aldous, W. T. Young, C. Cathie, W. H. Millward, and A. E. Donne.

Mr. C. P. Skerrett, solicitor, appeared on behalf of Mr. J. G. W. Aitken (of Messrs. Aitken, Wilson, merchants) to make an explanation for the latter's non-appearance. The Chairman declined to allow Mr. Skerrett to give reasons or make any statement. Mr. Skerrett protested against this ruling on behalf of his own client Mr. Aitken, and also on behalf of Mr. Tripe, the solicitor for New Zealand for the Merchants' Association, and for Mr. Gold, the secretary for the same association.

WEDNESDAY, 10TH JULY, 1912.

The Commission met at 9.45 a.m. at the old Parliamentary Buildings.

All the Commissioners were present with the exception of Mr. G. W. Leadley.

The following witnesses were examined on oath: J. F. Turnbull, C. E. Fenton, E. D. Barber, J. Wall, F. W. Manton, F. Meadowcroft, Sing Kee, R. S. Abraham, C. C. Odlin, A. A. Gellatly, J. Kierby, J. Fairway, and John Varcoe.

W. E. Gwillim, Dairy-produce Grader, tested two samples of butter (1) as to weight, (2) as to moisture-content. Several parcels of New Zealand and English candles were also tested as to weight.

The following witness was examined on oath: D. K. Pritchard.

THURSDAY, 11TH JULY, 1912.

The Commission met at 10 a.m. at the old Parliamentary Buildings.

All the Commissioners were present with the exception of Messrs. G. W. Leadley and W. A. Veitch, M.P.

The following witnesses were examined on oath: J. Dawson, W. J. Comrie, G. Allport, D. K. Pritchard, W. T. Mills, E. Hampton, J. P. Frengley, M.D., M. J. Casey, F. Pilkington, and E. Bull.

The Commission adjourned at 4 p.m. until Monday, the 12th August, 1912, so as to allow of the evidence being printed and indexed. The Chairman (Mr. Tregear) and the Secretary were empowered by the Commission to take charge of the Commission's work during the recess.

MONDAY, 12TH AUGUST, 1912.

The Commission met at 10 a.m. at the Parliamentary Buildings. Messrs. Hall, Robertson, and Veitch were present.

The Commission went into Committee on the report.

TUESDAY, 13TH AUGUST, 1912.

The whole of the Commissioners met at 10 a.m., with the exception of Mr. Tregear, who was unwell.

Mr. G. W. Leadley was appointed Acting-Chairman.

The Secretary reported that during the recess the whole of the evidence and exhibits had been printed, indexed, and distributed to Commissioners.

Committees were set up to consider the drafting of the report.

On account of ill health Mr. Tregear was excused from attendance at the Commission's room, Parliamentary Buildings, and it was decided that the Committee acting with him should meet at his private residence.

From the 13th to the 24th August the Commission was engaged in Committee, considering its report.

Intimation was received from the Hon. the Minister of Labour that the time for reporting was being extended to the 30th August.

The final printing and passing of the report was left in the hands of the Chairman and Secretary.

FRIDAY, 30TH AUGUST, 1912.

The Commission met at 10 a.m., Messrs. Tregear (Chairman), Veitch, and Robertson being present.

The Commissioners absent signified in writing their approval of the report.

The report was finally adopted, and it was resolved to present it to the Hon. the Minister at 10 a.m. This was accordingly done, and His Excellency's commissions returned.

SUMMARY OF EVIDENCE.

SECTION I.—FOOD AND GROCERIES.

- A. BREAD : Master bakers ; union secretary.
- B. BUTTER : Dairy-produce merchants ; butter-manufacturers.
- C. FISH : Fish-merchants ; fish-auctioneers ; fishmongers ; fish-curers and hawkers ; fishermen ; Secretary Marine Department ; Wellington City Council (fish destroyed) ; imported salted fish, duty.
- D. FLOUR : Flour-millers.
- E. FRUIT : Fruit-auctioneers ; fruiterers ; Assistant Director, Orchards ; market-gardener.
- F. MEAT : Stock-auctioneers ; meat-company representatives ; master butchers ; stock-dealer ; Director, Live-stock Division.
- G. MILK : Dairymen.
- H. GROCERIES : Merchants (*re* cocoa and biscuits) ; merchants' associations (*re* scaled goods) ; wholesale merchant ; New Zealand Farmers' Co-operative Association ; general grocers ; Master Grocers' Association.
- I. SOAP AND CANDLES : Manufacturers.
- J. FOOD GENERALLY : Dr. Frengley (*re* Sale of Foods Act) ; regulations *re* adulteration, short weights, &c.

A. BREAD.

- KENT, ARCH., Master Baker, Auckland (26/6/12 ; p. 323)—
Re method of fixing bread-prices—Average delivery by carters—*Re* Co-operative Association reducing bread-prices—Object of association—Prices, cash and delivered, the same.
- KELLOW, W. A., Master Baker, Wellington (4/7/12 ; p. 405)—
Re retail prices of bread, 1893 to 1912—Prices not regulated by association of bakers—*Re* Australian, Canadian and New Zealand flour—Cost of delivery estimated 1½d. per loaf—Little loss by bad debts.
- WILLIAMS, F., Master Baker, Christchurch (17/6/12 ; p. 177)—
Re carters deliver on average 120 to 140 loaves a day—Cost of delivery has increased—Prices of bread increased due to increased cost of everything excepting flour—Bread delivered at 6½d. and 6d., and for cash over counter 5d. per 4 lb. loaf—*Re* masters' association—Prices not fixed—Weight of dough 2 lb. 3 oz. for small loaf and double for large—Municipal bakery with well organized delivery would cheapen bread—*Re* Flourmillers' Association and boycotting—Flour-supplies stopped for twelve months—Flour got from abroad.
- MUNRO, J. W., Master Baker, Dunedin (7/6/12 ; p. 50)—
Re price of bread regulated by association—Association non-effective at present—Cost of distribution ¼d. more than manufacturing cost—Cost of establishing municipal bakery Dunedin, £40,000—Would cheapen cost—Wages increased to bakers 5s. last ten years—Millers' Trust ineffective.
- WILSON, J. S., Secretary Bakers' Union, Christchurch (14/6/12 ; p. 141)—
Re wages and general conditions of bakers—Men more efficient—*Re* weights of dough before baking—*Re* labour cost of producing bread ¼d. to ¾d. a loaf—*Re* delivery—Number of loaves handled by a carter—Wages of £2 5s. too low to ensure decent living—Rent principal increase—*Re* masters' association.

B. BUTTER.

- McGOWAN, D. J., Dairy and Produce Merchant, Auckland (21/6/12 ; p. 248)—
Re dairy-produce increased 15 per cent. in ten years—Quantities exported from Auckland—Local competition with butter keen—Average wholesale prices London and Auckland—Range of retail prices—*Re* increased cost of making butter—Factors are increased land-values, rent, rates, taxes, and labour—*Re* winter storage—Labour cost of production of butter—If labour doubled would not make any appreciable difference in price of butter.
- HILL, H. G., Dairy-produce Merchant, Wellington (4/7/12 ; p. 400)—
Re prices paid for butter (wholesale), 1st April, 1911, to 30th June, 1912—Local market competitive—Quantity exported and consumed locally—Loss on butter business—English prices—Favour abolition duty on Australian butter—Causes for high prices of butter—Prices not fixed by merchants—Glen Oroua contract prices not included in main return—*Re* other goods handled, bacon, biscuits, &c.—Butter-supply to grocers not restricted.
- AGAR, C. P., Secretary Taitapu Dairy Company, Christchurch (12/6/12 ; p. 99)—
Re factory co-operative concern among farmers—Wages do not affect butter-prices—Supplies local trade mainly—Surplus, if any, sent Home—Butter-fat prices and retail prices of butter—Butter last winter retailed at 1s. 6d.—No combine—Competition rife—Farmers butter 1½d. to 2d. per pound less—Factory butter costs ½d. per pound to put up in pats—*Re* storing butter and keeping-qualities—Rise in price of butter-fat due to increased land-values—Increased cost of running factories due to better methods employed—Pasteurization, &c.
- BEISSEL, A. E., Manager Dairy Supply Company, Dunedin (6/6/12 ; p. 24)—
Re T. and P. Farmers' Co-operative Society—2,000 members wholesale and retail milk and butter suppliers—Prices of butter—Highest and lowest—Prices of milk—Summer and winter—Competition keen—Butter—fat prices—Cheese—Outside markets—Stored butter.

C. FISH.

SANFORD, A., Fishmonger, Auckland (20/6/12; p. 228)—

Buys wholesale from fishermen—Fish increased in price 50 per cent.—Surplus fish frozen—Trawling in Hauraki Gulf stopped—Mostly line fishing done—Fish bundles 2s. to 2s. 6d.—Prices fixed by fishermen—Retail competition keen—Delivery or distribution charges very high—11d. out of 1s.—Delivery advanced at least 50 per cent. to cost—Railway service inadequate—No proper facilities provided.

FERNANDOS, N., Fish-merchant, Wellington (3/7/12; p. 377)—

Re fish bought from fishermen at established prices—Trawling does not pay—Retail prices—Surplus fish smoked and put into freezer—Prices unusually high at present—Re fish auction—Open to public—Freights on railway too high—Rents and rates on shop very high.

NEWMAN, E. J., Fish-salesman, Christchurch (11/6/12; p. 90)—

Re wholesale fish merchant and auctioneer—Where fish are bought from—Prices vary tremendously—No ring among fishermen—Groper sold mainly 1½d. to 8d. per pound wholesale—Railway facilities inadequate—Prices of flounders and fish sold by cash—Auctioneers will sell single fish—Fish destroyed, 15 cwt. in twelve months—Wellington and Christchurch prices similar.

SULLIVAN, F. J., Fish-merchant, Dunedin (4/6/12; p. 7)—

Re fish—Wholesale and retail—Distribution—Fish in public demand.

ALWARD, R. S., Manager New Zealand Trawling Company, Wellington (8/7/12; p. 440)—

Re wholesale and retail dealers—Company selling at a loss—Balance-sheet produced; loss £414 in Wellington—No combination or understanding as to prices.

STRAHAN, T., Fishmonger, Christchurch (13/6/12; p. 124)—

Re prices of fish increased owing to small and irregular catches—Market open—Auctioneers buy surplus and freeze it—How local fish are obtained—Freezing steadies prices—Difference between retail and wholesale prices about 25 per cent.

BUCHAN, J., Fish-curer, Dunedin (7/6/12; p. 58)—

Re railway freights on fish—Complains that they are excessive.

MCCUTCHEON, T. J., Fish-hawker, Dunedin (7/6/12; p. 57)—

Re fishermen limiting catch so as to raise prices—Hawkers buy at auction—Rabbits and retail prices.

GALLAGHER, J., Fisherman, Auckland (27/6/12; p. 336)—

Owner of oil-launch—Fish sold to dealers—Auctioning not favoured—Retailers profits small—Re trawler fishing—Cause of recent strike of fishermen—Better prices of fish secured by exporting to Australia—Government regulations and inspection harassing.

GARNAUT, M., Fisherman, Auckland (28/6/12; p. 356)—

Re retail prices of fish increased 200 per cent.—Fish scarcer and fishermen's expenses greater—Fishermen fix wholesale prices—Competition among retailers keen—Prices (quoted) secured by fishermen—Government regulations restrictive.

NIXON, ADAM, Engineer, Auckland (29/6/12; p. 362)—

Re trawler fishing—Fishermen control prices—Re stoppage of trawling by Government.

D'ORRIDENT, W. A., Fisherman, Christchurch (14/6/12; p. 155)—

Re Christchurch being practically a private market—Sales restricted to few buyers—Auctioneers buy and freeze fish—Methods explained—For five months average return to fishermen ½d. a pound—Retail prices 3d. and 4d. a pound—Auctioneers should sell to public and not be allowed to purchase fish themselves—Re train facilities—Should be extended.

KEENAN, F., Fisherman, Dunedin (5/6/12; p. 17)—

Re launch fishermen—Catch restricted—Commission charges 10 per cent.—Freights too high.

ALLPORT, G., Secretary Marine Department, Wellington (11/7/12; p. 473)—

Re regulations governing trawling and fishing generally—Advocates Municipal fish-markets—Tables showing quantity of fish exported 1909–10–11—Fish destroyed to keep up prices—Better statistics re fish under consideration.

CASEY, M. J., Chief Clerk, City Engineer's Office, Wellington (11/7/12; p. 484)—

Re fish destroyed and sent to destructor—Last year 257 tons stale fish sent—Fruit destroyed average about 100 tons a year.

REID, J. T., Printer's Broker, Auckland (24/6/12; p. 278)—

Re Scotch herring industry—Customs duties 10s. per hundredweight—Duty exceeds value of fish—Urges reduction to 3s. a barrel.

D. FLOUR.

VIRTUE, P., Flour-miller, Auckland (21/6/12; p. 243)—

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SIMPSON, G. F., Flour-miller, Christchurch (12/6/12; p. 116)—

Not a member of the association—Present prices of wheat-products—No profits at present—Australian flour preferred.

HAMPTON, C. E., Flour-salesman, Christchurch (15/6/12; p. 162)—

No knowledge of Flour Trust—Bakers work on small profits.

GARDNER, WM. R., Flour-miller, Christchurch (12/6/12; p. 102)—

Home and foreign stock-jobbers cause prices of wheat to rise and fall mainly—Local conditions, e.g., area under crop, &c., affect prices first, then foreign influences—Wheat-areas in New Zealand, 1910, 1911, and 1912—Decreased area in 1912 due dearth of labour—No combination between miller and baker re flour-prices—Re increased cost of milling—Higher wages and shorter hours not counterbalanced by improved machinery—Re Flourmillers' Association and prices—Prices of wheat and flour from 1903 to 1912 inclusive—Profits over eighteen years never less than £1 per ton clear, now it is 4s. 8d.—Association regulates prices and output—Railway charges on flour—Bad debts average ½ per cent. on association's turnover of approximately £750,000—Re maintaining the association and means of breaking up a monopoly

—*Re flour duty*—Abolition would mean wiping out industry—*Re wages harvesting-work*—Thirty mills associated approximately and ten outside the association—Association output 3,500 tons monthly—outside mills about same—If mills all associated price would increase £1 per ton—*Re Australian plants, and freights to New Zealand*—Same charge practically from Australia to New Zealand as between Lyttelton and Auckland, namely 9s. per ton.

ALLEN, R., Flour-miller, Christchurch (13/6/12; p. 138)—

Member of Flourmillers' Association—Competition keen at present—*Re Australian and New Zealand flour*—Former makes more bread—Capacity of New Zealand mills double requirements—Output quoted of all mills—Present profits 2½ per cent. on turnover—Objects of association to prevent overlapping and avoid bad debts, &c.—*Re Australian flour and dumping*—*Re removal of duty*—Opposes this for reasons given.

E. FRUIT.

TONAR, J. B., Manager, Waitemata Fruit-growers Co-operative Society, Auckland (24/6/12; p. 285)—

Re objects of association—Sells for anybody—Bidding free and open—Some growers grade fruit badly—Delivery charges very high—Vegetable-market supplied by Chinese—Society is encouraging better system of packing and grading—*Re export of fruit*—Shipment to South America realized poor price—Fruit should be sold in lighter weights, i.e., smaller quantities—Good deal of fruit sold privately—Members of association number 300.

TOOMAN, A., Fruit-auctioneer, Auckland (27/6/12; p. 331)—

Fruit-packing greatly improved—In auctioneers and retail prices there is an average difference of 20 per cent.—Prices very low this year—First-class fruit in short supply—*Re Tasmanian apples*—Most retail sales are sixpenny-worth—Charges on apples exported.

MITCHELL, J., Fruit-auctioneer, Wellington (3/7/12; p. 384)—

No combination among fruit-merchants—Prices for apples at auction quoted 19s. 7d. and 19s. 11d.—Low prices due to glut or condition of fruit—Cold storage advocated.

TOWNSEND, F., Fruit-auctioneer, Wellington (8/7/12; p. 440)—

Re advising growers as to state of market—Object of Auctioneers' Association—Competition existing—*Re imported fruit and reason for fixing reserved prices*—Distinct loss experienced on this business—*Re exposing fruit auctioned*—No compulsion to buy at auction—Price secured for vegetables—Refunds for inferior fruit—Mr. Simpson's evidence challenged—Bidding for fruit open to any one—Imported fruit not necessary if trade better organized—Commission charged 7½ per cent. on fruit, &c., sold—Apples and retail prices—Average profit of retailers about 25 per cent.—All soft fruits very cheap in season.

EVANS, W. M., Fruiterer, Auckland (27/6/12; p. 324)—

Re retail trade—Difference of prices between grower and retailer 25 to 100 per cent.—Regulation should fix size of cases—Practice of "topping" prevalent—Rates and taxes increase, also rent—75 per cent. local-grown fruit should not be marketed—Hobart apples preferred.

KEE, SING, Fruiterer, Wellington (10/7/12; p. 464)—

No ring among Chinese—Competition ruling—Apple-prices quoted.

JONES, W. W., Secretary Fruiterers' Association, Wellington (3/7/12; p. 385)—

No ring amongst buyers and retailers of fruit—Landlord gets all the profit—Hours very long—Very few paying businesses—Object of Retailers' Association—Retail prices of fruit—Advocates municipal market—"Topping" prevalent.

SIMPSON, H. J., Fruiterer, Wellington (4/7/12; p. 406)—

Retail prices of apples—Market free and open—Auctioneer fixes prices of imported fruit—Trade not flourishing with retailers—Dishonest packing of fruit and vegetables.

BLAKEWAY, F., Fruiterer, Christchurch (17/6/12; p. 180)—

Fruit-prices vary little—All fruit bought at auction—Bidding free and open—*Re hawkers and Chinese competition*—Unfair and harmful—*Re apples and plums*—Retail prices, &c.

FEAVER, F., Fruiterer, Christchurch (17/6/12; p. 191)—

Fruit mainly cheaper and present prices reasonable—Retail prices quoted—Growers do not always get fair prices—Chief increase costs in business are wages, rent, and rates—Hawkers not affected business.

MUNRO, C. T., Fruiterer, Dunedin (7/6/12; p. 38)—

No combine *re fruit-selling*—*Re methods of sale through auction*—Retail prices of apples—Auction prices fixed on imported goods—Cost of distribution 25 per cent. to retailer.

BOUCHER, W. A., Assistant Director Orchards, &c., Agriculture Department, Wellington (2/7/12; p. 362)—

Fruit industry flourishing—Number of trees planted—Fruit too dear to consumer—Distribution-expenses too high—Wholesale and retail prices given—Suggestion to send fruit through post—Proposal was under way—Cool-storage will also cheapen fruit and prolong season—Growers not sufficiently kept in touch with the market-conditions—Californian methods advocated and described—Whole industry wants organizing better—*Re operations of Orchard and Garden Pests Act*—Apples imported worth £56,000—Export of apples in experimental stage—Care in selection of fruit essential to success.

MYERS, J. S., Market-gardener, Christchurch (14/6/12; p. 153)—

Land-values increased 75 per cent., labour 50 per cent.—Auction prices secured for cabbages 8d. to 13d. per dozen—In one instance 2s. 2d. for 10 dozen—Returns for peas, potatoes, apples, &c.—Advocates opening up public market—Distribution-charges at present simply waste—*Re milk supply*—Wholesale and retail prices—Municipal management required—*Re coupon system grocery trade*, prize values exaggerated.

F. MEAT.

ABRAHAM, R. S., Stock-auctioneer, Palmerston North (10/7/12; p. 464)—

Re F. T. Moore's statements—Auctioneers and meat companies not in combination—Member of Retail Association, Palmerston North—Prices fixed by agreement—All retailers under promissory note not to sell—Cold-storage steadies prices.

MILLWARD, W. H., Chairman, Directors Gear Meat Company, Wellington (9/7/12; p. 453)—

Retail prices of meat 1890 and 1912—Cost of distribution analysed—Charges equal almost 1d. per pound—Returns for fore and hind quarter of beef and mutton—Abattoir charges—Local prices fair.

- MURRAY, WM., General Manager Christchurch Meat Company, Christchurch (11/6/12; p. 78)—
Re wholesale prices—Fluctuated very much—Meat exported, thirteen to sixteen million carcasses—Local consumption almost negligible—No trusts or combines—Retail shops being reduced and done away with—Freezing-charges ex ship, 1½d. pound—Sheep, 1d.—Tendency for labour to give less work for a given wage.
- GARRETT, J. W., Butcher, Auckland (28/6/12; p. 345)—
 Prices fluctuating over eight years—Trading is free and open—No bond binding retailers.
- REID, D., Butcher and Grocer, Auckland (28/6/12; p. 345)—
Re Merchants' Association and "scaled" groceries—Auckland Butchers combine—Meat prices fixed Penalties imposed—Bond of £25—Witness conducts cash trade—Sells meat cheaper by 1d. per pound—Retail prices quoted—Wholesale buying methods—Attempts to boycott at auction.
- SALMON, ROBERT, Master Butcher, Auckland (24/6/12; p. 279)—
 No material rise in meat-prices in ten years—Bad debts equal 1 to 2½ per cent.—Labour cost increased 25 to 30 per cent.—Wholesale prices of beef lower—Mutton prices quoted wholesale and retail—Present wages quoted paid to shopmen—Abattoir charges and railway freights.
- WING, SAMUEL, Manager Hellaby's, Auckland (26/6/12; p. 320)—
 Meat prices, wholesale and retail, 1903–1912 reduction shown and not members of association—Control of twenty-six shops—Prices not fixed—Competition keen—Wages increased 20 per cent.—Abattoir charges—Railway service satisfactory.
- BARBER, E. D., Master Butcher, Wellington (10/7/12; p. 458)—
 Local meat as high-class as that exported—Abattoir charges—How meat is purchased wholesale—Retail prices given for 1902 and 1912—Cost of distribution equals 0.96d. per pound—Local prices on bed-rock—Prices not fixed by Retailers' Association.
- HAMPTON, ERLE, Master Butcher, Palmerston North (11/7/12; p. 479)—
Re meat-buying Palmerston North—Butchers associated—Prices fixed by agreement—Bond fixed £20—Penalty for breaking—Promissory note payable on demand—Breach of Commercial Trust Act—Retail meat prices Palmerston North—*Re* abattoirs privately owned—Not satisfactory—One butcher outside association.
- MATTHEWS, D. P., Butcher, Wellington (4/7/12; p. 403)—
 Does not belong to local association—Prices 1d. per pound lower—Association regulates prices—Wholesale prices of beef—Wholesale market for meat-buying open—Association prices fair—*Re* delivery expenses.
- DIXON, G., Butcher, Christchurch (11/6/12; p. 76)—
 Marked increase meat-prices—Wages of butchers—Home markets control local prices—Local retail prices for cash—Cost of delivery 1d. per pound—Abattoir charges—No combine or monopoly—High prices of stock responsible rise in price rural land.
- SMITH, THOMAS, Master Butcher, Dunedin (7/6/12; p. 52)—
 No combination—Buying open—Prices of mutton and beef, retail and wholesale—Wages of men—Efficiency of men satisfactory.
- STEEL, F. H., Master Butcher, Christchurch (17/6/12; p. 175)—
 Prices not increased last twenty years despite high wages paid—Home market regulates local prices, beef excepted—Quality of local mutton not up to Home standard—*Re* abattoir expenses and charges—Cost of running shop ½d. per pound—Master Butchers' Association does not regulate prices—Witness's turnover very large—Charge for delivery ½d. pound over cash price—Wholesale prices of beef, 28s. to 30s.
- MATHEWSON, A., Butcher, Dunedin (5/6/12; p. 23)—
 Method of buying meat—Retailers at lowest prices in Dunedin—Cash only—His firm not in any combination—No evidence to give *re* existence of any ring—Delivery expenses ½d. per pound—Wholesale prices of beef.
- SILL, W. E., Secretary, Butchers' Union, Auckland (28/6/12; p. 338)—
 Wages increased 15 to 20 per cent.—Wages nothing to do with meat-prices—Home markets fix prices—Locally sold meat inferior to exported meat—Meat-prices fixed by association—Effect of competition on meat-prices—Scale showing prices 1909 and 1911 fixed by association—*Re* wholesale buying—Cheaper than Christchurch—Delivery charges ½d. extra over cash—*Re* operations of association—Only one butcher outside combine—Ignorance of meat-buyers—Difficulty of teaching children in domestic-economy classes as to selecting good and bad meat—Average weight of meat delivered daily.
- MOORE, F. T., Live-stock Dealer, Wellington (8/7/12; p. 433)—
Re combine of meat companies in North Island—Operations explained—Meat companies and auctioneers acting together—Auctioneers fix fictitious values—Favours nationalization of meat industry—*Re* bankers and small traders.
- REAKES, C. J., Director Live-stock Division, Agriculture Department, Wellington (6/7/12; p. 426)—
 Considerable improvement in standard quality of stock—Keen demand for dairy cows—Land speculation and "paying" value—Labour difficulty a general complaint with farmers—Farmers' children not unduly affected by dairy-work—Dairy cow, census 1911—Butter-fat average returns—Meat exported and retailed locally compared—Local meat sold equally as good as that exported—*Re* bacon industry—Loss in curing, &c.—Cost of distribution discussed—Poultry industry being fostered—Scarcity of labour—Remedies and difficulties discussed.

G. MILK.

- TAYLOR, CORNELIUS, ex-Dairyman, Auckland (21/6/12; p. 255)—
 Cost of milk delivery 2½d. per gallon—Systematic delivery not possible under private control—Municipal or Government control of industry too expensive—Wages of carters—Milk-consumption average 1 quart per week per individual—Effect on children's health—Prices arranged by association—Cost of producing milk summer and winter—Quality of milk sold good—Wholesale milk prices, 8d. and 7d. per gallon—Employees must not enter into competition—Agreement explained.
- KEIRBY, J., Dairyman, Wellington (10/7/12; p. 467)—
Re wholesale and retail prices of milk—English rates quoted.
- MAHER, JAMES, Milkman, Christchurch (11/6/12; p. 91)—
 Milk 4d. winter and 3d. summer—No combine among milk-proprietors—Unfavourable towards municipal control—Land rates very high—Bad debts very rife.

H. GROCERIES.

- MEADOWCROFT, F., Agent Cadbury's Cocoa, Wellington (10/7/12; p. 462)—
Bournville cocoa not controlled by Merchants' Association—Retail selling-conditions fixed—*Re* bonuses on large orders—Systems of discounts explained.
- CRAWSHAW, T. B., Accountant, Aulsebrook and Co., Christchurch (18/6/12; p. 194)—
No knowledge of combine in biscuit trade—Different discounts rule in different districts—Rule of trade responsible—Details refused in regard to this practice—*Re* protective tariff and English biscuits—Better class of biscuits demanded by the New Zealand public—Association practically defunct—Not formed to restrain trade.
- ROWE, G. F. T., Accountant, Fairbairn, Wright, and Co., Christchurch (12/6/12; p. 118)—
Re sugar and control of prices—Correspondence to Government from Fairbairn, Wright, and Co. read—Full details of operations of Merchants' Association—Tariff of prices for Colman's goods before and after "scaling"—Infants' food prices—Merchants retained duty—*Re* tobacco, soap, cocoa, marmalade—Correspondence with firms quoted—Galvanized hollow-ware "scaled"—Letters relating thereto.
- NOTTINGHAM, A. C., New Zealand Representative, Jeyes' Sanitary Compound Company, Christchurch (12/6/12; p. 95)—
Represented Jeyes' Company seventeen years—Prices same for fifteen years—Merchants Association tried to tariff Jeyes, and increase selling-price—Pressure brought on his principals in London by president of the association—Attempt unsuccessful—Correspondence sent to New Zealand—Clothing little dearer over seventeen years, but food not increased in cost.
- PILKINGTON, F., Manager, Fairbairn, Wright, and Co., Wellington (11/7/12; p. 484)—
Re Varcoe's evidence—Selling below tariff rates—Scott's Emulsion referred to—Wholesale and retail prices fixed—*Re* starch—Merchants' Association and outside merchants' prices and discounts—Letter read from White Swan manufacturers.
- FULTON, G. L., General Merchant, Wellington (4/7/12; p. 393)—
Re operations of Merchants' Association—Correspondence *re* matches, tobacco, and Edmonds' baking-powder read—*Re* penalty of £100 for breach of scale rates—Rule quoted—Operations of butter ring—Names of Wellington Merchants' Association.
- JAMIESON, A. W., Acting-Manager New Zealand Farmers' Co-operative Association, Christchurch (18/6/12; p. 204)—
List showing grocery prices, 1894, 1900, 1905, 1910, and 1911—Increases and decreases—*Re* bacon, cheese, and butter prices—Profits on bacon small—Causes of increased prices of groceries—Crockery, furniture, &c.—Prices vary—Tendency to be cheaper—Extended credit system—Policy of Farmers' Co-operative Association—Reasonable prices fixed—Prices more stable as the result of establishment of association—Tariff remissions have benefited consumers—*Re* monopolies—Association member of Retail Grocers' Association—Certain prices fixed by retail association—Nothing binding on Co-operative to observe such prices—Monopoly fix prices contrary to association's policy.
- HEADLEY, D. A., Grocer, Auckland (28/6/12; p. 344)—
Re egg market—Handles 2,000 dozen weekly—Newspaper price generally low—*Re* "scaled" goods—Discounts on quantities of matches.
- McnAB, T. D., Grocer, Auckland (28/6/12; p. 341)—
Re egg prices—Fixed by ring—Names of firms quoted—Producers' prices depressed—Range of prices from producer to consumer quoted—Egg contracts for southern firms—*Re* "scaled" grocery goods.
- BOLTON, A., Grocer, Wellington (3/7/12; p. 377)—
Operations of Merchants' Association *re* "scaled" goods—Matches, brooms, salt, biscuits, starch, pepper, Sunlight soap, candles, baking-powder, tobacco, &c.—Short-weight butter and excess of moisture—Duty should be removed—*Re* house-rents—Comparison with Old Country—Rent here overshadows all other expenses—Full list of tariffed lines and wholesale prices—Short weights in jam and pepper—Condensed milk (New Zealand) "scaled"—Protective duties should be abolished to prevent "scaling," especially off flour, matches, starch, candles, corn brooms, soap, and biscuits—Retailers' profits very low—Cutting rampant.
- TURNBULL, J. F., Grocer, Wellington (10/7/12; p. 456)—
Wellington Merchants' Association and control of prices—All prices advanced of "scaled" goods—*Re* matches, marmalade, brooms, tobacco, starch, sugar, butter, kerosene, biscuits, mustard, &c.—Short weights of packed goods—Moisture in butter—Town tariffs or country tariffs—Country storekeepers supplied by merchants at cheaper rates—City shops pay 10 per cent. more for groceries and 10 per cent. more for biscuits than country shopkeepers.
- VARCOE, JOHN, Grocer, Wellington (10/7/12; p. 468)—
"K" jam not "scaled"—Tariff ruling on certain lines—*Re* supplies stopped by Fairbairn, Wright, and Co.—Reason given, selling too cheap.
- BOWYER, C., ex Grocer and Draper, Christchurch (14/6/12; p. 145)—
Re Merchants' Associations methods—Boycotting supplies—Objects of association mainly to fix prices for their own benefit—Correspondence produced.
- LOW, H. B., General Grocer, Christchurch (11/6/12; p. 88)—
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- WESTGARTH, J. J., Builder and ex-Grocer, Christchurch (11/6/12; p. 92)—
Re purchasing supplies of groceries—Methods of merchants—Supplies stopped owing to selling lower than other retailers—Later joined association and agreed to conform to selling-prices—Prices sometimes too high and gave unfair profit—Building-material increased in price four times in eighteen months—Present price of red-pine quoted.
- PEDEN, S., Master Grocer, Dunedin (6/6/12; p. 32)—
Re tariffed goods—Selling-prices fixed, and "dearer"—Sugar, manufacturers' profits big—Competition would cheapen groceries if free and open—Local association formed to prevent cutting—Dried fruit no cheaper with duty off—Tinned fish and duty paid.

ROBERTS, WILLIAM. M., Master Grocer, Dunedin (6/6/12; p. 28)—

Re operations Merchants' Association—Prices fixed—Majority of lines tariffed—Names of merchants in local association—Unfair trading—Selling at cost—Could buy 10 per cent. to 15 per cent. cheaper if market free—Purposes of local Master Grocers' Association.

WILSON, R. W., Grocer, Dunedin (5/6/12; p. 20)—

Re "scaled" goods—Merchants' Association methods—Matters growing worse—Free competition desirable.

MERCER, A. B., Secretary Master Grocers' Association, Dunedin (7/6/12; p. 46)—

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I. SOAP AND CANDLES.

BELL, THOMAS, Manager Oil, Soap, and Candle Company, Auckland (27/6/12; p. 328)—

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HALL, J. W., Merchant, Auckland (22/6/12; p. 258)—

Correspondence with Union Oil Soap and Candle Company read—Supplies of soap, candles, &c., stopped—Presumably not a member of Merchants' Association—Wholesale and retail grocery profits not improperly high.

BULL, E., Manager, New Zealand Candle Company, Wellington (9/7/12; pp. 446 and 484)—

Re candles—Prices are not controlled by Merchants' Association—Reduction in prices due to decline in cost of paraffin wax—Re weights of candles—16 oz. net always given by his firm—Present duty 1½d. on imported candles—Re Burmah candles and black labour—Prices for candles very low, 5½d. and 5d. per pound—Trade is perfectly open—Re wax prices since 1909.

MANTON, F. W., Candle-manufacturer, Wellington (10/7/12; p. 461)—

*Re candles and short weights—Bulk trade previously done in 15 oz. candles—Since competition started prices reduced to consumers—Figures *re* fluctuations in price—Re duty on paraffin wax.*

FRENGLEY, J. P., M.D. and Medical Secretary Department of Health, &c., Wellington (11/7/12; p. 480)—

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SECTION II.—CLOTHING AND BOOTS.

A. BOOTS: Boot-manufacturers; boot-retailers; boot operatives.

B. CLOTHING AND DRAPERY: Manager, woollen-mill; clothing-manufacturers; drapers and clothiers.

A. BOOTS.

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PRITCHARD, D. K., Bootmaker, Wellington (10/7/12; p. 469)—

*Certain classes of imported boots preferred—Samples produced locally made goods—English and New Zealand wages, &c., compared—Branding boots—Suggests branding for quality only—Co-operation of operatives advocated—Statistics *re* industrial growth—Favours *ad valorem* duty—Middleman's profit 50 per cent. and over.*

WARD, C. J., Boot-factory Manager, Wellington (3/7/12; p. 381)—

Materials advanced 33 per cent.—Wages increased but boot-prices not affected—Men more efficient and turning out better-class work—Leather-prices increased from 10½d. to 14½d. per pound in ten years—Labour-cost in making boots—Re tariff—Some lines should be admitted duty-free—Labour-conditions in England and New Zealand—Branding of boots—Foreign names used by manufacturers—Free trade in boots would close up every New Zealand factory—No trouble to secure female labour—Importations equal quantity manufactured by firms.

ALLAN, R., Managing Director, Skelton, Frostick, and Co., Boot-manufacturers, Christchurch (11/6/12; p. 80)—

Boot-prices increased—Due mainly cost of raw materials—Sole-leather increased 60 per cent., uppers 40 per cent.—Labour-cost increased also—Fashion and prices—No combine—Competition open and free—English and foreign specialization—Re tariff—Duty must be maintained—Local wages—Labour-cost and production, one-third—Cost of children's boots—Scarcity of female labour—Quality of New Zealand boots—Amalgamation of plants—Re boot-importers and local manufacture.

DELACOUR, P. J., Boot-manufacturer, Christchurch (10/6/12; p. 64)—

No combination boot-manufacturers—Cost of manufacture locally and abroad—Tariff charges—Recommends removal of duty on boots under certain value—Wages and leather increased—Re cheap imported slippers and duty.

O'BRIEN, M. J., Boot-manufacturer, Christchurch (12/6/12; p. 98)—

Boot-prices increased chiefly due cost of material—Leather-prices increased 14 to 16 per cent.—Re using foreign brands—High-priced boots bear foreign brand.

HOLDSWORTH, W. J., Boot-retailer, Auckland (28/6/12; p. 343)—

*Effect of boot tariff—Slippers and evening shoes heavily taxed—Association does not regulate prices—Retail prices quoted—Profits not high—Duty on children's boots—Should be remitted on special lines—*Ad valorem* duty preferred—Nugget polish a "scaled" line—Raw material greatly increased in cost—Fashion turned trade upside down—Prices on up grade.*

- MILLER, THOMAS, Boot-retailer, Auckland (21/6/12; p. 237)—
 Boot and shoe prices increased—Effect of Customs tariff on imports—Classes of boots affected by tariff—
 Children's shoes and slippers heavily taxed although not manufactured locally—Duty on evening shoes
 increased from 22½ to 115 per cent.—Cheap boots completely shut out by present tariff—*Re* rents and
 returns received for household property—Fish—prices high, due to cost of distribution—Advocates
 Government monopoly of fish trade.
- DU FEU, J. N., Boot-retailer, Christchurch (12/6/12; p. 117)—
 Rent of shops too high—Retail profits about 25 per cent.—*Re* brands—Some classes of boots not increased
 in price over twenty years—Advocated reduction of duty on cheap boots and slippers—English boots
 can be sold cheaper than locally made ones despite duty and other charges—Increase in duty is followed
 by local manufacturers raising prices.
- LAFFERTY, CHARLES, Boot-retailer, Christchurch (13/6/12; p. 131)—
Re shoddy boots imported and sold—Samples produced—Branding German goods—No combination among
 retailers to fix prices—Approves idea of training girls to distinguish qualities of boots and other goods
 in domestic training course—Women more easily gulled with shoddy than men—*Re* laces and wholesale
 prices.
- THORNTON, J., Boot-retailer, Christchurch (17/6/12; p. 189)—
 Increase in cost of boots due to better article required—Competition open—Trade, with witness, mainly with
 imported boots—Foreign brands on locally made boots do not deceive retailer—Rates and rents increased
 enormously.
- HUTCHISON, J., Boot-machinist, Wellington (8/7/12; p. 438)—
Re export duty on hides—Best hides are exported—Industry should be fostered in New Zealand—Prejudice
 against New Zealand boots falling off—Now thoroughly well made—Boots should be branded if made
 of shoddy—Retailers do not know what they are buying, *i.e.*, colonial or imported boots—Better boots
 in demand—Trade should be run by State—Defence Department's contract for Territorial boots—
 Efficiency of men not falling off—Average wages 53s. 6d. for full week's work—Advocated retention of
 duties—All classes of boots can be made in New Zealand.
- WILLIAMS, WILLIAM, Boot-trade Employee, Christchurch (12/6/12; p. 96)—
 Vice-president New Zealand Federated Boot Trade Workers—Living more expensive all round—Boot-prices
 increased—New machinery and specialization reduced cost of labour—Wages on £1 boot (retail) 1s. 6d.
 —Retail profits unduly high—Instance given—English and Dominion wages compared—Foreign brands
 on locally made boots—Retailers are dominant factors in local trade—Labour cost of making boots
 analysed.

B. CLOTHING AND DRAPERY.

- LEITHEAD, T. R., Manager, Kaiapoi Wollen-mills, Christchurch (17/6/12; p. 190)—
 Wool not increased in price in recent years—Manufacturing cost same as ten years ago—Improved machinery
 responsible and can be set against increased wages—Labour needs satisfied at present.
- KING, F. M., Clothing-manufacturer, Auckland (21/6/12; p. 241)—
 Wholesale trade only—Prices increased 15 to 20 per cent.—Labour chiefly responsible—Cost of making cloth-
 ing quoted—Average earnings of workers compared—Efficiency of employees falling off—*Re* cost of
 protection in flour, clothing, and boot industry.
- CATHIE, C., Clothing-manufacturer, Wellington (9/7/12; p. 452)—
 Better class of goods now sold, consequently prices higher—No combination among manufacturers—Labour
 has increased from 20 to 25 per cent.—Cotton goods greatly increased in cost—Higher standard responsible
 for dearer living—Labour shortage acute.
- DONNE, A. E., Secretary, Wellington Woollen-manufacturing Company, Wellington (9/7/12; p. 455)—
 Labour cost increased 20 per cent., materials 12½ (trimmings)—Better styles and quality demanded—Labour
 shortage acute—Market free and open—Methods of manufacture greatly improved—Minimum wages
 exceeded.
- MINTY, WILLIAM, Factory-manager, Kaiapoi Clothing Company, Christchurch (11/6/12; p. 86)—
 Labour charges considerably increased—Since 1902 37½ per cent. in wages journeymen, male operatives
 10 per cent.—No difficulty securing hands—Efficiency of labour deteriorating—Labour represents half-
 cost factory-made clothing—Introduction of labour-saving machines reduced cost of product.
- ROSS, JOHN, Clothing-manufacturer, Dunedin (5/6/12; p. 22)—
 Cost of clothing increased—Woollen goods manufactured slightly higher than twenty years ago—Made-up goods
 increased 10 per cent. to 20 per cent.—No association to fix prices.
- CAUGHEY, A. C., Draper and Clothier, Auckland (26/6/12; p. 319)—
Re drapery and clothing prices—Increased prices small compared with previous years—Cost of men's clothing,
 better qualities required—No combination in restraint of trade—Rents, wages, land-values increasing.
- COURT, GEORGE, Draper, Auckland (27/6/12; p. 335)—
 Tweed suits increased in cost in five years 10 per cent.—Drapery increased generally 10 per cent. in five years
 —Superior articles in demand—Fashion more studied—Rents chief cause of rise in living.
- GILL, H. O., Draper, Christchurch (17/6/12; p. 175)—
 Cheaper class of drapery sold now—People satisfied with poorer quality goods—Business expenses increased—
 Absolutely free wholesale market.
- SIMM, WILLIAM, Manager, Drapery Company, Wellington (9/7/12; p. 447)—
 No appreciable rise in drapery prices—Character of trade changed—Better quality and style demanded—
 Pay of assistants not advanced but conditions improved—Public benefits by tariff remissions.
- FREE, H. V., Draper, Christchurch (15/6/12; p. 163)—
 Drapery not increased generally—Increase mostly in articles of luxury—Ready-made suits not in demand—
Re tariff and its effect—Wages and expenses increased generally—Effect of increased wages on prices
 equals 1 to 2 per cent.—Very few bad debts.
- RICKETTS, F. W., Draper's Assistant, Christchurch (13/6/12; p. 131)—
 Drapery, especially locally made articles, and luxuries increased in price—Articles of necessity not increased
 much—Woollen goods increased 10 to 15 per cent.—Silks 5 to 10 per cent.—Effect of tariff reductions.

SECTION III.—BUILDING AND RENT.

A. BUILDING: Manager, timber company; timber-merchants; sawmillers; architects; builders; carpenters; union secretary; brick and tile manufacturer; timber combine (Wanganui).

B. RENT: Land and estate agents.

A. BUILDING.

LEYLAND, W. B., Manager Timber Company, Auckland (29/6/12; p. 360)—

Increased cost of timber explained—Figures *re* prices and wages given—Average cost of erecting artisans' dwellings—Local timber rates increased—Figures given and other expenses also quoted—Oregon timber duty should be abolished—Freight rates and effect on farmers.

BOWATER, WILLIAM H., Sawmiller, &c., Greymouth (10/6/12; p. 58)—

Export of timber from West Coast 50 to 60 million feet per annum—Several mills arrange prices—Prices have considerably increased—Wholesale prices of timber quoted—Increased cost due to increased wages—Railway freights, royalties, and accident insurance—Steamer freights—Output per man less—White-pine trade nearly whole output goes to Australia.

HUTCHEN, J., Timber-merchant, Wellington (3/7/12; p. 383)—

No increase in timber-prices over twenty years ago—Prices of O.B. red-pine—Kauri much dearer—No local ring—Competition ruling.

ODLIN, C. C., Timber-merchant, Wellington (10/7/12; p. 466)—

Prices of timber quoted 1908 and 1912—Duty on Oregon timber should be removed.

GOSS, WILLIAM, Timber-merchant, Christchurch (12/6/12; p. 106)—

Re timber prices and causes of increase—Due mainly extra cost of getting it—Timber-merchants associated—Prints and publishes prices after being fixed at a meeting—No control over timber-suppliers—Increased cost of labour not met by improved machinery—Rates and taxes increased—Quality of timber better to-day than formerly—Rating system on unimproved values criticized.

WALLER, E. W., Timber-merchant, Christchurch (12/6/12; p. 108)—

Timber trade not prosperous as competition too keen—His firm in association—Plenty of ways of getting timber outside association—Sawmill charges increased 15 per cent., freight 19 or 20 per cent., railage and wharfage 4 per cent., cartage 20 per cent., wages 12½ to 15 per cent.—House much better built and better material used.

SLATER, JAMES, Architect and Engineer, Auckland (28/6/12; p. 352)—

Building-cost increased 33 per cent. in ten years—Materials increased immensely—Labour cost equals half cost of total—Auckland brick prices very high—Men's efficiency fallen off.

CHARLESWORTH, J., Architect, Wellington (5/7/12; p. 425)—

Timber-prices increased 5 or 10 per cent.—Bricks are 50s. per thousand—Labour increased about 5 per cent.—Not noticed any falling-off of the efficiency of building-trade workers—Better type of building required—Prices of land excessive.

TEMPLE, W., Architect, Workers' Dwellings, Wellington (8/7/12; p. 431)—

Timber-prices increased 5 per cent. in five years—Materials generally, bricks, &c., increased 5 per cent.—Workers' dwellings scheme—Comparative cost of building in different centres of same class of house—Cost of labour and material given—*Re* builders' discounts—Architects acting as commission agents—Architects' fees—Efficiency of men improved in five years.

MCCALLUM, R. H., Builder, Auckland (21/6/12; p. 352)—

Building-materials doubled in cost in twenty years—Wages increased 25 per cent.—Output less—Men less efficient and not as smart—Men lazier and more inclined to luxury—Cross-examined on figures submitted—*Re* brick buildings and increased prices—Sawmillers' Association a combine—Price-lists all agree.

ROWE, JOHN, Builder and Contractor, Auckland (28/6/12; p. 349)—

Timber-prices considerably increased—Statistics given 1898, 1899, 1900, and 1910—Accounts all paid through association—Rents increased by 1s. week owing to enhanced site-values—Oregon and jarrah should be duty-free—Brick prices cheaper in Dunedin and Sydney—Advocates State taking over industry—Carpenters' efficiency less—Cost of house building in 1891 £280, in 1912 a similar house would cost £347—Plumbers', painters', and carpenters', wages then and now—Men should be classified and wages paid accordingly—Increased export duty on kauri urged.

TREVOR, J., City Councillor, Builder, &c., Wellington (3/7/12; p. 374)—

Timber increased 10 per cent. to 15 per cent. in ten years—Unskilled labour 12 per cent. to 15 per cent.—Skilled labour has not risen so much—Five-roomed house ten years ago would cost £300, to-day £450—Sanitary arrangements much better now—Workers not so efficient as formerly—Prices of bricks detailed—Now 50s. a thousand—Prices arranged by three manufacturers—Bricks can be bought from outsiders—Workers do 20 per cent. less work than few years ago.

TAYLOR, CHARLES, Builder, Christchurch (17/6/12; p. 193)—

Timber-prices 1894 and 1912, 9s. 3d. and 15s. 3d. respectively—Style of houses greatly altered—Men's efficiency fallen off—Timber-market open and competitive.

BANFIELD, H., Organizing Secretary, Carpenters' Society, Auckland (28/6/12; pp. 352 and 356)—

Carpenters' wages increased slightly—Better-class work done now—Carpenters' labour in £350 cottage about £35.

O'BYRNE, THOMAS, Union Secretary, Timber Workers, Invercargill (7/6/12; p. 41)—

Increased price timber mainly due demand—Increased 200 per cent. in fifteen years—Fifteen men will produce 4,000 ft. timber daily—Advocates State control timber industry—*Re* Oregon timber and duty—Housewives' Union—Coal—Land—prices—Very high—Speculation.

CRUMB, ALBERT, Brick and Tile Manufacturer, Auckland (29/6/12; p. 359)—

Bricks—Prices quoted—To-day 46s. 6d. a thousand—Prices fixed by agreement—No bond—Quality of Auckland bricks poor—Wages of men increased—Output not so good per man as formerly—Men not so efficient—Wages paid in excess of award equals 1s. 6d. extra.

FENTON, C. E., Joiner, Wellington (10/7/12; p. 457)—

Re Machine Framing Company—Timber contract broken on account of action of timber-merchants combine—Mill now idle—New method meant saving of material, in cost of labour, and better job.

B. RENT.

EWINGTON, F. G., Land and Estate Agent, Auckland (25/6/12; p. 298)—

Land-values Auckland and district greatly increased in value—Workmen's rents dearer by 20 to 25 per cent. over 1902—Higher prices of land and building-material mainly responsible—Advocates extending railway system and opening up more land.

GELLATLY, A. A., Land Agent, Wellington (10/7/12; p. 467)—

Land in Wellington greatly increased—Slightly receded last five years—Rents on various tram sections—Rents average 15 per cent. reduction last five years.

LONGMORE, A., Land and Estate Agent, Wellington (8/7/12; p. 442)—

Rents on down grade during last five years—Land-values in suburb drop—Ground values too high in city—City sales quoted.

HISLOP, H. W., Land Agent, Christchurch (10/6/12; p. 61)—

Marked increase land-values in Christchurch in last ten to fifteen years—Increase depends on locality—Rent of house cheaper than purchasing—Over £1 per week rental value—Rating on unimproved value not affected prices but cause more subdivision—Tenants less careful with rented houses than formerly and demand more comforts—Hot and cold water, sewer-connections, &c.

BOWLING, W. A., Land Agent, Dunedin (6/6/12; p. 30)—

Re land-prices—Increase mainly fashionable quarters—Distinct increase all round.

SCURR, THOMAS, Land and Estate Agent, Dunedin (5/6/12; p. 19)—

Re rents—Not materially increased.

WASHER, A., Land Agent, Roslyn (6/6/12; p. 27)—

Re rents—Increased 20 per cent. to 30 per cent., ten to fifteen years—Land-values increased 200 per cent.—Materials, house building, increased 25 per cent.—Labour cost heavier.

YOUNG, HERBERT, Land Agent, Dunedin (6/6/12; p. 31)—

Land-values increased 100 per cent. in some localities in five years, 200 per cent. in ten years—Rents, Mornington, &c.—Increase in materials, &c., equals £25 or £30 for four-roomed house.

SECTION IV.—COAL, AND FUEL AND LIGHT.

A. COAL: Chairman, mining company; coal-merchants (wholesale); coal-dealers (retail); coal combine (Westport).

B. FUEL AND LIGHT: Gas companies; coke; oil (kerosene); electric light.

A. COAL.

ALISON, E. W., Chairman Directors, Taupiri Coal-mines, Auckland (27/6/12; p. 332)—

Wholesale prices of coal, 1907, 1908, 1909—Discounts given according to quantity taken—Wages of miners quoted, 1903, 1910—Considerable increase granted, hours reduced—Not possible to supply coal to small consumers—Company's trade in Auckland confined to dealers.

CRAIG, E. A., Carrying and Coal Merchant, Auckland (28/6/12; p. 342)—

Spasmodic increase in carrying-cost—Labour legislation reduced margin of profits—Labour-cost increased—Output decreased—Men slowing down—Reasons given for rise in cartage rates of 6d. per ton—Re freights coastal and intercolonial—Flour from Victoria 10s. to 12s. 6d., and chaff 15s. to 17s. 6d. per ton—Newcastle coal 9s. 6d. a ton to Auckland—Prices for Taupiri coal fixed by dealers—Selling-prices quoted, 1900, 1906, 1908, 1910, 1912, for Taupiri coal—Profits very low, equal 6½d. per ton—State could not compete—Extravagance and high standard of living of workers responsible for present affairs—Pleasure first—Loyalty to employers follows.

WINSTONE, G., jun., Coal-merchant, Auckland (26/6/12; p. 316)—

Cost of distribution increased considerably—Items given—Wages increased, but men not so efficient—Socialistic teaching responsible—Association of coal-dealers—Fixed fair price for fair article—General objects of association outlined—Wholesale prices of coal—214 members of association—Excessive freights on railways—Huntly prices quoted 1900—Wellington and Auckland prices compared—Prices in Auckland bound to rise—Newcastle coal and Taupiri coal—Demand 50 to 1 in latter's favour—Statement re average quantity of coal delivered by carter.

FLAVELL, W. A., Branch Manager, Coal Company, Wellington (8/7/12; p. 437)—

Re Westport Coal and Union Steamship Company—Cost of screening Westport and Newcastle coal compared—Retail price 34s. a ton cash, wholesale 25s.—Delivery-charges heavy.

JOACHIM, GEORGE, Manager Coal Company, Dunedin (4/6/12; p. 5)—

Re Westport coal—Prices retail—Freights—Union Steamship Company—Household expenditure.

BINES, W. F., Coal Dealer and Carrier, Auckland (29/6/12; p. 358)—

Coal prices fixed by association—Re efficiency of men—Less work turned out nowadays—Cost of coal to merchants, 23s. 3d. net—To dealers, 24s. 9d. net—Dealer delivers tariff rate 31s. per ton—Twelve years ago prices were 24s. per ton.

CARPENTER, J. M., Coal-merchant, Auckland (21/6/12; p. 250)—

Retail charges for coal—Taupiri charges, 1902, 1905, 1908, 1909—Difference of 4s. a ton between yard price and selling-price to-day—Objects of association of coal-merchants—Prices fixed—Wholesale merchants members of this association—Prices for various quantities—Causes of increased cost of coal—Details of cost of handling given—Coal weighed before sold to public.

BROWN, S. S., Timber, Coal, and General Merchant, Wellington (9/7/12; p. 444)—

Costs of coal detailed ex wharf to consumer—How coal is sold—Thirty-two dealers in Wellington—Prices of Westport coal in 1906—Retail business not paying—Re bad debts—Details given.

QUINLIVAN, T., Manager, State Coal Depot, Wellington (3/7/12; p. 376)—

Business increasing steadily—Increased in six years from 14,000 to 28,000 tons output—Coal-prices, 1906 28s., 1912 29s., in city—All trade on cash basis—Local association in existence twelve years—Demolished by Westport Company—Delivery-charges increased.

BROWN, THOMAS, Managing Director, T. Brown (Limited), Coal-dealers, Christchurch (15/6/12; p. 168)—

Increased prices of coal due to labour-cost and inefficiency of men compared with previous years—Cost of discharging coal-trucks and of delivering coal quoted—Re short weight of coal—All weighed before delivery.

REDPATH, D., Coal-merchant, Christchurch (11/6/12; p. 85)—

Retail prices coal (Newcastle only)—Increased from 34s., 1900, to 37s. per ton delivered, 1912—Prices regulated by Coal-merchants' Association—Not binding—Wholesale buying open to any dealers—Railage charges, quarter-ton charges—Different coal-prices compared.

GUNN, F. J., State Agent, Dunedin (5/6/12; p. 11)—

Coal—Retail prices, &c.—Retail Dealers' Association—Harbour dues.

MUNRO, F. F., Shipping Agent, Westport (8/7/12; pp. 388 and 429)—

Combination of coal-owners with shipping companies—Union Steamship Company and other shipping companies have arranged freights—Outsiders cannot get coal freights (on Newcastle and Westport coal)—*Re* State coal and order for 1,000 tons—Coal not supplied—Consumers pay more for coal than they should owing to want of competition in freights—Coal-measures hampered in development—Industrial unrest caused—Remedy suggested—Letters and documents put in.

B. FUEL AND LIGHT.

STEWART, W. F., Secretary Auckland Gas Company, Auckland (21/6/12; p. 246)—

Balance-sheet handed in—Gas prices 4s. 3d. net—Discounts given to large users—Prices since 1892—Reserve funds and capital—Market value of shares—*Re* coal-suppliers and comparative cost with Wellington prices—Coke sold to one contractor.

FERGUSON, WILLIAM, Managing Director Gas Company, Wellington (4/7/12; p. 404)—

Re gas prices 1891, 1896, 1905, 1912—Cost of coal delivered at works quoted for years 1901, 1906, 1911—Wages of workmen increased—Ratio of expenditure to income equals 1891 65.2 per cent., 1911 74.66 per cent.—Gas produced per ton of coal 12,000 cubic feet—Cost of living increased considerably—*R* subscriptions—Serious matter of expenses.

RICHARDSON, S., Tramways and Electrical Engineer, Wellington (8/7/12; p. 437)—

Cost of current (1900) 9d., 1912 7d.—Municipal control since 1907—Average cost of lighting five-roomed house 1900, 7s.; 1912, 4s.—Metallic filament lamp responsible—Wage-bill considerably increased—Coal-bill, 1912—Delivered, &c., 18s. net—Water-power should further decrease cost.

BISHOP, R. C., Secretary Christchurch Gas, Coal, and Coke Company, Christchurch (14/6/12; p. 158)—

Capital of company £200,000, shareholders 350—Dividend last year, 10 per cent.—Wages increased in ten years 25.16 per man—Gas cheaper—Rates now 5s. 9d. and 4s. for power—Coke and tar prices, &c.—Details of manufacturing-cost not disclosed—Cost of gas to consumers, typical dwellings of workers taken—Average 10½d. per house per week—Mantels, burners, and upkeep maintained free of expenses to consumers—Dates of reduction in gas-prices from 1888 to 1909 given.

CHAMBERS, C., Manager Vacuum Oil Company, Christchurch (13/6/12; p. 129)—

Prices of oil for fuel, &c., regulated by foreign market—Competition free—No agreement with merchants—Wholesale selling-prices fixed—Retail prices open.

SCOTT, J. C., Christchurch City Electrical Engineer, Christchurch (18/6/12; p. 214)—

Charges for electric light—Average rate 6d. to 3½d. per unit for light, 3d. to 2½d. for power—Wages increases 1906, 1907, 1908, 1910, and 1911—Coal-prices increased—Balance-sheet supplied—Lake Coleridge scheme.

TIMLIN, J. W., Accountant Electric Light Department, Dunedin (7/6/12; p. 57)—

Ruling prices for gas—Net price 5s. per 1,000 ft.—Electric light and power charges—Cost to residential consumers—Average 4s. 2d. to 4s. 5d. per month—Cost of fitting electric light £1 a point—£10 for five-roomed house—Electric light cheaper than kerosene.

SECTION V.—FURNITURE AND HARDWARE.

A. FURNITURE: Furniture-manufacturers; furniture-retailers; Furniture Union Secretary.

B. HARDWARE: Hardware-merchant; hollow-ware-manufacturers; range-manufacturer.

A. FURNITURE.

GARLICK, G. C., Furniture Warehouseman, Auckland (27/6/12; p. 330)—

Cost of furniture has risen considerably owing to wages cost—No combination amongst retailers—No definite information *re* rise in wages or materials—*Re* bailments and tariff—No information to give.

BISHOP, A. J., Cabinetmaker (wholesale), Wellington (8/7/12; p. 437)—

Prices of timber, 1892, 1901, 1907, 1912, quoted—All timbers used by cabinetmakers greatly increased in cost—Furniture much plainer—Hence no increase in price—Bevel-plate and silver-plate glass decreased 50 per cent.

COLLIE, E., Furniture-maker, Wellington (3/7/12; p. 383)—

Timber-prices increased 10 per cent.—Furniture styles completely changed—Better and cheaper now—Men do more work than they used to do although hours less—*Re* bailments—Practice described—Time-payment system beneficial.

HALSE, C. W., House-furnisher, Wellington (5/7/12; p. 426)—

Time-payment system—About half business done on this basis—Deposit one-third generally—Bailments executed—Advantages of system.

ATKINSON, W. S., Furniture Warehouseman, Christchurch (17/6/12; p. 183)—

Re time-payment system—No very definite information—Increased prices due to extra cost of timber—Rise in twelve years equal 5½ per cent.—Labour increased, upholstering 22½ per cent., furniture 7½ per cent.—Timber-prices given 1900 and 1912—*Re* hollow-ware and increase in prices—39 per cent. in cheap lines—Linoleums and floor coverings increased 12½ per cent.—Those goods "scaled" to the best of his knowledge.

JOLLY, F. F., Manager, Furniture Warehouse, Christchurch (17/6/12; p. 170)—

Furniture-prices cheaper in New Zealand than in Adelaide—*Re* time-payment system—5 per cent. added on cash cost—Bailments taken generally—Housekeeping expenses higher in New Zealand than in Adelaide, especially in groceries, fuel, meat, and clothing.

MANDER, A., Furniture-salesman, Christchurch (18/6/12; p. 215)—

No increase in prices—Due to improved machinery and greater output—Time-payment system—Custom explained.

MORIARTY, D., Secretary, Furniture Union, Wellington (4/7/12; p. 391)—

Wages of tradesmen—Pay increased and hours reduced—Average earnings £3—Auckland and Wellington wages compared—House-rent in Wellington principal increase in cost of living—Tradesmen very efficient—Despite less hours output the same—*Re* rattan goods and foreign competition.

B. HARDWARE.

- REECE, E. T., Secretary, Reece and Sons, Hardware-merchants, Christchurch (11/6/12; p. 79)—
Hardware prices decreased—No combine—Prices sometimes raised on verbal understanding owing to rise English market—Free competition in trade—Hollow-ware advanced 25 per cent.
- CULL, G. L., Wholesale Hollow-ware-manufacturer, Christchurch (14/6/12; p. 147)—
Increased cost of hollow-ware 20 per cent.—Wages increased 12½ per cent.—*Re* selling conditions—Selling-rates fixed—Consumer pays 25 per cent. more—*Re* Fairbairn, Wright, and Co.—Refusal to supply hollow-ware unless conditions conformed to—Four manufacturers in Dominion—Plant sufficient to supply Australasia—Tariff 25 per cent. *ad valorem*—Cross-examined *re* purpose of association by Mr. Fairbairn.
- OAKLEY, H., Wholesale Hollow-ware-manufacturer, Christchurch (14/6/12; p. 150)—
Journymen's wages 10s. 8d. per day—Rate unfairly high—English wages low to girl employees—*Re* increased prices of hollow-ware—Cross-examined *re* alleged combine—Profits of distributors guaranteed—Merchants' Association do not dictate selling-prices.
- SCOTT, GEORGE, General Engineer and Range-maker, Christchurch (17/6/12; p. 181)—
Ranges not increased in cost although labour and raw material risen—Men's efficiency not fallen off—Casual labour not so efficient—*Re* effect tariff—Retail prices stoves £4 all over New Zealand—Equipment improved—English and New Zealand labour methods compared—Selling methods—Biscuit—*Re* discounts in different towns—No positive information to give.

SECTION VI.—PRIMARY PRODUCERS (FARMING).

- A. FARMING: Practical working farmers; produce-merchants; Director, Dairy-produce Department; secretaries of farmers' unions, &c.; Inspectors, *re* accommodation provided; Apiarist, *re* honey.

A. FARMING.

- BANKS, E. C., Farmer, Matamata (25/6/12; p. 291)—
Land-values increase 40 per cent. in eight years—Runs dairy farm—*Re* labour shortage and wages paid—Bolstered-up wages in cities affecting farm labour—Share milking and profits—Prevailing system in district one-third share to workers—Rates of earnings given equal £400 per year for eight months work with free house—Cost of bacon-curing—Average prices for pigs—Cost of education not increased.
- FLANAGAN, J., Farmer, Auckland (20/6/12; p. 220)—
Re land-values and causes of high values—Labour in short supply—Uncertainty of markets affects employment of labour—Articles produced for local consumption greatly vary in price—Meat and butter not much variation, due to world-wide market—Present selling-prices of land quoted—*Re* returns for chaff—Farm labourers taking up land—Agricultural Department's statistics no use on account of delay in publication—Country labour short on account of strong demand in cities for men—Cross-examined *re* labour difficulty—Cost of producing oats for chaffing given in detail.
- LUSK, D. H., Farmer, Auckland (21/6/12; p. 232)—
Term "living" defined—Cost not increased—Whole trouble higher standard style ruling—Effect of trusts on prices small—Differences between producers' and consumers' prices—Co-operation urged—Land-prices do not affect the prices of foodstuffs locally consumed—Foreign markets a factor in speculating prices—Local prices raised owing to export trade—*Re* labour legislation and its effect—Influence of the value of gold very slight—*Re* tariff remissions—No appreciable effect on prices—Rents increased but not foodstuffs, clothing—Immigration, effect of, on local prices—Unproductive or idle land owned by Government and private persons—Land available at £1 to £5 per acre—Cost of living in towns increased owing to demand for luxuries—Movement of population—Migration of country workers to towns deplored—Country losing its wealth-producing labour—Sedgwick's scheme approved—Prospect of country workers excellent—*Re* increased cost of timber and causes of.
- MACKY, S. C., Ex-farmer, Auckland (28/6/12; p. 353)—
Flour and wheat quotations 1891 to date—Australia and New Zealand wheat and flour prices compared—Farm-products, 1901 and 1907—Effect of Arbitration Act—Advocates abolition of protective duties.
- MAKGILL, J. E., Farmer, &c., Waikato (20/6/12; p. 223)—
Dairy-farmer—Land-values increased over 50 per cent.—Wages paid to rural workers—Meat quotations, Auckland, 1903, 1907 to 1912 inclusive—Labour of children on dairy farms—Does not affect health—Butter-fat prices—Share milking—Milkers receive two-fifths—Earnings quoted covering nine years—Freight charges on wheat to Great Britain.
- RANSTEAD, W., Farmer, Auckland (25/6/12; p. 300)—
Re dairy farms—Land-values increased—Due London prices—If prices fall disaster will ensue—Most farms heavily mortgaged—Struggle to make ends meet—Life very attractive and independent—Operations of co-operative dairy association and bacon company—*Re* Native land untaxed—Advances to settlers scheme raised land-values.
- ROSS, ALEX., Farmer, Lower Waikato (22/6/12; p. 261)—
Land-values increased 100 per cent.—Engaged in beef-raising—Industry more profitable than formerly—Dairy-farming discussed—Labour difficulty hampers industry—Pig-raising—Great many farms are mortgaged—Deposits on purchase from 20 to 30 per cent.—Children's work on dairy farms—Cost of living in country not increased appreciably—Cause of increased cost in cities—Better markets abroad raising local prices—City dwellers more given to luxury and amusement—Artificial protection no use—Flour duty should be swept away.
- BIRCH, W. J., Farmer, Marton (2/7/12; p. 365)—
Re depreciation of gold—Protective duties—Groceries, some cheaper than ten years ago—Tariffed goods increased in cost—Duty on timber (hardwood, &c.) unfair to farmers—*Re* increased wages—Rates compared over ten years—Sheep and cattle prices, 1902 to date—Land increased in value 50 to 100 per cent.—Increased cost of production due to increased cost of labour—Land mostly subject to mortgages—Standard of living—Ignorance of women in regard to cooking—Evil effects resulting—Waste, illness, drink—Increased land-values due increased value of products outside New Zealand mainly—Farm labourers' conditions improving—*Re* community-created values—Prices realized for sheep, and cost of raising same.
- CAMERON, E. J., Farmer, Wairarapa (5/7/12; p. 425)—
Foodstuffs not increased appreciably—Increased wages equals 25 per cent. last eight years—Plenty of work for labour—Land-values very high—Due to skill of farmers in breeding good stock—Favours Sedgwick experiment being extended.
- MARSHALL, G. L., Farmer, Marton (5/7/12; p. 418)—
Re mutton prices—From producer to consumer the prices rise 100 per cent.—*Re* bacon, potatoes, and onions, considerable increase in cost owing to dearth of labour—Labour inefficient and hard to secure—Savings of farm labourers and prospects—No special demand for labour in winter—Shortage during December, January, and February.

WALL, JAMES, Farmer, King-country (10/7/12; p. 460)—

Re sheep-farming—Expenses of running farm—Cost of rearing wethers—Difficult to assess.

WILSON, C. K., M.P. and Farmer, King-country (8/7/12; p. 434)—

Re increased charges for timber—Enormous expense incurred—Living very dear in backblocks—Want of proper roads—Fruit and transit charges—Latter very high—Potatoes and blight—Meat-prices—Prosperity of meat companies—Store cattle dealer—Sheep country not increased in value to same extent as dairy land—Impossible to bring down meat-prices—Cost of rearing sheep—Stock mostly sold by private contract.

EVANS, R., Farmer, Kaiapoi (15/6/12; p. 165)—

Re land-values—Near Christchurch prices have fallen—Sixty miles north land-values increase 50 per cent.—Increase due meat and butter export—Cost of distribution too high—Labour-shortage affecting production of wheat—Cost of living not increased generally during last twenty years—Earnings of threshing-mill workers—Average 67s. 6d. per week—*Re* Sedgwick's scheme—Hours of farm labourers eight per day besides looking after horses.

ENSOR, C. H., Farmer, Christchurch (10/6/12; p. 69)—

Re land-prices and increased cost of living—Christchurch City and unimproved values 1891 and 1911—Prices of rural land do not affect prices of foodstuffs—World's markets affect selling-prices meat, grain, &c.—Cost of distribution responsible increase cost of living—Town and rural population—To reduce cost of living consumers should start co-operative stores, eliminate waste, and crush out middlemen—Assistance should be given to workers to make homes in rural districts—Prices of mutton, various periods—Farmers content with 2½d. per pound—Acreage of crops decreasing—Labour aggregation in towns responsible—Farmers willing to give land for nothing for homes.

JONES, D., Farmer, Christchurch (12/6/12; p. 109)—

Land-prices show fair increase—Dairying-land has risen more than cropping-land—No single article increased in cost owing to rise in price of land, question of London markets solely responsible—*Re* wheat-prices—Return from 40 bushels of wheat analysed (a) into flour, bran, pollard, &c., (b) into bread—Farmer does not get fair share compared with baker—*Re* export of wheat and cause of decreasing supply sent away—Insufficiency of labour whole problem—*Re* wages and savings of farm labourers—*Re* potato crop—Enormous quantities destroyed owing labour-shortage—*Re* pigs—Bacon prices rising—Shortage boy labour responsible—Favours Sedgwick boy scheme—*Re* fruit-prices—Auction prices very reasonable—Causes for town workers not following farm employment discussed—Not enough accommodation—Room for a good deal of improvement—Farmers making better provision every day—*Re* housing problem and application of existing legislation to country districts—*Re* erecting such dwellings at Templeton with 2 acres of land—Would save 37½ per cent. on present cost of living in cities—*Re* mutton prices obtained by farmers—Average a little over 1½d. per pound—Distribution charges too high—Personal expenses—Boots increased 90 per cent.—City land-prices not so high as reported—Capital obtainable on easy terms last ten years—*Re* taxation and methods adopted by valuers—Unimproved value cannot possibly be fixed equitably—Tax on capital value preferable—*Re* wheat and oat areas—Further evidence in explanation of falling-off in exports.

LILL, W. T., Farmer, Ashburton County (18/6/12; p. 212)—

Re land-values increased from 30 to 100 per cent.—Taxation increased 150 per cent.—Sheep cheaper to grow than grain—Wheat-areas decreasing through lack of labour—Wheat industry most valuable and beneficial—Effect of milking on child-labour—Unfair taxation on improvements—Farmers' mortgages taxed—Boots and clothing chief increase—Food cost not increased to farmers—*Re* freights and charges on imported farm-implements.

PANNETT, J. A., Farmer, Chairman of Directors, Farmers' Co-operative, Christchurch (14/6/12; p. 161)—

Clothing increase 10 to 15 per cent. in fifteen years—Very little increase other lines—His association reduced cost to consumers by co-operation and good management—6,000 shareholders—*Re* land-values, improved methods of farming and high prices of commodities obtained abroad responsible for increase in land-values—*Re* labourers' accommodation, room for improvement—Immigration suggested to meet labour shortage.

SHEAT, GEORGE, Farmer, Dunsandel (17/6/12; p. 184)—

Land increased in price 300 per cent. to 450 per cent.—How land-values are fixed—On selling-values mainly—Values of land do not affect cost of food produced—*Re* lambs an average price is secured—Also wool, meat, and wheat—Cross-examined *re* land-values—Improvements not allowed for—Shortage of labour acute—Potatoes rotting in the ground for want of digging—*Re* effect of increased interest—Speculation responsible for fictitious values—Practice deplored—*Re* workers' pay and conditions—Farmers' desire intense cultivation—Room for a thousand workers—Threshing-charges have increased—*Re* accommodation for farm labourers—Conditions greatly improved—Workers' homes suggested in localities where work is assured.

BEGG, JAMES, Farmer, Clinton (7/6/12; p. 56)—

Cost of living not increased to farmers and agricultural workers—Agricultural labourers' conditions immensely improved—*Re* wool-prices over twenty years—Farmers going in for more luxurious living.

CLARKE, JOHN, Farmer, Clinton (7/6/12; p. 54)—

Crippled by shortage of labour—Cost of living in country districts not increased—Prices obtained for stock—Beef, mutton—Openings for agricultural workers at good wages all year round—Wages 27s. 6d. to 30s.—Land-values increased too much—Farming not so payable now as twenty years ago.

GREY, WILLIAM, Farmer, Milburn (7/6/12; p. 53)—

Shortage of labour affecting crop-growing—Favours Sedgwick boy scheme and immigration—*Re* acreage under crop—Wages of farm hands—Great shortage of men—Plenty of work—Farmers would go in for dairying if labour available.

MASON, W. D., Farmer, Middlemarch (7/6/12; p. 40)—

Farmers fairly treated by stock agents—*Re* butter and prices of butter-fat—*Re* auction prices of beef.

GUNSON, J. H., Grain-merchant and Member Harbour Board, Auckland (27/6/12; p. 326)—

Term "cost of living" defined—Prices of grain and produce fluctuate according to supply and demand—Prices high at present—No marked increase over fifteen years' period—General cost of living increased—Rents chief factor—Favours protection on produce—Cereals and root crops—Labour scarcity not affected potato crops—Removal of duty on butter would not affect dairy trade—Wheat freights coastal and from Australia—Coastal freights too high—Due to monopoly (Union Steamship Company)—Instability of free-trade—Flour and import duty—Freight on chaff from Victoria and Lyttelton.

- CUDDIE, D., Director, Dairy-produce (Agricultural Department), Wellington (4/7/12; p. 397)—
Re dairying industry—Factory system responsible for development of trade and better produce—Low prices not likely to recur—Demand for milk and butter increasing all over world—European demand increasing enormously—Figures *re* Germany—High land-values increase cost of production—Farmers not making much profit—Local prices of butter not likely to be lower—Unless land-values decline there will not be much decrease in cost of production—Improvement of dairy herds necessary—Would ensure high return to farmers with lower price to consumers—*Re* salted butter—*Re* butter-fat tests—Average production 180 lb. to 185 lb. fair estimate—Cost of keeping cows £8 per head on £30 land-value—*Re* labour shortage—Export of butter and prices obtained—Dairy cows in 1910 total 800,000—*Re* duty and its abolition.
- JACK, E. C., Secretary Farmers' Union, Wellington (5/7/12; p. 420)—
 Farm labourers' conditions much improved—Wages increased 20 per cent.—Cost of boots and rents of workers increased in country—Serious aspect of labour-shortage—Lesser production of foodstuffs—Immigration advocated—Average wages paid in rural industry—Return on capital decreasing—Land and high prices—Taxation would lower wages—Fertility of land showing backward tendency.
- SCHMITT, A., Secretary, Farmers' Union, Auckland (24/6/12; p. 280)—
 Land-values increased 50 to 100 per cent. in ten years—Labour-conditions—Shortage of farm labour—Scheme of small hamlets suggested—Farmer's return on potato crop—*Re* egg-market and misleading quotations of merchants—Butter-market controlled by same merchants—Produce-auctioneering rates—Valuation of land—Allowance for improvements inadequate—*Re* wages and general conditions of farm workers.
- HUNT, A. LEIGH, Manager, Farmers' Distributing Company, Wellington (5/7/12; p. 421)—
 Return over twelve years of prices of potatoes, onions, cheese, butter, &c.—*Re* bacon shrinkage—Fruit-prices not increased—Auction buying free and open—Vegetable prices at auction—Public-market buying not likely to be successful—People will not carry parcels—Fastidiousness in buying butter, potatoes, &c.—Board and lodging cost not increased—Fare improving and charges low—Cost of living increased generally last ten years—Entirely due to higher standard of living—Rents have increased but food-cost increased little if at all—Clothing increased—Tobacco and short weights—Union Steamship Company a monopoly—Kerosene reduced in price—Steps necessary to reduce cost of living—Views outlined.
- CARMODY, D., Inspector of Factories, Wellington (4/7/12; p. 396)—
 Farm accommodation—*Re* shearers' and farm labourers' accommodation—Complaints of farmers well founded—Some quarters provided very bad—Room for good deal of improvement—Had Dominion experience—Lack of good accommodation responsible for disinclination of men to accept farm-work—With married couples no children preferred—Canterbury conditions better than other districts.
- HAGGER, W. H., Officer, Labour Department, Christchurch (14/6/12; p. 152)—
Re farm labourers' accommodation—In many instances insufficient and unsatisfactory—Conditions required to tempt workers from the cities—Insufficient accommodation described.
- KENNEDY, E., Secretary, Canterbury Farm Labourers' Union, Christchurch (13/6/12; p. 129)—
Re farm labourers—*Re* farm-labour shortage—Bad accommodation and low wages responsible—Fair employers have no difficulty in getting men—Hours of labour and working-conditions—Reasons for preferring town life—Prospects of getting land at reasonable rates remote—*Re* State farming and putting produce on market at cost price—*Re* Agricultural and Shearers' Accommodation Act.
- BRAY, W. B., Apiarist, Christchurch (10/6/12; p. 74)—
Re honey—Prices of honey not risen—All primary products have risen in price—Wholesale trading methods clumsy—Prices of honey, wholesale and retail—State should run retail shop—Output of honey, 1910 and 1911—Cost of production of honey.

SECTION VII.—DOMESTIC SCIENCE; POLITICAL ECONOMY; STATISTICAL.

- A. DOMESTIC SCIENCE: Technical-school instructors.
- B. POLITICAL ECONOMY: Political economists (five).
- C. STATISTICAL: Government Statistician; Chief Clerk, Labour Department.

A. DOMESTIC SCIENCE.

- GEORGE, GEORGE, Director Technical School, Auckland (26/6/12; p. 321)—
Re cost of education, books cost 30s. first year—*Re* uniforms—Domestic science course explained—Operatives show less efficiency than formerly—Grading of workmen suggested—Advocates partial free-trade and open market.
- HOWELL, J. H., Director, Christchurch Technical College, Christchurch (13/6/12; p. 140)—
Re domestic training—Eighty girls under training, fourteen to seventeen years—Girls do all housework—Special attention given to cost of cooking by gas and coal—Crèche to be established later—Girls are taught mending and making of clothes, and to discriminate between qualities of articles—Fees charged very moderate—Full course takes three years.

B. POLITICAL ECONOMY.

- JOLLY, F. L. G., Bank Clerk (B. Com.), Christchurch (18/6/12; p. 196)—
 Cost of living last fifteen years—Measurement cost of living—Fluctuation in level of prices—Influence of accumulation of gold—Rise of credit—Index numbers of cost of living—Graph showing comparative fluctuations of prices of commodities, &c.—Actual cost of living to consumer difficult to estimate—Deficiency of New Zealand statistics—Mathematical calculation supports deductive inquiry—Index number taken from analysis Year-book, figures 1896 to 1910—1896 year equals 100 index numbers for years up to 1910 given (124.5)—List of trades included—Difficulty of estimating actual wages of tradesmen from Year-book figures—Effect of overtime payment—Doctor McIlraith's index number 1896 is equal 96 for commodities and general, witness's index number for 1896 equals 100 for purchasing-power of wages—Combination index numbers for years 1896 and 1910, graph illustrating this put in—Fluctuations in rate of interest not plotted on graph—Influences on prices world-wide—Tendency of fluctuations in wages to lag behind those of prices and *vice versa*—Present prices of commodities highest since 1883—Reference to Hooker's article published by Royal Statistical Society—New Zealand prices not yet responded to world-wide rise—Probability of fall in prices followed by drop of wages—Effect of fluctuations the difference between bank deposits and advances—Steady increase of index number of purchasing-power of wages—Complaint of increased cost of living indicates that standard of living has increased—Difficulty of comparing rents fifteen years ago and to-day—Alterations in Customs duty not taken into account—Dr. McIlraith's numbers sole basis—Exhibit 4 (graph) showing increased prices in New Zealand has been less than in any other country—Effect of appreciation of gold on cost of living—Extent of influence—Written replies submitted, headed "What effect, if any, has the value of gold had on cost of living?" "What effect has the accumulation of large fortunes on the purchasing-power of wages?"

McILRAITH, J., (Litt. D.), Political Economist and School Inspector, Auckland (24/6/12; p. 264)—

Author of "The course of prices in New Zealand"—Definition of term "cost of living"—Considerable rise in general level of prices of commodities—Term "rise in prices" and "value of money" defined—Relation of these terms converse to each other—Movements of general level of prices and agencies which determine their level—The principal factors are volumes of money on one hand, and volume of trade on the other—Illustration given—Effect on rising and falling prices—Factors taken into consideration in estimating "money"—Term "money" defined—Five causes affecting level of prices given—Effect of foreign trade on money-circulation—Inter-relationship of countries in trade—Effect of minted gold—Gold-production in New Zealand—Influences that have increased the velocity of money—Effect is to raise prices—Investigations in United States *re* velocity of circulation—Connection between credit money, metallic money, and paper currency—Amount of gold-reserve in Bank of England—Effect of depleting same—Gold-reserves considered necessary in different countries—Influences affecting velocity of circulation of paper money—Effect of increased production on general level of prices—Net result has been a rise—Present prices ten times as high as a thousand years ago—Relative stock of gold at different periods—Effect of gold "discoveries"—Table of gold-production, 1865 and 1910, and effect on prices—Source of information is United States Mint—Present sources of increased gold-supply—Slow rise in prices most desirable—Cross-examined by Mr. Fairbairn *re* growth of credit system—Cross-examined by Chairman *re* international relation and trade—Effect of creation of large fortunes—Effect of "control" and "monopoly"—Benefits of high prices—To Mr. Veitch *re* effect of high land-values—To Mr. Robertson, effect of maintaining a rich class—Expenditure on luxuries—Standard of living and standard of comfort—New Zealand prosperity table, 1880 to 1911—Rise in value of farm-products—Corrected table showing general level of prices in New Zealand—Table showing volume of consumption per head, marriage, birth, and bankruptcy rates, 1880 to 1912—Connection between farm-products and marriage-rate—Table of volume of liquor consumed per head, 1885 to 1910—Effect of labour-saving machinery—Cost of living in Auckland and Christchurch (personal)—These differences taken into account in wages—Reforms necessary in New Zealand statistics—Limitations of Arbitration Court—Customs tariff and benevolent legislation—Difficulty of setting up flexible scale of wages—Necessity of State encouragement of study of economics—Cost of education less than formerly—Effect of labour legislation on prices nil—Rural depopulation in New Zealand has tended to rise rents, &c.—Education of children in dairying districts—Children tend to be drowsy—Economic effect of child-labour on dairy-farming.

MILLS, W. T., Teacher, Journalist, Political Economist, Wellington (11/7/12; p. 474)—

Human life supported by expenditure of life in production of means of life—All consumers should be producers and *vice versa*—Cost of production greatly reduced—Power to purchase, relation of prices to services, and of volume of gold and credit to volume of business discussed—Privilege in economic sense discussed—Two general forms of privilege are rents and monopolies—Ways in which prices are determined—Effect of competition and monopoly—Effect of imperfect equipment in production, *e.g.*, in boots and bread—Waste involved by unskilled labour—Importance of services rendered by banks—Effect on prices of commissions, profits, and taxes—Community-created values should be appropriated by the State—Private monopoly and not increased gold-supply is explanation for increased prices in certain directions—Remedies suggested are public appropriation of ground-rents and abolition of all taxes—Difficulties involved—Public support of centralized trading is also necessary—Rational method for controlling business—Wasteful methods should not be "protected"—Importance of education and technical training—Reference to American efforts in industrial education—Necessity of State banks and centralized transportation under Government control—Necessity of raising standard of living—Effect on prices of increased gold-supply and monopoly—Wages advanced slowly but may drop suddenly—Profits quoted more flexible than wages—General principle is that in competitive market prices tend to equal cost of production—Cost of production explained and discussed—Ground-rents discussed—Somers's system of land-valuation explained—Real exchange value is exchange of service for service—Unearned increment discussed—Economies due to great trading enterprises—Monopoly means power to exclusively possess and control—Effect of "freezer" has been to raise prices—Economic changes involve international as well as national co-operation.

SEGAR, H. W., Professor of Mathematics and Political Economists, Auckland (26/6/12; p. 303)—

General outline of evidence—Cost of living in New Zealand has increased 20 per cent.—Less than in Canada and the United States—Increase most marked in rent, farm-products, clothing, and fuel—Increased cost of living in other countries quoted—Disagreement with Dr. McIlraith's index numbers—Reasons for disagreement explained—Method of "weighting" has resulted in errors—Omission of certain articles of diet such as milk—Comparative return *re* rents in Auckland, 1896 and 1910—Average increase 51 per cent.—Reference to Labour Department inquiry into cost of living in New Zealand—General agreement with results shown by this inquiry—Table showing estimated increased cost of living in Auckland, 1894 to 1910—Average increase about 24.6 per cent.—Increased cost of clothing about 20 per cent.—High-water mark in rent reached in Auckland in 1912—Impossibility of obtaining perfect index number for commodities in household use—Inquiries *re* cost of living generally limited to working-classes—Relative increase in price of foodstuffs and other commodities discussed—Method of dealing with prices of coal—Increased cost of living *versus* higher standard of living—Effect of monopolies, &c., on prices in New Zealand; also tariff reductions—Rise of price of land due to rise in price of commodities—General effect of high price of land and labour—High cost of labour stimulates use of labour-saving machinery—Increases in farm-land values may be counterbalanced by improved agricultural methods—Relationship of rise in prices and rise in wages discussed—Effect of tariff-reduction—Decrease in cost of production—Effect of tariff-alterations on index numbers—Influence of enhanced land-values on cost of living—Increased cost of living mainly due to great increase in currency as compared with increase in trade—Diagram showing world's gold-supply, 1851 to 1911 (Exhibit No. 11)—Reference to Professor Fisher's volume "The Purchasing-power of Money"—General explanation of credit, currency, &c., and statement *re* world's production of gold—Bank methods and profits—Difficulty of establishing bimetallicism—Community-created value in land—Site-value *versus* gold-value—Increase in prices due to increase in gold-supply and increased credit—Replacement of gold with credit money—Necessity of banking-operations, and source of bankers' profits—Limit of credit—General effects of movement of population—All classes have become wealthier—This makes more labour available for production of luxuries—Possibilities of reducing cost of necessities of life considered—Suggestion *re* compilation of Government index numbers and encouragement of study of economics and statistics.

WILSON, F. P., Lecturer on Economics, Wellington (5/7/12; p. 407)—

Definition of "cost of living"—Rise in price of agricultural produce—New Zealand index numbers compared with other countries—Pastoral products, index numbers show considerable rise—Index numbers quoted also for beverages and foodstuffs—Combined index numbers quoted—*Re* rents and absence of proper data—Results obtained from personal investigations 1894-5 and 1911—Rent increased approximately 30 to 35 per cent.—Return *re* commodities in general use from Year-book—Comparison of retail and wholesale prices (McIlraith)—Table given—Wages—Increased earnings of males and females in New Zealand industries—Index numbers quoted—Information *re* adult workers inconclusive owing fault of statistical records—Rise in wages greater than rise in wholesale prices and about equal to the rise in retail prices—Cause of high prices classified—Economists' views—Gold-production from beginning of nineteenth century—Effect on prices—Velocity of circulation—Depends on habits of people and distribution

of population—Urban and rural spending compared—Banking deposits and effect on level of prices—Volume of trade—Effect on price-level—Mr. Macdonald, "Is labour a commodity?" Question discussed—New Zealand statistics deficient—Advisory Board suggested—Dr. McIlraith's figures reliable—Rise in cost of living may be really a rise in the standard of comfort—*Re* "money" statistics—Reason for difference of food-prices, United Kingdom, Germany, and Canada—United Kingdom free-trade condition mainly responsible in her case—France's position due to large population on small holdings—Land-prices not contributed to prices of commodities—Effect of relative decrease of number of food-producers to number of food-consumers—Table of comparative prices in New Zealand, England, Germany, France—*Re* rent: lowest rent enters into price of commodities produced—In the city minimum rent enters into price of goods sold—Greater comparative rent may be spread over greater turnover—Fall in birth-rate indicates higher standard of comfort—Beneficial effects of banking-operations—Increased rents due to increased output of gold, to concentration of population, to increased demand for limited supply of land and to "monopoly"—Adjustment of wages to output of gold—Desirability of wealth being spread about—Marginal and differential rents discussed—Statement *re* rent and retail prices.

C. STATISTICAL.

FRASER, M., Government Statistician, Wellington (8/7/12; p. 443)—

Re methods of collecting New Zealand statistics—Legislation quoted—Statistics of office and its development—Statistics of other Department—Scope extending—Control of statistics—Collection and publication—*Re* data for Commission such as this—*Re* "Census of Production"—Difficulties in the way of collection—*Re* criticism of New Zealand statistics—English Government used New Zealand figures—*Re* Official Year-book figures *re* wages and prices.

ROWLEY, F. W. T., Chief Clerk, Labour Department, Wellington (8/7/12; p. 431)—

Tables showing number of persons employed in manufacturing industries in New Zealand to be completed shortly—Sample return produced—*Re* movements of population—Statistics *re* effect of labour legislation—Wages and hours fixed by Arbitration Court awards—Factory statement handed in—Tables showing expenditure on public buildings and savings-bank deposits handed in.

SECTION VIII.—MISCELLANEOUS.

ADVERTISING EXPENSES; AGRICULTURAL-IMPLEMENT MANUFACTURING; DRINK TRAFFIC; FREIGHTS; LEATHER GOODS; MEDICAL ATTENDANCE, ETC.; SINGLE TAX; TOBACCO.

A. ADVERTISING EXPENSES: Representatives of *Press*.

B. AGRICULTURAL-IMPLEMENT MANUFACTURING: Manufacturers.

C. DRINK TRAFFIC: Temperance advocates.

D. FREIGHTS: Railway Department; New Zealand Shipping Company; carrier; Union Steamship Company.

E. LEATHER GOODS: Wholesale and retail saddler.

F. MEDICAL ATTENDANCE: Doctor of medicine; dentist.

G. SINGLE TAX: Lecturer.

H. TOBACCO: Merchant; retailer.

A. ADVERTISING EXPENSES.

NELSON, G. B., Advertising Department, Christchurch *Press*, Christchurch (18/6/12; p. 217)—

Rates for advertising—Prices the same as *Lyttelton Times*—Increased prices charged as circulation grows—Cost of living increased generally.

PAVITT, P. S., Advertising Clerk, Lyttelton Times Company, Christchurch (18/6/12; p. 216)—

Advertising rates—Rates uniform between two daily papers—No increase in fifteen years excepting in contract rates—Line advertisements 1s. 6d. per line—Auctioneers receive 25 per cent. on advertisements given in.

B. AGRICULTURAL IMPLEMENTS.

BOOTH, G. T., Iron-merchant, Christchurch (18/6/12; p. 209)—

Wages since 1906 show average advance of 14 per cent.—Competition among manufacturers free and open—No protective tariff—30 per cent. protection asked for—Farmers' implements increased 10 to 15 per cent.—Cost of materials used 25 per cent. greater than twenty years ago—Class and quality of goods manufactured specially suit New Zealand conditions—Freight charges equal 20 per cent. on cost imported article—Steel parts imported—*Re* influence of labour legislation on prices—Contributing cause only—Wages would have been as high to-day without legislation.

KIER, JAMES, Managing Director, P. and D. Duncan (Limited), Christchurch (18/6/12; p. 211)—

Cost of agricultural implements slightly increased in recent years—No combine—Prices of standard lines uniform with all manufacturers—List showing increased cost of material used—Wages increased 50 per cent. since 1898—New Zealand and Australian prices compared—*Re* effect of labour legislation—Apprentices hard to secure except for engineering department.

C. DRINK TRAFFIC.

COMRIE, REV. W. J., Chairman, New Zealand Alliance, Wellington (11/7/12; p. 472)—

Re inefficiency of persons caused through drink—Asylum and gaol inmates—Rotoroa Island—Money spent on drink unproductive—Liquor traffic one of serious causes high cost of living—Effect of prohibition on rent.

DAWSON, REV. J., General Secretary, New Zealand Alliance, Wellington (11/7/12; p. 471)—

Drink bill in 1911 in detail—Customs returns *re* liquor imported, &c.—*Re* convictions for drunkenness—Cost of prisons—Salvation Army refuges for drunkards in Hauraki Gulf.

D. FREIGHTS.

MCVILLY, R. W., Chief Clerk, New Zealand Railways, Wellington (5/7/12; p. 415)—

Re Railway freights on food-supplies, 50 to 400 miles, 1908 and 1912 rates compared—Freight charges on coal, Auckland—Taupiri—Differential systems of freight—Reasons for using Newcastle coal.

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MINUTES OF EVIDENCE.

DUNEDIN.

TUESDAY, 4TH JUNE, 1912.

STEVE BOREHAM, General Labourer, examined on oath. (No. 1.)

1. *The Chairman.*] What is your occupation?—I am a general labourer and tradesman sailmaker. I am a member of the Shearers' Union, and am also a blacksmith—in fact, one has to be everything now to earn a living.

2. Is it within your knowledge that the prices of commodities have risen within the last ten years?—Yes; prior to ten years ago you could buy a very good fat sheep for 1s.

3. *Mr. Fairbairn.*] What year was that? The order of reference only goes back twenty years?—I am speaking of from 1891 to 1896. At that time you could buy a fat sheep for 1s.; and they used to take them round Oamaru and almost give them away.

4. *The Chairman.*] What part of the country was this?—Oamaru and all over Otago.

5. Are you alluding to times of drought?—No; and there were as good wages then as now.

6. *Mr. Fairbairn.*] That was the position before the freezer came into existence?—I am coming to that directly. In those years butter could be got at from 6d. to 8d. per pound: that was fresh butter. Potatoes were from 2s. to 5s. a bag—twelve bags to the ton; and bread was 4d. the 4 lb. loaf in those days.

7. You are speaking of town prices?—The prices in Oamaru at that time. I said butter was from 6d. to 1s.; I should have said from 6d. to 8d. If you guaranteed to take it from one farmer all the year round you could get it at 6d. per pound. Our family got it from one farmer in that way at that price. My family never paid more than 6d. per pound for butter. In regard to clothing, I notice no material difference in the price of clothing. I might say that in that direction wages have increased considerably. While there has been an increase in the price of bread, bakers' wages have not increased.

8. Has the difference in the duty on clothing made any difference?—The duty has made no difference to us—the prices are just the same: I have noticed that particularly. There is no difference in the price of clothing, either of tailor-made or slop-made suits: £1 5s. or £1 10s. was the price of a good ordinary man's suit, and the same articles are practically the same price now. Wages have increased in that line. I would like to tell you the wages in those days. The wages in those days was from 8s. to 10s. per day for the general labourer or worker. I was getting £3 a week of forty-eight hours for sailmaking, for which I am now paid £2 8s. per week of forty-eight hours. Shearing was not paid so much. At that time it was 15s. a hundred; now it is £1 a hundred. Harvesting was paid at 1s. 4d. an hour.

9. *Mr. Fairbairn.*] How many hours did you work for £3?—Forty-eight hours, and a half-holiday on Saturdays. The wages were from 1s. to 1s. 4d. an hour for harvesting. That used to be our nest-egg. We get no more for that sort of work now—we do not get as much. Now we will come down to the present time.

10. *The Chairman.*] Can you tell us what the different items you have mentioned are now?—Butter is now never lower than from 1s. to 1s. 6d.

11. *Mr. Fairbairn.*] When was it at 1s. 6d.? Can you give us definite information on that point?—In June of last year.

12. *The Chairman.*] That is, the retail price?—Yes. The farmers' price at the present time is from 4d. to 8d. per pound in the summer. I am speaking of dairy butter. I may instance the Taieri and Peninsula Company. There is practically no butter put on the market now direct from the farmer. It goes through the dairy companies.

13. *Mr. Robertson.*] At what period was the farmer getting from 4d. to 8d. for butter-fat?—In the summer-time. I may say that the farmer anticipates a dividend from the dairy factory, because that is a co-operative factory. The actual price paid out by the dairy factory is 8d.; and the retail price is now 1s. 4d. It ranges in price for the butter in the factory. When there is an abundance of milk and some extra trouble in extracting the butter-fat the price is 4d., and runs up to 8d. When the milk is richer and easier to get the farmer gets more for it.

14. Are those prices for butter-fat paid at the dairy factory?—Yes, for the actual butter-fat made up. The farmer receives that for it direct. I am dealing with the butter as it is packed in the factory ready to be sent to the grocer to sell. The farmer receives from 4d. to 8d. He never receives more than 8d. for the full pound of butter. I do not know what the price is for the butter-fat; but for the quantity of butter-fat that goes to make up a pound of butter he receives 8d.—that is, for the pound of butter.

15. *Mr. Fairbairn.*] Have you any idea what the farmer gets for dairy butter?—The same price as the other. I may say that a man comes to my door and supplies us with butter at 1s. 2d. per pound.

16. That will be handled through a third party?—Yes, it is possible it is, but it is sold all the year round at that. There is very little of that butter on the market. The butter mostly goes through the co-operative factories. I am telling you what he gets from the factory direct.

17. *Mr. Robertson.*] Is the Taieri and Peninsula Company a co-operative company?—Yes; the farmers all participate in the profits of that company.

18. *Mr. Veitch.*] Do you know how much butter-fat it takes to make a pound of butter?—I do not know.

19. *Mr. Robertson.*] I take it you mean that on the output of the factory the farmer gets from 4d. to 8d. per pound on the butter produced?—Yes.

20. *Mr. Veitch.*] You say that the price paid to the producer is from 4d. to 8d. How have you arrived at that conclusion?—I was staying with friends of mine who have a certain quantity of cream delivered. They used to get 10s. a week from the grocer and make 22 lb. of butter. That was in Canterbury, where I saw the returns. From the dairy factory they were getting up to 22s. for the same amount of butter. They were selling the butter-fat too, but that is what they used to get for the butter. I would like to state what I consider to be the cause of the great increase in prices. In my opinion the whole thing amounts to this: There are a lot of foreign agents going through the country at the present time buying up the output of the factories at a certain price. The factories would sooner deal with them. Last year the Taieri and Peninsula Company—I believe this to be a fact—Messrs. Wright, Stephenson, and Co. bought a quantity of butter from them. They could not comply with all the agent's demands, with the result that the Taieri and Peninsula Company did not supply Wright, Stephenson, and Co., but gave them £600. The butter was bought up by the foreign agents for export.

21. *The Chairman.*] You have no proof of that statement?—I positively swear I believe that to be a fact.

22. *Mr. Veitch.*] What was the £600 paid for?—They had to supply Wright, Stephenson, and Co. to the value of £600, but owing to the fact of having already made a bargain with some agents for the whole of their output they were not able to supply Wright, Stephenson, and Co.'s order, who supply the retail grocers and others, and the result was they had no butter to sell to the retailers; and consequently there was a shortage, and up went the price. I am satisfied that the Taieri Company, in order to get out of the bond with Wright, Stephenson, and Co., gave them a cheque for £600. That is one cause. An army of agents are going about the country buying up the farmers' commodities. The wages of these agents have to be provided for. I think the remedy would be to get these men on the land. They are mostly farmers' sons who have not been able to get on the land, and they have been taken up by the auctioneers as commission agents. If these men were on the land and doing farming it would be much better for the lot of us. The cheapest mutton you can buy is at one shop in Dunedin, and they sell mutton at from 3d. to 4d. per pound for loin chops. The general rule of the butchers in Dunedin is to supply chops from the loin at from 4d. to 6d. per pound. The particular shop I am referring to is the Kensington Co-operative Butchery, who supply mutton at the price I have stated.

23. What is the manager's name?—I do not know. Most of the butchers charge 4d. for the front chops, and as you get towards the leg the price is increased to 6d. Beef steak is sold at from 5d., and rump steak at from 8d. to 10d. At the Kensington Butchery the price for rump steak is from 6d. to 8d. That butchery sells comparatively cheaply in all branches.

24. You are trying to draw a comparison between one firm and another?—I know that the Kensington Butchery retails at the prices I have given, and the other butchers do not do so.

25. *Mr. Macdonald.*] Amongst the other butchers is there a price-list?—Evidently there is an understanding.

26. *Mr. Fairbairn.*] Do they all charge the same price?—No.

27. *Mr. Macdonald.*] Then I should not say there was an understanding?—I have mentioned the only exception.

28. Do the other firms supply at a uniform rate?—Yes.

29. Do you think there is an understanding?—Yes, apart from the one firm I have mentioned.

30. *Mr. Robertson.*] Is that firm's business place in the city?—At Kensington, about three-quarters of a mile from the Post-office.

31. *Mr. Veitch.*] Do you think there would be any great difference between the rent that man pays and that paid by the other butchers to warrant the difference in the prices?—I do not think the rents vary much in any part of the city, unless you go to the North-east Valley and Mornington. The rents which the working-man has to pay do not vary much.

32. *Mr. Macdonald.*] Mr. Veitch was referring to business premises?—I am speaking from the working-man's point of view. I know nothing about the business part of the city.

33. Do you think the difference between the prices at which the Kensington Butchery sells and the prices charged by the other butchers is owing to an understanding to keep up prices?—The prices are forced up before the meat arrives at the butcher's shop.

34. You mean that the Kensington Co-operative Butchery buys cheaper than the other people?—He gets it somewhere cheaper, because he sells cheaper.

35. It is an inference, but you do not know that for certain?—It is an inference. He sells cheaper.

36. Do you think that the difference in the price at which he sells and the price at which the other people sell is owing to an understanding on the part of the other butchers to keep up the price?—Yes, most decidedly.

37. He is not in the combination or trust, or whatever you like to call it?—The other butchers have combined, but not for putting up the price abnormally for their own benefit. The price of mutton has already been put up abnormally at Burnside.

38. I asked you before if you thought that the difference in price was owing to an understanding on the part of the other butchers to keep up the price, and you said yes?—Yes.

39. Now you say that is not so, because you say that the price is put up before the meat reaches the shops?—What I wish to convey is this: that the butchers of Dunedin have not combined to put the price up abnormally. It is forced on them; and they have combined in order to get a fair price for themselves. Perhaps they also pay more rent than the Kensington man.

40. *Mr. Fairbairn.*] Can you tell us what is paid for mutton-sheep?—I consider that £1 3s. 6d. is paying too much for a fat wether—that is, dead-weight.

41. Eighty pounds at £1 3s. 6d.—that is, 3½d. is the cost of that mutton on the average. Are you now giving the fair average price at Burnside, or is this a high price?—No, it is the general thing. The agent buys from the farmer at from 10s. to 12s. per sheep, and between the farmers' price and Burnside the price goes up to £1 3s.

42. Cannot you see that there is still an extraordinary gap. If the dead-weight price at Burnside is 3½d. per pound, it is quite clear a man cannot sell mutton at from 3d. to 4d. per pound—unless the man at Kensington is buying through other channels than Burnside—that must be self-evident?—That is the actual price you have given. There are the skins, fat, and all that to be added. He has all that as profit.

43. What is the value of the skin?—From 7s. 6d. to 10s.; then there is about 4s. or 5s. worth of fat.

44. The cost of killing has to be paid for. All the by-products go to the owner of the sheep?—Yes.

45. How much does the killing cost?—About 3d.

46. The skin is worth how much?—There is the wool and hide—from 7s. 6d. to 10s.

47. Is there anything else in the way of by-products?—The tallow, fat, and bone. I should say that is worth from 3s. to 5s.

48. You have given us these figures: 7s. 6d. to 10s. That reduces the cost of the sheep to 9s. 9d. for 80 lb. of mutton—that is, roughly, 1½d. per lb. That is all that man is paying for his mutton: is that so?—Yes; and the charge here is from 4d. to 6d. per pound for chops.

49. *Mr. Hall.*] With regard to the sheep you say were sold so cheap in the early days: were they old broken-mouthed ewes?—No, fat wethers. They were first-class sheep.

50. Were you referring to live sheep or dead sheep?—Sheep ready for the table: the carcase.

51. Was there a drought at that time?—No; I was going over a period of from six to ten years. When we first materially noticed a rise in the price of commodities was when the swaggers were taken off the road, after the advent of Mr. Seddon's Government. I saw first-class mutton sold off the farm, or by the farmer, at from 10s. to 12s. per sheep.

52. *Mr. Fairbairn.*] How long ago was that?—About four months ago, in Canterbury.

53. What would the dead-weight be?—From 60 lb. to 80 lb., at 10s.

54. What would be the value of the pelt, wool, &c.?—About 3s. 6d. to 5s.

55. That would be equivalent to from 14s. to 16s., as against to-day's price for the same sheep, bearing in mind that the skin was worth from 7s. 6d. to 10s. 6d.?—Yes. I may say that I followed that mob of sheep which had been sold by the farmer at from 10s. to 12s. I followed those sheep to Geraldine, and they were sold there alive by the agent at from 17s. 6d. to 19s. 3d. by auction.

56. *Mr. Hall.*] How far had they to drive them?—Six miles.

57. What would be the cost of driving them?—About 10s. for the half-day.

58. How many sheep were there?—154—104 at 12s. and 50 at 10s. per head.

59. What kind of sheep were they?—Crossbred wethers: fat sheep. There were a few ewes amongst them.

60. *Mr. Fairbairn.*] This is something that you can distinctly vouch for?—Yes.

61. *Mr. Macdonald.*] What, in your opinion, created the difference in value in those two days?—The number of agents. There were six agents there, and these agents have to be provided for. Those sheep belonged to the agents or auctioneer.

62. What induced the paying of the higher price in that case?—The agents.

63. *Mr. Hall.*] What month would that be?—About two months ago.

64. Was there any shortage of feed at that time?—No.

65. *Mr. Macdonald.*] The farmer is a simple fellow, and cannot protect himself?—He is satisfied with from 10s. to 12s. For running the sheep for a couple of months on rape and fattening them the auctioneer made the difference between 10s. and 12s. and 17s. 6d. and 19s. 3d.

66. To whom did the auctioneer resell at 19s. 3d.?—In the public auction.

67. *The Chairman.*] Who buys them?—The butcher.

STEVE BOREHAM, recalled.

Witness: I would like to qualify some evidence which I gave this morning. With regard to the sheep which I followed, and which were taken to Geraldine: When I said I followed them I was speaking in a broad sense. They were taken to Geraldine, and I saw them sold at the enhanced price. They were fourteen days on rape before finally sold to a butcher. That has to be added to the price at which they were sold at Geraldine by the second agent.

68. *The Chairman.*] What value would be put on to the sheep?—I think they charge about 6d. per week per head.

69. That would be 1s. on each sheep?—Yes, very comfortably. With regard to the Kensington butcher's shop: Since the Commission adjourned I have made inquiries and have found out that the men running the shop are old shearing-mates of mine. I want to make this statement: that there is a ring amongst the butchers in Dunedin. I have seen their schedule of prices and the names attached to that schedule; and the man at Kensington has refused to sign it.

70. *Mr. Fairbairn.*] You have seen a list of the prices signed by the butchers?—Yes, by all the butchers in the combination.

71. *The Chairman.*] Would it be possible to get a copy of that document?—No, but I propose to bring Mr. Matthewson here to give evidence himself. I wish the trend of my evidence to lead you to understand that I am perfectly convinced that it is owing to the great number of agents going about—

that is the sole cause of the rise in our commodities. Mr. Matthewson, with whom I am dealing, has an agent who buys for a firm in London, and when he is buying for that firm he buys sheep for the Kensington butcher; and the butcher can get them much cheaper than by buying at Burnside. The result is that he can sell cheaper. He pays the same wages to his men.

72. That is the explanation: he is an export agent also?—Yes, he buys directly from the farmer: hence the lower price of his meat. The two men who run the shop at Kensington are prepared to come here and give evidence. The trade of the Kensington shop is a cash trade. The difference to my household expenses is 7s. 6d. a week on meat. Now, we will take potatoes.

73. You said they were 2s. for a bag?—Yes, from 2s. to 5s. That was in the years between 1890 and 1896. Now they fluctuate a little, but they are never much below £10 a ton.

74. *Mr. Fairbairn.*] I saw potatoes quoted in the paper the other day in Christchurch at very much lower than that?—The present rate is £10 a ton here retail. The very best sample at the present time at the railway-siding at Gore is £5 a ton wholesale.

75. What is the railage from Gore?—I could not say.

76. It would not be more than £1 a ton?—I do not know.

77. You say the farmer gets £5 a ton?—Yes. Take the very best sample: they are retailing them at more than £10 a ton, ranging up to £20 a ton for small quantities.

78. *Mr. Veitch.*] What are you paying for small lots?—10s. for a bag.

79. That is 5s. a cwt.: £5 a ton?—They sell them by the sack: twelve sacks to the ton.

80. What is the price of potatoes per sack?—About 18s. per sack. Four years ago potatoes were bought at £4 a ton at the siding at Oamaru, and they were selling in Dunedin at 15s. a sack.

81. That is £7 10s.?—Yes, but there is not 2 cwt. in a sack. There was a demand made for 18s. a sack by retailers, with the result that at the end of the winter seven hundred sacks were thrown away rotten. I may say that there are agents buying potatoes in the ground at from £2 15s. to £3 per ton.

82. *Mr. Hall.*] Do you mean that the men would dig them at that price?—No, the farmer digs them. The agent gets them at the siding at that price. The very best samples at the Gore Railway-station are selling at £5 a ton, and in Dunedin we are paying at the rate of £10 a ton retail. That shows the difference between the producer's price and the price the consumer pays. Now I come to the price of coal. There is no agent in the coal business. Here is a curious thing: While for fine, first-class coal, since the starting of the State coal-mines, the price is normal, yet the price of brown coal, which is the working-man's household coal, has increased from 15s. to 18s. to £1 and £1 4s. per ton. I refer to Green Island and Nightcaps and other lignite coal. I am not dealing with Kaitangata coal: that is a little bit beyond the working-man's coal. Since the starting of the State coal-mine brown coal has increased in price, whereas first-class coal has rather tended to decrease. Steamers, factories, &c., use the better-class coal. The result has been that the lignite-coal proprietors have put up the price of the coal used by the worker.

83. *Mr. Fairbairn.*] It is not usual in such cases to make things dearer: it is rather the other way?—Prior to the starting of the State coal-mine, engines for threshing-mills and shearing-machines, &c., used brown coal.

84. *Mr. Veitch.*] What is the price of brown coal per ton?—Up to £1 4s.

85. Is there a State coal-depot here?—Yes.

86. What is the price of Point Elizabeth State coal?—I do not know.

87. I cannot understand people paying £1 4s. a ton for brown coal when Point Elizabeth State coal is selling at the price it is?—I am talking of the retail business. The bags do not hold 2 cwt. The retail consumer now pays more for brown coal than he had to pay formerly. Now I want to deal with the fish business.

88. *The Chairman.*] You are not a fisherman?—No, but I was secretary of a fisherman's union, and I think I know something about the business.

89. When were you secretary?—Later than eighteen months ago.

90. *Mr. Veitch.*] What are the objects of the Fishermen's Union? Who are the members of the union, to begin with?—The Fishermen's Union of which I was secretary was the Trawler Fishermen's Union. There is another union—the Seine-net Union. This is a union of men who are, practically speaking, employers.

91. Are they the men who own small yachts and who fish with hook and line?—Yes, they use oil-launches. They formed a union and registered under the Arbitration Act. They could not state anything to go before the Court, because they are employers, practically. One of the principles for which the union has held out is that they can send no more than three dozen groper to the market each day—each boat containing two men.

92. Is that in the rules of the union?—No, the rules are registered, but the rules are *ultra vires*. The two or three men at the head of affairs are making use of the fact of their registration for the purpose of getting the other men to join their union. This is one of the effects of the union coming into existence: that the limit of groper that can be sent to the Dunedin market in one day, two men to one boat, is three dozen.

93. *The Chairman.*] Without any question as to weight?—Without any question as to weight.

94. *Mr. Robertson.*] Are they allowed to send any other fish at the same time?—Groper are the principal fish here, and they can catch groper at any time of the year.

95. They would be allowed to send barracouta and other fish, other than groper?—Yes, I think they can send any quantity.

96. *Mr. Veitch.*] Supposing they have caught, we will say, three dozen groper and then go on fishing for barracouta, and they catch one more groper, do they throw it overboard?—No, they keep it back till next day in case it is a bad day: so that the consumer has to be prepared for buying stinking fish.

97. *Mr. Hall.*] Do they ever divide the catch with another boat?—No, but they give it to a man who has no boat at all to send away to another market. They are in tow with a man in Christchurch, and they send fish there.

98. *Mr. Veitch.*] Have they any written arrangement amongst themselves?—Yes.

99. Is there a written agreement, or is there a mutual understanding?—It is more than a mutual understanding. The secretary of the union asks a man if he will join the union, and if he does not join the union he has to pay from 15s. to £1 a case for benzine; whereas if he joins the union he gets the benzine for 10s. a case. That is the inducement for him to join the union.

100. *Mr. Fairbairn.*] Do you mean that the sale of benzine is a trust?—I mean that the secretary of the union deals with one firm, and they give him a commission of 10s. a case for selling the benzine to the fishermen.

101. Benzine is an open market?—You cannot buy benzine at 10s. a case.

102. That is owing to the shortage?—But he can get it at 10s.

103. There is no such thing as a corner in benzine here with the two principal companies. It is an open market?—Yes, with regard to the two companies you refer to, but the secretary of the union delivers benzine at 10s. a case, and that is the inducement to fishermen to join the union.

104. *Mr. Veitch.*] We want something that carries proof with it?—I swear to that fact.

105. *The Chairman.*] How can you swear to that?—I am doing business with a man who wants to drag out of the union. He has instructed me to buy 100 cases of benzine at 10s. a case. I find that it can be got by one person for 8s. 6d.

106. Probably these people bought at 8s. 6d. and are selling at 10s.?—Yes; but why should they cut off our fish-supply when they are already making a profit in that direction? Now, with regard to rent: Prior to ten years ago, speaking of Oamaru, and just prior to ten years ago in Dunedin, you could get a four-roomed house for 8s. a week. Now you cannot get a house worth living in under 12s. or 13s. a week.

107. *Mr. Robertson.*] You are referring to the same years you mentioned before—from 1890 to 1896?—Yes.

108. *Mr. Macdonald.*] What do you say the rent in Dunedin is now?—When I came here ten years ago the rent of a four-roomed house was 8s.; now the rent has increased to 12s. 6d. a week.

109. The Labour Department's figures do not bear that out: they say 10s. 6d.?—There is a four-roomed house hardly fit for a respectable pig to live in, the rent of which house is 12s. 6d. a week. Evidently the Department knows very little about that. To-day £1 a week is charged for a seven-roomed house.

GEORGE JOACHIM, Managing Director of the Westport Coal Company, examined on oath. (No. 2.)

1. *The Chairman.*] You are manager of the Westport Coal Company?—I am managing director of the Westport Coal Company.

2. Amongst the issues this Commission is asked to consider there is one, No. 9, which says, "What effect, if any, has the labour legislation had on the increase in the price of the commodities of life?" You have been working under several awards of the Arbitration Court, have you not?—Yes.

3. Has the effect of those awards been to raise wages?—Yes.

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

5. Has there been any rise in the price of coal of late years?—There has been quite recently an increase in the price, but the wholesale price of coal during the last ten years has been 5 per cent. reduced on the ten years previous to that.

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

7. The projected advantages you thought you were going to gain you are not now gaining?—We are not.

8. *Mr. Macdonald.*] There has been an upward tendency in the price of coal?—There has been no rise, except within the last few months, so far as I remember, for the last ten years.

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

10. *The Chairman.*] Was the establishment of the State coal-mine service of assistance to you in helping to eliminate the middleman?—I really do not know. We had our retail yards here long before the State established theirs. Possibly competition might have sharpened us up.

11. You would say that if there had been a rise in the cost of living it has not been contributed to in any way by the Westport Coal Company?—Certainly not by the cost of coal.

12. *Mr. Fairbairn.*] If the price of coal is 20 per cent. less now, it must have been dearer to the consumer between 1890 and 1900?—Yes.

13. *Mr. Hall.*] What is the present price of household coal?—£1 15s. per ton to the public.

14. *Mr. Robertson.*] That is by the ton?—Yes; in smaller quantities the price is slightly larger.

15. *Mr. Fairbairn.*] Have you the same facilities for distributing coal in Christchurch as in Dunedin?—Yes; and also in Oamaru, Timaru, and other places.

16. Have you a uniform charge?—No, it depends on freights, and port charges, and handling. In some places we have better facilities for handling than in other places. The coal goes direct from the wharf to the yard in Dunedin.

17. What is the cost to the public at Lyttelton?—I really could not tell you. The notice I got to attend was so short that I was unable in the time to get all the information. I think I am right in saying that the price is reduced in every port in the Dominion.

18. *The Chairman.*] Would you supply us with a statement with regard to the price of coal between 1890 and 1900 and between 1900 and 1910 in the different places in the Dominion?—I will have that statement made up for you. [See Exhibit No. 1.]

19. *Mr. Macdonald.*] Could you have a table made up showing the increase in wages?—Yes.

20. *Mr. Hall.*] What is the price of steam coal?—That varies very much according to the sort of coal that each steamer uses.

21. *The Chairman.*] Will you state that it is the custom of the Westport Coal Company to sell to anybody ready to buy your coal?—Yes.

22. You sell to the public?—We sell to any one.

23. Is there any agreement between you and the Union Company to give the Union Company preference?—We have to give them all our carrying.

24. In regard to the supply of coal?—No, we simply supply them; but we have an agreement for carrying and for the price of selling coal. The rates of freight are fixed at the different ports, and we reserve the right to sell to outsiders, to charter, or do anything else we require. We also own our own steamers, and we give freights to various small companies. Our chief carrying business, however, is done with the Union Company. That company undertakes to provide whatever steamers we require, and to send them wherever we want them to go.

25. *Mr. Fairbairn.*] The same arrangement, I presume, exists between the Stockton and other companies?—The Blackball Company own their own steamers. We have two steamers of our own.

26. When sending in the return, could you include the price of steam coal. We want this for a specific purpose, and if you can let us have it it would be very useful?—If you will be kind enough to frame your questions and send them to me I will answer them.

27. *Mr. Macdonald.*] I come from Westport, where we hear all sorts of rumours, and I have heard it stated that if an outside company comes to the Westport Company and asks for 5,000 tons of coal for distribution in New Zealand the company is not at liberty to sell?—It depends on where the coal is to be taken. Supposing a steamer came into Westport, and we sold it a cargo of coal, it might suit the owner for a particular purpose to sell that coal at a low price in ports where we have our own agencies. That one transaction might suit that owner, but he could not do it regularly, and therefore we say, "Well, if you are going to sell this cargo and compete with us in different ports we won't give it to you." If he will quote us a lower freight for carriage than the Union Company we will consider it. We cannot keep the mines going on casual steamers. It was essential in the interests of the workmen, and also to keep the cost of production down, to keep the mine regularly going. We have had very few idle days in the year. I do not think there is a mine in Australasia in which the employment is so regular as in ours, and that is so because of our freight arrangements.

28. There does not exist free trade in coal?—It does exist, because any man who wants coal we give it to him.

29. You still reserve the right to say whether a man can get a cargo of 5,000 tons for, say, Wellington?—We reserve the right, but I have never refused to quote a price for a cargo that I know of.

30. *Mr. Veitch.*] If a vessel came along and asked for a freight of 5,000 tons, and you thought there was a danger of that cargo underselling you, would you refuse to supply that coal?—I have never done so yet.

31. Is there any arrangement between the Westport Company and any other company or companies for the purpose of regulating the selling-price of coal?—None whatever.

32. *The Chairman.*] There is no understanding between the Westport Coal Company and the Union Company by which you are to give the Union Company preference in regard to coal?—I have said we give the Union Company all our carrying over and above what we send by our own boats. It is understood that they get all the surplus, but we have the right to charter or send by other steamers to where we like. It is a free and open arrangement.

33. *Mr. Veitch.*] Does not the arrangement you have with the Union Company interfere with the business of other coal companies and restrict their operations?—The Union Company, so far as we are concerned, are at liberty to carry for or buy coal from any company they like. With regard to the general question of the cost of living as applied to the household, I may say I keep a very careful account of my own household expenditure, and I have analysed that expenditure for the last ten years. I have taken out the first five years of that period regarding the cost of food, clothing, and wages, and compared them with the following five years—that is, the five years just ended—and I find that the increase in the cost of keeping up the same household has been 8 per cent., whilst the increase in wages—that is, for domestic help—has been 33 per cent.

34. *Mr. Fairbairn.*] That covers the last ten years. Have you a record of the ten years prior to that?—I have not got it with me, but I can look it up for you. The difficulty, however, is that my household for the last ten years was uniformly the same, whilst previous to that time my family at home was larger, and accordingly the comparison would not be so useful.

35. Do you take the total cost of the upkeep of your establishment, or have you gone into the various items?—I took the bills of the grocer, baker, fishmonger, and so on.

36. *Mr. Macdonald.*] The increase in household necessities has been 8 per cent.?—Yes.

37. What has been the increase in lighting?—I do not think there has been very much difference in that respect. There has been a decrease.

38. What has been the difference in rent?—I do not know anything about that. I own my own house.

39. *The Chairman.*] Have the rates risen?—Yes.

40. Are the rates included in that estimate?—No.

41. *Mr. Veitch.*] Are you employing the same number of servants now as formerly?—Yes.

FRANCIS JOSEPH SULLIVAN, Fish-merchant, &c., examined on oath. (No. 3.)

1. *The Chairman.*] What is your occupation?—I am an importer and exporter.
2. Of fish?—No. I have quite a number of occupations. I import a lot of merchandise, and I export rabbits and rabbit-skins. I suppose I am a commission agent.
3. You do not actually store the commodities?—Yes.
4. You are a merchant?—Yes.
5. Have you had a long experience of the business of selling fish and rabbits?—Since 1889.
6. Have the commodities in which you deal increased in price in that time?—I do not consider they have.
7. *Mr. Fairbairn.*] Are you speaking of the price to the public or to the trade?—With regard to both.
8. You do not think the price has increased to the public in the last twenty years?—That is so, so far as Dunedin is concerned.
9. *Mr. Veitch.*] What is your connection with the fish trade: are you dealing wholesale or retail?—I have been everything, but at the present time I am a trawl-owner.
10. You are really in the wholesale line?—I have been in the retail line, and built Sweeting's two places here, thinking it was in the retail business that all the money was being made. I have had four years' experience of it and have given it up.
11. *The Chairman.*] You were glad to give up the retail business?—Yes.
12. What was the business?—Fish, poultry, &c.
13. Why was it unsatisfactory?—One of the reasons was that when I started there was not all this legislation about labour, and I am too busy a man to be always hunted by Inspectors and officials and also members of the union.
14. *Mr. Veitch.*] With regard to the wholesale price of fish: has there been any marked difference in your experience?—It stands to reason there must be some variation from day to day.
15. Speaking generally, is there much difference now?—No, I do not think there is. I think it is cheaper now than formerly.
16. *Mr. Macdonald.*] Could you give us the price to-day and what fish was sold at ten years ago?—I do not know that we have got those records.
17. Have you any records at all?—We have recent records, and I have a book which goes back to 1875, before my time in the business.
18. *Mr. Veitch.*] Is there any competition in the supply of fish?—There is any amount of competition. The ocean is entirely free to any one to catch fish from to sell.
19. Is the wholesale supply of fish in Dunedin controlled by one firm or combination, or by a number of owners competing against each other to sell their fish?—There are quite a number of sellers. There are two wholesale salesmen here who sell fish. I have two trawlers, and there is another company which has one trawler.
20. Is there any working arrangement between you and the owners of the other trawler?—None whatever. Each boat tries to get as many fish as possible, and get as much as possible for them.
21. *Mr. Macdonald.*] Is there any arrangement to limit the supply?—Not so far as the trawlers are concerned. There is amongst the fishermen who have their own boats and nets. They have a union at Port Chalmers, and these men regulate between themselves what they send up to town. They limit the number of groper, barracouta, red-cod, blue-cod, and so on caught by each boat.
22. *The Chairman.*] Is this within your knowledge?—Yes.
23. *Mr. Macdonald.*] There is a union of fishermen at Port Chalmers who artificially limit the market?—Yes; they arrange amongst themselves.
24. *The Chairman.*] The trawlers deliver the public from this evil?—Nothing of the sort. The trawlers are steamers, and the fishermen have oil-launches. The man with a launch can catch as many or as few fish as he likes. These men formed themselves into a union, and they agree that each boat shall have a limit put on the quantity of fish he is allowed to catch, so as to equalize matters. One man may be allowed twenty dozen of one variety of fish and two dozen of another variety.
25. In the town I live in I have heard it stated that the shores were white with fish thrown overboard. Could you believe that?—Not in New Zealand.
26. *Mr. Fairbairn.*] It was the practice many years ago to throw overboard small fish?—If a fisherman caught small fish which he could not sell, what else could he do with them? That is one of the greatest troubles of the fisherman. If the Government or the public will arrange to take fish at a price suitable to the catcher, well and good; but the trouble is that when fish are most plentiful there is the smallest sale, and the biggest demand is when fish are most scarce. People do not eat as many fish in summer as in winter.
27. There is a bigger demand in winter?—Far bigger; and not only that, but we can reach buyers at places in winter that we could not reach in summer. Another thing is that in recent years I have applied oil-engines to these smaller boats, so that they are enabled to go to fishing-grounds that were, by reason of the distance, closed to them under the old methods of propulsion. Consequently the supply of fish is more even than it was. If the boats catch all the fish each can get they have to find a market for it. These men say, "We want a fair day's wage for a fair day's work."
28. What proportion of fish is caught by the trawlers as compared with that caught by the flotilla of small boats?—That again depends on the seasons. Sometimes we catch great quantities by the trawlers, and at other times we do not get enough to pay expenses.
29. Which supplies the market generally?—The boats catch a different class of fish from that which the trawlers catch. The boats use hook and line. The two classes of fish do not interfere with one another on the market.
30. *The Chairman.*] Do the motor-boats all catch by hook and line?—Yes.

31. When you said you were being harassed by Labour Department officials, did you mean when you were keeping retail shops?—Yes. When I built these places there was no such thing as we have now. We have rules and regulations and restrictions of all sorts now.

32. And you found that if you were to obey all these rules, and so on, you could not make money?—I do not say that; but I am too busy a man to answer all the inquiries and to put up with pinpricks and disputes.

33. Do you think this legislation has added anything to the price of fish?—When you have threats of a summons every day it is time to get out of the business. These men who are now running my places were men who were in my employment, and they formed an arrangement which would not be possible to me.

34. They are working on the co-operative system?—They are working amongst themselves. It is a partnership, and they can work as long as they like.

35. *Mr. Veitch.*] You say there is a combine on the part of the small boats catching fish, and on the part of the retailers, but there is no combine in that portion of the trade in which you are engaged?—There is no combine in the trawling. We catch as many as we can and put them on the market. I do not say there is any combine amongst the retailers.

36. Do you not say they are working together to get over certain difficulties?—I was only talking about the men to whom I let my shops. There are plenty of other fish shops and hawkers, and there are Chinamen too.

37. Do Chinamen sell fish?—Yes. They are a great institution. If people can buy fish at a penny cheaper from Chinamen they will take it.

38. Is that going on?—Yes; but it is not so great now as it was before.

39. Where do they get the fish?—On the open market. They have as much right as any one else to get it.

40. *Mr. Fairbairn.*] Could you give us any idea of the average price of flounders of fair average size spread over the last twelve months?—I could hardly answer that straight off, but I should say that for average-size flounders, taking good, bad, and indifferent, the average price would be about 4s. per dozen. The hotels are being supplied at somewhere about 4s. per dozen. Of course, if a man wants a single fish, and wants it rolled up in paper and sent home to his house on three months' credit and 2½ per cent. discount, and the money to be called for three times before it is paid, he expects to pay only the same rate as the man taking fish by the dozen.

41. I am talking about the general trade?—Family trade in New Zealand is much higher than the class I quoted. Families buy by the shilling's-worth, and have it sent to their homes. They mostly order by telephone. A great many people order who live in Roslyn and Mornington, and they think they are getting a shilling's worth of fish. They are not: they are getting fourpence worth of fish and eightpence worth of service. Any of these people can go to the market and bring their own paper and piece of string, and the auctioneer is quite willing to sell to them.

42. *The Chairman.*] You think it is very desirable to have a market for fish?—It is desirable to have a wholesale market for fish, where fish can be sold to the retailers.

43. But not to have a retail market?—Yes, if you could get the people to go there and pay cash and take the fish home with them. Fish is a perishable commodity, and if the people do not come along and buy it, what are you going to do at the end of the day with what is left over?

44. *Mr. Fairbairn.*] The whole secret is distribution?—Yes.

45. *Mr. Macdonald.*] What particular Government regulations do you object to?—The whole "shooting-match." Before we had this legislation every man and woman in my employment was working for one end, and that was to make a profit for the concern they were employed in. They recognized that a profit had to be made, otherwise they could not get their wages. Since these other matters have been introduced you cannot trust any one of them.

46. *Mr. Veitch.*] That is rather strong, surely?—That is my opinion. I was asked my opinion.

47. *Mr. Macdonald.*—What particular regulation did you find offensive?—I will not say any one in particular: it was the whole lot.

48. *Mr. Robertson.*] Did you find the closing-hour regulation oppressive?—Yes. As soon as a fishmonger sold a fowl he ceased to be a fishmonger, and had to close for the weekly half-holiday. My name is still on the records of the Court as having broken the law in regard to compulsory closing.

49. *The Chairman.*] You desire to run your business in your own way?—Yes.

50. *Mr. Robertson.*] You stated that you had put engines into fishing-boats: have you any interest in these boats which fish with hook and line?—I have until the engines are paid off; after that, none.

51. Do you sell the catch of the hook-and-line men?—No. They are consigned to an auctioneer, and I do not touch them in any way.

52. You have an interest in the boats?—I have a bill of sale, which any one is at liberty to take up from me. While these men are owing me money I hold a bill of sale, but at the same time they can send their fish where they like.

53. Is it open to any member of the general public to go to the market and purchase fish?—Yes.

54. You know of no means of artificially maintaining the price of fish in the market?—None at all, excepting that the fishermen regulate the supply.

55. You mentioned about a limit of two dozen proper for a boat. If that limit was put on, would it mean the limit of fish for that boat?—No; only of that class of fish.

56. *Mr. Veitch.*] Are all the fish caught by the trawlers put on the market, or are any thrown overboard?—None are thrown overboard that are of any value. Dogfish we throw away.

57. *Mr. Hall.*] Is there ever such a surplus of fish as to be able to use them for manure purposes?—Very seldom. Once or twice in my whole career we have caught a larger quantity of fish than we could deal with, for the reason that we could not get the labour to deal with them while fresh. Trawlers are working under an award of the Arbitration Court. The hours are fixed, and the catch, be it large

or small, makes no difference to the pay of the men. We are therefore not going to throw away any fish that can be converted into money. At Home the trawlers are mostly worked on the share system, but we cannot do that here. We tried it here, and for a week the men had a good time. Then there came a bad week and I had to come to the rescue and find coal.

58. *Mr. Fairbairn.*] You say that the men limit the catch in order to regulate the market?—The whole idea is that there are days when there are no steamers in at Port Chalmers. If they did not have some such regulation the lumpers would get into a boat on an off day and there would be a slump in the market for fish.

59. It seems to me that the boats are working into the hands of the trawlers?—It is a different class of fish altogether.

60. *Mr. Veitch.*] How does it pay you to sell all you catch whilst it is necessary for the boats to limit their catch?—I have no control over the fishermen, but I have over my own business. It pays me this way: I have to pay £80 per week expenses, and if I can get £20 worth of fish for nothing I am going to have them. It would be very foolish for me to throw away any fish I can utilize. As regards the other men, they earn very good money. Last week several of the hook-and-line men had been paid £10 per man for fish caught during the week.

61. Can you give us a fair idea of the retail price of fish?—This last week fresh groper was selling at 30 lb. for 7s. 6d. You can go into any of the fish-shops and get groper for 4d. per pound.

62. Flounders?—Average size, say, 3s. a dozen up to 8s. a dozen.

63. Is that an average week?—No, it is a dear week; but the groper is cheap for this time of year.

64. *Mr. Fairbairn.*] Which fish has the largest demand, so far as the public is concerned?—Blue-cod.

65. Which fish do you sell most of?—Groper.

66. What next?—Red-cod.

67. What were red-cod worth last week?—About 10s. a cask, weighing 1½ to 2 cwt.

68. Is that high, normal, or low?—It is about a normal price. Sometimes a cask costs £1, sometimes 5s. The long and the short of the whole thing is this: we are all living at a higher standard than formerly. People who used to be satisfied with ling, and red-cod, and barracouta now want blue-cod, flounder, or soles.

69. *Mr. Macdonald.*] You think the standard of fish-consumption has risen?—Undoubtedly; and more than that, the consumption of fish has risen.

70. *Mr. Fairbairn.*] But groper is still the fish of which most is sold?—Yes.

71. *Mr. Robertson.*] And red-cod next?—Yes, because they cannot get the other.

MICHAEL O'DONNELL, Furniture-dealer, &c., examined on oath. (No. 4.)

1. *The Chairman.*] In what line do you propose to give us your experiences?—I was for thirty years in the produce line.

2. Go back twenty years and let us know what the prices were at that time?—There is no doubt that various commodities were cheaper twenty years ago than they are now; but the conditions were far worse than they are to-day. Wages were very low then; in fact, there was little or no work to do for numbers of men. I know that contracts were sometimes taken at ruinous prices. Many contractors could not pay their men. There was no law to protect the working-man and compel the contractor to pay him. Now that is provided for.

3. You assume that the low price of produce at that time was owing to the bad times?—There is no doubt that more produce was produced then than could be consumed, and a good deal went to waste. At the same time, we will say in the winter season, farm-produce would rise and fall according to the crops. It is a question of the season more than anything else. A lot of people do not understand it. For instance, supposing potatoes go up to £10 a ton, they fancy that it is a ring that is causing it. It is simply because they are not in the country very often. I have known cases where potatoes have gone up to £10 a ton, and it would have paid the grower the year before to sell them at £3 a ton. The year before they went up to £10 a ton they had only about 30 cwt. to the acre. In the previous year they had from 8 to 10 tons to the acre. When the crops are very light it takes a great deal more labour to get a sack of potatoes. So far as farm-produce is concerned I cannot see how any Commission can alter the position so far as that affects the market. No one can prevent the farmer from holding his produce back if he likes to hold it back for a higher price. Sometimes farmers grow stuff which it does not pay to sell. The high prices are owing to the scarcity of the article in many cases. I remember about six or seven years ago farmers sending in their potatoes to this market, and they put such high reserves on them that the agents had to stack them in the stores. Victorian potatoes were then sent in to the New Zealand market at a low price. The result was that the locally-grown potatoes had ultimately to be sold at a great sacrifice, as they had begun to grow in the sacks.

4. Do you assert that the higher price of potatoes at the present moment is owing to the scarcity and not to the competition?—I suppose it is owing to the demand. The wholesale price is not very high: it is about £4 per ton.

5. *Mr. Fairbairn.*] What is the weight of a sack of potatoes?—The sacks are of various sizes. There are 4-, 4½-, and 5-bushel sacks.

6. What is the average?—1 cwt. 3 quarters.

7. *Mr. Macdonald.*] What line are you in now?—In the furniture line.

8. *Mr. Robertson.*] How long is it since you retired from produce-dealing?—Five or six years ago; but I take an interest in it still.

9. *Mr. Veitch.*] I would like to get some idea as to what profits are being charged by the middle-man?—The profits were so poor that I did not care to go on with it any longer. There are the carter's wages and cost of horse and cart, and then there are the losses owing to it being a booking business.

10. *Mr. Hall.*] The cost of distribution has increased?—Yes, the cost of handling is very heavy. There are fewer produce-stores in Dunedin now than there were twenty years ago.

11. *Mr. Veitch.*] That might prove that there are large profits, and that there has been a corner for the purpose of making larger profits. Do you know how many firms there are in that line in Dunedin?—Yes, five firms, I think.

12. Do you know of any arrangement between them for the purpose of regulating their business?—None whatever. If you want to get at the cost of living I will tell you how to get at the root of it. Some law should be passed to prevent canvassers from canvassing, and the accursed time-payment system should be done away with. The present line I am in brings me in contact with the system. Then there is the canvassing at private houses for jewellery and sewing-machines on time-payments. The time-payment system is at the root of the whole thing. It leads to want of thrift on the part of the rising generation.

13. *The Chairman.*] There are other articles of produce besides potatoes: take onions?—The consumption of onions is not great, and the cost would not affect a man's expenditure very much. The wet season is the cause of the dearness of onions at present. I may say that as to house-rents, twenty years ago they were much lower than they are at the present day.

14. Do you attribute the rise in house-rents to the value created by the community?—I could not say exactly that. You would not get a man to go into the same house now at the same rent that he would have gone into twenty years ago. The conditions are much better.

15. Would you believe it that in another town there are houses which ten or fifteen years ago let for 15s., and now they want 25s. for them?—I would not dispute that. There was very little employment fifteen or twenty years ago. I am alluding to the time when relief-works were started. Even with the low house-rents and the cheap cost of living twenty years ago very few could pay their way, and many business people were compelled to put up their shutters.

16. *Mr. Veitch.*] Are increased rents due, or are they not due, to the increased land-values?—Residential building-sites have not increased so much as you would imagine. Of course, business-sites are a very different thing.

17. To what extent do you think increased rents are due to increased comfort, and to what extent are they due to increased land-values?—I do not think the increase in land-values has been so great as the increase in comforts—drains, hot and cold water, &c.

18. You think it is more due to the higher standard of living than to land-values?—Yes.

19. *Mr. Hall.*] With regard to potatoes, do you think the restrictions in Australia materially affected the price of potatoes here?—Yes.

20. *Mr. Robertson.*] You spoke about the time-payment system. You are in the furniture trade now. Does not that system prevail largely in the furniture trade?—Yes.

21. Can you give us any idea of how much it adds to the cost of the furniture?—It adds a very great deal. In many cases it increases the cost to an alarming extent. When people come to us wanting furniture on the time-payment system we always help them provided they have the necessities of life. If they want things that are absolutely requisite we supply them, but if they want luxuries we refuse. It is surprising how much furniture a person can get for £10 or £12. We do not always supply furniture on the time-payment system even if a man is prepared to pay down £10 or £20 cash. We quote for every article what we intend to sell it for cash, and we are supposed to add on 10 per cent. to the unpaid portion. Suppose a man pays £2 on a £10 order we are supposed to add 10 per cent. to the unpaid £8, but in practice we do not often do so.

22. *Mr. Fairbairn.*] If you sold £10 worth of furniture and got £2 in cash you would add on 2s. per £1 to the balance of £8: that would be 16s. What is the method of repayment?—5s. per week.

23. That is, he would have thirty-two weeks in which to liquidate the debt?—Yes.

24. Then you get 30 per cent. instead of a net 10?—I am just giving it to you as it happens with us.

25. *The Chairman.*] Is it not a fact that if they failed in one of the weekly payments you could take the furniture back?—We could, but we have not done so.

26. *Mr. Veitch.*] You say you are supposed to add on this 10 per cent. Why do you say "supposed to"?—It is the trade practice.

27. Under what management is that practice arranged?—I do not know. It is the custom.

28. Is there any arrangement between the furniture-dealers in Dunedin to protect themselves in any way or arrange prices?—None whatever.

29. Is there any furniture-dealers' association?—No. Of course, I would rather sell my stuff at what it is marked at and get my cash than bother with the 10 per cent.

30. *Mr. Macdonald.*] What extra cost does the time-payment system incur to you in the way of book-keeping?—There is extra book-keeping.

31. *Mr. Robertson.*] Are bad debts frequent under that system?—Very.

32. If your furniture was sold on a cash basis would your cash price be lower than it is now when some is sold for cash and some for time-payment?—Very much lower.

33. You have to raise the whole cost of furniture because of the time-payment system?—Yes. One man bought a piano for £35 and was to pay £2 every four weeks. He did so, and when he made his last payment he said, "What about the interest?" We said we would charge him no interest because of his prompt payments, and told him we wished there were more like him. I believe many of those who sell new furniture here would be glad to do the same thing.

34. *Mr. Fairbairn.*] When people sell pianos on the time-payment system do they add 10 per cent?—I think so.

35. A piano is listed at £50 : what are the usual terms of selling it on the time-payment system ?—Some take £1 deposit, and the usual practice is weekly payments of 5s. each ; the payments were more often 5s. a week than 10s., because working-people cannot afford to pay 10s. a week.

36. It is possible for a working-man to have a piano debt hanging over him for five or six years ?—That is so.

37. *The Chairman.*] You have a bailment over the piano. Does not that mean that the piano may be sold to pay the debt on the piano and the surplus be handed over to the buyer ?—No. I believe the law is that if the piano had been paid off with the exception of only £1 and that payment was behindhand, if the dealer were hard-hearted enough he could take the piano back. I do not know of any instance of it happening.

38. *Mr. Robertson.*] Do you know the Russell Street locality ?—I do.

39. That is a residential area. Has there been any rise there in property to any extent in the last ten years ?—I could not exactly say.

40. Nine years ago a dwellinghouse there was rented for 14s. per week, and I am informed that to-day it is rented for 20s. What else would account for that increase than an increase in land-values ?—I repeat what I said before : in many cases land-values have not increased except in regard to choice building-sites.

41. Is there a big demand in Dunedin for five-roomed houses ?—Yes.

42. You would not consider there was an extraordinary demand at the present time ?—They seem to be pretty well taken up. I want one for a customer now and cannot get one. Four- and five-roomed modern houses are hard to get in the city. Land is worth a certain value in the city, and it will not pay the owner of the land to put up a four-roomed cottage when it will carry a seven-roomed house. I think in the matter of rent the demand has a good deal to do with it. You cannot get people to live out of town where rents are cheap. I live at Burke's, and it costs me 1s. 10d. per week for my yearly ticket, but it is impossible to get working-men to go down there even though they get a house for 4s. a week. I know a very good five-roomed house there with a quarter-acre of ground for which the rent is 9s. a week, and the owner had a difficulty in getting a tenant. Burke's is four miles away from town by rail.

43. *Mr. Fairbairn.*] Do you think that wives and mothers of families have a disinclination to live four miles away from the town ?—I honestly believe that our colonial women are not so fond of living out of the town as the people who came out from the Old Country years ago were. I also think that they have not got the same thrift. They do not try to make both ends meet as the old people did, and I think that is at the bottom of the whole difficulty. Travelling to-day does not cost half as much as it did twenty years ago. Twenty years ago the fare to where I live was 1s., second class ; to-day it is 6d. A good many years ago the fare to Port Chalmers was 2s. 6d. ; to-day it is 1s. The same applies in regard to the city trams. In the old days of the cabs we paid 6d. for any distance. Then, again, some years ago there were no sixpenny and ninepenny restaurants in Dunedin.

44. *Mr. Robertson.*] Are you worried by regulations as to conditions of labour and so forth ?—I cannot say that I am. I have a son with me, and even though he is a partner he is not allowed to take night about with me in keeping open. My wife could do so if she wanted to.

45. Do you think that labour legislation has had any effect in increasing prices ?—I suppose it must have had. If wages go up and a man cannot produce the article at a certain figure he must charge more for it. I do not think clothing and boots are dearer to-day than they were twenty years ago.

46. *Mr. Hall.*] Has the rate of board increased in Dunedin in twenty years ?—I do not think so. Twenty years ago tea and kerosene were dearer than to-day.

WEDNESDAY, 5TH JUNE, 1912.

FARQUHAR JOHN GUNN, Dunedin, Manager of the State-coal Department, examined on oath. (No. 5.)

1. *The Chairman.*] You are the local Manager of the State Coal Department ?—Yes.

2. How long have you been in that position ?—Since the depot was opened in July, 1908.

3. Is the business of the State Coal Department increasing ?—Slightly.

4. Can you give us any idea of how much of the output is sold here ?—It varies. During the four years from 7,000 to 10,000 tons per annum have been sold in Dunedin and surrounding districts.

5. Is that entirely house coal, or does it include steam coal ?—Including steam coal.

6. Has there been any reduction in price during the four years ?—There was a reduction in the case of the Westport Coal Company of 3s. per ton two years ago.

7. Has the State Coal price varied ? There was a revision of prices twelve months ago last February, when the rates were increased 1s. per ton. [See Exhibit No. 2.]

8. Was the effect of the State coal-mine opening to reduce the price of coal generally in the district ?—One large colliery reduced its price by 3s. a ton eighteen months after the depot was opened. It may be a fair assumption that the State mine had some bearing on the matter. It is only fair to say that the same company raised its price 3s. a ton on the 1st May this year.

9. So that the prices are practically the same now ?—Yes.

10. The State has not raised its price to any appreciable extent ?—No. There has only been the one rise of 1s. per ton, in February, 1910.

11. Was the rise of 1s. on all qualities of coal ?—Yes. It applied to all grades of household coal.

12. Which coal do you sell here ?—Point Elizabeth.

13. Is Point Elizabeth reckoned the best coal you can put on the market ?—Yes.

14. What other coals are sold in Dunedin by the trade for household purposes?—We have all the local coals, as well as all the West Coast coals and Newcastle.

15. Do you know anything about the brown coals?—I was fourteen or fifteen years in business myself before joining the State Department.

16. Is it to your knowledge that the brown coals have increased in value very much of late?—There has been a rise of 2s. per ton in the last five years. I am speaking from the price-list issued in 1906 by the secretary of the association. It shows the retail price of Green Island Coal, dated the 2nd June, 1906, at 18s. a ton.

17. Is that for ton quantities?—Halves and quarters are in the same proportion. The list issued in April, 1911, the present current price for Green Island coal was 20s.

18. Is Green Island the principal producer of brown coal?—Yes. It comprises the output of three collieries.

19. Is Kaitangata a lignite?—It is a brown coal. It is superior to the Green Island. They are classed as native or brown coals. Kaitangata coal is at present selling at 29s. a ton, and in 1906 it was 28s.

20. *Mr. Fairburn.*] What is the price of State coal?—The best screened is 33s. per ton, unscreened 30s. a ton, and nuts 27s. a ton.

21. Your price is the same as Westport, evidently?—No. Their price is 36s. a ton now. It has gone up 3s. since the 1st May. It is only fair to say that the terms of the association are 1s. per ton discount if accounts are paid by the 20th of the month following delivery.

22. Do you give that discount also?—No, our prices are all net.

23. *Mr. Macdonald.*] I take it that all classes of coal have recently increased in price?—Yes, since 1906. I may say, however, that in one period of my experience as a coal-merchant Westport coal was retailed at £2 per ton here. That would be about twelve years ago.

24. That was before the company had their own depots?—Yes.

25. When did you raise your price?—Sixteen months ago.

26. You have not raised your price since?—No.

27. The cause that affected the Westport Company in May last has not affected you?—The Department has not issued us any instructions in the meantime. No doubt the cost of production is steadily going up.

28. In connection with the State mine?—In connection with all collieries.

29. Is it your opinion that the rise in May was because of the cost of production being greater?—That is my own personal opinion. It is possible the reduction they made eighteen months previously may have had some bearing on their action lately. In other words, I do not think they were justified in making the reduction at the time they did.

30. *Mr. Veitch.*] You mention an association which regulates prices. Who are the members of that association?—The local coal-merchants.

31. Are the Westport Coal Company in it?—Yes. All coal-merchants about here are members of the association.

32. The State Department?—No.

33. Who is the chairman of the association?—The secretary is Mr. P. H. Power. It just deals with the interests of the coal-merchants as a whole. It is nothing of the nature of a ring or anything of that sort. It carries out a quite legitimate function.

34. If I told you that yesterday the manager of a coal company stated that there was no association for the purpose of fixing prices here would you say that that was not correct?—I would not exactly like to say that, but I would say that he made a statement that is not borne out by the facts as I know them. The Westport Coal Company deals in other classes of coal than their own, and it is necessary for them to be a member of the association. I had a number of years' experience of the association prior to joining the State Coal Department, and in my experience there was nothing in the nature of a ring in the association. It is merely to get combined action on the part of all the dealers. Instead of having different prices they fix one price and every one adheres to that.

35. *Mr. Fairbairn.*] Instead of the prices being fixed by competition it is fixed by agreement?—There is no chance of a ring being formed, because if the association unduly charged the public the companies would then start selling to the public.

36. We already have evidence to the effect that the Westport Coal Company by selling direct to the public were able to cut out the middleman and reduce the price 20 per cent. If your statement means anything it means that there is a combination to hold up prices to the public in the interests of the middlemen?—Supposing that the association as a body made rates that were considerable increases on the rates that have been ruling for a number of years, then I would expect the colliery-owners to at once step in. They have the matter in their own hands, and could refuse supplies or deal direct to the public. They prefer to sell wholesale rather than enter the retail trade.

37. Assuming that the local combination made this proposal to each of the companies that supply wholesale, how would the public be protected?—Supposing that they agree amongst themselves to put 2s. a ton on the retail price of coal, and approach the wholesale men and say to them, "Now, if you allow this 2s. to go on the retail price we are willing to pay you 1s. more on the wholesale price": is there anything to prevent that being done?—I do not think there is anything to prevent it being done.

38. That indicates that there is a danger or a possibility of a ring being formed?—During the whole of my experience of the coal trade the association had been in operation, and nothing has occurred that would in any way damage the interests of the public. Of course, I am not an advocate for the association; but as I was a member of it for a good many years, I think I should put the position fairly, and give you the benefit of any knowledge I had of its workings. That was my experience of it.

39. *The Chairman.*] It has not acted in restraint of trade?—That is so. I found that very often we had to fight very hard to get fair terms of trade from the colliery-proprietors, and being combined it gave us strength to get what we could not get as individual firms.

40. Whether it squeezes the colliery-owners or the general public, is it not a combination in restraint of trade?—Outside factors prevent that being done. There are a great many collieries producing coal around Dunedin, and competition is keen amongst the owners themselves, and I think there is very little danger of united action in that way.

41. *Mr. Macdonald.*] Is not the whole object of the association to fix the price of coal by agreement rather than by competition?—That is so.

42. Assuming that this association did not exist, is it not a fact that the retail price of coal to the public would be a good deal lower?—That is rather a difficult question to frame an answer to. It might be that some misguided individual might start out selling coal at a price at which he could not continue, and it would be a question of whether the others would follow suit or give him enough rope to hang himself, figuratively speaking.

43. What is the profit per ton on the retailer's price?—When I was in the trade the difference between the net buying-price and the selling-price was about 7s. 6d. per ton, but out of that 7s. 6d. the dealer had to screen his coal, cart it to his yards, and deliver. The cost of delivering in Dunedin is very high. That amount could be taken as the gross profit on all coals sold in Dunedin.

44. *Mr. Hall.*] If the price was raised would it seriously affect the demand?—I do not think it would. I suppose people would just have to pay up. There is very little wood used here.

45. Is gas used much for cooking?—In summer-time, but we do not notice that it affects our sales to any appreciable extent at other seasons. In a very hot summer the use of gas has affected our coal-sales.

46. How long has this arrangement existed amongst the coal-dealers?—I should think, for fifteen or sixteen years.

47. Prior to that it was open competition?—I could not speak as to that. I have been here about eighteen years, and it has been in existence all that time.

48. Can you tell us the cost per ton at the pit?—No, that does not come before the branch Managers. The General Manager will give that information. There is one point that should be mentioned, and that is the very high harbour dues we pay here as compared with other ports, and which has a bearing on the price of coal. The harbour dues at Dunedin are 3s. a ton, and the Wellington rate is only 1s. a ton. Lyttelton is 8d., Bluff 1s. 6d., Timaru 2s., Oamaru 2s., and Auckland, I think, is 1s. 3d. The Wellington conditions, I take it, are very similar to those of Dunedin. Then, with respect to the West Coast coals, they are charged on the Otago railways a differential rate. We have to pay a higher freight on bituminous coals mined in New Zealand than on brown coals. Clyde is 143 miles from Dunedin, and it would cost, on a minimum of 4 tons, 8s. 2d. a ton for native or brown coal, and for coal mined on the West Coast 10s. 5d. a ton, a difference of 2s. 3d. a ton, although the railway only renders the same service in both cases. The question of the value of the article does not come into consideration in the carrying of produce, and I do not understand why it should do so in the case of coal. The people in the country are really penalized for wanting a better class of coal.

49. Can you suggest a motive for this?—The railway people say it is done in the interest of local collieries: a lower grade of coal.

50. At Clyde?—They have small lignite-pits up there.

51. What is the principal coal used for household purposes in Dunedin?—Brown coal (Green Island and Kaitangata).

52. Does it not mean that if that difference was done away with it would have an affect on the people of Dunedin?—No, it would have no bearing that way, because the mines are so close to Dunedin. It presses very hardly on the people of Central Otago, who want a good coal for the winter.

53. *Mr. Robertson.*] When you were in business what was the price to you of standard coals at the pit-mouth?—I have to depend very largely on my memory for that. I think it would be more satisfactory perhaps if you got the information from some well-established coal-merchant who has the facts at his finger ends.

54. Take 7s. 6d. as the average gross profit per ton; what is the percentage of profit on high-priced coal and, say, on Green Island coal?—Strange to say, the merchant dealers in high-priced coal are on a worse footing than those dealing with the cheaper coals. They seem to have a fixed margin, which to my mind is very unfair. It is unfair to give the same margin on Westport coal costing nearly double that of Green Island. Double the capital is required to deal with the good coals as compared with dealing with the local coals.

WHOLESALE MERCHANTS.

At this stage (11 o'clock a.m.),—

Mr. W. C. MacGregor, barrister and solicitor, appeared before the Commission and said: I appear on behalf of *Mr. H. K. Wilkinson*, who has been summoned to appear before the Commission at 11 o'clock to-day. *Mr. Wilkinson* is one of the general merchants here who have been summoned to appear before this Commission and give evidence on certain questions. They have consulted me with the view of ascertaining whether they are bound to appear in answer to their subpoenas and give evidence. I have advised them that, to the best of my judgment, they are not so bound, and accordingly they do not propose to appear and give evidence. I do not make this statement out of any disrespect to the Commission or yourself, sir, but I simply state that these gentlemen advisedly, under my advice, do not propose to appear in response to the summons sent to them, and I think it right to the Commission that I should appear before you at the time the first witness was summoned to be present—that was, 11 o'clock to-day.

The Chairman: What are the names of the merchants for whom you appear, *Mr. MacGregor*?

Mr. MacGregor : Mr. Wilkinson, manager of Rattray and Co.; the manager of Scoullar and Co., Mackerras and Hazlett (Limited), R. Wilson and Co. (Limited), Neill and Co. (Limited).

The letter sent to the merchants was read by the Secretary, as follows :—

“GENTLEMEN,—

“Cost of Living Commission, Dunedin, 3rd June, 1912.

“The Royal Commission appointed to inquire into the cost of living and other matters are possessed of information to the effect that certain wholesale merchants in New Zealand have entered into a combination for the purpose of controlling supplies, fixing prices for various commodities, and generally restraining trade. The Commission requires your evidence on these points, and you will be served with a subpoena in due course.

“I have, &c.,

“J. W. COLLINS,

“Secretary to Commission.

“To Messrs. J. Rattray and Son, W. Scoullar and Co., R. Wilson and Co., Mackerras and Hazlett, Neill and Co (Limited).”

The Chairman (to Mr. MacGregor) : Without pressing you unduly, have you any objection to stating the grounds upon which you advised them not to appear ?

Mr. MacGregor : I think it would be rather unseemly for me to appear to argue with the Commission, or you, sir, on the subject. I have simply advised them as a matter of law they are not bound to appear, and accordingly it is not fitting they should appear.

Mr. Veitch : And you state on their behalf they will not appear ?

Mr. MacGregor : That is so.

On the motion of Mr. Hall, seconded by Mr. Macdonald, the Commission went into committee.

On resuming,

The Chairman said : The Commission has reported to the proper authorities the refusal of certain witnesses to give evidence, in order that a proper legal course be adopted. In the meantime the Commission will proceed to take other evidence.

JOHN EDWARD MACMANUS, Secretary of the Labourers' Union, examined on oath. (No. 6.)

1. *The Chairman.*] What is your occupation, Mr. MacManus ?—Labourer, and I am at the present time secretary of the Labourers' Union.

2. What line of evidence do you propose to lay before us ?—I propose to cover as far as I possibly can the scope of the Commission's inquiry. The first question is, “Has the cost of living increased in New Zealand during the past twenty years ? If so, has that increase been more marked during the last ten years than during the previous ten years ?” I shall deal with one portion of this question when I come to question No. 4. I submit that the cost of living has increased, and in support of that statement I would refer the Commission to the Year-book of 1900. We will take rent. The unimproved value of land alone has increased by £175,000,000. It is obvious, if that is so, if you take 5 per cent., that means £8,875,000 which must be paid in rent on the unimproved value alone. I claim that it has increased to that extent : and, further than that, during the last nineteen years I think the increase has been approximately about £100,000,000—that is, according to the Year-book. The unimproved value has increased during the last five years at the rate of £10,000,000 per annum. That value, combined with the rent, means £18 15s. for every man, woman, and child in the community. That has contributed greatly to the cost of everything. It has hampered industry, in fact. I have taken from 1891 to 1910, covering the whole period, and refer you to page 626 of the Year-book for 1910. Then, take food : the prices in 1900 and 1910 were as follows :—

	1900.		1910.	
	s. d.	s. d.	s. d.	s. d.
Wheat, per bushel	2 6	to 3 0	3 3	to 6 6
Bread, per loaf	0 5	“ 0 6	0 6½	“ 0 8
Flour, per 50 lb.	3 9	“ 4 0	5 3	“ 7 6
Cattle, fat	160 0	“ 180 0	160 0	“ 250 0
Sheep	16 0	“ 20 0	17 6	“ 23 0
Butter, fresh	0 7	“ 1 2	0 10	“ 1 3
Butter, salt	0 6	“ 1 0	0 9	“ 1 3
Eggs	0 8	“ 1 0	0 9	“ 1 3
Potatoes, per ton	50 0	“ 90 0	180 0	“ 260 0
“ per cwt.	4 6	“ 6 0	1 0	“ 14 3

Now I will give the prices of some of the necessities of life in June, 1910, and the present prices of the same articles. The prices are taken from my own household accounts. 1910 : Bacon, 8d. per pound ; chops, 3½d. to 4d. per pound ; loin pork, 6d. per pound ; steak, 4d. per pound ; sheep's head, 1½d. Prices in May, 1912 : Bacon, 11d. per pound ; chops, 5d. per pound ; loin pork, 8d. per pound ; steak, 6d. per pound ; sheep's head, 3d. In November, 1909, I got married, and took a cottage, and furnished three rooms—two 12 ft. by 12 ft., and one 9 ft. by 8 ft. The cheapest I could furnish them at was £40 15s. That did not include a sewing-machine and other essentials, which have since been obtained. I have already had to replace some of the furniture which had become worn out. We had to get an additional mattress and kapoc set, so that it is obvious that the material was not of the best quality.

3. Without wishing to intrude in your private affairs, may I ask if the furniture was paid for on time payments ?—Yes.

4. The prices would be higher than for cash ?—Yes.

5. *Mr. Fairbairn.*] What would be the difference ?—I cannot say. My position is not singular : it is the position of the great bulk of the workers.

6. How long did it take to extinguish that debt ?—About eighteen months, in monthly payments.

7. *Mr. Veitch.*] Could you give us an approximate idea of the difference between cash payments and time payments ?—No, a business man could do that better.

8. Do you think 10 per cent. would be any way near it?—I would have saved more than 10 per cent. if I could have paid cash. There has been an increase in the price of brown coal from 18s. to 21s. per ton. I understand that that increase is due to the fact that there is an association which mainly controls the light-brown coal, but not the bituminous coal. There was a decrease in bituminous coal from 42s. to 35s. a ton, due to State competition. Then there is this question in the Commission's order of reference: "To what extent is the increased cost of living, if any, the result of a higher standard of living?" As to that, I would say that the people who are affected by the higher standard of living are the wealthy class. Of course, the standard of living depends largely on local conditions.

9. *The Chairman.*] Are the worker's desires larger now than they were years ago—does he satisfy those desires more freely than the worker did, say, twenty years ago: that is to say, he must have better food, more recreation—he must have a larger life than he had twenty years ago?—That is true. Then there is this question in the order of reference: "To what extent have monopolies, combines, trusts, and other associations of manufacturers or sellers of the necessities of life contributed to the rise in prices?" I would like, first of all, to refer to timber. I recently went down to Catlin's River, and I learned that they were exacting royalties for the right to cut timber. It is obvious that that has to be passed on to the consumer. This monopoly of land gives the owner the right to charge a man who wishes to use the timber to the extent of £5 per acre. That price has to be passed on to the consumer.

10. You must show us that there has been a rise in the royalties. If the same conditions prevailed twenty years ago as now, there would not be a rise in the matter of royalties?—I understand. Then there is this question: "What steps should be taken with a view to reducing the costs of the necessities of life?" It is obvious that if you want to find a solution of that question you must first find out the cause of the increased cost. I think the injustice in regard to royalties should be removed. I think the secretary of the sawmillers, whose address is Invercargill, could give the Commission some information in regard to the royalties. He assured me that if 6d. a hundred feet was charged for timber—that is, an extra charge—that would allow for 1s. a day rise in wages to the men; but, as a matter of fact, the price has risen over 2s. 6d. per hundred feet since the duty was placed on timber. I have made inquiries from local timber-merchants, and find that the price of timber has gone up. Then, as to this question: "What effect, if any, has the labour legislation had on the increase in the prices of the commodities of life?" In the case of the wool industry, the president of the Chamber of Commerce admitted two years ago that the improved price of the clip for that year amounted to £3 2s. 5d. for sixty sheep, and yet the shearers only received a very small fraction of the increase—about one-fortieth of the improved price, or 1s. 6d. per sixty sheep. It was obvious that any addition on the part of the cost of the shearers' work had been very small indeed. In fact, it had not affected the price at all.

11. *Mr. Macdonald.*] What do you think the price of wool really depends on?—I should think what fixes it to a great extent is the demand elsewhere, and there is also the fact of the price being forced up by monopolies.

12. What monopolies?—Monopolies of buyers for manufacturers directly interested in the business.

13. *Mr. Fairbairn.*] Wool is sold by auction as well as privately. How could there be a monopoly there?—We will assume that the State carried on this enterprise and sold at the actual cost of production to the public inside of New Zealand, or even outside of New Zealand if necessary. The increased cost of living, however, is due to the fact that somebody is getting a big profit. We have, of course, to-day many economical devices in connection with manufactures which should reduce the cost of production, and therefore the public should get the article cheaper if there were no monopoly.

14. What is the shearers' rate at the present moment?—£1 a hundred.

15. In addition to that, what does it cost the station-owner?—I think it is 6d. or a little over per sheep until it gets on to the boat—that is, including shearing. Then, as to meat sheep, the slaughterman has received an increase of about one-fifth of a penny per sheep, and mutton was increased out of all proportion—more than $\frac{1}{2}$ d. per chop.

16. What is the present rate per hundred at the freezing-works?—£1 5s. a hundred. On the other hand, there has been a rise in the price of butter, and labour legislation practically does not affect that industry, and there are no unions and no awards affecting it.

17. *Mr. Robertson.*] Who does the biggest business in milk here?—The Taieri and Peninsula Co-operative Company. I would like to say that in my opinion co-operative enterprise is not going to reduce the cost of living. It may secure to the people in the co-operative industry the full prices that are going. It may throw some of the middlemen out of business, but will not reduce the cost of living. The only thing that will reduce the cost is for the people to run the industry themselves. I stated previously that the price of timber had gone up considerably. I can now submit lists to prove it. Take the 1st March, 1902: Red-pine, $\frac{1}{2}$ in. and under, to 8 in. wide, per 100 ft. superficial, 6s.; at the present time, red-pine scantling and rough timber, 8 in. by 1 in., 14s. 6d. The minimum rate quoted at the present time is 14s. 6d. It varies up to 18s. In 1902 the dearest class under the heading of red-pine—that is, tongued and grooved, and lining, was 12s.; at the present time lining and tongued and grooved is 15s. Here is another list showing a difference of about 1s. in 1903.

18. *Mr. Macdonald.*] One price-list is that of Macpherson and Co. (Limited), and the other is that of McCallum and Co.?—Yes, but I understand there is no variation now. I went to several to-day, and they told me to go to McCallum's, for they all had the same price-list. Each gave me to understand there was no variation in price.

19. These prices of Macpherson and Co. are Invercargill prices with railage on?—Yes, but you will notice that the Dunedin price is less than that of Invercargill.

20. They are both Invercargill. Have you any idea of the cost of railage between Invercargill and Dunedin?—I cannot say what it is. Here are other prices: $\frac{1}{2}$ in. and under up to 8 in. wide, per 100 ft., 6s.; over $\frac{1}{2}$ in. wide and up to 8 in. wide, 7s. 6d.; 12 in. wide, 9s. 6d., now 16s. 6d.; 6's under 3 by 1, 8s. 6d., now 15s. 6d.

21. *The Chairman.*] Is not Invercargill the place to which timber is got much easier from Catlin's and different bushes than to Dunedin?—Yes.

22. Is there no other way of bringing timber to Dunedin than by railway? They must have other sources of supply?—I would not like to express an opinion, because I have not gone into it.

23. What is the cause of the price?—Excessive royalty on the timber charged by the people who own the land.

24. Is there any harm in the owners of the standing timber selling it to the best advantage?—If they sell to the best advantage some one has to pay for it.

25. Have we not to allow the labourer to sell his labour to the best advantage?—Yes.

26. Then why should a man who owns timber be treated differently to the man who owns labour?—Because the man who owns the timber never made it. He simply occupies the land.

27. The State has given the man who owns the timber a certain right?—Once the State has given that right it gives power to monopolize timber, and is responsible for the price of timber.

28. Timber is one of those things which is a wasting product. Twenty years ago there was a good deal more timber in the country than there is to-day. To encourage settlement in the North Island and other places forests have been burned down; is that a fact?—Yes.

29. Might not the rise in price be due to the fact that there is not enough to meet the demand now—increased population, with a decrease in the supply?—It appears to me that any one wanting timber can get it if he is prepared to pay for it, and the reason for having to pay so much is that private persons own the land and demand their price for the timber, and that price is regulated by the price in foreign countries.

30. *Mr. Hall.*] Is it not a fact that they have now to go further back for the timber?—At Houipapa the mills are right on the railway-line, and the man who is farther back from the railway does not get the same amount of royalty.

31. What royalties do the Government charge for cutting timber. The Government charge a royalty on all timber cut on Crown lands, and I understand there is a regulation that one millowner can only occupy a certain number of acres?—There is a case of that in the South.

32. *The Chairman.*] Have you any reason to believe that there has been any collusion between the timber-merchants to raise these prices?—I have no facts of my own knowledge, beyond the fact that the price has been raised. I made the assertion that butter was sold to me at 1s. 6d. a pound. I have my grocers' duplicates of sales showing that on the 31st July butter was sold to me at that price.

33. *Mr. Macdonald.*] Is there anything about bacon on that date?—Yes, 10d. I am informed by my wife that eggs to-day are 2s. 3d. per dozen. On the date in July, 1911, I have just given they were 8d. per half dozen.

34. *Mr. Veitch.*] Do you know of an arrangement of any kind between the sawmillers for the purpose of regulating certain prices?—I do not know anything of my own knowledge, except that the price has gone up, and I have given evidence to that effect.

35. You could not attribute the rise to any other cause?—I attribute it mainly to the fact that the protective duty has enabled them to charge a higher price locally as royalty on the timber, which is exacted from the sawmillers. They are paying as high as £5 per acre at Catlin's.

36. The protective duty has enabled timber to be sold retail at a higher price, and that higher price has gone to the landowner in the form of royalty?—That is so.

37. You do not know of any combination between the retailers of timber?—No. There is one point more in connection with labour legislation, and it has a bearing on the commodities of life. Some time ago the Tramways Department of the Dunedin City Council raised wages by £2,000 per annum. Some time previous to this they had given concessions to the travelling public, but the increase in wages did not cause them to take away any of the concessions to the travelling public. I suggest that the reason for that is that the trams here being owned by the people are not used to exact profit. If owned by a private company the rise in wages would be used as a pretext to further increase the tram fares.

38. *The Chairman.*] Can you give us any instance of your own knowledge where a small increase in wages has been the pretext for exacting much higher prices from the consumer?—Yes. I understand that when the increase was granted to the wharf labourers in this city an increase of 1s. per ton was put on freights. The wages of the wharf labourers were increased from 1s. 3d. to 1s. 5d. per hour. The Harbour Board were receiving 1s. per ton for loading and unloading, and were able to sublet to Mill and Co. for somewhere about 7½d. per ton. If Mill and Co. could do it for 7½d. a ton with wages at 1s. 3d. per hour there was no reason for an increase in the freights by 1s. when the wages were increased to 1s. 5d.

39. Your point is that the amount received by the extra shilling being put on was greatly in excess of what would be paid in extra wages?—Yes. There is one other point in connection with the cost of living. Recently a man at Lawrence told me that he received 5d. a pair for rabbits with the skins on. In the city they charge 10d. a pair with the skins off. I understand that in Dunedin a pair of rabbit-skins are 5d. in the middle of winter.

40. What would the freight from Lawrence to Dunedin on a pair of rabbits work out at?—I do not know, but I do not think it would come to anything like 5d. Even if it did there would still be the profit of 5d. on the skins.

41. Are these rabbits sold in Dunedin by the men who shoot them?—No, they are sold by different agents. Sullivan is one.

42. Do you think the margin of 5d. and 10d. goes to the producer?—No, the producer has to find his horse and traps.

43. He gets 5d.?—Yes.

44. Where does the other 5d. go?—It goes to the distributor, who also has a profit of 5d. on the skins. Skins are not always worth 5d. a pair.

45. The freight on the skins is included in the cost of the freight of the rabbits ?—That is so.

46. What steps do you suggest should be taken to reduce the cost on the necessities of life ?—I would suggest there should be an increment-tax to secure all socially created values to the State. I contend that if men can make eight and three-quarter millions in the form of rent per annum it is obvious it has to be added on to the cost of every commodity, and there must be some means taken to reduce that rent. The only way to reduce rent is to kill land-speculation, so as to prevent any one getting the unearned increment. The only way to do that is to put on an increment-tax and so secure the increment to the people. On the other hand, the State has already regulated the price of coal. I should suggest that the State should control production. Wherever there happens to be a monopoly State competition is necessary to regulate prices.

FRANCIS KEENAN, Fisherman, examined on oath. (No. 7.)

1. *The Chairman.*] What is your occupation ?—Fisherman, residing at Port Chalmers.

2. Do you belong to any union or society ?—Yes; I am a member of the Otago Fisherman's Society.

3. Is that the trawlers ?—No. It is registered under the Industrial and Provident Societies Act. We have oil-launches, and fish with the line.

4. About how many men are there in the union ?—Between forty and fifty at the present time. Practically all the men who go out fishing belong to the society.

5. You are owners of your own boats ?—Yes.

6. Co-operatively ?—Yes.

7. After you have caught your fish, to whom do you sell ?—We send them to the wholesale market in Dunedin, where they are sold.

8. To the general public ?—To the hawkers and retailers, and to the general public if they wish to go and buy.

9. You think the general public have a fair opportunity to buy ? There is no ringing of the changes ?—As far as I know they have. Of course, I have heard it said that if the hawkers see the public coming down they will chip in and run up the price.

10. Have you any knowledge of any combination or understanding between certain persons to keep the price of fish for the public very high ?—No.

11. You think that the fair price you receive is passed on as a fair price to the general public, with the addition, of course, of the expense of delivery ?—I believe that is the case. The price, of course, varies with the quantity on the market.

12. Do you know Mr. Sullivan ?—Yes.

13. Was there ever any agreement between yourself and Sullivan to deliver to him ?—No.

14. He has in no way had a hold over you ?—No.

15. *Mr. Veitch.*] Has he not had a bill of sale over some of the boats ?—Yes, but as far as I know he has treated the men very fairly. He has charged a percentage for the use of the money, but he dealt with the men very fairly, and has never, as far as I know, compelled a man to fish for him whilst he had a bill of sale.

16. He has not attempted to put any undue influence on the men to fish for him whilst under obligations to him ?—That is so. These men also apply to Mr. Gibbs, the other salesman. Both have dealt very fairly with the men.

17. Mr. Gibbs finances the men too ?—Yes, but not to the same extent as Mr. Sullivan. Mr. Sullivan is agent for oil-engines.

18. Is there any arrangement in the union to limit the quantity of fish sold ?—At the present time we have a limit on. No boat is supposed to send up more than three dozen of groper per day to the market. There are twenty-two or twenty-three boats fishing outside at the present time from Otago Harbour. We just control the boats fishing from this harbour.

19. What becomes of any groper caught over the number you can send up per vessel to town ?—If a fisherman catches six dozen to-day he cleans them and keeps them back till to-morrow. That is when the cold weather is on. To-morrow he would not catch groper, but would catch blue-cod or barracouta, or some other kind of fish.

20. If you did not control the supply of fish in that way would fish be sold cheaper in Dunedin ?—The reason this system was adopted was that if we sent up a whole boat-load of fish we would get practically nothing for it. The hawkers would not bid when they saw there was a glut on the market. It would suit the salesmen to have them sold cheap. They would sell to the hawkers all that they wanted that morning, and for the remainder give the fishermen any price that they liked. We have had as low as 3d. and 4d. for groper. The salesmen would take what the hawkers did not want and put them into the freezer and send them to Melbourne, where there was a good market, or keep them in the chambers until winter.

21. The auctioneers are not only selling for you, but they are buying at the same time ?—They auction the fish for us, and they are buyers as well.

22. That is rather a dangerous position, is it not ?—Yes. They take over the surplus.

23. Did you find that you could not make a living without limiting the sales ?—We found three years ago when we formed the society that we were as well off by catching three dozen per day as if we caught six or nine dozen. At the end of the week we had just the same money.

24. *Mr. Macdonald.*] Do you limit the number of men who can belong to your society ?—No.

25. There is no reason why another fifty should not join ?—No.

26. *Mr. Veitch.*] What is the entrance fee of the society ?—2s. 6d.; and any man who comes along is admitted.

27. All he wants is the necessary cash to buy a boat?—That is so.

28. Or some one to advance the money to buy the boat?—I do not think any one would do that unless the owner had a considerable amount. There is no freehold in a boat, because there is no certainty you will come back when you go outside. It takes practically £200 to provide a fishing-boat.

29. *The Chairman.*] You have insurance?—No. They charge £22 10s. per cent. to insure a fishing-boat. I think only one fishing-boat has been lost outside the Heads in the last twenty years.

30. *Mr. Veitch.*] The result is that you do not insure at all?—That is so.

31. *The Chairman.*] Is it your experience that the price of fish has been rising steadily in the last ten years?—I believe fish has gone up a little in the last ten years. I believe we get more now than previously, and they are dearer to the public. The reason is that the boats cost more. Previously £20 would supply a man with a boat and net, but a man to start now wants at least £200. It is necessary to have an engine.

32. Is that because the fish have gone farther out?—Yes. Fish are more scarce than previously. At the present time we have to go twenty miles out for groper.

33. Steadily farther out every year?—Yes. The ground we fish on now men did not know twenty years ago.

34. Is it because of the ground being overfished?—I think that it what it is.

35. Do you think the trawlers are responsible for that?—No, I do not blame the trawlers. They do not catch the class of fish we catch. The trawlers catch soles.

36. Do you know of any arrangement between the owners of the trawlers to regulate the supply or price of fish in any way?—I do not think there is any arrangement. They take as many as they can.

37. The only arrangement you know of to control the market is the arrangement you told us of to limit the amount put on the market?—That is the only arrangement I know of. We do that to protect ourselves, because the fish is simply taken over or sent back. We have had them sent back to Port Chalmers in the summer-time when there has been a glut of fish on the market.

38. How long have you been at the work?—For twenty years.

39. Can you tell us what the price of groper was ten years ago and what it is at the present moment?—It is very hard to say, because in certain seasons when they are very plentiful they are cheap. In the summer-time now they are no dearer than they were twenty years ago. We sell our groper now in the summer for about 1s., and we got that twenty years ago. The price is higher now in the winter-time. I suppose it is three times as much as it was in the winter-time ten years ago.

40. *Mr. Veitch.*] What is the reason for that?—At one time there was no such place as Sweeting's, and fish-supper rooms, and places like that, and it pays these places to pay a big price, which the hawker could not afford to give. When people go into a fish-supper room and get a small bit of fish and a cup of tea for 1s., a groper goes a long way, and so these places could afford to give 6s., 7s., or 10s. for a groper and not be out of pocket.

41. How is it that it pays your union to limit the supply whilst it pays the trawlers to catch all the fish they can and put them on the market?—Mr. Sullivan owns two of the three trawlers, and the fish they catch is principally soles. There is a ready market for soles here and in Christchurch, and also on the Union Company's boats, and in Melbourne and Sydney, and so the trawlers can get rid of any number. Then, again, he has to pay the men on the trawlers the same wages if they get nothing as if they got a trawful, so that it is a case of the bigger the catch the bigger the cheque. It is not so with us. If we catch three dozen a day we get as much as if we caught six dozen: that is in the summer-time. We recognize that three dozen per boat per day is ample for the market at the present time. Twenty boats with three dozen each gives sixty dozen groper on the market every morning. That is ample, and is more than they can use.

42. *Mr. Macdonald.*] Your boats can overstock the market, the trawlers cannot?—When we formed the society and put a limit on the salesmen told us that if we sent up a big haul they would send them back. We had to put a limit on because we did not want to pay railage to Dunedin and back again. We have told the salesmen that when they wanted the limit increased they could get it by writing to the society. They have never done so.

43. *The Chairman.*] Still, with it all your boatmen make £10 a week to each man?—They have done that. I suppose last week some of the fishermen made as much as £8. This week they will make nothing near it. It was a very fine week, and buyers were buying in anticipation of the big trade this week on account of the Winter Show. The weather has been bad for fishing this week.

44. *Mr. Hall.*] During a week like the present when there is likely to be a larger demand do you increase the limit?—No, because the salesmen have never asked us to increase it. We have told them we would increase the number, provided we had not to pay railage back to port.

45. Do you sell all by auction or direct to the consumers?—Through the salesmen. One of the rules of the society is to send all fish we catch through the salesmen.

46. *Mr. Robertson.*] It would not be possible, as it was before you formed the union, for any member of the general public to go to Port Chalmers and buy fish at the landing?—They do that now. You will see dozens of people buying fish at the steps.

47. I understood you to say that you agreed to send all your fish through the salesmen?—What I mean is we do not allow a boat to send direct to Sweeting's, or Stewart's, or the hawkers direct.

48. You confine the Dunedin supply to those two salesmen?—Yes.

49. Is there any kind of agreement in writing that you confine your supplies to these two salesmen?—None with the salesmen.

50. Just an understanding?—It is an understanding between the salesmen and the members of the society. There is nothing in the by-laws about it.

51. It was passed by resolution?—That is so.

52. *The Chairman.*] Is there any matter you would like to touch upon?—I think we pay too much commission. We have been trying to get a wholesale market. We do not recognize that a public fish-market would be of any use to us. Fish must be dealt with right away, especially in the summer-time, and if they were sent to a public market they might lie there and be rotten before they were sold. What we want is a wholesale market. We have interviewed the Dunedin City Council, and they have it in view at the present time. If we could get such a market we might get an auctioneer of our own. We pay 10 per cent. on the auction prices and also have to pay railage. We have to pay a watchman to watch the fish when it is put on the trucks at Port Chalmers. If we do not do that a considerable number of fish go astray before they get to the market. We have to buy locks for the railway-wagons as well. We think the Government should do more for us than they do at present. We have to pay a yearly license of 5s. There is a Government Inspector to see that we do not catch undersized fish. That, I think, might be done away with, because practically no undersized fish are caught outside the Heads. The matter of watching for undersized fish might well be left to the police.

53. *Mr. Fairbairn.*] Have you ever made any attempt to improve the present method of distribution of fish, such as having your own salesmen and sending it round from door to door?—We have not done it yet, but that was our object in forming this society. We wanted to create a fund and have a wholesale business and keep a salesman of our own.

54. *Mr. Macdonald.*] Would this reduce the cost of fish to the public?—I believe it would, because we would be able to sell our fish cheaper. This 10-per-cent. commission takes away a lot of money.

55. Would the public get the benefit of this 10 per cent. or would it go to the association, or would you halve it?—I dare say we would halve it. I also think that the freight on fish on the railway might be reduced.

THOMAS SCURR, Land and Estate Agent, &c., examined on oath. (No. 8.)

1. *The Chairman.*] What are you, Mr. Scurr?—An auctioneer and land-salesman, Dunedin.

2. How many years' experience have you had?—I have been in business two and a half years in the auctioneering line.

3. Have you a pretty wide scope in your business?—Yes, very wide.

4. You know land-values pretty well in the district?—Yes.

5. Is it within your knowledge that land-values have gone up within the last ten years?—Yes.

6. Mostly in the country or in the town?—In the city and suburbs.

7. To what do you mainly attribute that rise?—That is a very hard thing to get at. Of course, there has been a demand for land. A number of houses have been pulled down in the city, and people have gone to the suburbs to live, and city property has been utilized for business purposes. That happening in many cases has tended to increase the value of land in the suburbs. New sections are difficult to get.

8. The building societies help people?—There has been a tendency for years for people to own their own houses.

9. Would you say that the growth of the city was the main factor?—Old houses have been condemned by the Inspector and demolished. That has happened, and the vacant sections have not been utilized. You talk of the values of houses going up. Hot and cold water are now installed in houses, and even four- or five-roomed houses are not complete without them.

10. The Government has built houses and let them at low rentals?—Yes; but the Government did not select a good quarter. You refer to the Windle Settlement?

11. *Mr. Fairbairn.*] What is the objection to that quarter?—It is not easily got at from the tram. It is a penny fare, but it is on the hill. If the Government had gone to St. Kilda or to some of those places on the flat the houses would never have been empty.

12. *The Chairman.*] Is it not a fact that desirable sites were at such high prices that it was impossible for the Government to buy them and erect cheap houses on such land?—Yes, I believe that is the case. As regards the renting of houses, there is no doubt about it that people are continually coming to us asking for four- and five-roomed houses and we have not got them. They want them at 12s.; and they have to take five- or six-roomed houses at 15s. or 16s. a week. There is a scarcity of small houses.

13. So you think that is a great addition to the cost of living?—Yes, a working-man having to pay so much for a larger house than he can afford to keep. The rent of a modern four- or five-roomed house in the city with hot and cold water and drainage is about 12s. a week.

14. *Mr. Fairbairn.*] What would be the rent of a four-roomed house in a similar locality—a house thirty or thirty-five years old—with none of those conveniences?—About 9s. a week.

15. *Mr. Macdonald.*] Your figures do not quite agree with the figures compiled by the Department of Labour in 1911. They say that the rent of a four-roomed house in Dunedin is 10s. 6d.?—I say you could not get a modern four-roomed house in Dunedin at 10s. 6d. a week, with hot and cold water and bathroom. You can get houses for 8s. and 9s. a week—very old houses which lots of people would not care to live in.

16. *The Chairman.*] I suppose in the two years and a half you have been here you have had examples of land rising rapidly in value?—At St. Kilda, Musselburgh, and St. Clair rents have risen very rapidly, but in Roslyn, North-east Valley, and Mornington, I do not think they have altered at all.

17. *Mr. Hall.*] Do you think that is partially due to the extension of the trams?—Yes, and surf-bathing. It became a fashionable neighbourhood.

18. *Mr. Fairbairn.*] Generally, favourite localities command the highest rents?—Yes, Musselburgh is one of the finest localities in Dunedin.

19. *The Chairman.*] Having the tram there adds to the rent?—To Musselburgh there is a two-penny fare. They could get a penny fare to Dunedin South, Ogg's Corner, but land-values in that district do not boom. Musselburgh and St. Kilda are more fashionable quarters, and there is a better class of house there. Ten years ago there were acres and acres of vacant land at those places, whereas now you can hardly find a vacant section.

20. It looks rather damp land to a visitor—St. Kilda?—I live there, and will not live anywhere else as long as I am in Dunedin.

21. *Mr. Veitch.*] There is one point that I would like to clear up with regard to the question of rent. I presume you agree that rents generally have risen in Dunedin?—They have risen, but not to a great extent. Rents have risen, but look at what people are getting for the rents—hot and cold water, drains to sewer, &c.

22. I wanted to know if you could give us a pretty accurate statement with regard to capital invested in property: is there a higher percentage got on capital now than there was ten years ago?—I do not think there is any difference. I do not think that a man who builds a house now can make any more money out of it than he could years ago. He might get about the same rate of interest.

23. You think rent has gone up in proportion to the capital value?—Yes.

24. *Mr. Macdonald.*] The cost of a house includes, first, the cost of the section, and, second, the building of the house?—Yes.

25. Could we get a comparative statement of, say, five or ten years ago of the cost of the land and the cost at the present time, and the same comparison with regard to the building, to see which has risen the most, the cost of material or the cost of the land: which do you think?—The cost of the land, if you go to certain suburbs. At Musselburgh and St. Kilda it is the land.* But take Caversham—values have not altered there; neither have they at Mornington or North-east Valley.

26. Have rents gone up in those places?—No.

27. Has the price of buildings gone up in those places?—No.

28. Because they have not been building?—That is so.

29. Supposing it costs £350 to build a modern five-roomed house?—About £400.

30. Suppose it costs £400 to build a modern five-roomed house at St. Kilda and also the same amount at Mornington?—Yes, a little more at Mornington, on account of carting the material up the hill.

31. The increased rent must be due not only to the rise in the value of the land but also to the rise in the prices of material?—Yes.

32. Which has gone up most—the land or material?—The land.

33. Could you give us any figures in support of that contention—say, before Friday next?—Yes, showing you where land-values have gone up.

34. What rate per cent. do you think house-property is returning?—Generally from 7 to 8 per cent.; 9 per cent. is considered a good return. There are plenty of people who think they are getting more, but they are really not.

35. That is, gross?—Yes.

36. Are you allowing for their being empty, and for depreciation and insurance?—There are plenty of people with a house worth £1,000, let for 25s. They think they are well let, but they are not well let.

37. You think the average would be a return of about 7 and 8 per cent. on the money, or outside up to 9 per cent.?—Yes, 9 per cent. is looked upon as a really good investment.

38. I suppose money is really worth in the market 5½ per cent.?—Yes.

39. *The Chairman.*] You would consider 9 per cent. on house-property a good return?—Yes, 9 per cent. is a very good return. The general run of property will show about 7 per cent. net.

40. *Mr. Veitch.*] Is it a fact that small houses show a better return in proportion?—Yes.

ROBERT WILLIAM WILSON, Grocer, examined on oath. (No. 9.)

1. *The Chairman.*] You are a grocer and tea-dealer, and you have a general knowledge of the grocery business?—Yes, I have been connected with the business for twenty years.

2. Have you any statement that you would like to make to this Commission bearing on the rise in the cost of living?—Yes, I think the framing of the tariffs has a lot to do with putting up the prices in the general-grocery line. I refer to the tariffs that the merchants frame to a large extent. They tie up lines of goods. We can only get these goods through that source. We are barred from buying in the open market.

3. *Mr. Veitch.*] You say tie up lines of goods. Do you mean monopolize them?—Yes, monopolize the lines. It is getting worse every year.

4. *Mr. Fairbairn.*] Can you mention any lines affected by this combination?—Yes, Colman's and Keen's goods, and other English lines.

5. In what sense are you at a disadvantage in regard to Colman's goods?—There is a way of getting them if you are on the list. But they will not put the retailers on the list; and we have to pay the merchants' tariff rates for those goods.

6. Do not some retailers get some Colman's goods direct?—There are a few on the list as wholesale merchants, and yet they are really retail grocers. They are selling in competition with us.

7. *Mr. Veitch.*] Can you not get on the list?—It seems that these people got on the list years ago, and they are still on the list; and the manufacturers will add no more to the list. I think the merchants bring pressure to bear on these people. Anyhow, I have tried to get on the list and get full advantage of the discount and prices, and I cannot manage it.

* Witness later supplied particulars of a property sold during this year for £800. Eight years previously the house cost to build £500, and the section cost £80. To build the same house in 1912 would cost £50 extra. The increase in cost of building equals 10 per cent.; the increase in value of section equals 212·5 per cent.

8. *The Chairman.*] Do you mean that the merchants are acting collectively and in an association ?
—Yes. I am referring to a list or scale for goods.

9. *Mr. Hall.*] You say they have a way of getting on the list of wholesale merchants ?

10. *Mr. Veitch.*] If you are classed as a wholesale merchant they will give you the benefit of discounts which you cannot get if you are not on the list ?—Yes.

11. *Mr. Fairbairn.*] It is within your knowledge that certain goods are supplied to certain retailers at a lower price by the merchants ?—Yes.

12. And that it is impossible to get the goods at those prices except in that way ?—Yes.

13. Have you ever known of a penalty having been inflicted on a retailer or any one who has purchased outside the combination ?—No, I cannot say I have.

14. That means that they have been able to effect a complete monopoly of those goods ?—Yes, I am sure of it.

15. If, for example, you could buy Colman's goods on the same terms as the more favoured retailers—if you could buy at, say, 15 per cent. better terms, would the public get the benefit of it ?
—Yes, certainly. I think it would make a big difference to the public.

16. If you could buy sugar at $2\frac{1}{2}$ per cent. better than you are buying it, it would make a difference of 3d. a bag ?—Yes.

17. Who would get the benefit of that ?—The public, by all means.

18. How often do you turn your sugar over in your business ?—Once a fortnight I get supplies.

19. That means twenty-six times a year ?—Yes.

20. Assuming that your working-expenses in conducting your business is 10 per cent., would you consider that 15 per cent. a good profit for sugar ?—Yes.

21. That is to say, you would be making on the capital outlay 5 per cent. multiplied twenty-six times ?—Yes.

22. Then, generally, you know that the Merchants' Association of Dunedin have introduced restrictive conditions in connection with trade that have entirely obliterated competition in buying ?
—Yes, fair competition.

23. *Mr. Macdonald.*] Do I understand that what you say is this: that no retailer can purchase outside the association ?—Well, not for every line of goods, but for certain lines; it is limited.

24. *Mr. Fairbairn.*] Would you be good enough to name them ?—Take New Zealand manufactures—condensed milks, baking-powder, and general household lines.

25. *Mr. Macdonald.*] Sugar ?—Yes; that was the greatest one of all.

26. *The Chairman.*] Soap ?—Yes, certain brands.

27. *Mr. Fairbairn.*] You can buy sugar and some of these lines outside the Merchants' Association. We are now referring to lines that you must buy through the merchants ?—Yes.

28. Can you buy, outside the Merchants' Association, Keiller's marmalade, Fry's cocoa, Bournville cocoa ?—No; a man would need a pencil and a fifty-page book to put them all down.

29. You can buy candles outside ?—Yes.

30. Would you be good enough to let us have a list of the lines that you must buy through the Merchants' Association, where the prices are fixed ?—Yes, I would not mind doing that.*

31. What we want is a list of the goods that you can only get through the Merchants' Association—not that you can buy outside. We want you to indicate what lines are absolutely tied and controlled ?—Yes.

32. *Mr. Macdonald.*] Can any retailer become a member of this association ?—This is a wholesale-merchants' association.

33. They practically "corner" the trade in certain articles ?—The retailer must buy from these people, and they can frame whatever tariff they wish.

34. *Mr. Veitch.*] Do you know if they give special rebates or discounts to firms that buy large quantities from them? Are they treated any better than firms that buy smaller quantities from them ?
—Yes, the big buyer is treated a little bit better. Of course, it is a very small difference.

35. *Mr. Macdonald.*] Has this association in your opinion artificially raised the prices of those articles? Assuming that there was free competition and you could buy them from any wholesale house you liked, has the association raised the prices to the retailer ?—I am sure of it.

36. *The Chairman.*] Can you inform us whether the association is registered, or is it merely an understanding without a document ?—I think they must have something registered. I would not be quite sure of that. I do not know much about the association. I think they must have some agreement.

37. *Mr. Macdonald.*] In writing ?—I am sure of it. They seem to have a very strong "pull" over each other. If any member happened to break anything he would get pulled up with a round turn.

38. Can you tell us generally what the effect on prices of the reduction in the tariff has been? Who has pocketed the benefit of the reduction in the tariff ?—It is benefiting the producer and manufacturer, I should say. It is not benefiting the public to the extent it should do.

39. *Mr. Veitch.*—The producers of goods are the producers outside of New Zealand ?—Yes.

40. *Mr. Fairbairn.*] Do you remember the price of Neave's Food before the tariff alteration ?—We retailed it at 9d. a tin.

41. Surely not as low as that ?—Yes; but that was a long time ago.

42. *Mr. Robertson.*] In regard to English goods: there must be an arrangement between the association and the manufacturers at Home ?—Yes.

* "Re your request for a list of controlled lines of goods, I submit the following; as being to the best of my knowledge controlled:—Highlander condensed milk; Keiller's marmalade, jams, &c.; Colman's goods; Keen's goods; Reckitt's goods; Nugget polishes; Scott's emulsion; cough cures; patent medicines; spices, peppers; Lever Bros. soaps; cocoa—Fry's, Bournville, Van Houten's; and several smaller lines that do not seriously concern our business.—R. W. WILSON."

43. Confining their export trade to the members of the association?—Quite so. A few retailers have tried at different times by writing to the Home manufacturer to bring out a line of goods, and they simply referred us to the Merchants' Association.

44. *Mr. Macdonald.*] When did this association begin its operations?—They have been gradually increasing within the last ten years, and it seems to be getting worse every year now. During the last five years it has got more acute so far as we are concerned. There is hardly a line that is not "tariffed," as we call it.

45. *Mr. Robertson.*] Ten years ago it was not so well organized as now?—Quite so.

46. *Mr. Macdonald.*] And it is increasing the efficiency of its organization now?—Yes.

47. *Mr. Fairbairn.*] In connection with fish—fresh herrings, kippered herrings, &c.—is the duty equivalent to about 80 per cent.? If that duty were removed, and fresh herrings were sold at 4d. or 4½d. a tin, would that gradually increase the sale of tinned fish?—Yes; any line that is brought cheap to people you will sell double or perhaps three times the quantity of.

48. *The Chairman.*] Have you any statement that you would like to make to the Commission which has not been suggested by the questions which have been asked?—No; as far as my business is concerned, that is about the only thing I could give you information about—these tariff lines, and the "corner" of goods in that way.

49. *Mr. Fairbairn.*] Is it to the interest of the trade that free competition should exist in regard to buying conditions? Would that not benefit the trade generally, and enable you to sell cheaper to the public?—Of course it would. It would enable a man who wanted to conduct his business on proper lines to give the public a reasonably cheap article. I think it would be better for everybody. The retailer would get his money in better, and I do not think there would be the same trouble if a man could buy in the open market as he ought to do.

50. *Mr. Veitch.*] You mean, if he could give better value, your accounts would come in better?—Yes. It was not so bad until five years ago; but things are getting so bad now that a man with small wages can hardly exist—he cannot live.

51. *The Chairman.*] Could you give us a comparative statement in writing of the prices of goods with which you are acquainted—five years ago and ten years ago and the present prices?—Yes, I think I can do so.

JOHN ROSS, Clothing-manufacturer, examined on oath. (No. 10.)

1. *The Chairman.*] You have been a manufacturer here for many years, Mr. Ross?—Yes, for about thirty years I think. I think we commenced manufacturing in 1879.

2. We thought that you might tell us if there has been any increase in the cost of the goods that you manufacture—during the last twenty years—say, comparing ten years and ten years of the twenty. Should you think that the cost of clothing to the general public as manufactured by you has risen very much during, say, the last ten years?—Yes, the cost of clothing has risen somewhat during the last twenty years. I am speaking now of clothing apart from all our own manufactures. Our manufactures are principally underclothing. Of course, we manufacture men's clothing as well. Piece-goods are now very much about the same—perhaps a little more than they were twenty years ago; but there have been fluctuations, depending on the price of wool. That makes a difference; but at the present time most of our manufactures are higher than they were twenty years ago.

3. The selling-value to the public?—Yes, the selling-value to the public of made-up goods is probably from 10 to 20 per cent. higher.

4. *Mr. Fairbairn.*] Of all textiles?—Yes, I am speaking of textiles; but the greater part of the increase is in wages. Wages have advanced more than the cost of the goods apart from that.

5. More than the raw material?—Yes.

6. To what extent has the advance in wages increased the cost?—I could not say. I have been living in London during the greater part of the period to which your Commission refers, so that I am not quite conversant with that point.

7. *The Chairman.*] It would be difficult to dissect from year to year as to the cost of wages?—I dare say it could be done. It has not come before me. I could not give evidence about it.

8. *Mr. Fairbairn.*] Is there anything in the nature of an understanding between manufacturers in New Zealand in respect of prices in the clothing trade—between the different mills?—There was an association of manufacturers in existence for several years, but that was broken up about two or three years ago. There may be some understanding, but there is not a written understanding. About some things—about blankets, for instance—I dare say there is some understanding between the mills what they are to be sold at; but there is no written law about it or anything of that sort.

9. The association does not exist to-day?—No.

10. *Mr. Fairbairn.*] The feeling of the Commission is that anything which disturbs free commerce is inimical to the public—that it comes back to the public finally?—There is nothing of that sort. Any agreement of that sort is a very loose affair at the present time.

11. *Mr. Veitch.*] Still, there is some agreement?—I think there is in some cases an understanding between the heads of departments. They arrange it between themselves, leaving the members out of it; but there is no written agreement or anything of that sort—at least, we have none. I do not know what other mills do, but we have none.

12. *Mr. Fairbairn.*] In the retail drapery trade it always seems to have been competitive. You do not know of any arrangement amongst retailers for fixing prices?—There is free competition at the present time in the retail trade.

13. There is nothing to stop any man opening a retail drapery establishment in any town in New Zealand and trading on the same terms as his competitors so far as getting his drapery is concerned?—No.

14. *Mr. Robertson.*] Who are your principal competitors in New Zealand—I mean as manufacturers?—The Mosgiel Company, the Kaiapoi Company, the Petone Company, the Oamaru Company, the South Canterbury Company, the Ashburton Company, and there is another company in Auckland.

15. Your goods are sold all over New Zealand?—Yes.

16. *Mr. Veitch.*] You spoke of an understanding between the heads of departments. Does that mean between the heads of your departments, or between the heads of your departments and the heads of the departments of other companies?—In some cases, between the heads of other businesses, such as Sargood's.

17. *Mr. Fairbairn.*] But they are not manufacturers?—No; but the position is as I have stated.

18. *The Chairman.*] We are, as you know, inquiring into the question of the increase in the cost of living. Could you tell us anything which in your opinion leads to a rise in the cost of living—connected with your business—which, perhaps, we have not asked you?—I really do not take any part in the manufacturing. Mr. Glendining looks after that department. I am not so conversant with it as to be able to give any information of importance.

19. *Mr. Fairbairn.*] Clothing is one of the matters which this Commission is asked to report upon, and we thought you could give us some information on that subject?—I inquired about that to-day, and I have given you the information which I received.

ANDREW MATHEWSON, master butcher, examined on oath. (No. 11).

1. *The Chairman.*] What is your occupation?—I have a part-interest in the Kensington Meat Company.

2. Could you tell us about any association that controls the rates of sale of meat generally in Dunedin?—That is rather touching on personal matters.

3. I know it is delicate ground; but can you tell us your own process by which we have been told you are able to sell to the public cheaper than other retailers?—We buy for cash, or from the agents; or in the market as suits us. We are buying and shipping all the time. I am paid a salary, and buy for an exporter.

4. *Mr. Hall.*] Do you buy direct from the farmer?—Yes, and from the agents. I buy a good deal for net cash, and a good deal from the agents when it suits us at the price.

5. *The Chairman.*] Everything you buy you kill at the abattoirs freezing works?—Yes.

6. Having regard to the price, you have paid and the expense of making the meat fit for the market, you put on a fair profit for yourself and then let the public have the benefit?—Yes. We sell at the lowest prices in Dunedin. We opened our shops on those grounds—small profits in order to get a big turnover.

7. The “nimble sixpence”?—That is so. We make the most of skins and fellmongery. We buy mostly in big lines, and we have advantages through buying.

8. Is it within your knowledge that there are other butchers' shops in Dunedin which do not exactly follow that line of practice—who buy from agents only?—I think in most cases they buy from agents only.

9. They do not go direct to the farmers?—Some of the leading butchers do; but the majority of the butchers buy at the Burnside saleyards.

10. That being the case, what is the reason they are not able to sell so cheaply to the public as you can?—We have to buy for shipping at per pound, and we must know our weights. It is the buying for export that has a lot to do with it. Others have the same chance of buying that we have.

11. *Mr. Hall.*] You buy at per 100 lb.?—No; but we buy according to our judgment of what the dead-weight will be.

12. *The Chairman.*] You do not think it is because of certain persons having a combination to keep the prices up that is responsible for making the general price higher than yours?—I would not like to say much against the butchers.

13. *Mr. Macdonald.*] Is there a ring?—I could not give that in evidence.

14. You cannot say?—I cannot say.

15. It would bring you into open quarrel?—That is so. We are outside of any combination.

16. You are under agreement to no firm at all?—That is so.

17. Is the price you sell at remunerative?—Yes, at a very small profit. I have a list of the prices we are selling at now, and what we were selling at twelve months ago.

18. Have you ever been approached to take part in a ring or combine to raise prices?—That would go out in evidence if I gave it.

19. You refuse to state?—Yes.

Mr. Veitch: Has the witness power to refuse?

The Chairman: I do not think he should be called on to answer questions like that.

Mr. Veitch: If there is anything of the kind going on, we should get it.

Witness: I refused to join a list of prices they put before us one day at Burnside.

20. *The Chairman.*] Who are “they”?—That is the thing.

21. *Mr. Robertson.*] Will you say the majority of butchers of Dunedin?—It will put them all against me if I answer that. It is hardly fair to make that public.

22. *The Chairman.*] That is just what we are out for. Can you suggest to whom to apply or call in evidence for that purpose—some one who knows more about it than you do?—Among the butchers, no.

23. Can you give us the name of some butcher who would know?—The leading butchers would know.

24. *Mr. Hall.*] Do you give any credit?—No; all cash.

25. *Mr. Robertson.*] Have you any carts?—We are putting on one.

26. Would that mean an extra cost to the consumer?—We considered a halfpenny to put on for delivery.

27. Can you give us an idea of what your average price per pound is less than that of other butchers?—I have given you a list of our prices, and I do not think that any one can sell lower.

28. Do other butchers issue price-lists?—Yes.

29. Do you consider that a halfpenny per pound will cover the cost of delivery?—Yes.

30. *Mr. Hall.*] In cities where they deliver, that will be for cash?—Yes, or at the end of the month for customers.

31. With regard to buying direct from the farmers, do you go to the farms?—Yes. I am out all the time buying for export.

32. What company freezes for you?—The man I am buying for freezes in several works, in various parts of New Zealand—in the North Island as well.

33. Do you find any companies refuse to freeze for certain buyers?—No; they are too willing to get the killing.

34. *Mr. Veitch.*] Can you tell us whether freezing companies treat all buyers on the same terms?—Yes; they are only too glad to get the stuff through their works.

35. *Mr. Hall.*] Has the cost of freezing gone up?—I think not.

36. Has there been any increase in the last five years?—I could not give you that exactly.

37. What do you estimate the transport charges are from here to London?—I think, 1½d. on lambs.

38. *Mr. Veitch.*] Do you know of any arrangement between the different freezing companies to fix the charges for freezing?—No. I am only buying for the man who exports, and this shop is really only a side show. If it does not pay we are none the worse off.

39. *Mr. Hall.*] It is simply to dispose of the carcasses that are too large or too light for the London market?—Yes. It is the medium-weight sheep that are shipped—54 lb. to 64 lb. in wethers, and 36 lb. to 42 lb. in lambs.

40. *Mr. Veitch.*] What does the difference amount to between the price you are selling at and the ordinary price charged by the retail butcher?—I have not worked it out.

41. Is there a difference of a penny a pound?—I should say there would be in some cases.

42. *Mr. Macdonald.*] In the event of a man starting in competition with the butchers in this town, is there anything to prevent him getting supplies or getting a shop?—I do not know of anything that could stop him doing it.

43. And selling at whatever price he chose?—I think the butchers are to blame for the present prices. Two or three years ago they charged too much for meat, and outsiders came in.

44. *Mr. Hall.*] You think the prices are low?—Yes; but not as low as last year.

45. They are not unreasonable to the public?—Last year they were cut to 3d. a pound for legs and 1½d. for fore-quarters of mutton.

46. Could you afford to sell at those prices if it were not for the fact that your butchery business is a side show of the export trade?—It would take very careful management to sell at last year's prices.

47. When we say that a beast is worth so-much a hundred, that is 100 lb dead-weight, I suppose?—Yes.

48. What would be the dead-weight?—That would be the dead-weight dressed. You judge the dead-weight when buying it.

49. The quotation is really for dead-weight?—Yes, that is so. That is where the judgment comes in. We pay for ox beef 27s. to 28s. per 100 lb.

50. What would be the price for that three or four years ago?—Much less than at the present. It would be about 22s.

51. *The Chairman.*] Do you think that a legitimate increase?—Yes. The drought last year had a good deal to do with it: they had to destroy so many young cattle that were coming on, and large estates being cut up has reduced the herds of cattle for butchering purposes.

52. *Mr. Hall.*] Are strikes in England likely to affect the prices here for lamb and beef?—I could not give any opinion on that.

53. *Mr. Veitch.*] Is there any arrangement between the different firms to keep down the price they give to the farmers?—Not that I know of.

54. You determine the price by instructions from your own employer?—That is so.

55. It is not left to your own judgment?—No, I have to buy at a certain price per pound.

56. There is no ring to prevent competing by reason of which the farmer would be compelled to take a lower price than if there was competition?—No. I think the farmer is very well treated.

57. Do you think there is any agreement not to compete?—No.

THURSDAY, 6TH JUNE, 1912.

ALBERT EDWARD BEISSEL, General Manager of the Taieri and Peninsula Dairy Supply Company, examined on oath. (No. 12).

1. *The Chairman.*] What is your occupation?—I am general manager of the Taieri and Peninsula Dairy Supply Company, and reside at Dunedin.

2. Have you had that position very long?—About two years.

3. You are acquainted with the process of the supply and production of milk and other articles of produce?—Yes.

4. Could you make us a statement as to the usual course of procedure in getting your supplies and distributing them—generally, as to the quantity and scope of your transactions?—I think it would be as well for me at the outset to state what our company is. The Taieri and Peninsula Milk-supply Company is an association of about two thousand farmers. It is a farmers' co-operative company. The farmers hold, I should say, 95 per cent. of the shares. We take in their raw products, milk and butter, and sell it for them to the best advantage. Our articles of association state that we have to

pay our farmers an "advance" price, monthly payments; and at the end of the year, out of the profits, after paying a dividend of 6 per cent., which is the maximum we can pay, any profits that may be remaining must be sent back to the farmers by way of bonus on the produce they sent in during the year.

5. As a general rule the bonus goes to those who have had the dividend?—Not necessarily. "Dry" shareholders only get 6 per cent. The bonus goes to the producer.

6. *Mr. Robertson.*] Do you manufacture cheese?—Not in Dunedin. We have seven cheese-factories in the country.

7. You also have the milk-supply in Dunedin?—Yes.

8. You supply the bulk of milk, I suppose, in Dunedin?—We supply wholesale and retail.

9. You sell to retailers?—Yes.

10. Do you buy on a butter-fat basis?—Yes.

11. Whether you manufacture the milk into butter or it goes out in milk-supply?—No. What we sell is picked milk, and it is paid for by the gallon. It is tested, of course, to see that it is up to the average.

12. What is the height of the season here?—December and January are the flush months.

13. June and July would be the months in which there was the greatest scarcity?—Not necessarily; I have seen the turning-point in March.

14. I am talking of the general supply of butter?—June, July, and August.

15. What is the highest point at which butter has been sold in the last two years?—1s. 6d. was the highest retail price last year, and 1s. 4½d. wholesale.

16. *Mr. Hall.*] What month was that?—July, August, and September.

17. *Mr. Fairbairn.*] What was the lowest price last year?—1s. 1d. retail and 11½d. wholesale.

18. You keep a margin of 1½d. as the wholesale cost?—That is what the grocers want.

19. *Mr. Robertson.*] Do you supply any wholesale merchants?—Yes.

20. At what average price?—They are the same. These prices are for half-pound pats. It is recognized over the trade that it costs ¼d. to make up butter into pats; and everything in bulk is sold ¼d. under those prices.

21. Do you supply any wholesale merchants with pats?—Yes.

22. Do you charge them the same as the retailers?—They get a special discount of 2½ per cent.

23. *Mr. Fairbairn.*] I take it that all these prices are spot cash?—No. Of course, the wholesale men buy in very large quantities, and we give them a discount of 2½ per cent.

24. Is there no discount off these prices?—That is the net price I have given you.

25. *Mr. Robertson.*] What was the price of milk during those months of June, July, and August?—It is very hard to explain. There is a sliding scale for different quantities; but the wholesale price last winter was 11d. per gallon.

26. *Mr. Hall.*] What do you call the winter?—Last year we had seven months of winter, because the season was so very dry.

27. *Mr. Robertson.*] What do you retail at?—It is done on a sliding scale.

28. *Mr. Fairbairn.*] Say at per quart?—4d. a quart during the three months I gave—June, July, and August. The summer price is 3½d. per quart.

29. What is the wholesale price?—9d. per gallon in the summer.

30. *Mr. Hall.*] What generally are your flush months?—December, January, and February would be the flush months.

31. *Mr. Robertson.*] Last year was an exceptional one because it set in dry so early?—That is so.

32. What brands of butter are sold in Dunedin besides yours?—"Maple Leaf," "Albatross," and innumerable others.

33. Who makes "Albatross" butter?—It is made at Ashburton.

34. All those butters are sold at the same price, I suppose?—I do not know.

35. Were you exporting butter during those months last year?—No, we were buying.

36. Is there any understanding between the companies here as to the price of butter in the winter months?—None whatever. We fight like blazes, every one of us.

37. What was your suppliers' average during those three months?—1s. 3d. per pound of butter-fat. We bought their milk at the creameries, separated the milk, gave them back the skim-milk, brought the cream to town, manufactured it into butter, sent it out and delivered for 1½d. a pound. These months were short ones, too, and working on small quantities the expenses were greater.

38. Of course, we understand that you get more than a pound of butter from a pound of butter-fat?—That is so, of course. There is an overrun.

39. *Mr. Veitch.*] How much is the overrun?—Sometimes up to 7 per cent.; sometimes up to 10 per cent.

40. *The Chairman.*] What is the overrun—the amount of salt and water you put in?—No; it is a thing I really could not explain.

41. Do you ever buy farmers' butter?—We never deal with it in any way.

42. You never mix it up in scarce seasons?—No.

43. You said you bought the shareholders' produce—milk and butter. Do you buy shareholders' butter?—No; butter-fat.

44. *Mr. Fairbairn.*] What did you return to the farmers for butter-fat last summer?—March, 11d.; April, 1s.; May, 1s.; June, 1s. 0½d.; July, 1s. 3d.; August, 1s. 3d.

45. *Mr. Robertson.*] Give the price for January and February?—December, 10d.; January, 10d.; and February, 10d. For September the price was 1s. 3d., October 1s. 2d., and November 11d.

46. *Mr. Hall.*] Was there a bonus in addition to that?—There was no bonus last year.

47. *Mr. Robertson.*] What was the market price of your butter in the three summer months last year?—The retail price was 1s. 1d.

48. The price of butter is regulated very largely by the London prices ?—That is so.
49. You are doing principally an exporting trade there ?—We do a considerable trade with outside markets other than London—South Africa, Vancouver, and San Francisco.
50. The greater part of your product goes to the outside market ?—Only for three or four months in the year.
51. But during those months the greater amount of your product is exported ?—The surplus that this market cannot eat is exported.
52. In the flush of the season is that greater than the local demand ?—Yes.
53. *The Chairman.*] How many butter-factories have you ?—Only two—Oamaru and Dunedin. We have fifty-four creameries in the country, and from these creameries the butter-fat is sent to the two factories. All the butter is made at the two factories to ensure uniform quality.
54. You have not had any understanding with other suppliers to limit the price ?—No.
55. There is no reserve in the statement that you are always fighting ?—No. We have absolutely nothing to do with any firm.
56. What was the total amount you paid as a bonus last year in addition to dividend ?—We paid no bonus last year. In fact, we had to take £1,600 out of reserve to pay the dividend of 6 per cent.
57. How much reserve have you got ?—I can supply you with a balance-sheet.
58. How many shareholders have you ?—About 90 per cent. of the two thousand suppliers will be shareholders.
59. What proportion of the suppliers hold shares in the company ?—90 per cent.
60. *Mr. Hall.*] Suppliers are not compelled to be shareholders ?—No.
61. *Mr. Robertson.*] What is the greatest number of shares held by one supplier ?—A man generally takes a share a cow.
62. *Mr. Hall.*] What is the nominal value of the shares ?—They are £1 shares, 15s. paid up. They are worth par on the market.
63. *The Chairman.*] What proportion does the bonus bear to the dividend generally ?—Last year, although the butter-men got no bonus, the cheese-men got a bonus because their produce gained more for butter-fat than the butter-men did. We take out a balance-sheet for each cheese-factory and give each one back the profit for that factory. If one factory gives a big supply it can be worked cheaper than a factory with a small supply.
64. With regard to the creameries, do you give a higher price where large quantities are supplied than where only small quantities are received ?—No, not in that sense. If there is a factory with a small supply it is charged working-expenses. A big factory is not put under that ban.
65. In some centres if the supply exceeds a certain quantity they increase the price per gallon or per pound ?—Yes; ours is practically on the same basis.
66. *The Chairman.*] How long have you been connected with this class of trade ?—Twenty years.
67. Has there been an increase to any extent in the price of milk during your experience ?—Yes, there has. There has been an increase of 8 per cent. in the last ten years.
68. *Mr. Hall.*] Is any of this 8 per cent. due to the increased cost of distribution in towns ?—The only matter in that is wages; but feed and other things have been high.
69. Distribution has increased in cost ?—Yes.
70. *The Chairman.*] In spite of improved methods the cost of distribution has increased ?—Yes.
71. *Mr. Robertson.*] Improved methods do not affect the distribution very much, do they ?—Improved methods have helped to increase the whole cost. People are demanding pasteurizing, and that increases the cost.
72. *Mr. Fairbairn.*] There is a law regarding moisture in butter for export: is there also a law dealing with moisture in butter for local consumption ?—Yes.
73. Is farmers' butter subject to that law as well ?—I cannot say.
74. *Mr. Hall.*] Do you pasteurize all the milk supplied for the local market ?—No; 80 per cent.
75. What is the extra cost of pasteurizing ?—I could work it out for the Commission.
76. *Mr. Robertson.*] The law regarding moisture in butter came into operation in October last. Previous to that regulation coming into force, do you know if it was the custom to add a higher amount of water for local consumption than to butter for export ?—A lower amount. The law allows 16 per cent., and we have never given more than 10 per cent.
77. Do you know if it is the practice in the trade to put a higher amount in butter for local consumption than for the export trade ?—I have never known it done in this district.
78. Your company also supplies a great deal of butter direct to the consumer from the carts ?—That is so.
79. You charge just the ordinary retail price ?—Yes.
80. *Mr. Macdonald.*] What is the highest price you have got from the London market ?—Last season our highest price was 138s. That works out at 1s. 1½d. At the same time we were wholesaling locally at 1s. 0½d.
81. What does it cost to place on the London market ?—12s. a hundredweight.
82. *Mr. Fairbairn.*] Does that cover all charges ?—Yes.
83. *Mr. Macdonald.*] Has there ever been an artificial scarcity in New Zealand through overexport ?—I do not think so.
84. You only send the surplus to London ?—That is so. If the public could eat it all they would get it, but in the flush months they cannot, and it has got to go out.
85. Can you explain this big difference: Your highest price to the public was 1s. 6d., and your highest price on the London market was 1s. 1½d. ?—Butter was not being exported at all when we were getting 1s. 6d. locally.
86. Is it not a common thing to store butter when there is a plentiful season ?—Stored butter is a different thing. Its price is 2d. to 3d. under that of fresh butter. People will not take stored butter.

87. *Mr. Robertson.*] How long would it be before there was deterioration in butter when stored ?—It all depends on the quality of the butter when stored originally.

88. Do you mean that it is inferior butter that you store ?—No, but you have to take the chance of any breakage in your machinery, &c.

89. Why is it it fetches such a low price—is there deterioration in quality ?—Of course.

90. If good when it is put in it will eventually become poor ?—Yes.

91. How long will it take to deteriorate ?—I could not tell you. It might go bad in a week, or it might go bad in a month.

92. *Mr. Hall.*] What is the general difference in price between farmers' butter and factory butter ?—I could not say. We do not deal in farmers' butter.

93. *The Chairman.*] Is it not a fact that certain persons take farmers' butter and work it up and sell it under all kinds of fancy brands ?—I could not say.

94. Is it not within your knowledge that such butter is on the market ?—I could not say. I do not know.

95. *Mr. Robertson.*] You mentioned "Maple Leaf." Who makes it ?—I do not know. J. B. MacEwan are the agents.

96. It is possible that might come from various factories ?—I do not know.

97. *Mr. Macdonald.*] Are you a registered company ?—Yes.

ALFRED WASHER, House and Land Agent, examined on oath. (No. 13.)

1. *The Chairman.*] What is your occupation ?—A land and estate agent, doing business in Roslyn.

2. Have you been in that occupation long here ?—For twenty years.

3. You have a pretty wide general acquaintance with the district ?—Yes, during the whole of that time.

4. Has there been within your knowledge a considerable rise in land-values in the last twenty years ?—In some cases 200 per cent.

5. Can you give us an idea of what in your mind constitutes the source of that : is it entirely the increase in the growth of the town ?—I should attribute it to the growth of population. The rents during ten or fifteen years have increased about 30 per cent. There used to be a sort of unwritten law that a man should give a day's pay for a week's rent, but that cannot be done now. Of course, they get far more conveniences at the present time, and that might cause an increase.

6. Do you think there has also been an increase because of the increase in the cost of material ?—Yes, I think the cost of building has increased about 25 per cent. When I said that there had been an increase of 30 per cent. in rent I was referring to the smaller cottages. It has not increased to that extent with the larger houses.

7. To what do you attribute that : to the difficulty in getting tenants for the larger houses ?—That is so. There is a far better demand for smaller cottages. I also find that there is not the same percentage of rented houses to-day that there was ten years ago.

8. Does that apply to all the districts about here equally ?—I think it covers the whole of the place—the hill and other boroughs. Far more workers own their houses than was the case ten or fifteen years ago. Take the case of a man with three or four daughters. Previously most of those girls would be at home, but now they are found out working. A case came under my own knowledge where such a family was bringing in £6 or £7 a week.

9. *Mr. Macdonald.*] People are able to pay an increased rent ?—That is so.

10. *The Chairman.*] Is that because of the economic pressure being greater and driving the girls out, or because of the greater independence of women ?—The greater independence of women, I think. There are far more facilities of employment for girls than formerly. There is one point that occurred to me. Take a man earning 10s. a day : fifteen years ago such a man was satisfied with a house at 10s. or 12s. a week, but now you find him paying 17s.

11. That is because of the increase in the standard of living ?—That is so. They will not go into the old houses now.

12. You are not saying that as if it was a blameable thing ?—Not at all. The position has improved very much. My experience is that you have great difficulty with the tenants in those old small houses.

13. *Mr. Hall.*] Do you take it that the scarcity of smaller houses is due to the owners thinking there is a risk in erecting houses of that kind ?—That is so. I would not invest in small houses myself. Ten or fifteen years ago a man took an interest in his garden, and no man would take a house unless it had a good section—say a quarter of an acre. They prefer a house now that has a small amount of ground as possible. Any man with £10 can own his own house under the Advances to Workers Act.

14. *Mr. Veitch.*] It is only those who are not frugal in their habits who live in rented houses at all ?—That is so, as a general rule. There are exceptions, of course. A man whose tenure in a place is uncertain would not be justified in buying or erecting a house of his own.

15. You say that the capital cost of building has increased by about 25 per cent. Do you mean that the 25 per cent. is due to a better class of building or to an increase in the cost of materials in building similar buildings ?—I think it is owing to the better comforts provided. Hot and cold water is now installed, and even in a four- or five-roomed house electric light and gas is put in ; and there is also sewage, which is an expensive item in all the suburbs.

16. Take the case of a four-roomed cottage built twenty years ago. We will assume that to-day you want to build a house exactly the same, with no more conveniences, but everything the same as it was then : do you think it would cost more to build that house to-day ?—Yes, a four-roomed cottage with washhouse attached could be built for about £250 about fifteen years ago ; at the present time the cost would be over £300.

17. *Mr. Fairbairn.*] Approximately there has been a 25-per-cent. advance ?—Yes.

18. Is it chiefly owing to the increased cost of timber ?—Practically everything, including painting. At one time you could get a small cottage painted for about £7 ; now it costs about £13.

19. *Mr. Hall.*] That is a question of wages ?—Wages and material.

WILLIAM MITCHELL ROBERTS, Master Grocer, examined on oath. (No. 14.)

1. *The Chairman.*] What is your occupation, Mr. Roberts?—I am a master grocer.
2. Have you been in the business very long?—I was practically born in the trade.
3. You have a thorough knowledge of the grocery trade in this part of the country?—Yes.
4. Do you know anything of any association of merchants who are alleged to regulate the rates of selling certain lines to retail grocers?—Yes, I am aware of it.
5. Could you make a statement telling us what has been your experience in regard to the operations of that association?—The general tendency in the trade is that the majority of our lines are going into the rings. The prices are fixed for both goods brought into the Dominion and for goods manufactured in the Dominion. Until a few years back we were able to get quotes, and of course buy in the cheapest market. The position now is that we are practically on one basis—it does not matter where we buy.
6. Is that within the last ten years?—Yes, but within the last two or three years it has been much more so.
7. It is increasing?—Yes. For instance, jam has increased. The current price for jam—2 lb. jars—is 10s. 6d. a dozen jars. That was retailed at 1s. a jar; but to-day you cannot buy it anywhere at less than 12s. I understand that the jam-manufacturers of the Dominion are practically a ring, and have a price fixed. There are one or two small manufacturers outside; but the leading lines are in a ring. 1s. 2d. is the retail price for it now. Sugar has increased a great deal in price; but when sugar was increased by £3 a ton last year the manufacturers of lollies did not advance their prices at all. It seems apparent, therefore, that there was no need why the jam-manufacturers should have increased their price.
8. *Mr. Macdonald.*] You say the prices are fixed?—Yes, practically.
9. Does that mean the price at which you buy, or does it mean the price at which you are compelled to sell?—We have a free hand in regard to selling.
10. Have you any knowledge of, or do you deal in, any goods which you are bound to sell at prices fixed by the combination? We have heard that there are lines of that description?—I believe there are such lines. For instance, the agent for Colman's goods will not supply you if you cut under the fixed price. They have an agent in Dunedin.
11. *The Chairman.*] Is that the case with Keiller's goods?—Yes, the selling-price is fixed for them too.
12. What is the position in regard to goods which you can obtain in the Dominion—say, soap and candles?—I think the market is open for soap and candles. There is a lot of competition from outside the Dominion in the case of candles.
13. Can you tell us whether the Merchants' Association is registered?—The retail grocers have met the Merchants' Association as a body at one of the offices of the local merchants. We had an interview with them.
14. Do you know who their secretary is?—No.
15. *Mr. Veitch.*] Who are the members of the Merchants' Association?—They comprise all the wholesale merchants.
16. All of the wholesale merchants here?—Yes, practically all.
17. Can you name them?—Neill and Co., W. Scoullar, Rattray, Mackerras and Hazlett, R. Wilson, W. Taylor, and Tucker.
18. *Mr. Hall.*] Is there a retail grocer's association as well?—Yes.
19. Who is the secretary?—A. B. Mercer.
20. *Mr. Robertson.*] What is the object of that association?—It is to prevent an undue cutting of prices. It is quite a common thing for a new man to start in the business. A new man started recently. He advertised himself as a cash cutting grocer. He cut things down to very low prices—selling at less than $\frac{1}{2}$ d. profit. He went bankrupt. He did the trade a great amount of harm—in fact, it has not recovered yet. That was about three years ago.
21. *The Chairman.*] When you use the expression "cutting prices," do you mean selling below the ordinary rate, or do you mean using unfair means of selling some lines absolutely below cost?—He was selling many lines actually at cost.
22. Is that considered in the trade as unfair cutting?—Yes.
23. *Mr. Robertson.*] What means does your association take to prevent unfair cutting?—We take no means. It is quite optional whether a man joins the association or not.
24. Do you draw up a scale?—No—just for certain lines which we call "bread-and-butter" lines.
25. You spoke of a rise in the price of jams and said you believed it was owing to an arrangement amongst the jam-manufacturers?—Yes.
26. Does that apply to all New Zealand jams on the markets?—Yes, I understand so.
27. You buy those jams through the wholesale merchants?—No, direct from the manufacturers.
28. The Merchants' Association does not control those?—They buy cheaper from the manufacturers than we could, but they sell to us at the same price as the manufacturers.
29. *Mr. Macdonald.*] Is kerosene one of the things controlled by this ring or combine?—I think not. Not since the Shell Company started. There has been competition since that company started.
30. Is tobacco one of the articles?—We cannot buy that except under a tariff.
31. *Mr. Robertson.*] Has the effect of the competition in kerosene been to bring down the price to you?—Yes, it did at the start, but I fancy it is back at the old price again now. There was an advance of a farthing just at the beginning of the winter.
32. *Mr. Fairbairn.*] Is it within your knowledge that the Merchants' Association exists for the purpose of maintaining certain prices on certain lines which they control: is that within your knowledge?—Yes.

33. Is it within your knowledge that if the market was free you could buy many of these commodities at, say, 10 or 15 per cent. better than you are doing now?—Yes.

34. Who would get the benefit if you were able to buy in a free market, as you did some years ago?—In regard to Colman's goods the selling-price was fixed, and it was pointed out to us that we were getting a better price under the new arrangement than under the old.

35. What are you paying for Colman's mustard at the present time?—4s. 6d. for quarters and 8s. for halves.

36. Is it not 8s. 6d.?—No.

37. Have they altered the tariff recently? What is it for ones?—16s.

38. Before that scale came into existence could you buy Colman's mustard cheaper?—Yes.

39. How much, approximately?—From memory, 4s. 3d. and 7s. 3d.

40. And for ones?—14s. 6d.

41. You have to pay 1s. 6d. more for ones now—a difference of 10 per cent.?—Yes, practically.

42. A condition of buying Colman's mustard is that you must charge a certain retail price for it—you have to adhere to that price?—Yes.

43. If you bought mustard at 14s. 6d. instead of 16s., would the public get the benefit?—Yes, we could sell it at 1s. 4d.

44. *Mr. Macdonald.*] Do you think the rise in prices is due to competition or to the natural cause of demand and supply?—The impression among grocers is that it is due to a combination. I may say that matches are being reduced now because a new class of matches is being brought out.

45. *Mr. Fairbairn.*] In connection with the prices you are quoting for mustard, had you not better verify them from the price-list?—I am speaking from memory. I will verify them, and let you have the exact figures.

46. Is it within your knowledge that the Merchants' Association of Dunedin has ever used a threat not to supply a man unless he sold at a particular price?—They have never threatened me.

47. You say there is a scale of prices at which Colman's goods must be sold to the public. Is there any threat behind it to stop supplies?—They would certainly use their influence to prevent it.

48. But you have no knowledge of that ever having been done?—No, I have no knowledge.

49. *Mr. Macdonald.*] The agent fixes the selling-prices of Colman's goods?—Yes.

50. What is to prevent you selling at a lower price than the price fixed?—Who could sell retail at a lower price per tin?

51. *Mr. Hall.*] You spoke about a cutting grocer just now. Would the wholesale merchants continue to supply a man who was cutting prices—selling at prices below which it was possible to make a living?—They would not supply them with lines they have control of.

52. *Mr. Macdonald.*] I cannot see from your answer where your complaint comes in. If they fix the selling-price at the only price at which you can retail with a profit, there is no harm to you and no harm to the public?—I think the selling-price is fixed to us too high. If the lines were bought in the open market, we should be able to sell the lines cheaper than we do now.

53. You buy a line at 4½d. and retail it at 5½d.?—If we could buy the line at 4d., we should certainly sell it at 5d.

54. *Mr. Fairbairn.*] The duty on mustard was 2d. per pound prior to the last alteration in the tariff. That duty has been removed. Has there been any alteration in the retail price? Has the public got the benefit of that remission of duty?—No; there has been no reduction in the retail price.

55. *Mr. Macdonald.*] There are a number of articles on which the tariff has been reduced?—Yes.

56. Can you from memory enumerate some?—Fruits—currants, raisins, and sultanas.

57. Who has got the benefit of that reduction?—It is difficult for us to say. The prices of currants, raisins, and sultanas are the same now as when the duty was taken off. The increase in the price of sultanas from Smyrna has been very great. I understand there was a poor crop. Next year, if the crop is larger, they may go back 2d. It is a question of supply and demand.

58. *Mr. Fairbairn.*] There are other lines which have been affected by the tariff. For instance, Neave's Food carried a tariff of 20 per cent. What is the present price of Neave's Food?—10d.

59. Since when?—We always retailed at 10d.

60. It was 11d. in 1892?—Yes, we used to get 11d. for it.

61. What do you pay for Neave's Food at the present time?—9s. 6d. That is the scale rate.

62. Can you give us a list of the lines that are controlled by the Merchants' Association of Dunedin?—I could give you a list of the majority of the lines.

63. The principal lines?—Yes, we would be glad to do that. Practically all lines are controlled. Rice, sago, and tapioca are not controlled by them.

64. I will name a few: Highlander milk?—Controlled.

65. Neave's Food?—Controlled.

66. Tobacco?—Controlled.

67. Fry's cocoa?—Controlled.

68. Bournville cocoa?—Controlled.

69. Van Houten's cocoa?—Controlled.

70. Tobacco?—Controlled. The majority of the leading lines are controlled. The good selling lines are generally secured by a wholesale merchant; he has the agency.

71. Generally, the object of the Merchants' Association is to fix the prices, assuring themselves a definite profit on all the goods they handle, and eliminating competition: is that the fact?—Yes, that is so. We are simply told by a traveller, "You might as well give your order to me as to the other fellow; we are all the same."

72. As to Colman's goods, is it within your knowledge that the price of the merchants has not altered for twenty years?—I have no knowledge of that.

73. *Mr. Veitch.*] What is the name of your local association of grocers?—The Master Grocers' Association.

74. You say it is for the purpose of preventing undue cutting of prices?—That is only one of the objects. The other is in regard to giving credit—to protect the members. There are a certain class of people who trade from one grocer to another; and the association has a system of detecting those people. That is the primary object for which the association was founded; and it is very largely used.

75. Supposing a new grocer did start and undersold all the members of your association, how could you deal with him?—There are firms in Dunedin whose prices are cheaper than ours, only they will only sell in quantities.

76. You simply agree amongst yourselves that you will fix your own price at what you consider a fair thing?—Just in "bread-and-butter" lines. We have no price-list of what lines must be sold at. If, for instance, there is an advance of 6d. a bag on flour, the secretary generally notifies members that on and after a certain date the price per bag will advance 6d.

77. *Mr. Macdonald.*] Any one who likes can start business as a grocer in Dunedin and become a member of your association?—Yes, if he wishes. There is no coercion.

78. There are no steps taken to prevent him getting supplies if he will not join?—No.

79. What is the entrance fee?—A sliding scale; small grocers 5s., up to £1.

80. *Mr. Veitch.*] There is really no entrance fee?—No; simply a yearly charge to cover the secretary's pay.

81. Do you think that the effect of your association is to increase the cost of goods to the people?—I think not.

82. The whole increase so far as you are concerned is due to the methods of the Merchants' Association?—Not wholly. There is no doubt there has been an increase in the cost of living due to manufacturing.

83. *Mr. Hall.*] Is the cost of distribution any higher—the cost of management and handling these things?—No; our award has not been increased for four or five years—probably longer.

84. *Mr. Macdonald.*] I understand that over and above the increase due to natural causes—the law of supply and demand—the increase to the public is due to the Merchants' Association?—When we want to buy lines we are constantly being met with this: that such-and-such a line has become tarified, and the price is so-much; and it is an increasing price. That is the harassing part of the retailers business—we are held up by tariffs wherever we want to buy.

85. *Mr. Fairbairn.*] In connection with tinned fish: do you think the consumption of tinned fish would largely increase if the duty were knocked off?—I think it would. I may say that our colonial tinned mullet has increased in price.

86. Do you think that tinned fresh herrings would sell more largely if the duty were knocked off?—That might be so.

87. So far, fish is not controlled?—I am quite sure that if grocers could buy in the open market the cost of living would be reduced so far as our trade is concerned.

WARREN ALLEN BOWLING, Property Salesman, examined on oath. (No. 15.)

1. *The Chairman.*] You are property salesman for Parke Reynolds?—Yes.

2. You have had a large amount of experience in connection with property in this district?—Yes, about two years and a half experience.

3. Within that two years and a half has it been your experience that the cost of land has increased in Dunedin?—I suppose it has gone up to a certain extent, especially in some localities.

4. Does that rise in price refer to both land used for building upon and to land which is not used for building?—Yes.

5. The land used for building being the greater of the two?—Yes.

6. In your opinion is the reason for the increase owing chiefly to two causes—first, the growth of the town; and second, the cost of materials and increase in wages?—I think it is more due to the demand.

7. That is, the increased population?—Yes.

8. I suppose that in some districts, such as St. Kilda and St. Clair, the demand has been greater than in other districts?—Yes. I do not think the prices have increased in Kaikorai. I know of a section there that was sold recently which you could have got more money for ten years ago.

9. *Mr. Hall.*] In that district prices have not advanced?—No, not to any extent.

10. *The Chairman.*] In regard to what class of sections has the increase been most noticeable?—Principally residential sites—quarter acres, and sites for good houses in fashionable localities. I do not suppose it has increased in South Dunedin; but St. Clair and Musselburgh are more "toney" in a way.

11. *Mr. Fairbairn.*] There has been a distinct increase in land-values?—Yes.

12. *Mr. Veitch.*] But the increase has been greater in fashionable localities?—Yes.

13. *Mr. Fairbairn.*] Thirty-five years ago Mornington was built upon, and pretty well every available section was utilized. To-day those houses are old and out-of-date. It cannot be a fashionable neighbourhood until those houses are demolished?—The streets are not wide enough.

14. But if that particular locality were not built upon to-day, would that place not be an ideal spot for development?—Yes.

15. So that those conditions have to be considered in regard to what is termed a fashionable locality?—Yes.

16. *The Chairman.*] In regard to the rise in the cost of living, can you tell us anything within your own knowledge as to any questions which have not been asked of you?—A lot of people seem to think that rents have risen. Personally speaking, I do not think they have. I do not think they have increased to any extent. I know a house that I could let for 8s. or 9s. years ago, and you cannot get any more for it now. People require a better class of house now, and naturally they have to pay more rent. They want all conveniences nowadays.

17. *Mr. Veitch.*] Assuming that they want a better class of house, you have already stated that land-values have gone up in some places?—Yes.

18. Does it not naturally follow that there must have been some increase in land-values apart from the cost of the house?—Yes, I suppose so.

HERBERT LLOYD YOUNG, Employee in Land and Estate Agency, examined on oath. (No. 16.)

1. *The Chairman.*] You come here, Mr. Young, as the representative of Messrs. Alex. Harris and Co., auctioneers, land and estate agents, Dunedin?—Yes.

2. Have you had long experience in that business?—About eight years.

3. You have a pretty good knowledge of this district?—Yes, I know the town from A to Z.

4. Is it within your knowledge that the prices of land have risen very considerably during the last ten years?—Yes, considerably.

5. You know districts which were considered rural districts ten years ago which are now considered as being land for residential sites?—Yes.

6. Could you give us any idea as to how much the price has risen during that time, say for ten years: we will take the question of land first?—It varies according to the locality of the property.

7. How much, for instance, do you think land has risen in value in St. Clair during the last ten years?—Last year it has gone up 20 per cent., but that was a boom year.

8. Do you think it has risen 100 per cent. in the ten years?—Yes, I think it has.

9. At St. Kilda?—St. Kilda has gone ahead: it must be close on 100 per cent. in five years.

10. *Mr. Robertson.*] Would you say 200 per cent. in ten years?—Yes, certainly.

11. *The Chairman.*] What is the principal cause of that increase—the increase in the population of the town?—Not so much that as because people wanted to live in the the suburbs. I have more inquiries for St. Kilda and Musselburgh properties than for any others at the present time. People want to get near the beach, and away from the centre of the town.

12. In those places are they, generally speaking, rented houses, or do they buy them?—They are trying to buy. Rents are pretty high in Musselburgh and St. Kilda. You cannot get a decent four-roomed house under 15s. a week—that is, a house with every convenience.

13. Most persons try to get a house of their own, either through building societies or under the Advances to Workers Act?—Yes, most people with sufficient deposit to get a section, and then they finance on the section.

14. *Mr. Fairbairn.*] When do you consider that land was at its highest value, take it right through—to-day or three years ago in Dunedin?—I reckon to-day. I think it is higher than it was three years ago.

15. I am speaking of the city?—City property is much the same now as it was three years ago. There has not been much advance in the price of land in the city.

16. In regard to rents, you say that people are leaving the town and going into the suburbs. Does that mean that rents in the town have rather decreased for old premises?—Rents of old premises are not decreasing at all. It is very hard to get a four-roomed house in the city; they are all taken readily.

17. There is still some demand in the city?—Yes; some people want to be handy to their business in the town. We can always let a decent three- or four-roomed house in the city. The old places are certainly harder to let.

18. What do you estimate the difference in rents to be for the two grades of houses—say, an old four-roomed house without conveniences in the city, and a four-roomed house up to date in a similar locality?—An old house in the city would be 8s. a week; and a new four-roomed house up to 14s. or 15s.

19. Take localities like Morningson: what would be the rent of an old four-roomed house there?—It is very hard to let an old house of four rooms in Morningson. I have three or four there which I cannot let; but they are very old houses.

20. What would a new four-roomed house in Morningson be worth?—About 11s.

21. That would be a similar house to one in the city which would be worth 15s.?—Yes.

22. Take the rentals in and around Dunedin: do you think they have gone back as far as fashionable quarters are concerned?—I should say they have in the North-east Valley.

23. Morningson?—No, since the penny fares have come it has gone ahead. Buildings are going up there quickly.

24. Maori Hill?—Just about the same. People own their own houses up there mostly.

25. St. Leonards?—There is not much inquiry.

26. Ravensbourne?—It is going ahead.

27. And prices generally, with the exception of old houses, have increased?—Yes.

28. Do you think that the increase in rent is owing in any way to the improved facilities and conveniences—I mean bathroom, hot and cold water, &c.?—That has a lot to do with it. Then the price of timber has gone up: that makes a big difference.

29. *Mr. Hall.*] You spoke of an old four-roomed house letting at 8s.: what would such a house let at ten years ago in that locality?—We would get 10s. for it then; but it would have been in a different state then to what it would be in at present.

30. Have the trams, and the fact that people can get out to more fashionable localities more quickly, had anything to do with the increased demand in those places?—In the suburbs they can get a more modern house than they can get in the city. I am speaking of the small four- and five-roomed house.

31. *Mr. Veitch.*] Have you anything to do with farming?—Very little.

32. *Mr. Robertson.*] How much do you think the cost of erection has increased, comparing ten years ago with now?—During the last year or two timber has gone up by leaps and bounds. I cannot tell you what the cost was ten years ago, but I suppose it was pretty much the same as it is now; up to a year or two ago anyway. The cost of timber has gone up.

33. You do not know how much that would represent in a four-roomed house?—About £25 or £30—that is, a four-roomed house.

34. Those old four-roomed houses letting for 8s.—in what localities are they?—They have no conveniences—not even water in the house.

35. *The Chairman.*] Would you be inclined to say that the rise in these properties is owing (1) to the population, (2) to the desire for a better style of house and living generally, and (3) because the value of material and wages have risen?—Yes, those things are really the cause, in my opinion.

SINCLAIR PEDEN, General Grocer, examined on oath. (No. 17.)

1. *The Chairman.*] What is your occupation?—I am a merchant—a member of the firm of McFarlane and Peden.

2. Have you been connected with the business for some time?—Twenty-five years.

3. In this district?—Yes, in Dunedin.

4. Could you tell the Commission what is the position in regard to dealing between the grocers and the association of merchants in Dunedin? You have, in certain lines, to buy from the association?—Yes, there are certain lines we cannot procure direct ourselves, and have to buy from the association.

5. Could you tell us some of these lines?—Fry's cocoa, for instance: at one time we were able to procure that direct, but for a number of years we have had to buy it through the merchants in Dunedin.

6. How long ago is it since that first began?—Probably about seven or eight years ago.

7. Do you find that the buying from the merchants is more strenuous and severe than it was eight years ago?—The price of Van Houten's cocoa has increased, and the wholesale price has increased accordingly. When we were able to import Fry's cocoa direct we were able to sell it at 1d. per pound less than at the present time.

8. That is a profit taken by the Merchants' Association?—You can come to no other conclusion than that it is a further profit for the merchant.

9. Are there any other lines besides Fry's cocoa?—Yes; Keen's blue, Colman's mustard.

10. Neave's Food?—Yes, that is a tariff line now.

11. Keiller's goods?—I am not aware that their marmalade is on the tariff.

12. Jams made in New Zealand?—I understand there is an understanding between the manufacturers in New Zealand. They have a tariff worked amongst themselves.

13. You have no knowledge of that understanding?—No. I fixed up my contracts previous to the arrangement being made.

14. It is a fact well known in the trade, however, that there is such an association amongst the merchants in Dunedin?—It is well known in the trade.

15. They have even held sittings at which the grocers have appeared before them?—Not to my knowledge.

16. Is it in your opinion a fact that the cost of living would be cheapened if there was not an association intervening between the buyer and the seller?—There is no question about it that so far as a number of our lines are concerned, which have been tarified these last few years, the retail prices have advanced for no other reason, I think, than the fact that they have been listed by the Merchants' Association.

17. If you were allowed to deal directly with the producers in England you could buy cheaper?—Yes, and sell cheaper.

18. Would the benefit of that go to the general public?—There is no question about it. In regard to the lines listed by the Merchants' Association, in all cases the prices have advanced to the public.

19. Do these lines you speak of include a very large portion of the goods you sell?—They are all pretty well everyday lines.

20. They have even included such things as sugar?—The sugar question is a big thing. At the present price it is not dear to the consumer, although the profits to the manufacturer are very huge. It is not the retailer who is making a great deal of profit out of sugar.

21. How often do you turn over your sugar?—As a rule, fortnightly.

22. What is the profit on an ordinary bag of sugar?—About 6d. a bag.

23. Are not the profits on bags of sugar if turned over fortnightly greater than if it is bought in bulk?—You can only get the profit on a bag of sugar once.

24. Tea is not one of those things on the tariff list?—No.

25. Candles?—They are open.

26. Soap?—There is no scale for soap so far as I know.

27. Dried fruits?—They are quite open, I understand.

28. Confectionery?—We do not touch confectionery.

29. Coffee?—That is manufactured locally.

30. Condensed milk?—The Southland manufacturers have their tariff, and we have to buy in certain quantities.

31. Oatmeal?—That is a free and open market. Baking-powder is on the tariff list.

32. Cornflour?—That is an open market.

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

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

35. The duty on mustard was 2d. a pound under the old tariff: has the reduction been passed on to the public?—Not from the retailer's point of view. The retail price is still the same; in fact, the retail price has advanced.

36. Although there is no increase at the manufacturer's?—That is so.

37. Has the reduction in duty on infant-foods been passed on the public generally?—In some instances it has. Mellin's Food is lower now than formerly.

38. Robinson's groats and barley?—They have advanced 1d. in spite of the reduction of duty.

39. The same applies to Neave's Food?—Yes. At one time that was sold for 9d, now it is 10d.

40. *Mr. Macdonald.*] If the prices were fixed according to the law of supply and demand, do you think these tariff lines would be cheaper now if they were not fixed by the combination?—I think if these articles were left to an open market it would be beneficial to the consumer, who would get them at a reduced rate at the present time.

41. Who fixes the minimum retail selling-price of tariff lines?—I am not prepared to say.

42. Is it the Merchants' Association?—They have more or less to do with it. I believe they have interested themselves in trying to regulate the selling-price amongst the trade.

43. When you buy you know you have to retail at not below a certain selling-price?—That is so.

44. *Mr. Veitch.*] Is there any arrangement between the Master Grocers' Association and the Merchants' Association with regard to fixing the retail selling-price?—They have never had a conjoint meeting. I do not know whether there is any understanding between the executives of the two bodies.

45. The master grocers to some extent fix the retail price?—We keep a sort of controlling hand on things. We try to maintain a fair profit. There are too many keen dealers to have any exorbitant profits.

46. They do not leave it to open competition?—No. I suppose in every trade there must be certain regulations in order to get a fair profit.

47. Do you think the profits of the master grocers are greater since you had an association amongst yourselves than they were before?—There would be much need for it, for the reason that the Arbitration Court awards raised the price of wages, and it is right that the grocery trade should get more profit to meet the extra expense.

48. The cost of distribution has gone up?—Yes.

49. And to meet that you charge a slightly advanced price?—Yes. I do not know that our profits have increased very much. We try to prevent cutting.

50. It has been stated before the Commission that the master grocers, owing to the higher price at which they are compelled to sell things, do not get their accounts met as well as they used to have them met. In other words, if you made a good effort to sell cheaper your accounts would be paid more regularly to you by your clients. Do you agree with that?—I do not know. I think we must all be aware that the social conditions of the people have altered very much in the last few years. Amongst both young and old they look for more comfortable homes and better diet, and more recreation and pleasure. I think that has all added to the cost of living. I do not altogether blame the high cost of products for having kept the people from meeting their bills. It is simply that they are taking more pleasure and comfort out of life, and probably living beyond their means in many cases.

51. *Mr. Macdonald.*] They are paying cash for the picture-shows and taking credit from you?—That is so.

52. *Mr. Robertson.*] Would you say that the average cost of grocery lines is higher now than ten years ago?—Generally speaking, perhaps so. Take dried fruit. The Government took the duty of 2d. a pound off that, and to-day I suppose the consumer is paying the same as when the duty was on. I am not insinuating that the merchant has benefited by that, or the retailer either. It has probably been because of other circumstances, such as storms, bad seasons, and so on. With regard to the lines tariffed by the merchants, there is no doubt about it that the price has advanced, and in no instance has the price been reduced.

53. *Mr. Macdonald.*] What about kerosene?—There is no doubt that the Vacuum Oil Company has had a monopoly in New Zealand for many years. The duty of 6d. per gallon was taken off kerosene during the Seddon Government, and there is very little difference between the price now and what it was when the duty was on. That 6d. a gallon has gone into the Vacuum Oil Company's profits, and the public has benefited very little by it, although that was the intention of the Government in removing the duty. I am sure the country would have been better off to have retained the duty. It seems to me that the Government have sacrificed that 6d. a gallon for the sake of the Vacuum Oil Company.*

54. Do you not think that the tariff reductions have benefited the consumer generally?—So far as grocery lines are concerned, I do not think they have got much benefit from them.

* Having gone more carefully into the question of kerosene, I probably have done the Vacuum Oil Company an injustice by stating that the full 6d. per gallon has gone into their profits, and to be more correct now state that it has averaged from 2d. to 3d. per gallon.—S. PEDEN.

55. *Mr. Fairbairn.*] The duty on tinned fish is 2d. a pound. Fresh herrings could be sold at 4½d. a tin if there was no duty. Do you think there would be a largely increased sale of tinned fish if the duty of 2d. a pound was taken off?—Yes, I believe there would. I can remember that a few years ago when the price of tinned pineapples came down there was an enormous increase in the sales of that commodity.

56. What is the present price of herrings and tomato-sauce?—7½d.

57. They could be sold at 5d. under these conditions?—Yes.

58. *Mr. Macdonald.*] Do you own your premises, or do you pay rent?—The buildings are ours, but the land is leasehold.

59. Has your rent risen during the last ten years?—Our ground lease will not be up for some years yet.

60. It has been stated that there has been a big rise in land-values: has that increase any effect on the price of selling commodities?—It has either to come out of the profits of the shopkeeper or be put on to his goods.

61. Who bears it—the consumer or the shopkeeper?—I think the shopkeeper has very often to bear it. I know that when I was in George Street our rent was raised 15s. a week, and I understand there has been an advance since then.

62. You did not hand that on to the consumer?—No, it came out of the profits.

63. *Mr. Robertson.*] The rent in George Street may only be half what it is in Princes Street, but the price you sell at is still the same?—That is so.

64. If the man in George Street is selling cheese at, say, 7d. a pound, the grocer in Princes Street would have to sell it at that price too?—That is so.

ALEXANDER LOWRIE, Journalist, Invercargill, examined on oath. (No. 18.)

1. *The Chairman.*] You are a journalist, residing in Invercargill?—Yes.

2. Have you any information that you can give the Commission bearing upon the question of the rise in the cost of living?—I am well aware from my own personal experience, and also from the experience of others with whom I have come in contact, that house-rents have increased very perceptibly during the last ten years. I have in mind a house that I occupied ten years ago, which cost me 17s. 6d. a week. To-day it is let at 22s. 6d. a week. The repairs which have been effected meanwhile have only been of a minor nature, and the rates, I should think, have increased something like 10 per cent. in the interval.

3. Those rates are paid by the landlord?—Yes, they do not affect the tenant.

4. Is that house fairly representative of a large class of houses in Invercargill?—Yes, a six-roomed house about a mile from the Post-office.

5. And other houses have increased in the like ratio?—Yes. I might say that six-roomed houses are now in greater demand than they were perhaps at that time. At that time people seemed to be content to live in four- or five-roomed houses; now they like something better.

6. Four or five-roomed houses have advanced in the same ratio as the six-roomed houses?—The rents indicate that they have. I am now living in a property of my own. A four-roomed house adjacent to mine, two miles from the Post-office, is let at 12s. a week. I understand that that is a fair sample of the rents of that class of house situated at that distance from the centre of the town.

7. Has the value of land for residential sites gone up very much in Invercargill?—Very much; I should say it has increased by quite 100 per cent. in ten years, taking it all round. A great deal of speculation has gone on in land.

8. The house you speak of could not have had its rent-value increased by the cost of material, having been built ten years ago; therefore any recent rise in the cost of material would not have affected that house?—No.

9. Are houses in Invercargill being built for renting so much now, or are workers getting their own houses now through building societies or Advances to Workers?—The tendency is for many persons to take advantage of the assistance of building societies more than the Advances to Workers Department. A great many men who hitherto paid rent are now purchasing their own homes on the time-payment system.

10. Yet, in spite of that, rented houses are still increasing in rental value?—Yes, rents are still increasing yearly.

11. Has the cost of the necessities of life, such as bread, meat, soap, candles, &c., increased in price?—From my own personal experience, they have gone up; but I cannot offer any opinion as to the reason for the increase.

12. Can you give us any idea of what the percentage of increase has been during ten years?—I should think, 10 or 15 per cent., probably. There must be a very wide margin between the actual cost of produce to the grocer and what it is retailed at to the consumer. I know that in potatoes there is a very wide margin.

13. Can you give us any specific instance—prices that the producer has received, and the prices the goods are retailed at in the shops?—When potatoes are being bought at £4 a ton from the farmer—that is the price to the grocer on the trucks—they are being retailed at about £9 and £10; that is, in small lots at, say, ¼ cwt. to ½ cwt.: that is practically double.

14. Does the same rule obtain for other produce, such as vegetables?—I think not. That does not affect us very much. A great many householders in Invercargill grow their own vegetables.

15. And meat?—Meat has increased. The price delivered by the butchers has been very high. I think that probably is due in many instances to people rather living luxuriously—refraining from carrying a parcel home. They prefer to have the goods delivered at their doors, which naturally increases the cost.

16. You assert that the increased cost of living is really the cost of high living?—Probably, to some extent; and I think it applies more to the case of butchers' meat. I know instances where a butcher calls at a house for a small order of meat costing perhaps 1s., and he calls back during the day to deliver it; and that goes on year in and year out.

17. The cost of distribution is decidedly more?—Yes. Then there is the question of firing, which is a big item in the South, where the condition of living is not so pleasant as it is in the North. A large quantity of coal is now used where firewood was previously used. Both those articles have increased in cost, more particularly coal, to the consumer.

18. Do you think that is caused through the handling—passing from man to man too much? Does not the Westport Company or the State Coal Department keep the cost down?—As far as Invercargill is concerned, we are not affected by State coal, because there is no depot in Invercargill. The retailers have an association which has kept the price of coal up. I refer to the coal-merchants—the men who distribute the coal.

19. They have put up the price compared with five years ago?—Yes; it has gone up recently, I believe. On the 1st May, I believe, it was increased by 1s. a quarter-ton or 1s. a half-ton.

20. Is there any rumour or talk amongst the inhabitants of Invercargill that their cost of living has been increased by rings or combinations?—The Coal-merchants' Association is practically the only combination I have heard spoken of—that is, outside the dairymen, who have a combination—that is, the men who supply the milk; and they regulate the price from time to time. As an instance of what one might term an iniquitous proceeding on the part of the coal-merchants, I may say that it had been the custom prior to the formation of the association for three or four householders to join and get a ton of coal delivered to them at the ton rate. They lived perhaps adjacent to one another. Since the formation of this association they have been unable to do that: they must pay at quarter-ton rates, instead of at ton rates, as previously. I may say that I reside outside the town boundary and across the Waihopai Bridge, and there is an extra charge of 1s. per load or part of a load for delivering coal across this bridge—it matters not what the quantity is. Two or more people could not combine to get coal out there—they would each have to pay the extra shilling even in addition to quarter-ton rates.

21. Do you mean to say that if you did not pay that shilling the coal-dealers would refuse to deliver the coal?—I was told by one of the coal-merchants that they would be liable to forfeit the sum of £50 under their bond if they delivered coal to me or to any one else under the old scale.

22. *Mr. Macdonald.*] Can you tell us what the price of coal was before the 1st May?—There was no increase, so far as I know, for several years prior to that.

23. What were you paying?—I think it was 12s. a half-ton. The price has now been increased by 1s. per half-ton. I usually get a half-ton of Kaitangata nuts and a half-ton of Nightcaps.

24. *Mr. Hall.*] Could you supply us with the prices when you get back?—Yes, I will be able to furnish you with the actual figures.

25. *Mr. Macdonald.*] Is there anything to prevent me, if I felt inclined, becoming a coal-merchant in Invercargill?—No, I do not think there is; but what I do notice is this: that any one who starts in that line soon becomes absorbed in the association. I know that relations exist between the coal-owner and the distributor, but whether he gets a concession or not I really could not say.

26. Do you know of any coal-merchants who have made large profits out of coal—who have amassed wealth?—No, I am not aware of that.

27. So that the coal-merchants are hardly bleeding the public?—You can put it that way if you like. There are a large number of coal-merchants, and there is not much likelihood of any of them amassing wealth.

28. Now, as to those who supply milk?—There are a large number around Invercargill, but none of them in a large way.

29. None of the collieries have distributing-depots in Invercargill?—Only the Westport Company I do not know if they are in the combination or not.

30. The general manager stated that since they had taken charge of the distributing themselves they had reduced the price to the consumers by 20 per cent.?—I am not aware of it.

31. *Mr. Veitch.*] What is the principal class of coal used in Invercargill?—Principally Nightcaps, with a fair proportion of Kaitangata.

32. There would not be much Westport coal used for household purposes?—No.

33. Has the coal used for household purposes gone up in price?—There was an increase recently, I understand, from the 1st May.

34. Do you think that is due to the coal-mine owners' association?—I really could not say.

35. Are you able to say that the retailers pay a higher price now than before the price went up? Is the distributor paying a higher price to the mine-owner?—I could not say, but I know that the price has gone up to the consumer.

36. *Mr. Robertson.*] How long has the coal-merchants' association been in existence?—I should think, ten years at least.

37. There has been a rise since it came into existence?—Yes.

38. *Mr. Hall.*] What is the retail price of milk?—I could not say. A general rise took place two months ago.

39. Will you forward us the exact price?—Yes.

40. You spoke of the difference between what the producers were getting and the price it is being retailed at. Do you know if there has been any marked difference in fruit?—No; fruit is frequently spoken of as being very dear in Invercargill—I mean locally grown fruit.

41. Is it sold by auction?—Yes, any one can purchase.

42. Is a case of fruit sold at auction at much less per pound than it is retailed at in the shops?—Yes, there must be a considerable margin between the auction prices and the retailed prices in small quantities.

43. *The Chairman.*] As much difference as in the case of potatoes?—I would not like to say, but probably about that.

44. That is about 100 per cent. ?—Yes; I do not say that potatoes have always been sold at that increase, but I remember a particular instance some two months ago.

45. *Mr. Veitch.*] Do you know anything about rural land?—Rural land has likewise increased in value—perhaps not 100 per cent. all round.

46. To what do you attribute that increase?—Probably to the easy terms under which land is taken up. In many cases easy terms have been granted. I know instances where men have gone on the land without putting down any deposit—simply walked into the farm.

47. Do you think the rates of interest have had anything to do with it?—It is just possible they have. At all events, the easy terms under which town lands can be obtained has had a great deal to do with the prices paid for building allotments.

48. *Mr. Robertson.*] Has dairying increased very much in the vicinity of Invercargill?—Yes; a great deal of land which has been hitherto devoted to the depasturing of sheep has now been given over to dairying.

49. That might account for some of the increase in value?—Probably, especially when it is possible to have a dairy factory.

50. Do you know anything of the existence of any body in the nature of a merchants' association in Invercargill?—I cannot say. It is possible that there is such an association. I know that the retailers have a combination which regulates the prices for produce, but beyond that I am not aware of any. There are very few wholesale merchants in Invercargill.

51. You mean that the combination you refer to regulates the price of local produce?—Yes, the prices at which they purchase and at which they sell.

52. *Mr. Veitch.*] Do you know anything about the distribution of fish in Invercargill?—Yes. Until recently fish has been exceptionally scarce there, but I do not know very much in respect to the price of it. I know that prices recently, since fish have become plentiful, have been comparatively low. Large-sized gropers were being sold at 2s. 6d. each.

53. *Mr. Fairbairn.*] What weight?—I should say, 10 lb. and 12 lb. weight for 2s. 6d. That is when fish is plentiful. I do not say that is the regular price. I understand the regular price for groper to be 4d. per pound.

54. Is it your opinion that the price of fish is regulated automatically by the law of supply and demand?—We use a large quantity of fish in our household; we consider it one of the cheapest articles of diet we can get.

MICHAEL JOSEPH FORDE, Journalist, Invercargill, examined. (No. 19.)

1. *The Chairman.*] You are a journalist and a member of the United Labour Party?—Yes.

2. That partly recently included the Housewives' Union?—Yes.

3. Can you tell us what influence the Housewives' Union has had in regard to altering the prices of food-supplies to its members in Invercargill?—The only thing that has effectually been done so far has been in regard to milk. They have tried to do a lot; they expect to do a lot; but the only thing they have done so far has been to reduce the price of milk. It was sold to them at the rate of 1s. 4d. per gallon, and they now obtain it at the rate of 1s. per gallon, which means that the members of the Housewives' Union get their milk at 4d. per gallon cheaper. It also means giving the producer 5d. a gallon more than he was obtaining from the retailer.

4. *Mr. Macdonald.*] They went direct to the producer and cut out the retailer altogether?—Yes.

5. *The Chairman.*] Has the Housewives' Union done anything in respect to bread, meat, or coal?—They endeavoured to deal with the butchers, and they have had one offer. We expected the Commission down at Invercargill, and I have not come prepared with figures such as you would get if you went down there. With regard to meat, the Housewives' Union were also in treaty with the butchers, and I understand that at least two butchers have offered to deliver meat to the members of the union at 1d. per pound less all round. Nothing definite has been done; but I think I am right in saying that at least two distinct offers have been made to the secretary of the Housewives' Union, who is my wife.

6. *Mr. Fairbairn.*] 1d. per pound would represent 20 per cent. off the net profits of the butcher: that is an extraordinary position?—I understand that the position is as I have stated.

7. *Mr. Macdonald.*] Do the members guarantee each other's accounts?—They were going to inaugurate the coupon system.

8. *The Chairman.*] What has been the effect of the coupon system in Invercargill on the price of bread?—It is bad. As to the effect of the coupon system in the lessening of prices, it has been an absolute disappointment. When the bakers first instituted the coupon system they said it would be a good thing. The drawback is that the workers do not get their wages in advance the same as the bakers are paid in advance under that system. The bakers stated that in a very short time they would be in a position, if circumstances did not alter, to reduce the price of bread; but since then bread has gone up 1d. a loaf. If a householder is absent for an afternoon, even if he has purchased the coupons ahead, and even if the baker knows he has coupons in hand, they will not leave the bread at the door. They have become absolute autocrats. Each baker forfeits £25 to his association if he breaks his agreement with the association. The bakers have a union.

9. It is that system which allowed them to raise the price of bread by 1d.?—Yes, it showed them their strength.

10. So that the effect has been to make the people pay 1d. per loaf more for their bread?—Yes.

11. *Mr. Macdonald.*] What do they get for their bread?—I will send you that information in a statement from Invercargill.

12. You are not objecting to the bakers forming a union?—No, it shows what a great thing forming a union is.

13. *Mr. Hall.*] Does the farmer deliver the milk to the union in bulk?—No, he delivers it to each house at the rate of 1s. a gallon.

14. *The Chairman.*] I understand you have some statement to make in regard to local purchases of things required by the Government?—Yes, in regard to co-operative labour. I suppose it all works in in connection with the cost of living—that is, in the case of the co-operative workers. That system is often decried as an expensive and costly one. The Government have never worked the system properly. They purchase the tools, materials, &c., and the system they adopt is a bad one. The Government calls for tenders from the different merchants for shovels, explosives, &c.—things that are necessary in connection with railway-construction. These articles are supplied by the merchants. The merchants have an agreement. There is just one tender sent in. In such cases the workers have ascertained in some cases that they could come to Dunedin and purchase explosives, shovels, &c., much cheaper than the Government can supply them even at cost price to the worker. The Government are all right in this respect, that they will supply goods to the worker at cost price; but if the Government imported the articles themselves they would be able to sell to the worker at one-half less.

15. *Mr. Fairbairn.*] Can you give us a specific instance?—Yes, take Ames's shovels, No. 3.

16. Ames's shovels cannot be landed in New Zealand at less than from 44s. to 45s. a dozen?—That is 3s. 9d. Ames's shovels, No. 3, are advertised in Dunedin at 3s. 6d.—at least, they were four years ago—and the Government were selling them to the workers at 5s. for some classes and 5s. 6d. for others, and you could buy them in Dunedin at 3s. 6d. at that time.

17. Are you quite sure of that?—Yes, I saw it advertised.

18. *The Chairman.*] Would you send us a statement in regard to that after refreshing your memory in Invercargill?—Yes.

19. *Mr. Fairbairn.*] There are other makers of shovels besides Ames, and some of their shovels can be obtained for 2s. 2d. and 2s. 6d.—long-handled shovels—but you cannot obtain Ames's shovels at that price?—I saw Ames's shovels advertised in Dunedin at the price I have stated.

20. *Mr. Hall.*] Does the Housewives' Union propose to deal with other things besides milk?—Yes, all matters pertaining to the cost of living.

21. Is it a strong union?—Yes, it is strong, and it is becoming increasingly strong.

22. About how many members are there?—About eighty active members, and they are increasing.

23. *Mr. Veitch.*] How long has the union been in operation?—Since the last visit of Professor Mills to Invercargill: I think that was a little before Easter.

24. *Mr. Hall.*] Are you publishing any literature setting forth the objects of the union?—Yes.

25. Will you oblige us with some copies of the constitution of the union, and with other documents?—Yes.

26. *The Chairman.*] You mentioned something about dairy butter. Is it your opinion that the dairy butter which is now made is superior to that which was made for a long time because the farmers have got separators of their own?—Yes, but it will not keep so long; but I am satisfied that the butter in flavour is better.

27. *Mr. Hall.*] Is there much difference in the price between farmers' dairy butter and factory butter?—Yes, I know instances where men in Invercargill are dealing with producers all the year round, and they get their butter at 1s. a pound right through. The Housewives' Union are working in that direction, and I think they will be successful.

28. Is there not even a greater difference in the prices quoted in the papers between the farmers' butter and the dairy butter?—I could not say.

29. Who supplies the newspapers with the information for publication?—The retailers who supply the butter; they supply the quotations once a week.

30. The people who buy the butter fix the price?—The merchants, I think, fix the price.

31. *The Chairman.*] Have you any other statement to make in regard to any subject that you have not been questioned upon?—The land is becoming of increasing value, and the tendency is for rents to increase.

32. *Mr. Macdonald.*] Between what limits—20, 30, or what per cent. increase?—Yes, I can give you specific instances of increase within the last six years. The increase has been about 30 per cent.—that is, for houses which have been in use during all that time.

33. *Mr. Veitch.*] To what do you attribute that increase?—Mostly to land-jobbing. The curse of the country at the present time are these speculators. There is no *bona fide* settlement even in the country. It is purely speculating; even so-called farmers are speculating with their properties. A syndicate at Invercargill recently acquired the Chatsworth Estate, 240 acres. If the Government had acquired that land even at as much as £95 an acre they could have cut it up and disposed of it for residential sites, and it would have enabled people to have secured houses at a rental of about 12s. a week. And 50 acres of that land could have been set apart for roads and recreation reserves. That shows that if the land question had been tackled properly the cost of living would have been reduced very much to the workers at the present time. It has, however, been impossible to get the authorities to move in this matter.

34. *Mr. Veitch.*] Do you mean, if the Government had bought before the land-speculator came in?—That would be one way of doing it.

35. *Mr. Macdonald.*] There must have been a fair amount of settlement if you take into consideration the marvellous increase in farming and dairy-produce during the last ten years?—Yes.

36. *The Chairman.*] But you think that might have been greatly improved on if another method had been adopted?—Yes, the amount of settlement could have been greatly increased. The method of settlement, especially in regard to bush sections, is defective. There are large areas

of bush land in Southland. Take, for instance, the Seaward Bush area, which has been "cut through" by sawmills. Sections there are thrown open by the State, but to expect a working-man to tackle sections of that kind is an absurdity. The system which has been adopted in connection with the opening of those lands is, in my opinion, a wrong one. If we had all the bush and swamp land in Southland through which the sawmill has worked settled under proper conditions it could be made productive. If the sections could be let on a sound tenure—without allowing the speculator to operate—I consider that the cost of living would be reduced to a great extent.

37. *Mr. Veitch.*] Is there much sawmilling in your district?—Yes, a great deal.

38. Do you know anything as to the royalties for timber there?—Mr. O'Byrne, secretary of the Sawmillers' Union of Workers, will be able to give you the exact figures.

39. You mentioned some other method of dealing with the high price of land: what did you mean when you said that?—I believe in the unearned increment going to the State—stopping the land-speculators.

FRIDAY, 7TH JUNE, 1912.

CHARLES THOMAS MUNRO, Fruiterer, examined on oath. (No. 20.)

1. *The Chairman.*] What is your occupation?—A retail fruiterer.

2. Have you resided in this district long?—About five years.

3. Do you know the fruit trade well?—Yes, I think so.

4. Can you give us any information as to the difference between the price of produce paid to the farmer and the retail price at which it is sold to the public? Is there, in your opinion, a fair margin between the two?—Yes. Sometimes there is not enough from the retailers' point of view.

5. Is there anything in the shape of a combination or understanding to secure a larger profit?—I do not think there is anything in the nature of a combine. Of course, when a producer sends his stuff in he often puts a price on it at which it is to be sold. Sometimes the price goes higher than that, and sometimes it falls below—that is, with regard to fruit.

6. You have no knowledge of any understanding between the buyers as to not bidding against one another, or anything of that sort?—No. It might happen occasionally, but there is no standing ring. They are vying with one another.

7. You mean that two or three may temporarily have an understanding not to bid against each other?—Yes. There might be one particular line for which no one was particularly anxious.

8. Is it within your knowledge that farmers or producers often grumble at the difference between the price paid at auction and the price at which the produce is exposed for sale in the shops?—I have heard the complaint many a time.

9. Do you think there is any justification for the complaint?—I do not think so.

10. Could you describe the process. Does the farmer send in his goods intrusting them entirely to the auctioneer?—Generally speaking, that is so. There are professional fruitgrowers and amateurs.

11. Do the professional fruitgrowers use the auctioneer as an agent?—That is so. They place their trust in the man selling the stuff. For instance, they may send down a line of apples and possibly have given no instructions, and this month they may send down another line. In doing so they may say, "We were dissatisfied with the price returned for the previous lot. We expected to get 2½d. or 3d., and we hope you will do better this time." They describe them as "good keepers," and say how long they can be comfortably held for. That man, generally speaking, is satisfied with his price. He understands that possibly he has run against a bad market, and that there may be many other fruitgrowers doing the same thing. The amateur sends his fruit in, and, no matter what kind of a tree they may have come off, they are, in the grower's opinion, the best fruit in New Zealand; but when it comes against the professional growers' stuff it is very often rubbish. The taste may be all right, but the appearance and get-up are not to compare. He sees another man's produce, and knows he is getting a great price, and expects to get the same. When such a man sees his neighbour's stuff being sold he naturally thinks he should get the same price.

12. Is it often that fruit gets kept too long waiting for a good market?—Very often. Not so much in the market here, but the producer holds it too long. He is sitting at home watching the prices in the papers, and all the time the fruit is deteriorating.

13. You have absolutely no knowledge of any controlling ring to buy cheap and sell dear?—No.

14. *Mr. Veitch.*] What is about the usual retail selling-price of eating-apples?—Apples are sold up to 8d. a pound. It depends on the season. Just now you will get good eating-fruit up to 4d. a pound, perhaps 6d.

15. What price would the producer get for apples sold at 6d.?—Just now he is getting about 4½d. to 4½d. In one or two cases lately they were getting 5d. That is what was bid at the auction. The auction business is a funny business as regards fruit. I can give you an instance that occurred a fortnight ago, where a line of fruit was knocked down at a very high price and is being retailed the cheapest in Dunedin at the present moment. I do not know what return the producer got. That was pointed out to me just a few days ago.

16. Is it the general practice in the trade that the producers send direct to the auction-room? Yes. Of course, the auctioneers are fighting one another, and they might guarantee a price, and if they get more money, so much the better for them.

17. In that case the auctioneer is not an auctioneer—he is buying and selling for himself?—He gets the benefit of the increased price, of course, but next day the price may be just the other way.

18. Do you import fruit from other centres?—Not to any extent. I could not say that I am an importer.

19. Most of the fruit sold in Dunedin is locally grown?—That is New Zealand fruit, of course.

20. Do you know the price at which imported fruits are landed in New Zealand?—It fluctuates. Just now the people who are importing mandarins are losing money on them.

21. You buy from the wholesale importers?—Yes.

22. Have you any reason to believe they are making undue profits?—No.

23. Have you any reason to believe that there is any combination amongst them to regulate the price?—I may have a slight idea, but I am not in a position to say that there is.

24. You think there is, but you are not prepared to say definitely?—That is so.

25. Is there any combination amongst the local retail fruitgrowers?—Not that I know of. There is an association that at certain times of the year sell fruit at fixed prices.

26. What are the objects of the association?—To guard their interests and see that they get the best price going.

27. Is it your opinion that if this association did not exist fruit would be selling cheaper in Dunedin?—I do not think so. It only applies at certain times in the season. The association I refer to is the Teviot Association.

28. Who are the members of that association?—It is composed of a number of fruitgrowers around Roxburgh. They have an office in town. We can buy from the association if we wish. This year I bought their stuff in the auction-rooms at 1d. a pound less than they were wanting for it. I do not think they are keeping up the price. It cuts out the middleman to a certain extent. They sell direct to the public.

29. Is there any association to regulate the fruit-retailers?—No.

30. They compete against each other openly, without any agreement as to price?—Almost all the time—that is so.

31. *Mr. Hall.*] Are they producing more fruit in this district than the market can consume?—Yes; fruit of a kind. During the latter end of February and in March and April there are more apples, plums, and pears than meet the demand. Then a little earlier there are peaches, apricots, and so forth. Otago-grown fruit is sold as far north as Wellington.

32. Is there a glut of fruit just now?—Yes.

33. What would apples sell at per case when a glut was on?—I have seen fairly good apples go at 1s. per case.

34. What particular kind?—They would be a mongrel kind. It is the kind of fruit you hear the growling about on the part of the farmers.

35. What would be the value of these cases?—3d. for the cases, railage 6d., and then there would be 10 per cent. commission.

36. Sold at 1s. per case, the farmer would barely get expenses?—That is so.

37. Do you think there is much fruit not sent to the city for fear of not getting sufficient to cover expenses?—At times it might be so.

38. Supposing the auctioneer put up a line of 100 cases and knocked them down at 3s., does the man to whom they were knocked down take the whole lot, or only what he wants?—It depends.

39. Do they ever put up the lot and the highest bidder says, "I will take thirty cases"?—Yes.

40. And is the balance put up again?—Yes, and very often it fetches less than the first buyer paid.

41. In times when there is a glut is any of the fruit bought and put into cool storage?—Not very much.

42. Is there much loss on fruit that goes into cool storage?—There is a fair amount of loss.

43. Do you know the cold-storage rates here?—No.

44. Do the retail fruiterers buy direct from the farmer to any extent?—Not a great deal.

45. Do you think they would get better prices if more fruit was sold direct to the retailer?—No, I do not think they would. They would get a fairer price, I believe. It is far better for us retailers to buy in the auction-rooms. The fruit is there open in front of us, and we see just what we are buying. If you buy off the private man, with the exception of a few, you cannot depend on their stuff: it is not graded.

46. If they had a good system of packing and grading would they do better if they dealt with the retailer direct?—No, I do not think so.

47. Is there any fruit sold in Dunedin by hawkers?—Any amount. There are no men going about the city with barrows, but there are any amount of men going around with carts. I started with that myself.

48. How many fruit-auctioneers are there in Dunedin?—There are really five.

49. Do they all deal with imported produce and imported fruit?—Yes. They go in for all kinds of farm-produce.

50. They are all in active competition with each other?—Yes.

51. They have no combination?—They have an association, but as far as I am given to understand that is merely to guard themselves against loss, by being able to know who are the good marks and who are bad marks. That is, I think, as far as their association goes.

52. As far as you know the trade is open and competitive?—Yes, except occasionally they may combine to get a given price. A man may import, say, potatoes, and they will fix the price at £10 a ton, say.

53. The auctioneers will fix the price?—Yes, on goods they have imported. Of course, you must understand that when any of these men import any of the side lines he is pretty careful to get them in when no one else has them.

54. *Mr. Macdonald.*] Can you give us an idea of the proportion that the locally grown fruit bears to the imported fruit of the same class?—I suppose, in apples, they are about equal.

55. Do you import peaches?—Yes, but they do not compare with ours, and they do not come at the same time. We beat them easily in peaches.

56. What other lines are in competition?—Cherries. I suppose there are more cherries imported than we grow.

57. Can you give us any idea of what fruit costs in distribution. Assuming the producer gets 2d. a pound for his apples and the general public buys at 6d., there would be a difference of 4d. to the retailer. What is the cost of distribution to the retailer?—I suppose it runs to about 25 per cent. If we can get 25 per cent. we think we have done very well.

58. Does the difference of 4d. per pound between the price paid to the producer and that paid by the public pay the charges?—I think 40 per cent. would cover it. I am not a grower.

59. Can you suggest a method of bringing the producer into more direct touch with the consumer?—I cannot say that I can.

WILLIAM DARCY MASON, Farmer, examined on oath. (No. 21.)

1. *The Chairman.*] What is your occupation?—I am a farmer at Middelmarsh. I have been farming there about twenty-six years.

2. Do you send your produce to Dunedin?—Yes.

3. Do you consign to the auctioneer generally?—The general method with the majority of farmers is to deal through an agency, such as the National Mortgage, Stronach-Morris, or any of them. We buy and sell through them for convenience sake.

4. Do they make you an advance?—In the case of a man who required an advance they would make him one in the shape of goods or seeds or cash advances. He purchases seeds on credit if he needs it, and sends in his produce.

5. It is a kind of barter?—No.

6. Are these agents themselves auctioneers?—Yes. In all cases they are auctioning through their auctioneers' stuff sent into them. A price is put on by the seller in the majority of cases.

7. Are you and the farmers round you satisfied generally with the prices you receive?—I think as a rule sellers are never satisfied, whether they be farmers or otherwise; but I think they receive fair treatment. Whatever the market price is the farmer gets it, with the usual deductions for the cost of handling. If I have a beast to sell I consign it to the firm I deal with, and they sell it at Burnside. I know what the charges are before sending, and pay them.

8. You have no conception that there might be any ring of persons keeping your price low?—Certainly not among the stock and station agents.

9. *Mr. Fairbairn.*] They are strictly agents?—I have known cases in the past where members of firms bought for export. I think the farmers are treated absolutely fairly by the stock and station agents.

10. The farmers in your district do not deal directly with an auctioneer, but with agents who are auctioneers as well?—That requires a little explanation. There are two or three sets of auctioneers in Dunedin. There are the stock and station men, who act absolutely as agents. They keep a large stock of seeds and grain. In many cases seed and grain is sent in to them by farmers for sale as agents. They may sell to me as selling agents, and if I have to get credit I buy at the market rates. There is a stated price, and with a little margin it is the price quoted in the Press from day to day.

11. *The Chairman.*] It has been known in the case of small farmers dealing with country stores that when once in debt to the storekeeper the storekeeper was able to take their produce at his own price, and the farmer had to take the storekeeper's goods at the storekeeper's price. I suppose there is no question of unfair dealing like that in the case of the firms you talk about?—No. I have known people put in the position you refer to, but so far as Otago is concerned it has died out. The competition is too keen, and the facilities for dealing with leading agents are too good. There are also auctioneers in Dunedin who sell fruit and poultry.

12. Have you heard any grumbling from farmers about these last-mentioned auctioneers?—Yes, but it must be remembered that they are perishable commodities that they deal with. With these auctioneers there is, to a slight extent, a system resembling barter, but I do not know of anything to justify complaints against them. There are grocers in Dunedin in a large way of business who supply country people with stores and take produce, such as eggs and dead pigs, in exchange. They buy the pigs at a certain price.

13. Do they fix that price?—It is certainly fixed by the people who cure the bacon. The price for pigs generally ranges at about half the retail price of bacon. There is the cost of manufacture, of course, but being a seller it always appears to me to be rather a large margin.

14. *Mr. Hall.*] Do they fix the price given for eggs?—I think the price given in the newspapers is a fair market price and an indication of what the producers receive.

15. On what basis does the country storekeeper take eggs?—My neighbours sell to the store I deal with, and I repurchase from the storekeeper at an advance of, say, 2d. per dozen.

16. Is yours a dairying district?—Yes.

17. Is there a creamery?—Yes.

18. Do you send most of your milk to the creamery?—All of it.

19. I suppose there is no farmers' butter manufactured in the district?—Yes, there is more now than previously, because there are greater facilities now of getting separators. Home-separated cream makes good butter, but not, on the average, up to the standard of the factory.

20. What would be the difference between the price of farmers' butter and factory butter?—About 1d. to 2d. per pound in my district. I know of at least one farmer whose butter realizes in Dunedin 1d. per pound more than creamery butter.

21. *Mr. Fairbairn.*] What does your creamery pay for butter-fat?—1s. 0½d. last month. It has been standing at that for some months now.

22. What is the lowest price paid within the last twelve months?—I do not think it has been lower than 10½d., which it was at for one month only, I think.

23. *Mr. Hall.*] Has there been any increase in the auction price of meat?—I should say the average rise in beef has been £2 a head in the last eighteen months. That is fat cattle. There may be cases in which the increase has been more.

24. Can you tell us definitely what the price is to-day for cattle of a certain weight to the farmer?—You can obtain that with every certainty by looking up yesterday morning's *Daily Times*. The prices there given of the Burnside sales are absolutely correct. The only charges to the farmer are railage and commission and saleyard fees.

25. *Mr. Hall.*] What do you estimate the advance in sheep has been in the last five years—say, for good fat wethers?—They have fluctuated just the same as cattle.

26. *Mr. Robertson.*] What dairy company do you supply?—The Taieri and Peninsula Company.

27. What was the highest price paid to you during the last twelve months—say during last winter?—The highest price was during a period of scarcity. I believe it was 1s. 4½d. to 1s. 4½d.

28. Do you supply a creamery?—Yes, we are practically the company. The farmers are the company.

29. You said you were interested in fruit to the extent that you could not get it?—The district I live in cannot grow fruit. It is very hard to grow fruit and vegetables, owing to the droughts and very severe frosts.

30. It reaches a pretty high price if taken out from town?—If you buy it retail; but I think we can buy as cheap from the local storekeeper as it can be bought in Princes Street, Dunedin.

THOMAS O'BYRNE, Secretary of the Timber-workers' Union, examined on oath. (No. 22.)

1. *The Chairman.*] What is your occupation, Mr. O'Byrne?—I am secretary of the Timber-workers, Southland.

2. You have a pretty wide acquaintance with the timber industry in your district?—Yes, I have had an experience of upwards of eighteen years.

3. Has the cost of timber risen in your district?—Yes, it has risen very considerably. It has just risen recently by 1s. per hundred.

4. Would you tell the Commission what you consider the causes for the rise in timber?—I consider that it is the increased demand that has been the principal cause for the rise in price.

5. What has caused that increased demand?—The increased population. The building trade has been very brisk down there for several years, and, of course, the millers have taken advantage of the briskness to gradually increase the price of timber.

6. Is there any addition to that cost owing to the timber getting further back—costing more in transport in bringing it to the centres?—In some cases that is so, but in many cases the railways have been extended into the forests, and the consequence is that a number of mills have railway-sidings. For instance, one mill which was carting timber for seven or eight years has within the last two or three years had a railway-siding right in their yard. Timber has advanced in price three times since that has been done.

7. You think that the expense of transportation enters very little into the question of the rise?—The country is a bit rougher in places. In some cases they go ahead of the railway, and wait for the railway to come to them. On account of the high price of timber they sometimes go several miles ahead and cart to the terminus of the line. If they could wait until the line comes up there would be no cartage at all.

8. You do not mean carting timber in bulk?—Yes, after the planks are cut. They tram or wagon it to the line.

9. If transportation is not a very serious item in the cost, will you give us your impression as to what is the cause of the increased cost?—The increased demand has been a considerable reason for the increase in price. The sawmillers' association or ring—which consists of most of the large sawmillers—governs the trade. The association is a very strong one. Of course, when the increased demand comes for timber they come together and say, "Here is a show for another rise of 1s. a hundred feet," and we have to pay it.

10. Will you give us some concrete instances of the rise?—I am sorry that I had not more time to compile more information for the Commission. We fully expected that the Commission would come down to Invercargill. The people there are groaning under the high cost of living. It was only yesterday that I decided to come up here, and I have not got as much information as I would like to have had, and which I could have got if I had had more time.

11. The Commission is quite prepared to receive any statement in writing that you may make after you go back?—I will send you a considerable amount of information. In 1889 timber was practically the same price as it was fifteen years ago. At that time rough red-pine 10 in. by 1 in., 4 in. by 2 in., 8 in. by 3 in., 3 in. by 1 in., and 3 in. by 1½ in.—for these the price was 4s. per hundred feet. This would probably be landed at the purchaser's house, which would not be far from the mill.

12. What was dressed red-pine?—In those days it was 6s. per hundred. It runs from 3s. to 4s. and 6s. This is 8 in. by ½ in.; which is rough lining. 2 in. dado appeared to run from 3s. to 4s. and 6s. They have a very scientific way of arranging the prices now. In those days they were more general. Timber which in those days was 4s. is to-day, delivered on the job, 13s. 6d.

13. Delivered where?—In Invercargill.

14. And dressed red-pine?—From ½ in., 14s. 6d. to 15s. 6d. and 16s. 6d.; ½ in. and under, up to 8 in., I think is 12s. 6d. In those days gone by we used to get it at 3s. The difference is that one is delivered at Invercargill, and the other was closer to the mill—probably a couple of miles from the mill, which would amount to about 1s. a hundred extra.

15. Do you estimate 1s. from the mill to Invercargill?—It depends upon the distance. I am going to put these prices in as evidence. I may point out that the railway freight for timber was reduced after the Timber Commission, so that the sawmiller is in a more happy position.

16. *Mr. Fairbairn.*] Who has got the benefit of the reduced railway freight?—The public has not got it, because the price has gone up. The timber-merchants have got the benefit.

17. I understand you to say that there is a combination of millowners?—They are all in together. The timber-merchants and a number of the millowners have a common understanding.

18. You have a printed price-list—the millowners' price for timber—showing that they have a common understanding?—Yes, it is a very long list to read out, but I will put it in as evidence. Timber has gone up in some cases 200 per cent. in fifteen years.

19. *Mr. Macdonald.*] Has that rise been steady?—Yes, every year during the last few years they have put 1s. a hundred on to timber.

20. *Mr. Fairbairn.*] Can you tell me if the increased cost of labour has influenced the price to any appreciable extent?—For the last twelve years, so far as award rates are concerned, the men have not received 2s. per day increase.

21. Can you tell me definitely to what extent that would appreciate the price of timber?—1s. a day all round increase to the men would raise the price of timber about 4½d. per hundred feet. I say there has been a 2s. rise to the men during the last twelve years. That is equivalent to 9d. per hundred feet of timber. Yet timber has risen over 200 per cent. Second-class scantling was sold in those days at 2s. 6d.; to-day it is 9s. There is the extra cost of taking it from the mill—probably about 1s.

22. *Mr. Hall.*] What is the price of red-pine at Invercargill at the present time?—I have got the whole list here. Anything up to 16s. 6d. It goes up even as high as £1 2s.—that is, in Invercargill. I have here the evidence and award of the Arbitration Court, which I hand in to the Commission. Take 2 in. by 2 in., 100 superficial feet, scotia, red-pine: you can get it at 8s. 6d. a hundred in the rough. It is just put through a planing-machine, costing about 6d. a hundred, and when it comes out they sell it by lineal feet, and it works out at £1 13s. per hundred.

23. *Mr. Macdonald.*] You want to add a little more than the labour—there is the interest on the machine?—Yes. I may state that fifteen men will produce in reasonable country something like 4,000 ft. a day.

24. *The Chairman.*] What do you mean by producing—do you mean from the time the timber is cut standing in the forest?—Till it is landed at the railway-siding. Give those men 1s. a day rise: that adds 4½d. to the price of the timber. I have an account here of a man's income and expenditure while working at a mill. The miller supplied him and his family with food at certain prices. In March he worked for twenty-two days; his wages amounted to £8 16s., and the sum he paid to the sawmiller for commodities was £7 16s. [Account handed in.]

25. He might have had things from the store—clothing, boots, &c.?—It was principally food for himself and his wife.

26. Why did he work on certain days only?—On account of the rough weather. He had a debit of £4 6s. 2d. after working for six months. He had to cut his store bill according to his wages.

27. *Mr. Veitch.*] You mentioned that some mills are close to the railway and others are a considerable distance away. I need not ask you whether there is a difference in the cost of production. Is there any difference in the charges?—They have a price-list and they all charge alike.

28. The man who is furthest away is making his business pay?—Yes.

29. Then the man who is nearest the station must be making an enormous profit?—Yes, they are making a tremendous profit.

30. I think you said that fifteen years ago the increase became more apparent?—Yes.

31. When did the millers' association come into existence?—Seven or eight years ago.

32. Has the increase been more rapid since the millers' association came into existence?—Yes, it has been constantly increasing.

33. They sort the timber out into different grades?—Yes.

34. Could you let the Commission have a few copies of the annual report of your union?—Yes.

35. Do you know the method adopted by the millers' association to keep its membership together: how would they deal with a member who broke the association's rules?—I do not know. They have a very strong association, and it works very strongly against us when we want an increase of wages.

36. *The Chairman.*] Do you know if they have an agreement in writing? Is it registered?—I do not think so.

37. *Mr. Veitch.*] Is it your opinion that it is owing to the timber-millers' association that the cost of timber has gone up, and that wages have not been as good as they should be?—Wages are not as good as they should be, and they are not as good as they should be now.

38. *Mr. Macdonald.*] What are the wages now?—The average is about 10s. a day.

39. What area is allowed to each mill?—About 800 acres altogether. I think that the State should run the whole business.

40. Do you not think the price of timber would come down considerably if the State allowed larger areas to be taken up?—I do not think the price would come down. It would increase, because they would have a monopoly.

41. They have a monopoly as it is. The State tried to prevent that monopoly and did not succeed?—A number of millers in Southland have a monopoly of the best timber.

42. *The Chairman.*] Your opinion is that the selling-price is what they can get out of the public?—Yes, it is a matter of what we are prepared or able to pay. We have to pay the monopoly prices.

43. *Mr. Macdonald.*] I see that on the West Coast they cannot sell timber at any price?—We have plenty of orders; the trade is very brisk down south, and has been for a number of years, and that has been the cause of the rise in the price of timber.

44. *Mr. Robertson.*] What effect has the importation of Oregon pine had on the prices?—Putting the extra charge on the imported timber has allowed the local millers to advance the price of our native timber.

45. *Mr. Hall.*] Is there a differential rate on the railways?—Yes; they charge more for Oregon pine than for red-pine.

46. *Mr. Robertson.*] That would have the greatest effect on inland towns?—Yes. I may say that people who hold land with timber charge enormous prices for the timber. I know of cases where men bought the land and timber for £1 an acre, and they are getting £5 an acre for the timber.

47. *Mr. Fairbairn.*] Have you anything to say about coal?—The coal question is a matter of great importance in connection with the cost of living. Recently the Housewives' Union at Invercargill decided to combine and get their coal in quantity, but when they went to the coal-merchants or coalowners they refused to supply the coal in that way, although they advertised larger quantities at a reduced price. I would like to mention that in the Wairio and Nightcaps district there is an unlimited supply of superior coal. The whole district appears to have an underlying bed of coal. A request has been made that the State should extend the railway four or five miles into that coal-bearing district. If that were done it would mean reducing the cost of living so far as coal is concerned by at least one-half.

48. Is that Crown land?—The greater portion is Crown land. It is being leased to anybody who likes to start a coal-pit there. The expenditure of a few thousand pounds would mean supplying Otago and Southland with cheap coal. At the present time the people are handicapped through having to wagon the coal for six or seven miles over an unformed road. If it comes *via* Nightcaps it is charged 2s. 6d. royalty. I wish the Commission would bring this matter under the notice of the Government. It would be a great shame to let all this coal get into the hands of private individuals to make a monopoly of it.

49. With respect to the refusal of the coalowners to supply truck-loads: how is Westport coal sold—through agents, or have they their own distributing arrangements?—They have agents. We only approached the Nightcaps company.

50. *Mr. Robertson.*] Westport coal would be a higher price than Nightcaps?—Yes.

51. *Mr. Veitch.*] Was it the Nightcaps company that advertised that it was prepared to sell by the truck-load?—Yes, and a combination of the workers was refused, and we were told to go to the coal-merchants.

52. With regard to the new coalfield: do you think it would be expensive to work?—No; there is only 6 ft. of stripping required in many places.

53. What do you mean by the charge of 2s. 6d. royalty?—For loading at the company's private siding. It costs 6s. per ton to wagon the coal at Wairio.

54. *The Chairman.*] With respect to the price of land at Invercargill?—We have been suffering very much under pressure of high rents and high cost of living. There is land adjacent to Invercargill which I think the Government should take up. It has been offered to them several times. Six years ago some land there was sold for £30 an acre. Private speculators got hold of it and cut it up into sections, and sold it for £400 an acre six years afterwards. Twelve years ago that land was sold at £9 an acre. The Municipality expended about £70,000 in extending the tramways. That meant benefiting speculators, and the rates to the people were increased. The Government or Municipality ought to have acquired that land, and thus enabled the people to get homes at a reasonable price. In consequence of the high price of land it is impossible for the worker to acquire a home of his own.

55. The ground-rent is so heavy?—Yes. For a quarter-acre section inside the Town Belt you have to pay from £250 to £300. The great trouble is in connection with the high price of land.

56. What would be the average cost of building a four-roomed cottage?—I should say about £250.

57. *Mr. Hall.*] Do the local authorities compel syndicates to form roads and metal them before they can offer the land for sale?—I believe so. We have no Government workers' homes in Invercargill. The consequence is that rents have gone up 20 per cent. If cheaper homes and cheaper fuel were provided it would be a great help to the working-class.

The Hon. JOHN THOMAS PAUL, M.L.C., Journalist, examined on oath. (No. 23.)

1. *The Chairman.*] I understand, Mr. Paul, that you, together with the secretary of the Trades and Labour Council, have come to give evidence on behalf of the Council?—Yes, and in addition to that I would like to say something about the clothing industry and some other matters. I propose to shortly show that the cost of living must increase because we at the present time are following a system of production and distribution which must be wasteful. I understand that the Commission is limited to time, and that it is inadvisable to engage in a discussion of theories. Whatever theory I put forward is based absolutely on the facts of the position. Take the question of distribution. A man with a sense of humour in the Old Country wrote a pamphlet comparing milk and postage-stamps, and drew a parallel between the distribution of letters by the State and the ineffectiveness and waste in the distribution of milk by a number of carts delivering milk in the same street, and each cart then rushing off to another part of the city, cart following cart on the same rounds distributing milk. I say you cannot have products delivered by that method at their real cost. All the wages of the drivers of the carts, and the capital cost of the carts and horses employed, must be paid by some one, and the consumer must pay them. When we grumble about the cost of living we must understand it is largely because of the method of distribution, and I instance the milk-distributing as a fair example of what goes on with the butcher, baker, and grocer, and those who serve us with our everyday requirements.

2. You mean to say that the greater the competition the greater the waste?—Exactly. Of course, now, in many cases competition is out of the question altogether, or to a very large extent, but the waste is still greater. Take the case of milk, again. Milk is supplied at a uniform price, and in addition to the wasteful form of distribution we have to pay the extra price the producer asks. If we take the case of production we find that the position is the same, and I propose to give the Commission a specific case. I am not going to mention the name of the industry involved. The price is fixed for the manufacture of an article. It is fixed on a basis which will pay the least

efficient producer. The community therefore are not getting the benefit of improved methods, improved machinery, or efficient management, because the price is based on a sum which will give a profit to the least efficient plant in the industry. I consider, in a case like that, that the cost to those who are using the article I am speaking about is unreasonable. What is the use to the community of improved methods, improved machinery, and efficient management if prices are to be based on a basis which will pay the least efficient plant?

3. Is your case a supposititious one?—No, an absolute fact.

4. Will you be able to bring forward figures to allow us solid ground to go on?—I cannot give figures. I am giving the absolute facts of the case.

5. *Mr. Macdonald.*] That is totally opposite to the American method. Mr. Carnegie, in the *North American Review*, comparing the price fixed for rails and applying that to the industry, said that the price, if controlled by a Board, should be fixed on what the most efficient plant could produce?—In that case all the plants are efficient. Our industrial position is quite different to the industrial position in America. To a large extent the trusts and combines have squeezed out the small producer, and here the small producer has not been squeezed out. It seems a hard thing to say that the small producer must go, but whether the State fixes the cost or not, and I believe it should so that our industrial production is to go along the only lines it can go, the small man must be squeezed out, because to have a number of manufacturers in one industry when one is sufficient is suicidal to the community. Any nation that goes on living at a high standard of cost for its food and necessities is not going to be a big nation. Regarding America and a Board of Prices, I saw recently where Edison was advocating that a Board of Prices should be set up to fix the price at which each commodity should be sold, just as we fix the minimum rate at which labour is sold. But that can only be done when the trust has squeezed out all the small producers.

6. *Mr. Veitch.*] Do I understand you to mean that the small man has got to go in any case, and if the State does not take his place the large monopolist will?—All industrial history is tending in that direction. In America in the youngest industry that the combine has entered into it has squeezed these small producers out.

7. *The Chairman.*] We are inquiring into the cause of the rise in the cost of living: how does your argument bear on that?—If there are ten manufacturing concerns manufacturing a commodity which is used by all the people all the time, and one plant can do it—and that example can be given in concrete cases—there are nine separate plants in operation, there are nine rents to pay, nine managers, nine sets of clerks, and different expenses of that sort which could be eliminated.

8. What has this to do with the rise in the cost of living? It is quite evident that we will do the work much cheaper by eliminating all these persons. But what we want to find is, what is the cause within the last ten years of the rise in the cost of living? Do you say it is because some of these people are living on the public?—I say that instead of putting production on an economical basis new plants are being constantly laid down, and that must advance the price of the commodity to the public. We have to do one of two things: either say that the products which every man must consume to live shall be made the basis for profit, or shall be placed at the disposal of the public at the real labour cost.

9. *Mr. Macdonald.*] Do you not think also that No. 10 in the order of reference has something to do with the increase in the cost of living—that the increase in the gold-production has brought about appreciation?—I think that question has more to do with the rise throughout the world than any other one factor. I understand that the Commission will sit in Christchurch. I, in company with several workers, met the clothing-manufacturers in conference the other day, and submitted certain demands as the basis for a new award. The conference was abortive. After the conference, Mr. Hercus, who is president of the Colonial Clothing-manufacturers' Association, gave a statement to a newspaper that if our demands were granted in full they would result in an increase in a boy's suit of from 1s. to 2s., and in a man's suit from 2s. to 4s.—that is, in the retail price. Mr. Hercus is a responsible man at the head of a big company. That statement is either true or it is not true. If it is true it means that the increase in wages which the workers ask for is multiplied four times before it gets to the public. I make this statement: that if the whole of the demands were granted it would not increase the cost per garment more than 6d., and I am giving them at least 2d., I think, when I say that.

10. *Mr. Fairbairn.*] Is that on a boy's suit or a man's suit?—I am working it out for the garment.

11. What do you estimate would be the increase in labour per suit?—Not more than 6d. on a man's suit, and not more than 4d. on a boy's.

12. *The Chairman.*] Have you within your experience any other examples of a rise given to labour in wages being made the vehicle for a very large advance to the consumer?—My opinion is that in nine cases out of ten the rise that takes place in the price of a product is out of all proportion to the rise in wages which the worker gets.

13. Have you any examples under your special notice?—Not that I have been specially connected with. I was specially connected with this clothing-trade dispute. I would like the Commission to ask Mr. Hercus to give the Commission some information on that point. The difficulty I find in trying to get at the bottom of this question of the rise in the cost of living is the absence of statistics, and I am afraid that ultimately that will be one difficulty the Commission will have. Some years ago the statement was made from a hundred platforms, based on the authority of Mr. Coghlan, that wages had risen in fifteen years (that was up to 1904) in New Zealand by 8½ per cent., and that during that time in the large centres meat had risen 100 per cent., house-rent 30 to 50 per cent., and other items 10 to 50 per cent. That was always quoted as a definite statement to be found in some of Mr. Coghlan's works. Mr. Seddon used it, and other responsible men also used it. I have always maintained that an incorrect statement, or a statement you cannot base on authority, is more harmful than having no statement at all. In order to get

the truth of the matter I wrote to Mr. Coghlan. He was Government Statistician for New South Wales, and was afterwards appointed Agent-General in London. I desire to give in evidence my letter to Mr. Coghlan and Mr. Coghlan's letter in reply to me:—

“Legislative Council, Wellington, 6th October, 1908.

“T. A. Coghlan, Esq., Agent-General, N.S.W., London.

“DEAR SIR,—In the course of the Address-in-Reply debate in the Legislative Council I challenged some figures relative to the rise in the cost of living alleged to have been compiled by you when Chief Statistician of New South Wales. Under separate cover I am sending you a marked copy of *Hansard* containing the reference. I would deem it a great favour if you would inform me in which volume, if any, or whether on any occasion, you authorized the figures attributed to you. My only reason for troubling you is to get at the truth. This simple paragraph has been quoted by all sorts and conditions of men—from Minister of the Crown to soap-box orator. Our great difficulty in New Zealand is the absence of reliable statistics. This is being slowly remedied. You will understand that such a statement as has been attributed to you carries great weight because of your standing and repute as a statistician. I will therefore be glad to receive your reply. Thanking you in anticipation,—I am, faithfully yours,

“J. T. PAUL.”

“123 and 125, Cannon Street, London E.C., 25th February, 1909.

“The Hon. J. T. Paul, M.L.C., Dunedin.

“DEAR SIR,—I duly received your letter of the 6th October asking me whether I had affirmed that ‘wages had risen $8\frac{1}{2}$ per cent. in New Zealand during the last fifteen years, and that in the large centres during that time meat had advanced 100 per cent., house-rent 30 per cent. to 50 per cent., and others items from 10 per cent. to 50 per cent.’

“I beg to say that as regards the first portion of this statement you will find on page 509 of my ‘Statistical Account of Australia and New Zealand, 1903–4,’ that the average weekly earnings of employees (male) in the various factories and works of the colony had increased from 29s. to 31s. 5d.—equivalent to $8\frac{1}{2}$ per cent. during the ten years elapsing from 1891 to 1901. In giving these figures, however, I pointed out that the absence of a distinction in the statistics between adult and juvenile workers renders any statement based entirely upon them inconclusive. For a comparison between the rates of wages to be perfectly fair it would be necessary that the proportion of each class of workers (adult and juvenile) should be the same in the cases compared. As a matter of fact there was an increase in the proportion of boy workers between 1891 and 1901, consequently it would be correct to say that the wages of male workers in factories had increased on an average $8\frac{1}{2}$ per cent., but it is probable the increase in the wages of adult workers was higher than would be represented by this percentage.

“In regard to the cost of living, in my book I say that in 1901–3 there was a considerable increase in the cost of the principal articles of consumption, and prices ruled higher than in any period since 1865; but if other references be carefully read it will be seen that if the prices in 1891–95 be represented by 882, the prices in 1903 would be represented by 1,000—that is to say, during the interval there was an advance of a little more than 21·5 per cent. in the cost of living. I think it would be fairer, however, to take my general remarks in preference to the specific instances I have here given. On page 532 of the ‘Australia and New Zealand’ for 1903–4 I stated: ‘The people of New Zealand are rapidly paying off their private indebtedness to the British money-lender, and as the process of repayment has been accompanied by an increase in the private wealth of the colony and in the output of its industries, it must be accepted as a satisfactory evidence of progress.’ After my arrival in London I spoke at a meeting of the Royal Colonial Institute on the 9th May, 1905, on a paper read by Lord Ranfurly on ‘New Zealand and Its Dependencies,’ and remarked—on the subject of the withdrawal of capital from New Zealand—that ‘During the whole period over which the process of withdrawal has extended, the industries, the wealth, and the distribution of property have undergone rapid expansion.

There was general progress in all industries, and employment in factories was more than doubled—viz., from 26,000 to 53,000 hands—and it is satisfactory to be able to record that coincident with so large an increase the earnings of male employees advanced from £75 to £82 per annum.’ And on the same occasion I said: ‘The income of the people from all sources has now reached to 39 millions, or £47 10s. per inhabitant, which last sum leaves so substantial a surplus after the cost of living has been defrayed that the colony has been able to put aside some 10 or 12 per cent. of its income to replace lost capital, and to start new undertakings.’

“I may say I ought to have attended to your letter before, but I determined to search through everything that I had said about New Zealand in order to be quite sure whether or not there was the slightest foundation for the statements which had been attributed to me.—Yours faithfully,

“T. A. COGHLAN.”

I would like to say this in regard to the rise in the cost of living: I do not think there is any question that it has increased, and also that the standard of living has increased, but that has been a general matter, not a matter confined to the workers alone. I think the increase in the standard of luxury enjoyed by what we understand as the rich class is greater than any improvement the workers have had in their standard of living. I think that is well illustrated in some of the older cities in the Old Country. You see where the rich manufacturing class lived in the earlier days of the city, and how they have gone gradually out to the better residential areas.

14. Mr. Macdonald.] You think that the relative difference is just as great as ever?—Yes.

15. Mr. Robertson.] You think greater?—Yes. The rich used not to have motor-cars for pleasure.

16. Do you think that the workers' share in the production of the country is greater than it was before?—I should say that his share of the production is greater.

17. His share in the product?—It is a comparative answer, of course. If you ask me whether the workers' share of the total product is in comparison with the capitalists' share of the total product, I could not give a definite answer; but my opinion is that the workers' share is not as great to-day as it was, say, twenty years ago.

18. Though what he gets is more than before?—Yes, but his share of the total product, I think, is not as much as before.

19. *Mr. Macdonald.*] His proportionate share?—Yes.

20. Have you studied the question of the effect of tariff reduction?—The organizations I am connected with are in favour of a protective tariff. They are in favour of some arrangement like they have in the Commonwealth, whereby the worker, the consumer, and the employer will get any advantage arising from an increased tariff. Instances have been given before the Commission where a reduction has taken place in the tariff for the purpose of helping the consumer, but the reduction has not been a benefit to the consumer: some one else collared it.

21. Can you supply us with reliable information on it?—No, I cannot.

22. *The Chairman.*] You remember the Sweating Commission in 1889. You remember that the conditions in Dunedin were very deplorable at that time?—That is so. I have had occasion to write on the subject, contrasting the conditions in the clothing trade between then and later.

23. Do you say that the conditions have improved very much?—In the clothing trade, certainly.

24. That must necessarily induce an increase in the cost of living. They must pay more for their clothes?—Yes. Reasonably increased wages do not, in my opinion, make a great difference in the cost of a product. The position is that in many manufacturing concerns machinery has been introduced and new methods have been introduced which go towards greater efficiency and cheaper cost of manufacture.

25. So that the larger wages that are given to workers are counter-balanced by the cheaper methods of production?—That is so.

26. It does not necessarily follow that an article costs much more because wages have been increased?—No; but, of course, the capitalist will argue that you must allow a greater amount for interest and sinking fund, and even for the fact that he owns the machine. My idea, of course, is that inventions ought to belong to the State, rather than be made the medium of profit and of squeezing the community.

27. *Mr. Robertson.*] Can you give any specific instance where an increase in the cost of production by wages has been counteracted by improved machinery or improved methods?—The usual course in almost every case when an increase has been brought into force is for the employer to adopt new methods to try to override the effect of the award. That is why I believe the workers should strive for a continuous betterment in their position. Whether they do that or not, we know that improved methods are coming into vogue.

28. *Mr. Fairbairn.*] To what extent have machines displaced skilled labour in the industries you have special knowledge of?—Take the one I have most knowledge of—that is the printing trade. I was a compositor. The linotype came in and easily does four men's work. If you take the boot-factories, machinery has been improved tremendously. There are factories here which are capable of a much greater output than they are doing at present, and that is again increasing the price of boots to the public.

29. There is an important principle behind this. Your association believes in protection, but is it always in the interests of the workers that this protection should go along, bearing in mind that machinery is gradually replacing skilled and trained labour? You are protecting the machines—is that not so?—We believe in protection if the consumer, the producer, the manufacturer gets the benefit, but we do not believe in the protection which gives all the benefit to the manufacturer.

30. *Mr. Robertson.*] You said that increased wages was generally followed by improved methods. If a higher tariff allows them to pay this increased wage, it obviates the necessity for improved methods, and allows them to go on on the old methods with increased cost of production?—If that followed, of course, it would not be in the interest of the community. Take the boot trade, which got an increase at the last revision of the tariff. I am not claiming that boots are cheaper, but I am going to claim that men work a great deal harder, and that the product from the labour side is a great deal cheaper than it was before the increased tariff.

31. *The Chairman.*] In regard to the introduction of machinery: it is within your knowledge that a great many years ago—as far as the scope of our Commission extends—the toilers were at the beginning of that period very badly paid. They have had their wages considerably increased by awards of the Court. Has not the result been that improved machinery and improved methods, such as applying steam-driving power to the machines, has very largely balanced the increase in wages as far as the cost of the industry is concerned?—The tendency of those in regard to tailoresses as well as others is to drive the operatives towards a higher and higher output. Instead of the output being reduced in these specific cases, the bootmakers and the tailoresses—instead of the operative not working as hard as he did before, I believe he is putting out a great deal more articles than he did before. I am prepared to say that absolutely in the case of the tailoresses. The increase in wages paid in factories or industrial work has been shown to be 35 per cent., whilst the increase in output has been 31 per cent., so that the increase in wages can hardly be said to have added very much to the cost of production. The increase in wages has been a very small item in the increase in the cost of production.

ALEXANDER BALFOUR MERCER, Secretary of the Master Grocers' Union, examined on oath. (No. 24.)

1. *The Chairman.*] What is your occupation, Mr. Mercer?—Salesman and traveller for C. H. Tucker and Co., Dunedin. I am also secretary of the Master Grocers, Dunedin.

2. Has your experience been considerable in this district?—I was born here, and I have been in the grocery trade all the time.

3. Are you fully acquainted with the system under which sales are regulated in Dunedin?—Yes, my trade is principally amongst all the smaller storekeepers.

4. It has been alleged that in respect to a certain list of groceries there is a combination in restraint of trade in Dunedin: could you make a statement in regard to that subject?—There is no combination. They have got an association and a secretary of their own. There are a few lines tarified.

5. Is that association a registered association?—I should fancy it is. Our association is registered.*

6. *Mr. Macdonald.*] Under the Classified Societies Act, or how?—I think it is under the Industrial Act. I send a return to Wellington every year. I have not seen any articles of association.

7. *The Chairman.*] Is it within your knowledge that there are such articles?—My principals belong to that association, but I do not know.

8. Is it within your knowledge that they sit as a board, with the retail grocers coming before them?—No. I have been working for the master grocers since 1909, and on one occasion we met them on account of the trade we thought they were doing amongst boardinghouses. The retail section objected to it. We waited on them, and they met us in regard to that matter—and selling small quantities of tea. They met us very well and stopped all that.

9. Could you tell us the names of some of those who were present representing the Merchants' Association?—W. Scoullar and Co., P. Wilson, J. T. Haslett, Neil and Co., Wilson Bauk, W. Taylor, and Tucker and Co.

10. Would they represent pretty nearly, in your idea, the association of merchants?—Yes. On the other occasion we met them with the idea of getting the price of eggs fixed up from week to week—that the price fixed, say, on a Wednesday should be the price for the whole week; but we were not successful in getting that. It was the produce people who asked us to do that. The constant variation in the price of eggs was very disastrous to trade. Sometimes there was a drop of 6d. and sometimes there was a rise of 2d. or 3d. They did not see their way to fall in with out request. The merchants would not charge a commission to country customers. The position is this: that eggs come down from the country to these merchants, and they simply credit the account of the country customer with them. They do not charge a commission.

11. *Mr. Fairbairn.*] They practically take the eggs in payment of accounts so far as the country storekeepers are concerned?—Yes, and it cuts in against others in the produce trade. Those are the only two interviews the master grocers have had with the merchants.

12. *The Chairman.*] Would the proposition that you made have had the effect of making eggs more cheap to the general public?—The general public would have had the advantage.

13. And they were denied that advantage by the association?—It amounted to this: that the merchants were not going to charge commission. The brokers said they could not fall in with it.

14. *Mr. Macdonald.*] It would have steadied the price?—Yes, it was nothing for the merchants. It would have meant that eggs would have gone from one week to the next at the same price. At present they are up and down from day to day.

15. *The Chairman.*] Take the general lines of groceries: are you aware that there are certain lines which can only be procured through the Merchants' Association?—I do not think it is quite true.

16. *Mr. Fairbairn.*] Will you swear that Colman's mustard, Keiller's marmalade, and Neave's Food can be procured outside the Merchants' Association and at their tariff?—As far as I know, Colman's mustard is handled by one merchant here—W. Scoullar and Co.; also Keen's blue.

17. Is it within your knowledge that the Merchants' Association has a fixed scale for Colman's goods, Neave's Food, and other commodities, also Keiller's marmalade—and that unless people agree to the selling-prices of those goods they cannot get supplies?—Colman's mustard and Neave's Food are at a tarified price.

18. Do you not also know that unless people agree to these tarified prices they cannot get supplies?—I could not go that far. I do not know that, and I do not think it.

19. We want to find out if there is anything in the retail grocers' association's articles of association to compel people to sell at the rates dictated by themselves: is there anything of that kind?—Nothing whatever.

20. It is quite open and competitive?—Our association was started for the purpose of keeping down bad debts and doubtful accounts. We have not done badly during the last three years, but ten years ago we were making a lot of bad debts. We keep a "black book" of defaulters, and if a man on that list shifts from one part of the town to the other we tell the grocer there about him.

21. *The Chairman.*] In fact, that list is a black list?—Yes. I wait on the master grocers two or three times a week and get their opinions on the different lines. For instance, if Keiller's marmalade goes up in price I tell them that.

22. *Mr. Fairbairn.*] Have you ever known that article to go up in price?—I have been told so. A firm in Dunedin told me so, and, acting on that, I put Keiller's marmalade up recently $\frac{1}{2}$ d. in price.

23. There has been no alteration in Keiller's marmalade for years?—The distributors are getting 7s. 9d. for it, and formerly they were getting 7s. 3d.

24. *The Chairman.*] Is it the fact that you are not paying more to the manufacturers and you are charging more to the public?—You may know more than I do about it, but I got instructions from my firm—they have put the price up.

25. *Mr. Fairbairn.*] They have put the price up, but has the manufacturer put the price up?—There is very little of it sold.

* I have since ascertained the association is not registered.—A.B.M.

26. There has been no alterations in Colman's goods for the last twenty years?—Colman's mustard in half-pound tins is not much good to the retailer.

27. Colman's mustard has not been altered by the manufactures for twenty years; yet the price has advanced in this market, in spite of the fact that 2d. duty has been taken off?—Colman's mustard advanced some time ago. I put the price up; also the price of Robertson's groats. I arranged with some of the principal grocers that the price should be put up. I was only too pleased to get it put up, because the stuff was not worth handling.

28. *Mr. Macdonald.*] We cannot get that from you as to whether the manufacturers have put the price up—the price to the merchants?—I cannot tell you whether the manufacturers have put the price up. I do not buy the stuff.

29. *Mr. Robertson.*] All that you know is the price that the merchants are charging the grocers?—Yes.

Additional Written Statement forwarded by Witness.

I would point out that the Merchants' Association had refused to charge a higher commission to the country storekeepers for selling eggs; the merchants were keeping the price down, and therefore could not be placing the public at a disadvantage.

Mr. Fairbairn is aware that Colman's mustard can be procured outside of the Merchants' Association, as the firm of Fairbairn, Wright, and Co. sell Colman's goods.

The Merchants' Association did not tariff Colman's goods. I enclose copy of a price-list, including Colman's mustard, which I was successful in arranging with the members of the retail grocery trade.

“ OTAGO MASTER GROCERS' ASSOCIATION.

“ DEAR SIR,—

“ 4th November, 1910.

“ Please note that from Monday, 7th November, 1910, the following lines will not be retailed less than—Colman's mustard, 1 lb., 1s. 6d. per tin; $\frac{1}{2}$ lb., 9d. per tin; $\frac{1}{4}$ lb., 5 $\frac{1}{2}$ d. per tin. Farrow's mustard, 1 lb., 1s. 6d. per tin; $\frac{1}{2}$ lb., 9d. per tin; $\frac{1}{4}$ lb., 5 $\frac{1}{2}$ d. per tin. Rob. patent groats, 9d. per tin; Rob. patent barley, 9d. per tin; pine-apples, 2 lb., 7d. per tin; pine-apples, cubes, 1 $\frac{1}{2}$ lb., 6d. per tin.—Yours faithfully,

“ ALEXR. B. MERCER, Secretary.”

I enclose copy of agreement signed by 152 members in the grocery trade.

“ THE GROCERS' MUTUAL PROTECTION ASSOCIATION.

“ October, 1909.

“ We whose signatures are attached undertake, in each and every case where the account of a customer is so far overdue or shall have reached so unsafe a limit that we find it necessary to stop the credit of the customer, to notify immediately the secretary of the association of which we hereby declare ourselves members, in order that such manifestations may be confidently imparted to every other member of the association for the protection of the said members against fraud and imposition.—[Signed by 152 grocers in town and suburbs].

After I stated that I had been told that Keiller's marmalade had advanced Mr. Fairbairn is reported stating, “ There has been no alteration in Keiller's marmalade for years.” This is contrary to fact, for Keiller's marmalade was advanced in price by the manufacturers some months ago about 12 $\frac{1}{2}$ per cent.

ROBERT BREEN, Secretary of the Trades and Labour Council, Dunedin, examined on oath.
(No. 25.)

1. *The Chairman.*] You are secretary of the Trades and Labour Council, Dunedin?—Yes.
2. Do you come as a representative of the Trades Council to speak on certain subjects?—I do.
3. You know that we are a Commission to inquire into the rise in the cost of living. Could you make any statement on the subject?—There are only two matters in connection with what is set out in the scope of the Commission that I would like to speak of. The first is as to what effect, if any, labour legislation has had in increasing the price of the commodities of life; and, second, as to what steps should be taken with a view of reducing the cost of the necessities of life. I do not know what the mind of the Commission is, but from my reading of the newspapers during the last two or three days I have come to the conclusion that it has been discovered by the employers themselves that there has been an increase in the cost of living. Therefore, I take it that it is not necessary for me to make any statement as to whether there has been an increase or not. I am prepared to assume that there has been an increase. The only thing I wish to refute is a statement made by certain witnesses that the Arbitration Court awards have been responsible, to a certain extent at all events, by increasing wages. Of course, there are a number of things that directly concern the cost of commodities. The main thing that I wish to give evidence on is as to labour. There is at the present time a union of butchers' assistants. There is also a union of journeymen bakers, and a union of grocers' assistants. There is a union of butchers connected with the abattoirs—that is, those engaged in killing meat for local consumption. They are classed under the Slaughtermen's Union. There is also a Flour-millers' Union. Those unions are all connected with work that has to do with the necessities of life. I want to say that during the last ten years the butchers have received no increase in wages; the bakers have received no increase; the millers have received no increase. The butchers at the abattoirs have received an increase of 5s. a week, which would affect about fifteen men.

4. Can you give us an idea of what that would mean per pound of meat?—Not for this year, but I can give you the figures for 1910–11. The figures are contained in the report of the Town Clerk of Dunedin in connection with the stock slaughtered at the abattoirs for twelve months.

5. When did the 5s. rise come into effect?—I think, about twelve months ago. I do not know whether it would cover the whole of the period from March, 1910, to March, 1911. It would cover a portion of that period.

6. What is the approximate weight of meat slaughtered in a week?—I cannot say, but I may point out that 5s. a week increase to the wages of fifteen men would represent about £195 for the year.

7. How many cattle are slaughtered there in a year?—12,801 head of cattle, 1,956 calves, 119,904 sheep and lambs, and 4,110 pigs. That was for the year 1910-11.

8. And the increase in wages was only to fifteen men?—I have the authority of the secretary of the union for that.

9. *Mr. Fairbairn.*] The increase in wages represents about a farthing a carcase increase in price?—Yes. The retail butchers' assistants have received no increase in wages at all.

10. *Mr. Veitch.*] Can you give us an estimate of the increase there has been in the selling-price of meat?—I could not say definitely, but I believe that the price has doubled during that period. I am not going to say that the retail butchers have reaped a profit. I do not know.

11. *Mr. Fairbairn.*] Did you say that there has been any increase in the wages of members of the Grocers' Assistants' Union?—Yes, 5s. a week. About ten years ago they were receiving £2 a week—that is, those over the age of twenty-one. About four years ago they received an increase of 5s. a week, but the age was raised to twenty-three years.

12. Did they shorten the hours?—No, the hours come under the Shops and Offices Act.

13. How many assistants would an average grocer employ, taking a moderate business?—I could not say. I should say there would be about sixty or seventy assistants in Dunedin in the union.

14. How many grocers are there?—I could not say. A large number employ no labour at all.

15. What is about the greatest number of assistants in any grocery establishment here?—I should think about seven or eight.

16. It does not follow that they are all getting the minimum wage?—No.

17. *The Chairman.*] We will now pass on to the next question?—I stated that the bakers have had no increase during the last ten years, but I believe an increase was granted outside the award. I do not know whether that has been loyally abided by by the employers. There has been an increase to the lower-paid men. The next subject is the building trade. I might say, first, that carters or drivers play a part in the carriage of goods. During the last ten years they have had an increase of about 2s. a week.

18. That would add to the cost of distribution?—Yes, slightly.

19. *Mr. Robertson.*] What is a carter's wage?—Under the present award they are receiving, where a stableman is kept, £2 7s. a week for driving and attending to two horses, and £2 3s. for one horse. Where no stableman is kept they get £2 8s. and £2 4s. That is for men in constant employment. There are other drivers who are not in constant employment—who lose time through wet weather and holidays. They receive, where a stableman is kept, £2 9s. for two horses, and £2 5s. for one horse; and where no stableman is kept, £2 10s. and £2 6s. That is the position at the present time. Previous to that the wages were £2 6s. and £2 2s. for constant hands. Taking it all round, the increase would be about 2s. a man. The carpenters during the last nine years have received an increase equal to 1s. 10d. per week, or $\frac{1}{2}$ d. an hour. They received that $\frac{1}{2}$ d. in 1911. Up to then it was 1s. 4d. Painters have had no increase during the last ten years. Plasterers have had no increase, and bricklayers have had no increase. The plumbers during the same period received an increase in the case of those who passed a certain examination. Only a small number would qualify in that way. They received an increase of 2d. an hour. It is quite recently that they got that increase.

20. *Mr. Veitch.*] About what proportion of the total number would that cover?—I could not say, but it would be very small. In the furniture trade the workers have received no increase during that period. I cannot think of any others that would affect the cost of living. Those cases I have taken out of the Books of Awards. The increases which have been given would make hardly any difference in the cost of the articles. There are other unions which have got substantial increases, but there has been no extra charge made to the public. In some cases the charges to the public have been reduced.

21. *Mr. Fairbairn.*] We had an instance of that in the case of Westport coal: can you give us any others?—There are the tramway employees.

22. But that is a municipal concern?—That is an argument in favour of the further extension of the principle of municipalizing and of nationalizing industries. Then there are the hotel employees, restaurant and tea-room employees: they have all during the past two or three years received substantial increases in wages, but there has been no extra charge to the public that I know of. Barmaids are getting as high as £2 a week now. Barmen's wages have gone up considerably. Waitresses' wages have just gone up by over 50 per cent., but none of the increased charge has been transferred to the public.

23. *The Chairman.*] Is it a common opinion among working-men that the cost of living has risen?—Yes. I may say that I have been for fifteen years directly associated with the labour movement in Dunedin. I have taken part in the formation of about 75 per cent. of the unions in existence in Dunedin to-day. I come into close contact with the members of all those unions. It is the opinion of the members that the cost of living is steadily going up. I have only lived in two houses in Dunedin. The house I am living in at present I have been in for between fourteen and fifteen years. I paid 11s. 6d. a week rent when I entered the house, and I am paying 15s. a week now.

24. Is the quality improving by age?—All I have received in return has been a built-in copper, washing-troughs, and a bath fixed in the washhouse, and improved sanitary conveniences. That is all I have received for the increase of rent by 3s. 6d. a week. I estimate that the improvements represent 1s. a week.

25. *Mr. Fairbairn.*] What would you estimate the value of the property at?—I have been trying to purchase it. £450 is what they asked, and they came down to £430.

26. *The Chairman.*] Do you attribute part of the cause of the increased cost of living to the working-classes the difficulty in getting houses, and the heavy ratio that the rent bears to a man's income?—Yes, there is a difficulty in getting houses.

27. Houses of four rooms or six rooms?—Yes, the smaller class of house. The large house you can get, and you can get it cheap in proportion.

28. Have you any further statement you would like to make?—I can only repeat some of the things said by the Hon. Mr. Paul this morning. I believe the remedy is in more State and municipal enterprises. As long as these things are controlled by private individuals the same influences will be at work. The main question is the land question. But if people were prevented cornering the land they would corner the product of the land. There is another important matter that I would like to point out. There is a Dairymen's Association which controls the supply of milk. They hold periodical meetings and fix the price of milk. The Taieri and Peninsula Company is a member of that association.

29. Has the price of milk risen in late years?—Yes.

30. *Mr. Fairbairn.*] Is it a proper organization?—Yes, but I do not know whether it is registered. Statements are published in the papers that they have decided that from certain dates the price of milk will be so-much per gallon. It is quite apparent that the Taieri and Peninsula Company can distribute their milk much cheaper than any of the individual dairymen; yet they deliver the milk at the same price. They do not cut; they are loyal to the dairymen. The price is fixed so that the poorest dairyman can make a profit.

31. *The Chairman.*] The inference is that the larger suppliers must make larger profits?—Yes. There is also a Master Bakers' Association in Dunedin. They used to meet periodically. The price of flour fluctuated so much at one time that it necessitated the Bakers' Association holding frequent meetings, and reasons were always given for increasing the price of bread. Another firm stepped in, and since then there have not been so many meetings, and we now very rarely hear of any alteration in price. What effect the new firm had on the association I do not know. Perhaps the price of flour has remained stationary since then.

32. *Mr. Macdonald.*] You do not object on principle to an association of bakers arranging the price at which they sell bread?—No. What I objected to was the system they had in fixing the price. A union of workers when formed have to appeal before a certain tribunal, and have got to satisfy that tribunal that they are entitled to an increase in wages. The methods of the Dairymen's and Baker's Associations are entirely different.

33. Some unions of workers?—I am talking about those who are loyal to the arbitration system.

34. You think it is fair for these people before they put up the price of commodities to appear before some Court and give reason for raising the prices?—It is very difficult for a tribunal to fix a price. If they took into consideration every industry they would require to have different Boards.

35. *The Chairman.*] You do not surely regard that as a more serious thing than, say, tackling a tailoresses' log?—The bootmakers' log has gone, and the tailoresses' will have to go too.

36. They showed the ability of a Court to deal with fine matters?—That is so. In regard to the tramway business, I would just like to point out that in the *Otago Daily Times* of the 7th May the Town Clerk in his report, published in that paper, estimated the increased wages of the men to amount to about £3,200, but the charges to the public have not been reduced since then, although they had been just prior to it.

37. *Mr. Fairbairn.*] Have you the record of the Corporation trams' revenue for twelve months?—It was £71,762 for last year.

JAMES WRIGHT MUNRO, Master Baker, examined on oath. (No. 26.)

1. *The Chairman.*] What is your occupation?—I am a master baker.

2. Are you a member of the Master Bakers' Association?—No.

3. Is it within your knowledge that there is such a body?—Yes.

4. Has that body agreed amongst themselves as far as they could to regulate the price of bread?—Yes.

5. Is the regulation intended to be in their interest or in the interest of the public?—In the interests of the master bakers, undoubtedly.

6. Has it the effect in any way of restraining free competition? What happens to any one who does not agree with what they arrange?—At the present juncture nothing can happen.

7. *Mr. Fairbairn.*] Have they attempted to use the Millers' Association in any way to stop supplies?—They did at one time, but the Millers' Association is now in the same position as the Bakers' Association—that is, a good many in the trade are not in the association. About five years ago, when practically all the mills were in it, they did try to use the Millers' Association. Since then quite a number of the millers have withdrawn from the association, and others have started; likewise many bakers.

8. There is competition now amongst the millers that did not exist before?—That is so. The two existing bodies practically fix the general price of the product.

9. When the Millers' Association was a united body do you know of any specific instance where they boycotted a baker because he was cutting prices?—No, not boycotted. The only case I know was our own. When we started business we had to pay cash before we got flour.

10. Is that not the usual method?—No. The usual method in the milling trade is one month's credit.

11. *The Chairman.*] Has the price of bread risen during the last ten years?—That is a very difficult question to answer, because the price of bread is based on the cost of flour, and flour fluctuates according to the fluctuation of the wheat-market. I should say that at the present time in Dunedin bread, considering the price of flour, is about the same price as it was ten years ago.

12. *Mr. Macdonald.*] Relatively?—Yes.

13. The price of bread has no bearing on the rise in the cost of living?—Not at the present juncture.

14. Have you any information that you can give us as regards the price of bread as it affects the cost of living which you think would be of benefit to the Commission?—Only in a general way, as giving the position. At the present time the price of bread in Dunedin retailed to customers is 6½d. booked or cash, and I consider that a fair paying-price, considering the price of flour. Both my partner and myself do our share of the work, and, from our standpoint, it only leaves a fair margin of profit. Nevertheless I and another man bake all our bread, and yet it takes to distribute that bread two men, two boys, three horses, two carts. The distribution of bread in Dunedin to-day is at least a farthing a loaf more than the manufacturing cost.

15. *Mr. Hall.*] How many sacks of flour are you estimating that on?—Between thirty and thirty-six per week.

16. *Mr. Fairbairn.*] Do you think the method of distribution could be improved upon, in the sense of cheapening the cost and maintaining the efficiency?—I certainly do. I have emphatic opinions. It is being under the free competitive system that is the reason of the cost. I believe that a private monopoly would give the public cheaper bread than the free competitive system we are under to-day. Of course, I personally prefer it should be a municipal monopoly. It is the only solution, to my mind.

17. Is there waste in the competitive system?—The trade I have just given you, one man, one horse, and one cart could easily do if he just took one part of the town and delivered the bread, and he would not put in such a long day as the men do now.

18. *The Chairman.*] You serve one house here, another a hundred yards away, and another a mile away, and other competitors go over the same ground?—Yes, all doing the same thing. That, in my estimation, is one of the principal causes of the high cost of living in New Zealand, owing to the sparseness of population as compared with older countries.

19. *Mr. Macdonald.*] Have you any idea of the cost to the Municipality to establish a bakery business to supply the whole town?—I have figured it out, and as far as I can get it the cost of an up-to-date municipal bakery, with all the necessary machinery, would be £40,000 at the outside. That is for a complete plant for the baking and delivery of bread.

20. *Mr. Fairbairn.*] An up-to-date plant for baking means that the human hand does not touch the bread?—Very nearly so.

21. Have we any up-to-date plants in connection with the bakery business?—There is not an up-to-date plant in this city, and I doubt if there is in New Zealand. I could for £40,000 start a bakery and supply the whole of the people of Dunedin.

22. *The Chairman.*] You think, as regards your own trade, you have shown us a way of reducing the cost of living?—The only way. It is not my idea to have a private monopoly, but it would cheapen the cost.

23. Its organization would render it possible to reduce the price, but it would depend on the directors whether it was done or not?—That is so. No company is in business for fun. I have watched a number of carts, and bakers, grocers, butchers, milkmen are in exactly the same position as I have described in connection with my own business. If you go into the wholesale trade you will find the same thing. You will find five travellers in the same carriage all going to one town with boots.

24. Has there been any increase in wages in the bakery business during the last ten years?—Yes, but not from the Arbitration Court. All the master bakers but four in this city agreed to pay their men 5s. a week increase all round.

25. Did they carry that out?—As far as we can gather they did, and they are paying that increased wage to-day.

26. *Mr. Veitch.*] They did it on their own volition?—Not altogether. There was a little pressure brought to bear.

27. From the men?—No, from some one else.

28. To what extent did that appreciate the price of bread?—That is a question I do not want to answer.

29. *The Chairman.*] How much would it put on to a dozen loaves?—It would be so small that I do not think you could work it out. The largest bakery business in Dunedin, say, five thousand loaves a week, has six men engaged in making bread.

30. *Mr. Macdonald.*] Was not there a suggestion to have bread on a sliding scale in accordance with the price of flour?—That is what it is now, I understand. I think I am right in saying that the association's scale price for bread is a halfpenny more than the present price of bread to the public.

31. *The Chairman.*] Have you any doubt as to whether the Millers' Association treat the bakers fairly in the matter of flour?—The Millers' Association is for the purpose of working in the best interests of the miller, and they have not had the opportunity to treat bakers in any other way. There are five mills outside the association where we can buy flour.

32. If you could consider the Millers' Association as a trust, it is an ineffective trust?—It is ineffective at the present juncture, although all sell in accordance with the association's price-list. Some of the mills outside the association are asking 10s. per ton more than the association's price. The Millers' Association, in my opinion, want to make those mills lose as much money as possible so as to drive them into the association.

WILLIAM HENRY WARREN, Carpenter and Joiner, examined on oath. (No. 27.)

1. *The Chairman.*] What is your occupation?—Carpenter and joiner.

2. Have you any information at your disposal which would be of service to this Commission?—The circular forwarded to me had clause 12 underlined, which is an indication, I take it, that

that is the part I am to confine my remarks to. I think we must admit that there is general unrest. It is a universal and not a local question. The same law that applies to New Zealand applies to every other country. The aspect of the question I would like to deal with is the question of land.

3. You can hardly speak as an expert on land. Can you give us anything in your knowledge as to land having increased in value?—I can only give the facts as stated to me by the Government.

4. We can get that information ourselves. Can you give us any facts to support it?—I have been a resident of Dunedin for thirty-seven years, and have witnessed a considerable increase in the value of land brought about by the expenditure of public money and the increase of population. That increase in the value of land is a tax on all who live on it, and adds to the increased cost of living. It must be apparent to all that the land question underlies all other questions, and I am not prepared to deal with the cost of living unless I deal with the primary cause of it all.

5. Keep to the facts within your own knowledge?—Personally I can only witness certain things that have happened. I must go to authorities for further information as to what has happened generally.

6. No, we have the means at our command to see what the Government Statistician says regarding those. Tell us what the price of land was twenty years ago and what it is now for the same section?—I do not know that I could deal with that question. I bought my land thirty-seven years ago.

7. What was the value twenty years ago?—The same as thirty-seven years ago.

8. What is the unimproved value of your land?—I gave £90 for the section. For many years it kept at that value until we were involved in a depression, when it came down considerably lower. That would be in the "eighties." There has been a gradual rise since, and a greater rise since the construction of the municipal electric trams. I live on the Anderson's Bay Road. There were sections sold there, to my knowledge, six or seven years ago for £40 or £50, and sections of the same size sold lately for £150.

9. *Mr. Macdonald.*] You attribute that to the construction of the trams?—Yes. The increase of utilities and population.

10. Did they not improve the general appearance of Anderson's Bay Road?—Yes, but money that was spent in that direction did not touch the part of the district where the rise has taken place.

11. Is that advance which you refer to been pretty general, in your estimation, all over Dunedin?—Yes. To a greater extent in some particular districts than in others.

12. The argument you are trying to adduce is that the extension of public utilities has caused a rise in the price of land?—Yes. There was a question asked a previous witness as to the price of groceries. Although the manufacturer may not have raised his prices, we know that the rents have increased in the places where these goods are sold, and therefore the grocer has to increase the price of his commodities. The landlord makes the tenant pay, and the tenant makes the general public pay. That has operated throughout Dunedin for many years.

13. Many of those business people own their own premises?—Some of them—a minority. I know of one man who has been driven out of two shops in a central position in Dunedin because of the rents.

THOMAS SMITH, Master Butcher, examined on oath. (No. 28.)

1. *The Chairman.*] What is your occupation?—Master butcher.

2. How long have you been in business?—Twenty-five years in Dunedin.

3. Have you any knowledge of any combination of men banded together to regulate the price of meat?—None whatever.

4. You think such a body does not exist?—I am positive it does not.

5. You buy direct from the auction-yards?—I buy from anywhere—farmers, graziers, agents, or any one else.

6. Have you any knowledge, or is there anything within your knowledge, which would make you think that any manipulation of the butchery trade has caused a rise in the cost of living?—There never has been any manipulation of the trade in my residence in the city. The nearest approach to it has probably been in the spring of the year, when stock is very high and competition is exceedingly keen, and butchers have gathered together at Burnside and decided on a half-penny or a penny per pound, not in order to make a profit, but simply to prevent the ruinous loss they were experiencing.

7. How did that loss arise?—On account of the dearness of stock.

8. By reason of the drought?—It is almost invariably the same that in the spring of the year fat cattle and sheep go up in price, due, no doubt, to the scarcity of feed to fatten.

9. *Mr. Robertson.*] It is customary to increase the price about those times?—It has been done. There is nothing binding, however, in it on the butchers.

10. You have no association?—No.

11. Do you meet again and agree to take that price off when stock comes back to normal?—No. Competition is so keen that whenever a butcher can afford to sell at a lower price, down the price goes.

12. And the others follow?—Rather. If all trades were run the same as the butchery trade in Dunedin there would be no need for the Commission.

13. Have you any statement you can make which would benefit the Commission and which you have not been asked about?—If the evidence has been correctly published bearing on our trade the witnesses have not been stating the truth. One man went so far as to say there was a ring in connection with the butchery business. That is false, and I class it as an unmitigated lie. No ring nor trust has been in existence during the twenty-five years I have been connected with the trade in Dunedin, and there has been no movement connected with the trade that I have not been associated with. The retail price of meat quoted in the published evidence is not correct. One witness said that rump steak was retailed at 8d. to 10d. per pound. You can buy good ox rump steak anywhere for 8d.

14. Which witness was that?—Mr. Boreham.

15. *Mr. Fairbairn.*] What is the present price of mutton and beef?—Legs of mutton are of various qualities. Wether legs, from 4½d. to 5d. per pound. In my George Street shop I am selling legs at 3½d. per pound. That is done mostly to catch the cash trade. Rump steak, 7d. to 8d. per pound. We sell good ox sirloins at 6d. per pound.

16. *Mr. Hall.*] What are cattle selling at now?—Really prime cattle made £12 10s. to £15 2s. 6d. at Burnside on Wednesday. They come out about 28s. per 100 lb.

17. How much do you estimate that cattle have risen in price in the last ten years?—Cattle have risen considerably. Prices during the last two years have been disastrous to butchers so far as stock is concerned.

18. Do you attribute the rise to the drought?—Yes, but you have to consider that wages are up 80 per cent. to 90 per cent. on what they were a few years ago.

19. What have they been raised?—Men who were getting 25s. and 30s. on the carts are now getting a minimum wage of £2 16s.

20. *Mr. Robertson.*] How long ago is it since they got 30s.?—The award was made about 1902, I think. You have also to take into consideration that butchers worked from sixty to seventy hours a week, and they now work fifty-two. It has considerably increased the wage per hour of the employee. I maintain that the wages in those days were too low for a good man, and in some instances they are now too high for what you might call a good man. Some of the good men are receiving wages that are too low, but inferior men are too highly paid.

21. Do you think the efficiency of the men you employ to-day is less than that of the men you employed under the low-wage conditions, or has the efficiency increased?—I have heard the complaint made that they do not do the same work under the better conditions, but I am quite satisfied with my men, and I pay my men higher than the Court award.

DAVID ALEXANDER AITKEN, Assistant General Manager of the Union Steamship Company, was sworn and examined. (No. 29.)

[As this evidence was tendered in Committee to the Commission and was given in confidence, it is not published in this report.]

WILLIAM GREY, Farmer, examined on oath. (No. 30.)

1. *The Chairman.*] You are a farmer residing at Milburn?—Yes.

2. You desire to submit your opinion as to the shortage of labour in the country?—Yes.

3. You seem to consider that the reduced amount of cropping in the country is due to the shortage of labour?—I have no doubt about that.

4. If the amount of cropping in the country is short that would increase the cost of living by raising the price of food?—Yes, it should raise the price of crops. I am confident of this: that if more labour were brought into the country every year there would be more crop-growing. The farmers cannot get enough men to do the harvesting, and they cannot even get enough boys to do it.

5. Is it because the wages do not attract the men?—The men are not there to do the work, and the farmers cannot get sufficient boys.

6. You were in favour of the Sedgwick boys scheme?—Yes, I think it was a very good scheme.

7. You think it important that men should be encouraged to come to the country?—Yes, there are any amount of good farm labourers at Home who would be willing to come here if they had inducements to come. I may also state that the majority of farmers cannot get girls for their homes.

8. If the farmers had more farm labour they would put more land under crops?—There is no doubt about that.

9. Has the price of rural land increased very much during the last ten years?—Yes.

10. That would add to the cost of living: you have to get more interest out of the land?—I think that people are paying rather much for the land in many cases.

11. *Mr. Macdonald.*] The Year-book does not show a diminution of acreage under crop: it shows an increase. There are 322,000 acres under wheat?—That may be accounted for in this way: a lot of big estates are being cut up into small farms, and a good many of those farmers, being short of money, put in crops in preference to running stock; but I know of farmers who are not putting in half the amount of crops that they did years ago, and I know of farmers who this year say that they will grow nothing but horse-feed.

12. *Mr. Veitch.*] What is the rate of wages for farm hands?—Farmers, if they could get good men, would give them almost any money they liked—that is, for harvesting.

13. What were the wages about ten years ago?—About 9d. to 10d. an hour ten years ago—perhaps 8d. to 10½d.

14. Do you say that a man would get considerably more than that now?—1s. an hour and found, and in many cases more.

15. You say that an inducement should be given to farm labourers to come out to New Zealand from other countries: what inducement do you recommend should be given to them?—I reckon they should be brought out nearly free.

16. *Mr. Fairbairn.*] Practically a system of emigration?—Yes.

17. *Mr. Veitch.*] Are you quite sure that it is fair to the people of New Zealand generally to pay the fares of these men to New Zealand simply to work for one particular class of the community?—Yes, if that is the particular class of the community that the country cannot carry on without.

18. There is no section that the country can carry on without?—If farming went down the country would go to the wall.

19. Would it not be possible for the farmers to combine and bring these men out?—I may state that I brought out three girls to assist in my household duties two years ago, and two of them have got married.

20. *Mr. Robertson.*] You spoke of men engaged in harvesting receiving 1s. an hour. Is it not a fact that harvesting and threshing work is only during a particular season?—If you do not carry out the work at that particular season you may just as well shut your door altogether.

21. But, looking at the matter from the workers' point of view, the men whom you propose should be brought out would be only engaged during a particular season of the year?—The farmers are short of men all the year round. For instance, I want two men to drain and cannot get them.

22. Would it be sufficient inducement simply to pay their fares out? Would they get work all the year round?—If they got plenty of work here and good money, and they are starving where they are, surely that would be a good inducement to them to come out.

23. Is there not a great demand for farm labour during certain seasons, and then that demand falls off during other seasons?—I do not think it will fall off here for a while.

24. Has not that been the case?—I could not say about that. I know that it has never been the case that labour has been too plentiful here.

25. You referred to wages paid during harvesting; but are those men employed constantly?—There is other work going on in the district I belong to, and the farmers are always short-handed.

26. Take dairy farming—milking: are the men employed by the week?—A boy about fourteen or fifteen years of age will get £1 a week, and girls for domestic service in the country get £1 a week and found. Surely that is good enough payment for a boy that age.

27. What about the men?—I am not a dairy-farmer. I have a farm that would make a good dairy farm, but the scarcity of labour keeps me from keeping cows. Plenty of my neighbours would go in for dairying if there was suitable labour available.

28. What is the weekly wage of a man working on a dairy farm?—That is out of my line.

29. *Mr. Veitch.*] Is there much difference between the profits that would be drawn from the farm by cropping compared with what you are getting now? Would it make much difference to the amount of money that would come to the country?—It would make a big difference to the country. If you do not grow crops and raise stock and send the produce out of the country, you will not get money into the country.

30. You are using your farm for cattle and sheep?—Yes; if you leave the land lying idle, or have simply cattle and sheep on it, you do not make so much money as you would by cropping.

31. Roughly, what would be the difference on, say, a 100-acre farm?—I cannot say, but I think there would be a good deal of difference.

JOHN CLARKE, Farmer, examined on oath. (No. 31.)

1. *The Chairman.*] You are a farmer, Mr. Clarke, residing at Clinton?—Yes.

2. Have you got a dairy farm or a cropping farm?—We just keep enough cows to supply ourselves with milk.

3. Are you also in your farming operations crippled by shortage of labour?—Yes, to a great extent.

4. Can you give us any idea from the point of view of a man living in the country as to what has caused the increase in the cost of living?—My idea is that a great deal of extravagance is going on. Young people nowadays when they are setting up housekeeping for themselves like to begin where the old people knocked off.

5. It is not so much the increased cost as the increased rate of living?—That is the beginning of it. In the olden days we were quite content with two or three rooms, but now they must have five or six rooms and every other convenience. That is one of the reasons.

6. You do not think it lies in the increased cost of the necessities of life?—I do not think there has been so much increase as has been represented. Labour has gone up a good deal. I do not know the position from the town point of view, but from the country point of view the position has not changed so much as has been represented. We can hardly tell in the country what it costs to live.

7. So you think that the cost really is very nearly the same: it has not risen?—As far as I can gather it has not. Tea, for instance, is very much less now than it was twenty years ago—perhaps a third less. You can get very good tea at 1s. 3d. per pound; sugar is 2d. per pound, or 9s. a bag of 56 lb. I do not think there is such a very great deal of difference in the country in the price of living.

8. It is the cost of high living, you think?—Yes: I am speaking from the country point of view.

9. *Mr. Fairbairn.*] Do you raise stock?—Yes.

10. Can you give us any information as to the price you get for your stock?—At present we get from about 14s. for prime lambs to about 17s. 6d.

11. And for sheep?—I could not tell you; I have not sold any lately, but the price in the yards is from 16s. to 22s. That would be about 1s. 3d. to 1s. 6d. a head less on the farm. Fat wethers are quoted at about 20s.

12. Are they still selling lambs in the market?—Yes, there will be lambs for the next three months.

13. *Mr. Veitch.*] With regard to the proposal to import labour for farming: suppose the Government decided to import assisted immigrants to work on farms—farm labourers and so on—for the purpose of making up for the shortage which you allege exists, what would be the position of those men so far as the farmers are concerned? Would the farmers as a class be prepared to employ them all the year round when they came?—I am certain of it. I myself have

been wanting a good deal of tilling and draining done during the last three or four years, and I have not been able to get a man to do it. There is not a man in our district who will undertake draining for love or money—even at 10s. a chain. In harvest hands there has been a terrible shortage. There are hundreds of acres of crops lying out now that will never be got in through the shortage—I might say thousands of acres, but hundreds of acres, at any rate.

14. In your district?—Yes, there are several hundred acres in my district. They are in stook, and some were never stooked owing to the shortage of labour.

15. *Mr. Robertson.*] You have had an exceptionally wet season?—We have had simply to look at the stuff for want of labour.

16. It comes to this: that you have had few opportunities of getting it in, and when the opportunities occurred the labour was not available?—I had nearly 200 acres of crop, and I had to take it in with two drays, with the assistance of my young sons and an extra man, a carpenter, who stopped his ordinary work to oblige me. I could not get labour.

17. *The Chairman.*] A great deal of evidence has been given to us in regard to the selling-price of produce sent in by the farmers. Do the farmers as a whole recognize that the prices they receive are anything like what they are sold for in the shops—for instance, in regard to fruit, potatoes, &c.?—I know nothing as to what it is sold at in the shops in Dunedin.

18. Do the farmers in your district generally sell through agents?—I have sold through agents and without agents. There is one question which I would like to answer which the previous witness did not answer—that is, as to labour being employed all the year round. There is a great scarcity of ploughmen throughout New Zealand. A good ploughman now gets about 30s. a week and found—from 27s. 6d. to 30s. He must be a medium ploughman who only gets 25s. Sometimes a man who is not well acquainted with horses starts at 25s., but he soon reaches the larger sum.

19. You have not heard of any trust or monopoly with respect to your produce?—No, but there might be a slight combination with respect to the selling of commodities. There is a combination on the part of labour, and there must be a combination on the other side to a slight extent to make the business pay.

20. Do you think the rise in the price of land of late years has affected the cost of what you produce?—It must. I did buy a little bit; but I have had my land for over twenty years.

21. Has the market price of your land gone up in that twenty years?—Yes, too much.

22. *Mr. Veitch.*] Do you think that land is selling very high now?—I think it would be very much better for the farmers if they could get land at £1 an acre. If you give £20 an acre you must find the interest first.

23. *Mr. Hall.*] Do you think the shortage of labour is calculated to reduce the amount of cropping?—Yes, certainly. We had a Farmers' Union meeting yesterday, and I heard five or six farmers saying that they were selling off some of their teams, and intended to reduce their cropping.

24. Were any of the Sedgwick boys sent to your district?—There was one. There were a good many applications for Sedgwick boys, but the Government would not allow them to be brought out.

25. Do you think it would be in the interests of both the town and country if more were brought out?—I think so. I think that the more labour that can be got to develop the country the better it will be for the country. The more exportation of goods that we have the better it will be for everybody. At present we cannot get labour; and if we cannot get labour production must cease; and if production ceases, the want of work will be felt in the towns first, because so much labour will not be required to handle the goods.

26. Is not that true of all businesses—manufactures, for instance?—It would not make a bit of difference if all the manufactories in New Zealand were closed. We have got a big tariff to keep woollen goods out.

27. *Mr. Hall.*] Is there any fruit going to waste in country districts in times of glut because there is no margin after paying the expense of sending it to market?—I believe that fruit has been fed to the pigs in the Roxburgh district. The railage cost is not high, because you can get it sent any distance at 6d. a case. I have heard of fruit being sold at 1s. a case. I have heard of a truck of potatoes netting a penny postage-stamp; but I never heard anything of fruit. The farming industry is a very precarious business altogether. This year we have had a terrible season to contend with. Would you mind my making a statement with regard to the price of mutton and beef? I have made inquiries about the price of sheep and beef. The average price of beef during the past twenty years has been from 2s. 6d. to 3s. per hundred higher, and for sheep about 2s. 6d. a head in twenty years. My opinion also is that if it had not been for the old cows that have been sold off dairy farms it would have been a good deal higher, owing to the shortage of cattle. That is owing a great deal to the want of labour, too; and it has been partly through stations being cut up and the land now being used for dairy-farming and sheep-growing. Ten years ago the price of beef was a little higher than it is now. During the last twenty years there has been very little difference in the price of mutton. I am alluding to the prices that the farmers get.

28. *Mr. Fairbairn.*] This is a reliable estimate in regard to the price of beef and mutton?—Yes, I got it from a very reliable source.

29. If this statement is correct—3s. and 2s. 6d. per head for sheep—it would make a difference of $\frac{1}{2}$ d. per pound in mutton in twenty years; and we know that mutton has been sold at a much greater difference than that?—As a matter of fact, farming is not such a paying thing. Considering the higher price of labour and land compared with twenty years ago, farming does not pay nearly so well now as it did then.

JAMES BEGG, Farmer, examined on oath. (No. 32.)

1. *The Chairman.*] You are a farmer, and reside at Clinton, Mr. Begg?—Yes, I am a sheep-farmer.

2. Could you make a statement to the Commission as to what, in your opinion, has caused the increase in the cost of living, if there has been any rise?—Yes. I would like to emphasize the fact that to the principal section of workers in the country—that is, the agricultural workers—the cost of living has not increased. It cannot have risen, for the reason that their living is found for them in addition to their wages.

3. *Mr. Fairbairn.*] We are referring to the public generally. Our investigation covers the whole community—not a section only?—Yes; I just wanted to mention that point. In regard to country labour, I may say that I do not think that the obvious scarcity of country labour arises primarily from insufficient wages, for the reason that during the last twenty years the workers' wages have increased from 50 to 100 per cent. So that the position of that class of labour has improved immensely during the past twenty years. Their wages have increased by the amount I have stated, and in addition to that the cost of living to them has not increased. In spite of that fact, labour has drifted from the country to the cities to a considerable extent, though it is stated to-day that the position of the worker in the city is not so good as it was a number of years ago. From these facts I deduce that the depletion of the country districts of labour is not because of wages—that that is not the prime cause of it.

4. *The Chairman.*] Perhaps the attractiveness of the cities?—Yes. With regard to the increased cost of living, in so far as it has increased, I think these facts bear on the subject. So many have ceased to be producers—the primary producers of food in the first instance. That, it seems to me, would naturally tend to increase prices.

5. The prices of food?—Yes.

6. *Mr. Veitch.*] Is not the increased number of people in the towns to be accounted for by the farmers becoming wealthy and coming to live in the towns?—No doubt, to some extent that has taken place. However, I am inclined to think that the number of farmers who have retired from their farms is infinitesimal compared with the number of farm labourers who have retired from the farms.

7. *The Chairman.*] Still, when you speak about the primary producers being the most necessary—they are the most necessary, but they could not do as useful work if they had to leave their farms and do other work—for instance, to make chairs, say: so that the chairmaker is as useful in his place as the man at the plough?—I am not going to work the point to death and say that we should all live in the country and that nobody should live in the towns; but I would say that the balance is a little upset at present, and I do not think that wages has been the cause of the upsetting of the balance.

8. Have you any knowledge as to the sending of fruit or produce into town—as to how the farmers are treated?—No. I may say, however, that wool has not increased in value in twenty years.

9. *Mr. Fairbairn.*] Taking the average?—There was a fall steadily for eleven years, and for the last eleven years it has risen. The actual price to-day is not higher compared with twenty years ago.

10. From 1890 to 1900 was probably the lean decade all over the world, and it has picked up since then?—Yes, with fluctuations.

11. Can you give us some information about the price of sheep and beef? Can you tell us what the farmer has been getting?—I cannot tell you that at first hand. I could deal with store-conditioned stock.

12. *Mr. Hall.*] Are the farmers having to pay more for their stores than they did a few years ago?—Yes, undoubtedly more than they did twenty years ago.

13. So that if they are selling fat stock a little higher they are paying more for their stores?—Yes.

14. *The Chairman.*] Have you noticed that the goods you receive from the town are more expensive than they were fifteen years ago?—Our bills certainly amount to more.

15. The farmer is getting luxurious as well as the working-man?—Yes, I am afraid that is so. We do not get the same goods as we did twenty years ago. I believe that is a very important factor of the question. Twenty years ago, or even less, we got raisins by the case. Now we find they are wanted in one pound packets, seeded, and ready for use. My own experience is that the great bulk of the groceries to-day was not stocked twenty years ago—not in the same form—and the difference in price is very largely the difference in the price of the get-up.

16. *Mr. Hall.*] What wages per hour is paid for harvesting?—About 1s. an hour.

17. Can you get labour as low as 1s. an hour?—I have no personal knowledge of that. I am not a cropping farmer.

18. *Mr. Macdonald.*] When you spoke of wool, what class of wool did you refer to?—Halfbred crossbred wool.

19. I have here the figures prepared by Dr. McIlwraith, and it seems that during the last eleven years wool has risen to a higher standard than it did in previous years?—The highest point for wool was touched in 1906. The price was 11½d. in 1890 for that class of wool.

20. And it is 11d. now?—My own experience was that I did not get as high prices in 1890–91 as I did last year and this year. I refer to wool from the very same class of sheep and from precisely the same class of country.

21. This table of prices would be approximately correct?—Yes.

22. *Mr. Hall.*] Could you favour us with the prices for the last ten years after looking up your own account sales?—I will try to let you have that information. There is another point I would like to refer to. The price of land has risen very much. Correspondingly rents of runs have risen, but I do not think that is a factor in the price of produce on those runs. I think the high price of land will be the ruin of individual farmers, but I do not think it makes the consumer give a penny more for anything. The prices are governed by outside factors.

JAMES WILLIAM TIMLIN, Accountant, City Electric Light Department, examined on oath. (No. 33.)

1. *The Chairman.*] What are you by occupation?—I am accountant of the Electric Power and Lighting Department of the Dunedin City Corporation. I have a statement from the Town Clerk relative to the price of gas. I will speak with regard to the electric-light supply. Price of gas per 1,000 cub. ft., net, Dunedin: 1876, 12s. 6d.; 1877, 10s.; 1884, 9s.; 1885, 8s.; 1887, 7s. 6d.; 1889, 6s. 3d.; 1907, 5s. 10d.; 1908, 5s.

2. There has been no change in the price of gas since 1908?—That is so: 5s. per thousand feet is the net price after the discount has been allowed.

3. *Mr. Veitch.*] Have the wages of the staff increased since then?—The Corporation pay a minimum wage of 8s. 6d. a day.

4. *The Chairman.*] What was the wage ten years ago?—I could not state.

5. Five years ago?—It would be 1s. per hour then.

6. Are there many men on that minimum rate of 8s. 6d. per day?—Not a great many in the Electric Power and Lighting Department.

7. Fifty per cent.?—No, not that.

8. Have you any statistics about the electric light?—I came into the office about 3.30 this afternoon, and the Town Clerk asked me to look up a few consumers' accounts to get the prices paid for electric light for residential purposes. I picked out four consumers in Musselburgh—that is, St. Kilda—and I found that their average worked out for electric light, plus meter-rent, to £2 10s. 6d. per annum—about 4s. 2d. per month.

9. What is the meter-rent?—At present it is 10d. per month. That is included in the cost to the consumer I have given. I also took four consumers in South Dunedin. These are all five- and six-roomed houses I am giving. I found that their average, plus meter-rent, was £2 15s. 9d. per annum, which runs out at about 4s. 5d. a month. I took three consumers in Maori Hill, and they gave an average of £2 16s. 1d. per annum, about 4s. 8d. a month. Four consumers in North-east Valley average £2 8s. 11d. per annum, about 4s. a month. I took five consumers in Ravensbourne and their average came out at £2 18s. per annum, about 4s. 10d. per month. I worked out the average of the five lots of suburban consumers, and it came out at £2 13s. 5d. per annum, or 4s. 6d. a month.

10. *Mr. Fairbairn.*] How many lights would they have burning?—A man using 160 candle-power, and using the whole of his lamps five hours a day for thirty days, would consume 6s. 4d. worth. That is running absolutely to the maximum and practically wasting light.

11. Have you statistics with regard to gas?—No. I could make a comparison with regard to kerosene.

12. *Mr. Veitch.*] What would be the cost of fitting a residence with electric light, compared with putting in gas?—We reckon the cost at about £1 a point.

13. *The Chairman.*] Does it not make a big difference whether the house is a new one or an old one?—There is not a great deal of difference.

14. What would gas cost to put in?—About the same. We call a fitting with two branches one point.

15. It costs really £1 a light to put electric light in?—Yes.

16. Have you an estimate of what it actually costs to put electric light into a five-roomed house?—About £10, and that would put a point in the kitchen for ironing. Many of these consumers whose averages I have given iron with the light as well. It works out that the cost for ironing comes to about $\frac{1}{3}$ d. About twelve months ago we sent out about a hundred circulars asking consumers how they viewed the cost of electric light as compared with kerosene. We got back thirty replies, and in nearly every instance they stated that electric light was cheaper than kerosene.

17. *Mr. Macdonald.*] What profit are you making on gas?—I have not the gas balance-sheet.

18. Do you make a profit on electric light?—Yes. We have only been running about five years, and at present we are still behind, but next year we are down in the allocations for £1,000 to pay to the Municipal Department to the relief of rates in the general fund.

19. Could you send us a balance-sheet?—Yes, I will send you the general balance-sheet up to the 31st March, 1912.

20. *Mr. Veitch.*] Assuming that a city has neither gas nor electric light, which would cost more to instal right throughout the town—that is, generating-plant and everything?—I think it would cost more under our scheme, which is a high-tension scheme generated from water. We are just extending up to 6,000 horse-power, and the total cost will be about £369,000. We are giving far better rates for power than gas.

21. You are going to supply power?—Yes. Nearly all the industries here which used to be run by steam are now run by electric power. They find it far cheaper than coal for motive power. If it costs a man £10 to instal electric light in his house, it is not a great deal compared with installing kerosene. £3 is not a high price for a hanging kerosene-lamp, and 5 per cent. on £10 is only 10s. a year.

THOMAS JAMES MCCUTCHEON, Fish-hawker, examined on oath. (No. 34.)

1. *The Chairman.*] What is your occupation?—Fish-hawker. I wish to reply to some evidence given by one of the trawl-owners and one of the members of the Fishermen's Union. Dunedin has three supplies of fish—the line fishermen, the seine fishermen, and the trawlers. The prices

have gone up simply owing to the fact that these workers, both line and seine fishermen, have awakened to the fact that by combination they can control the market and raise the price. From their point of view they are quite right. They limit the amount each day, and when they catch too many one day they hold it back and send it up next day. Both the line and the seine fishermen have got a union, and when the price goes below what they consider a fair return to them they knock off for a day or two, and the price goes up again. This, of course, was a difficult season for ascertaining whether the price of fish was due to natural or unnatural causes. To give an instance: Five years ago kingfish for about three months averaged 9s. a dozen; this year they have not been down to 1s. each seven days in the whole year, and probably for the plentiful three months the average price was 18s. a dozen. That was not due to the fishermen, but was owing to the scarcity of the fish.

2. Do you object to there being an understanding between these fishermen?—Certainly not. From their point of view they are doing quite right. The market is free so far as I am concerned. We buy the fish under hammer from two auctioneers.

3. If fish sells at a prohibitive price what do you do?—We pass the price on to the public. They take fine care they keep the price so low that the public will buy. It was said by Keenan that when the public come in to buy the hawkers run the price up. That is absurd. I have never seen it done on the fish-market. If fish are plentiful the dealers take what they want and leave the remainder. Sometimes instead of the public buying dearer than the dealers they get it cheaper. Fish are put up in pairs, and we would be foolish to run up the price because some one wants a particular fish or pair of fish. One reason for limiting the supply by the boats was that when fish had been flush the surplus had been frozen and kept in the freezer until there was a scarcity and then brought out and sold. They are taken by boardinghouses, hotels, and the railway dining-car. That keeps down the price of fresh fish at those particular times. When they cannot get fish to freeze it naturally makes the price to the fisherman better.

4. *Mr. Macdonald.*] As it works out it has a tendency to keep the price uniform?—It has a tendency that way. I would also like to say a word about rabbits. Those who deal in fish also deal in rabbits. It was said by a witness that we bought the rabbits at Lawrence for 5d. a pair, and he had to pay 10d. for them in Dunedin. The retail price in Dunedin is 9d. Probably during the winter skins are worth 5d. a pair, but we cannot get our rabbits at 5d. a pair. We buy from the men near the line, and further back the exporters take up the land in blocks, put on trappers, and take the whole output. We have been offering 7d. a pair on the railway, and could not get them. When the railage is taken into account, all the hawker gets is the skin; and he has to prepare them.

JOHN BUCHAN, Fish-curer, examined on oath. (No. 35.)

1. *The Chairman.*] What is your occupation?—Fish-curer. I have sold fish wholesale and retail about as long as any one in Dunedin. I think I am the oldest fish-dealer in the market to-day. When fish are very plentiful we buy more than we require, and cure the surplus. If I send a case of fish of 33 lb. to half a hundredweight I am charged 1s. 10d. up to 2s. on the railway, and if I send 9d. worth of fish the carriage is 6d. People outside Dunedin cannot get cheap fish.

2. How do you send 9d. worth of fish by rail?—Through the parcel office. I have often sent cases of fish from here to Christchurch, and the price is excessive.

3. *Mr. Fairbairn.*] What is the price?—I cannot remember. The railage between Dunedin and Owaka is 1s. 10d. and 1s. 9d. a case of 30 lb. to 50 lb. If the price was cheaper it would encourage more to be sent.

4. What price per pound would you charge for that fish?—I am referring to the fish of which we have more than sufficient for the local supply.

5. How much do you charge for that fish?—Not more than 2d. a pound.

6. What sort of fish is it?—Ling and barracouta. Those are the only fish you can cure, and I am speaking of cured fish.

7. Do you confine yourself to curing fish?—Not always.

8. Could you give the price of fresh groper?—I could not; it varies every day. The point I want to make is that the railway charge on fish is excessive. Farmers should not get the cheap freights all their own way. Fruit is carried for 1s. a case from Central Otago, and we are charged 3s. for the same weight of fish to the same place.

CHRISTCHURCH.

MONDAY, 10TH JUNE, 1912.

WILLIAM HENRY BOWATER, of the firm of Bowater and Bryan, Sawmillers and Timber-merchants, examined on oath. (No. 36.)

1. *The Chairman.*] You are in the timber business?—Yes.

2. Have you been in it some time?—Yes, twenty-four years.

3. To what district does your experience relate?—To the West Coast district.

4. Could you make a statement to the Commission about the position of business on the West Coast in regard to the transactions you have had in the timber trade?—In what way, Mr. Chairman?

5. Well, we would like to know pretty nearly the extent of the business of timber trading in Westland. You could give us some idea of the trade, whether of export or local consumption, during ten years—say ten years ago as compared with the present time: could you do that?—I could do it roughly from memory. I have no records here.

6. Give us an approximation. Tell us the mode of business—how the timber is conveyed to the purchaser. But first let us hear about the amount of business done in the timber trade, say, ten years ago?—The timber exported to other parts twelve years ago would be about twenty-five million feet.

7. And the local consumption at that time?—I could not say.

8. You have no idea of the output of the several mills?—No, not in regard to local consumption; I have never seen the figures.

9. And what is the export at present?—The export for the last two years—things are very quiet just now—has run from fifty to sixty million feet per annum.

10. *Mr. Fairbairn.*] For the whole of the West Coast?—Yes.

11. *The Chairman.*] A considerable increase, then, in the ten years?—Oh, yes.

12. Have you any idea whether there is a controlling ring or combination affecting that business on the West Coast?—No, I have no such idea. Of course, we do arrange prices.

13. Who are “we”?—My firm is free, but there are plenty of mills that do arrange prices. The West Coast Timber Company arrange prices for their own mills.

14. Is there a great deal of difference between the prices which they arrange and the free mills?—Sometimes there is a little difference—not a great deal; there is no room for much difference.

15. During the time the timber trade has increased in volume has there been much increase in price?—Yes, quite a considerable increase in price.

16. What is the difference in the principal products—rough red-pine, &c.?—We are working under different conditions now. The sales are conducted differently from what they were, going back twelve years, at any rate. We used to sell on the contents of the log basis. We were selling then 5s. 6d. and 6s., as far as my memory serves me: it is a long time back, and I have no records here.

17. *Mr. Fairbairn.*] That is rough timber?—That is on the contents of the log, taking the clean and rough timber together. Merchants at that time took the whole log, and took a considerably rougher class of timber than is being used to-day.

18. That is for rough red-pine you quote?—Yes.

19. *The Chairman.*] What is the system at the present moment?—Well, the timber is classified, ranging from 5s. for the rough O.B. timber to 7s. 3d. and 9s. 6d. for dressing lines—that is, clean timber suitable for dressing, not dressed timber.

20. *Mr. Veitch.*] Is that the retail price?—That is the wholesale price.

21. *Mr. Fairbairn.*] Where are these prices for?—F.o.b. Westport, Greymouth, or Hokitika.

22. *The Chairman.*] Could you give the Commission your opinion of what has been the cause of the rise of price?—There is from 15 per cent. to 20 per cent. increase of wages during that time. The timber is also further back, in some cases necessitating additional railway freight.

23. The cost of transport has to be added?—Yes, and the timber is also further away from the railway-lines, we have to go further back into the country.

24. Are any mills cutting now that were cutting ten years ago?—Oh, yes.

25. Then those mills are getting the benefits of the prices?—Not necessarily; if a mill has settled in one place for ten years the bush is a long way back from the mill: they then have more cost of logging.

26. *Mr. Fairbairn.*] You consider that wages have increased 15 to 20 per cent.?—Yes.

27. What difference would that make in the cost of production: would it make 1 per cent.?—It would make considerably more than that—oh, gracious, yes!

28. It was proved that the increase in wages has only added $\frac{1}{4}$ d. per carcase in meat?—That would be on the distribution.

29. No, in the cost of producing—slaughtering?—That is not in growing the carcase. And in that case you are only dealing with part of the increase. We are dealing with the whole increase. Timber is largely a question of labour to produce—more than would obtain in the butchery trade.

30. *The Chairman.*] Has any part of that increase arisen from excessive royalty?—The royalty during the period named has doubled. There is also accident insurance thrown on to us, which is a very big thing.

31. *Mr. Macdonald.*] Do you remember the rate?—For bush hands, £4 8s. per cent. on the wages. It is a very big thing. That is an expenditure that has been brought about within the last eight or nine years, as far as my memory serves me.

32. *Mr. Fairbairn.*] You mentioned red-pine suitable for dressing, selected red-pine—what is the price of that when it is dressed?—11s. f.o.b.

33. Is that the highest class of red-pine shipped from the Coast?—No, figured comes in after that—figured timber is 14s. f.o.b. undressed, and dressed 1s. 6d. per hundred extra.

34. *Mr. Veitch.*] There is a difference between dressed timber and moulding?—Oh, yes, a vast difference; and dressed timber does not imply dry timber. The expenses of drying run into more than dressing timber.

35. In the matter of this moulding: do you do that class of work in your mill?—No, not any moulding for export.

36. Can you tell the Commission what is the cost of moulding timber?—What would be the cost if we did it?

37. The selling-price?—They always do it in the cities; they dry it first and mould it afterwards.

38. *Mr. Fairbairn.*] These prices that you are quoting are to-day's prices?—Yes.

39. How long have they been in existence?—Six to twelve months.

40. Can you give us any information with regard to freights to Lyttelton?—The freight formerly was 2s. 9d. per 100 ft.; that is some years ago.

41. What are they now?—3s. 3d.

42. In regard to the increased output of timber from the West Coast: has white-pine entered largely into that?—No; a better price is obtained for white-pine than for red-pine.

43. Is the increase due to the larger amount of white-pine?—Yes.

44. What proportion of this 60 million feet would be white-pine for butter-factories, approximately?—Probably 10 to 12 million feet.

45. *The Chairman.*] Is there any understanding between the shipping companies and certain mills to carry freights at a lower cost—no rebate?—None that I know of; no. I would just like to add, Mr. Chairman, that at the present time there is a very much finer article required to supply the market than was required twelve years ago. People were then taking very much rougher timber than they are using to-day. We notice that all through; indeed, that was the reason we had for putting up the dressing lines.

46. To what do you attribute that?—To a rise in the public taste. There is no doubt the present time is one of luxury and sport, to a large extent, compared with twelve or fifteen years ago. We notice it in the sash-and-door line. There used to be a much cheaper class of door on the market than that used to-day. Nothing but figured rimu will do them indoors to-day, which is due to the improvement of the public taste.

47. So that you would say that the rise in wages, the growing distance from the market of the mills, and the more expensive taste of the present day are the causes of a rise in the price of living, if such rise exists?—Yes, I should think so, so far as that affects the trade.

48. *Mr. Fairbairn.*] There is one point I should like more definite information about *re* the 15 to 20 per cent. increase: what would that percentage mean in the increased cost of production?—The wages are about 60 per cent. of the total price; the total cost—that would be 15 to 20 per cent. of 60 per cent.—that is, about 10 per cent. of the increased cost of timber is due to increase of wages.

49. *Dr. Hight.*] You said that the West Coast Timber Company arranges prices sometimes?—Yes.

50. What do you mean precisely by "arranging prices"?—They state at what they will sell the timber for.

51. Can you give us any idea of the relative amount of the total output produced by this company?—Yes; roughly speaking, they are supplying about two-thirds of the export.

52. And then as to the increase in the rate of wages: you say the increase has been from 15 to 20 per cent. on the wages paid?—Yes.

53. Has there been any increase or any other result observable on the efficiency of the labour employed? Do you get more result in a given time than before?—No, we get less.

54. That is to say, the average worker, you consider, receives wages 15 to 20 per cent. higher than the average worker of twelve years ago?—Yes.

55. And is responsible for a smaller output?—It is taking about sixteen men to do the work that twelve men did formerly. I do not say that is due to malingering—I would not say that. I am not here to say anything of that kind.

56. Are there any causes which may explain the reduced output per man?—

57. *The Chairman.*] Perhaps they worked longer hours twelve years ago?—No, I think not.

58. *Dr. Hight.*] What about the machinery now used: does that differ?—The machinery is much better in efficiency. The price of the timber would be much dearer to-day if there were not increased efficiency of plant.

59. *Mr. Macdonald.*] On the Coast all the areas are small; if you had bigger areas, as in America, could you put on improved machinery, and therefore reduce the cost?—Oh, yes, that is so. If we had been allowed to hold a much larger area than we have been holding we could have cut timber at much reduced rates. One of our mills has been in the same position for the last twelve years, and the bush is quite a network of tramways, laid at considerable cost to us, and they are now lying there idle.

60. *The Chairman.*] Might not the reduced output in comparison to the number of men employed be not so much from a reduction in the efficiency of the men as from these smaller areas and this network of tramways: might not some reduction be due to the difficulties of management instead of non-efficiency of the men?—I do not say it is due to the non-efficiency of the men; I simply said it took sixteen men for the same output that twelve did formerly.

61. But the inference would be drawn that it would be through that inefficiency?—No, not necessarily.

62. *Dr. Hight.*] Are the areas smaller than they used to be?—No, about the same. If we were allowed to hold 2,000 acres or 3,000 acres when we started to cut twelve years ago we would have put in an iron line with a locomotive, and that would have been working against horse traction, which is the dearest mode of traction.

63. What area would justify a modern up-to-date plant?—A modern up-to-date plant would require fifteen years' life, and it would be cutting probably 20,000 ft. per day, and cut out 3 acres per day, say.

64. *Mr. Robertson.*] In regard to white-pine: could you give us any idea of the increase in the price of that over the same period?—White-pine, in consequence of the Australian trade taking all they can get, has been largely responsible for the increase of price.

65. How much is the increase of price?—White-pine ten or twelve years ago was about the same price as the red-pine; to-day, on the whole, it is more money—it is worth more money than the red-pine. We get 9s. for butters, first-class; 8s. second class, other sizes 8s. and 7s. On the whole it is a better price than red-pine.

66. What proportion of the total output would go to Australia?—Very nearly the whole of the output goes to Australia; there is very little demand in New Zealand for butter-boxes—comparatively small compared with the amount of cutting.

67. *Dr. Hight.*] There is an export duty on white-pine?—No.

68. *The Chairman.*] Is there any statement you could make that has not been elicited by the questions, or anything in regard to the rise of price that you wish to say?—I am not aware of anything; I think you have covered the ground pretty fully.

FREDERICK G. M. BRITTEN, Surgeon, of Christchurch (late of Te Puke, Bay of Plenty), examined on oath. (No. 37.)

Witness said he had been paying 8d. per loaf for bread, 4 lb. loaf, at Te Puke, whereas when he came down to Christchurch it was 6d. One of the reasons for that was the cost of transit, and the other, monopoly. At Te Puke there was only one baker within eighteen miles, and this man could charge just what he liked. *Witness* lived within half a mile of the bakery, but could not get the bread for less than 8d. At one time there were three butchers in the township, but they amalgamated, and charged what they liked for meat, and the meat was the worst he had ever tasted. £30,000 or £40,000 worth of meat was exported, and the rejects kept for local consumption. He did not think there was any monopoly in regard to bread in Christchurch; he thought there was free competition. *Witness* gave figures as to cost of freight on goods shipped by the Northern Steamship Company—£19 from Te Puke to Auckland by steamer for 11½ tons. The Northern Steamship Company had a monopoly. He believed it cost more to get goods from Auckland to Te Puke than from America to Auckland.

Mr. Fairbairn said the freight from America to Auckland was much higher than that.

Witness produced account from Express Company showing how the freight charges and incidental expenses were made up. The Northern Steamship Company charged these high rates on the necessities of life, and then there was a clique of people in Te Puke who kept the monopoly in their own hands. There were hundreds of thousands of acres of unproductive land about Te Puke, and now that the railway was being made there the population would increase and competition would come in. The land-values would increase too. He was up in the district two and a half years ago, and he was certain it would be the orchard of New Zealand; there was some of the best country with the best climate in the Dominion. *Witness* gave details of the insufficient municipal work done in the way of roading and channelling and asphaltting. There was no registration of the births, deaths, and marriages among the Maoris. The Maoris died without anybody trying to find the cause, and no steps were taken to prevent the spread of contagious diseases. He knew that the price of land had gone up 80 to 100 per cent. since he had been there; he knew one person who was holding on to some thousands of acres waiting for the unearned increment, and only employing one man on the land. There had been a good many land-sales lately. Rural areas brought £20 to £25 per acre at the outside. One grazing-farm (dairy farm) he knew brought £30: that was within two miles of the township—an improved farm. The unimproved land went for from 25s. per acre up to a few pounds per acre: that was within five or six miles of the township.

HOWARD WALTER HESLOP, Representative of Messrs. H. L. Bowker and Son, Land and Estate Agents, examined on oath. (No. 38.)

1. *The Chairman.*] Are you well acquainted with this district?—Yes, I have been here since 1881.

2. Has there been any considerable increase in the land-values in Christchurch?—My experience from that standpoint does not date back to 1881, but I can say that during the last ten or fifteen years there has been a very marked increase.

3. What percentage has it risen during the last twenty years?—That depends entirely on the locality; some localities have increased more than others.

4. *Mr. Macdonald.*] Have all localities increased?—Yes, on the legitimate values. In some areas there are some fictitious sales which cannot be taken as any criterion of the value of the property. For instance, of what we call “illegitimate” values, such as away in north New Brighton, the people speculate in land where there is no legitimate demand; we do not consider those “values” at all in the right sense of the word.

5. *The Chairman.*] Has that increase which affects Christchurch affected also the whole of the land in Canterbury?—Possibly not from the same cause. My experience is limited to city and suburban property, not rural land.

6. What has caused the increase in value in urban and suburban lands?—Increased prosperity and increased population; it is purely a question of supply and demand.

7. Then, this rise in value is mostly a community-created value?—Yes.

8. Do you think the increased cost of land has added directly or indirectly to the cost of living?—No, I do not think so.

9. You do not think so?—Except from the standpoint of the man who is living in a more palatial home. I take it that this Commission deals more with the man where it is a question of a small income—the average man. Of course, if a man has to pay more for a section—say he pays £100 more for a section—the increase to him is only £5 per year—that is not very material.

10. *Mr. Fairbairn.*] Oh, that is 2s. per week?—Of course, it must increase the cost of living in that sense.

11. *The Chairman.*] Is not that balanced by other lands being cut up into sections, adjacent lands, so that he has a better chance of going further out and getting a cheaper allotment?—I do not think so. The rating on unimproved values has meant the cutting-up of more blocks of

land, but it has not cheapened the value of sections to any material extent. Two miles out from town to-day we are selling quarter-acre sections at £300 or thereabouts.

12. Because the trams run there?—Well, of course, they would not take it if the trams did not run there; but it is not solely because of that; that does add very greatly to the value of the section, of course.

13. *Mr. Macdonald.*] That makes the demand, does it not—gives access?—It assists the demand.

14. *The Chairman.*] You consider that the people of Christchurch by obtaining money for the tramway have put themselves in a position where they are paying larger rents even if they go three or four miles away to get the houses?—That is such a very fine point. If you try to work it out on a mathematical calculation it would be difficult to say the proportion. There is no doubt that the proximity of a tram-line enhances the value of the section—that is, increases the cost of the section. Of course, a man can always live cheaper in a rented house when he gets over a certain figure—over £1 per week he can live cheaper by paying rent than by owning his house.

15. The rented house is cheaper, then?—Not in every case; only over a certain value—over £1 per week in rental value.

16. *Mr. Fairbairn.*] What is the reason for that?—It is an extremely difficult matter to get any one to pay more than £1—there are isolated cases, but they are only a small proportion—per week for a house for purely residential purposes. The large percentage of houses are let from £1 per week downwards.

17. But there must be a proportion of more expensive homes?—Yes, but the proportion of houses let over £1 to £1 5s. per week is very small compared with those under £1 per week. There is always a certain section of the community who are not sufficiently secure in their residence in the city to warrant them buying a house—Government servants, and so forth.

18. *Mr. Macdonald.*] And there is a proportionately less desire to own houses worth over £1 per week?—Yes.

19. *Mr. Veitch.*] Does that mean that more workers own their own homes than well-to-do people?—I would not be prepared to say that. The proportion of workers to the well-to-do class is very much greater, and the well-to-do class have more of the home instinct in them than the average worker.

20. *Mr. Hall.*] Do I understand you to say that you think a house letting for more than £1 per week is returning a lower percentage of profit than the smaller houses?—Yes, we always advise clients coming to us to invest in house property not to go over £500 in their purchases.

21. What would a £500 house let for?—From 17s. 6d. to £1 per week.

22. What would be the percentage for one of the more expensive houses?—It would not bring in 7 per cent. net—that is, as a general rule. Of course, there are ways of making them bring in more, making the percentage higher, by a man borrowing on the property as low as possible, and make the other man's money work for him.

23. *Mr. Veitch.*] You say that although the rating on unimproved values has not led to the cheapening of land, it has led to the subdivision of land for building purposes: is that what you meant?—Yes; I would not say that the rating on unimproved values has not had the effect of cheapening the land, because I do not think anything would have stopped the natural increase in value. The rating on unimproved value has meant this: up in St. Albans, to take an illustration, there was a big block of Church Property Trustee land—market-gardens, &c., it was used for;—under the rating on unimproved values the rates were prohibitive of the land being used for that purpose any longer, and the outcome is that, with discretion, it has been cut up and put on the market: not all at once—that would cause a glut.

24. That would have prevented an increase or forced a fall?—Yes. The land has been held by people not compelled to put it on the market at once; they would hold back some, and not cause a glut.

25. *Mr. Hall.*] Has this had the effect of driving the market-gardeners further out?—Yes. In this case it was a very good thing, because it left the land free.

26. *Dr. Hight.*] You consider the influences at work, then, are—1, the increase of population, and 2, the greater supply of money?—Yes.

27. And these have tended to increase the land-values?—Yes, and the increased facilities, such as electric trams.

28. I am referring to the general causes?—I see.

29. Have you found that the values of land not on tram services have fallen during the last fifteen years, comparing pre-tramway days with now?—Oh, no; I do not think any land round about Christchurch has fallen; there has been a legitimate rise all round.

30. Land away from tram services is dearer now than it was?—Yes.

31. And the land on the tram-lines is very much dearer?—Yes. Of course, as the land nearest the trams increases in value, other land fairly adjacent must naturally increase in value.

32. *Mr. Macdonald.*] Do you not think the rate on unimproved values has kept the price at a lower level?—No, I do not think it has had that effect. I do not think the rating on unimproved values has had any effect on the price of land, but merely on subdivision.

33. Although it has forced allotments on the markets?—Referring to land held in Christchurch in big blocks, such as by the Rhodes, Steads, and others: these people can hold their land as long as they like; and the Church Property Trustees held their lots—the Trustees were very careful not to throw it all at once on the market.

34. *Mr. Hall.*] Is the cost of roading and kerbing on these allotments very heavy?—I do not think that has anything to do with the enhanced value of land. I do not think that has had any effect at all.

35. *Mr. Fairbairn.*] Can you give us some information about the rents? Can you tell us the rents ten or twelve years ago?—I made inquiries in the office before coming here.

36. What was the rent of a four-roomed cottage of a particular kind in a particular locality ten years ago, and to what has the rent increased for the same kind of cottage?—The same house ten years ago would be a higher rent than it is to-day—the same house.

37. Your idea is that rents for the same houses having the same facilities would be less now in that particular grade?—Yes. Of course, the houses that they are building now are costing more, for various reasons—the natural rise in the cost of building, the increase of everything used in the houses, and also the man is compelled to put more conveniences into the house—hot water, connections with sewers, &c.; they are not the same houses. The building of the more modern houses has had the marked effect of cheapening the houses with less conveniences, so that a man who is not in a position to pay the higher rent is in a better position to get a cheaper house than he was ten years ago.

38. The advance in the rents is owing to more conveniences in the modern house?—Yes, that is the essence of it; people nowadays, no matter how humble, are demanding the maximum of comfort at the minimum of cost. We have them coming to our office and wanting a four-roomed house on the 1d. section, with bath and sewer connections, hot and cold water, and they want it all for 10s. per week.

39. *The Chairman.*] You do not wish to show contempt for these wishes to be clean and comfortable?—Oh, well, a man can keep clean and comfortable—

40. *Mr. Macdonald.*] Outside the penny section?— —without having all these modern improvements. We used to keep clean and comfortable without a bathroom.

41. *Dr. Hight.*] You spoke as if the increase were due to the increase in building houses?—I do not think the increased value in land has had any marked increase in rents, because years ago people never thought of building a house on less than a quarter-acre; now they build two on that. You do not get the same land, but the people nowadays do not want the same amount of land. If they have the land they do not make any use of it, half of them.

42. *Mr. Macdonald.*] Your attitude to the unimproved value is this: supposing the rating had never been instituted, would these Church people have put their sections on the market?—That is a question I cannot answer. The absence of these sections on the market (a very big proportion of available land was held back) might have caused sections that were available to increase in value to such an extent that these Church Trustees might put their land on the market anyhow. Then, again, it might have meant that people went to other localities.

43. *Mr. Veitch.*] You say people want conveniences now, and not large blocks of land?—As a general rule, yes.

44. And you say that the increased value of the land has not increased rents?—Of course, it must have made some slight difference, but not materially increased the rents, because, as I say, men are building houses now on smaller sections, and a slight increase in the cost of a section does not make a very material difference in the cost of the whole property from the interest point of view.

45. *The Chairman.*] Is there any statement you would like to make which has not arisen from the questions asked?—No, except from an observation standpoint. I cannot speak authoritatively, and I do not make the statement for publication; but I think that, to a very great extent, the cost of living in Christchurch has materially increased because people are more bent on amusement and leisure and luxury than they were ten or fifteen years ago. We have evidence of that fact from all the conveniences that people want. Ten years ago people were prepared to work harder in their homes. I do not begrudge people the maximum comforts they can have, but the general trend, in my opinion, is for people to have the maximum enjoyment and comfort, and they do not mind what they spend on picture-shows and gadding about.

46. You think these pleasures should be reserved for a certain class of persons?—I think they should use discretion.

47. *Mr. Veitch.*] Do you think business men want more luxuries, and, therefore, charge more profits?—Oh, no.

48. The business men do not want more luxuries, only the workers?—I am speaking generally; I am speaking of all the people.

49. *Mr. Fairbairn.*] The business man wants the motor-car?—Yes, that is so.

50. *Dr. Hight.*] Is it not that the means to gratify these wants have stimulated the demand?—Very likely; I am not blaming the people for wanting picture-shows and anything of that sort; I merely record the fact that I think at the present time the cost of living is so much greater not only from that cause, but because people are spending too much in amusements and luxury.

51. *Mr. Fairbairn.*] Your first statement fairly covered the whole thing—increased prosperity and increased population?—Yes.

52. *Mr. Macdonald.*] Is your experience that the tenants now do not look after the houses as well as they did ten or fifteen years ago?—As a general rule, that is true.

53. *Mr. Fairbairn.*] Does that refer to the small houses?—Yes, as a general rule; of course, there are exceptions. We get hold of some fine tenants. Different offices have different experiences. In our office we take a pride in our letting business, and sort out people we think will be good tenants.

54. Have you any system of blackmarking tenants known to knock places about?—No; I think it would be a good thing if we had. But there is no co-operation between the agents in Christchurch. We have had one or two tries at forming an association to protect the public as well as ourselves, but there is too much jealousy among agents, and we could not do anything.

55. *Dr. Hight.*] Could we get a table of rents paid for a typical house in each grade?—I could have one prepared for you.

56. *The Chairman.*] Would it be very much trouble? The Commission would pay a clerk's expenses?—Oh, it would not take long. But it is very difficult in our business to lay down a general rule for a typical house. Each house differs so much from the other that it does not convey much to merely quote rents and rooms.

57. *Mr. Fairbairn.*] Would it not be a good thing to keep within the scope of ten years ago and to-day for exactly the same type of house?—Yes, I see.

58. *Dr. Hight.*] Perhaps you could take a house typical of those rented by men receiving £3 per week, but then perhaps the character of the house would change and that would be more difficult to tabulate?—Yes, and we are not always in possession of the information in regard to the income. We could only guess at typical classes. However, I will prepare a table.

P. J. DE LA COUR, Boot Manufacturer and Importer, examined on oath. (No. 39.)

1. *Mr. Fairbairn.*] Do you wish to make a statement to this Commission?—No, I have been called here.

2. You are a wholesale boot-manufacturer?—Yes, I manufacture for the trade.

3. Have you any knowledge of any combination between the boot-manufacturers, or any understanding with regard to prices?—None whatever.

4. The business is perfectly open and competitive?—Yes. We have got the world to compete against.

5. Hardly that, being a protected industry?—Oh, well, it is protected in a certain sense, but not very much for the colonial manufacturer.

6. You say there is no understanding with regard to prices among the manufacturers?—None whatever.

7. *Mr. Hall.*] Do you think the cost of manufacture here is larger than similar establishments in the United States, America, or England—the cost of making a pair of boots or slippers?—Oh, very much more here.

8. Can you give us any idea as to what you estimate the difference in cost between making a pair of slippers in New Zealand and in the United States, America?—Oh, well, we can buy the English-made slipper at something like 1s. 9d., and we could not make the uppers here for anything less. You can get the slipper ready made far cheaper than we can do the uppers.

9. Is it the lower wages?—Lower wages and longer hours of labour and better machinery.

10. *Mr. Fairbairn.*] What would be the cost of these 1s. 9d. slippers in New Zealand?—They would have a leather sole, and there would be 6d. per pair and 15 per cent. duty.

11. And the cost of making them here?—You could not land them here under about 3s. 3d.

12. Then, 3s. 3d. is the New Zealand cost?—Yes.

13. The duty on slippers is 6d. per pair and 15 per cent.?—Yes, 10d. in duty and 6d. for freight, exchange, and other charges.

14. So that the duty and the original cost of manufacture would amount to 3s. 1d., and the New Zealand cost alone is 3s. 3d.: what is that owing to?—In the Old Country they would have cardboard stiffeners in soles and a part of the soling.

15. I understood it was exactly the same pair of slippers we were talking about?—Oh, no; we could not touch the cardboard here; the cost of labour to handle the cardboard would be altogether too much.

16. You are now speaking of a different article?—Oh, well, we could not manufacture that slipper at all. I thought you were speaking of the cheapest slipper we could make.

17. You mentioned the cost would be 1s. 9d. for the slippers, and I asked about the same pair of slippers in New Zealand?—They are not manufactured in New Zealand at all.

18. What would those 1s. 9d. slippers sell for in New Zealand?—Different shops have a different way of working their profits.

19. No doubt. What would be a fair price?—About 4s. or 4s. 3d.

20. That is a pair of slippers that would be 1s. 9d. in England would be retailed at 4s. 3d.?—Yes.

21. And the duty and landing charges would be 1s. 4d.?—Yes.

22. The duty is 1s. per pair on boots plus 15 per cent., plus half as much on Continental?—Yes.

23. So that it becomes very heavy on children's boots and slippers?—Yes; in fact, with anything below 5s. they are not worth the money that is paid for them.

24. *Mr. Veitch.*] What is the duty on other boots?—1s. on women's, and children's about 6d. per pair, and 1s. 6d. on men's, plus 15 per cent. on all lines.

25. *Mr. Macdonald.*] Then, the duty on lower-priced articles is not benefiting any New Zealand manufacturers at all?—No, the working-class have to pay for that particular duty, and they do not get value for their money.

26. Would you recommend the removal of duty on boots under a certain value?—Certainly—not exactly on boots, but even slippers and shoes and articles that cannot be made in New Zealand.

27. Has your manufacturing cost increased during the last ten years?—Oh, very much. I could not exactly give you an idea of how much, because I was only called about 10 o'clock this morning. We have had to get machinery to cope with the working-expenses; instead of putting on the cost we have got more up-to-date methods, and lessened the cost of production every time. Although cost of production has increased, boots are sold as cheap now as they were ten years ago.

Dr. Hight.] The different items in the cost of production are charged in different ways?—Yes.

29. *Mr. Fairbairn.*] Have the costs of leather advanced?—Yes.

30. And wages?—Yes.

31. To what extent have wages advanced?—The minimum wage, say, ten years ago was £2 2s., and the minimum wage is now £2 6s. The wages for females who have served five years was 22s. 6d., and is now 30s.; and boys and girls 5s. to 6s., now 10s. to 12s. 6d.

32. What advance would that mean in the cost of production of boots—that 4s. 6d. increase in wages?—It would be about 10 per cent.

33. That is impossible—that is, for wages only?—The cost of leather has advanced more than 10 per cent.

34. What is the percentage of wages in manufacture? Take a pair of boots you would sell wholesale at 15s.: what amount of wages would be in the manufacture of that pair of boots?—About 5s.

35. That is one-third: then the wage increase would be $3\frac{1}{3}$ per cent., and not 10 per cent.?—Yes, but you go ahead on leather.

36. I am dealing with the labour of making the boots?—Very well.

37. You say that wages in the cost of manufacture are about one-third?—Yes.

38. *Dr. Hight.*] Does that apply to all kinds of boots?—Well, we can just take it as an average.

39. *Mr. Fairbairn.*] Other materials, such as grindery, &c., have they advanced?—Not very much. Nails do not vary very much; brass rivets go up and down.

40. Then it must be obvious that you cannot attribute the rise in price of boots to wages?

41. *Mr. Macdonald.*] But you say there is no rise?—No; we have kept up with the increased cost by improved machinery.

42. In ten years there would be considerable development in that respect?—Yes.

43. Has there always been a tariff on certain classes of boots?—Yes; three years ago the tariff was increased in some respects, and in others decreased. Five years ago a 10s. pair of boots (English value) would be 13s. 9d. per pair here.

44. *Mr. Fairbairn.*] What would be the duty?—25 per cent. *ad valorem* all round on boots five years ago. The present duty is 1s. 6d. and 15 per cent., so that there is an increase of duty. Take a 14s. pair of boots: they used to cost 18s. 11d., now they cost here 19s.—that is only 1d. advance; you get that boot for practically the same money. On the 16s. pair of boots, the duty would come out less.

45. Now take a pair of boots invoiced at 5s.?—We do not import anything like that 5s. boot; we just go in for the grades I have been giving you. Take a pair of lady's evening shoes costing 1s. 5d. in England. They used to land at 2s. 5d. The duty on those would be 4½d., and now 1s. 2½d. With the duty on, they are not worth the money.

46. What do you allow for retail profit?—I suppose they will want 25 per cent. anyway.

47. Is not the effect that these cheap boots are absolutely shut out?—There are some coming in still, worse luck.

48. Carrying a duty of nearly 100 per cent.?—Yes.

49. Do you import any?—No.

50. Do you make them?—We cannot touch them at all; there are none made in New Zealand. We could not touch them at 1s. 5d.

51. And the cheaper slipper carrying these high duties?—We could not touch them either; they are not made here.

52. Then there is no advantage to you in having the duty retained?—Any felt slipper or evening shoe costing anything under 2s. 6d. in the Old Country is not made here.

53. *The Chairman.*] Are they made by sweated labour in the Old Country, or is it a case of high efficiency of machinery?—I think the man and wife and as many children as they have got make a lot of these cheaper shoes.

The Chairman. That is what I call sweated labour.

[*Witness* produced felt slipper and stated that that could be manufactured by him wholesale for 2s. 9d.; he thought they could have competed on them, and imported a small consignment of material costing about £30, but he had had to pay £9 duty on it, so that shut out the line altogether. He had thought the material (red felt for lining) would come in free.]*

54. *Mr. Veitch.*] If the material came out free of duty, and the tariff remained as at present, could you get on then?—We could not touch that particular line now.

[*Witness* produced another slipper ("carpet" slipper), and said that cost 20 per cent. to line, and the outside came in free—that was, the best part of the slipper came in free, and the inferior (lining) cost 20 per cent.]

55. *Mr. Hall.*] If you got in these materials free it would assist you?—Very much.

56. *Dr. Hight.*] Are these materials manufactured in New Zealand?—No.

57. *Mr. Fairbairn.*] What is the description of material?—Red felt. There is another material known as "top-bending"—that is for the inside top bend of ladies' boots; it is of silk or coloured material; that carries a duty, but if you cut up the roll into strips under Customs supervision you get it in free. What is free is just the white linen or calico lining. We sent this red felt up to Wellington and the slipper, and they said they could not recognize it that way—that it was flannel or flannelette.

58. It could be put to some other use?—Well, I do not think so; if it were washed there would not be anything left of it.

59. Carpet felt is dutiable, and they might regard this as coming under the same classification?—Yes.

* The Secretary of the Commission rang up the Customs Department, Christchurch, and was informed that red-felt lining for slippers was free.

EFFIE JULIA MARY CARDALE examined on oath. (No. 40.)

1. *The Chairman.*] You are secretary of the Coal and Blanket Fund, Christchurch?—Yes.
2. Can you make any statement to the Commission bearing upon the question of the rise in the cost of living?—Yes. I not only work for the Coal and Blanket Fund, but I am a worker as well. I have had some eleven or twelve years' experience here, and I think I can give the Commission some information upon some aspects of the question they are inquiring into. I find that blankets have varied very little in price—at least, so far as concerns the Coal and Blanket Fund.
3. Say from ten years ago until now?—Yes, they have varied very little in price during the past ten years.
4. *Dr. Hight.*] Retail prices?—Yes, net prices.
5. *The Chairman.*] Do you buy your goods wholesale for distribution?—No, we call for tenders.
6. Do shops or wholesale houses send in tenders?—Shops.
7. Do you buy more blankets now than you did ten years ago?—Yes, we buy considerably more now. I do not know that the Coal and Blanket Fund was in existence ten years ago. I have been secretary for four years, but I was on the committee for several years before that.
8. Do you think that the number of blankets you buy has increased by 50 or 100 per cent. during that time?—I really would not like to say, but I know that the number of blankets we issue has increased. The number of applicants was about 200 when I first started, and the number has increased every year. Last year we had about 530 or 540 people applying.
9. Were you able to give blankets to them all?—No, I think there were about fifty that we did not help at all. Some asked for coal. The greater number received blankets.
10. The cost of living has not increased in the matter of blankets?—No.
11. Could you tell us about coal?—Coal is going up steadily every year in price.
12. Do you know what price it was ten years ago?—No.
13. How far back does your experience relate to?—Five years.
14. What coal do you use?—We use Greta and Pelawmain—Newcastle coal.
15. Is the quantity you distribute now greater than it was five years ago?—Yes, we give more than we did at first to each person.
16. So that there has been a considerable increase in the amount of coal distributed. The price has risen as well as the quantity?—Yes.
17. Could you tell us for the last five years what the rise has been?—One year, I think, we only paid 28s. a ton. I think that five years ago the coal was more expensive, and the next year it was cheaper. This year we are paying 34s. 4d.
18. *Mr. Fairbairn.*] What is the price of Westport coal here?—I do not know. We only call for tenders for Greta and Pelawmain coal.
19. Can you give us any further information?—When we come across these distressing cases we never leave it at giving coal and blankets. I know that in the case of bread, where the families fetch it, 4 lb. loaves were only 4d. at one time; now the price has gone up to 6d. or 6½d. In the case of rather large families that makes a very great difference.
20. Butter?—I could not say about butter. But as to potatoes, they are such a standby for big families. They used to be 5s. 6d. a sack, and even cheaper. During the last few years they have gone up to 12s., 15s., and £1 a sack. Look at what a big difference that makes in the case of a big family. The year before last potatoes were £1 a sack.
21. Meat?—Meat is dearer than it used to be. Years ago you could get a neck and breast of mutton: from that the meat could be given to the husband, and broth could also be made for the children. Now you have to pay 6d. for half the quantity you used to get for 6d. That was five or six years ago.
22. Could you tell us the difference in the price of mutton five years ago and what it is to-day?—No.
23. But, generally speaking, there has been an advance?—Yes.
24. To what extent on mutton—1d. a pound?—I should think it might be.
25. *The Chairman.*] In regard to other household necessities?—At one time milk was 3d. a quart; now it goes up to 4d. in the winter; and in the case of children that increase makes a great difference.
26. Do you think that five years ago it was 3d.?—Five or six years ago certainly it was 3d.
27. *Mr. Fairbairn.*] Of course, milk would vary in price with the season of the year? They never used to put milk up in the winter as they do now. Last year it went up to 5d. a quart. In regard to boots and shoes, I think the prices of those have gone up tremendously—strong boots for children, for instance. Formerly you could get for 7s. 6d. a good strong pair of boots for a child of ten or eleven years of age. Now they are 10s. and 11s. per pair.
28. Are those locally made boots?—I could not say.
29. *The Chairman.*] As to clothing, could you tell us whether there is any difference in cotton goods during the last two or three years? Are they any cheaper now than two years ago?—I do not think they are any cheaper. I think they are much about the same price.
30. Although the tariff has been altered and the duty taken off?—I should not think that cotton and calico are much cheaper.
31. Woollen goods?—I could not say about those.
32. Do you think that drapers' goods generally are dearer?—I am sure they are. I know that where we used to be able to get a coat and skirt ready-made for a certain price, you cannot get one for that price now.

33. *Mr. Fairbairn.*] To what do you attribute that—an advance in the price of textiles, and an increase in the cost of labour?—I should think an increase in the cost of labour, but really I would not like to say.

34. *The Chairman.*] We have had evidence that a great deal of the increased cost of living is owing to a more extravagant style of living: is that your impression also?—Yes, it is. I think that people could help themselves a great deal more than they do: In nine out of ten houses you go to there are no gardens, although in most cases there is enough land to grow some vegetables, and I think that if vegetables were grown the people could help themselves in that way. As to house-rent, I think that is dreadfully dear now. I know of little cottages of three and four rooms which were formerly rented at 6s. 6d. a week, and now the rent is 7s. and 8s. a week. Of course, they do not improve with age. I think it is simply disgraceful the way in which some of these small houses are crowded—sometimes with families of nine or ten children. These poor people have to take such small houses because they cannot afford to pay a higher rent. If you tell the Inspector he goes to them and tells them that they must move; but how can they move when they have not got the money and cannot afford higher rent?

35. It has been alleged by some people that they can hardly make money go so far now on account of the increased cost of living. Does that fit in with the theory that people are more extravagant, and are spending more money in sports, pictures, &c.? Is it that the money which they might spend on necessities of life is being spent on luxuries?—I think so, to a certain extent. Of course, in connection with the Coal and Blanket Fund, we have reports to make, and forms to fill in, and last year I had to report on a number of cases of distress. In nine cases out of ten they tell you that their position is owing to the high cost of living. In some cases drunkenness has got something to do with it, but you do not always want to have money to get drunk with.

36. *Mr. Veitch.*] You say that there are more applicants for relief now than there were some time ago?—Yes.

37. Do you think there are more in proportion to the population of the city?—Yes, I do.

38. Do you think there is more poverty now?—Yes, there is a lot of poverty, but I think it is a shocking thing the number of young people applying for help—people not thirty years of age. You go into their homes, and there is not a blanket in the place, scarcely. I think the system of allowing them to get furniture on time-payments is almost a curse.

39. *Mr. Fairbairn.*] I suppose the inference is that they get furniture on the time-payment system, and after a year or two it is taken from them?—Yes, and then they go in for high-priced furniture.

40. *The Chairman.*] Manufacturers and farmers complain of the scarcity of labour: would you attribute that to the disinclination of the men to go into the country, and to the disinclination of women to go into factories?—As to men who go into the country, of course they have often two homes to keep up. I think sometimes that in the case of girls it is often a matter of necessity their having to get married; but at the same time I think it would be better for them to live it down than to get married under the circumstances in which they are placed, and the wretched life to which it sometimes leads. I think also that in the case of girls who go into factories, and then subsequently get married, it often means that they are dreadful managers of a household. Of course, that is a great misfortune.

41. *Mr. Fairbairn.*] Do you find that there is a tendency to live on artificially prepared foods—tinned fruits, &c., instead of cooking natural meals?—Yes; very often when I visit a house and get no answer at the front door I go to the back of the house, and from the number of empty tins which I see there I know that they must live largely on tinned food.

42. You really think that there is more distress amongst the people now than there was five or six years ago?—I do.

43. *Dr. Hight.*] May not the increase in the number of persons seeking relief be due to some extent to the greater publicity which has been given to your Fund of late?—We try to keep it as quiet as we can, but when we want funds we really must mention it in the newspapers.

44. Is not the knowledge of the existence of the Fund much more widely spread than it was a few years ago?—I do not think so. We have always called for tenders in the newspapers. At one time they used to announce in the newspapers that the Fund was going to start, but now we never do that.

45. The prices which you quoted to us as to potatoes, &c., are average prices paid?—Yes.

46. Have you anything else you can tell us as to the cause of the increased cost of living?—No. I have not had much time to prepare a full statement.

Mrs. AUGUSTA ELISE WILSON examined on oath. (No. 41.)

1. *The Chairman.*] You have lived in this district for some years?—Yes, for a great number of years—over thirty years.

2. Our inquiry only reaches back for twenty years. Will you kindly confine your statement to the last twenty years? We are a Commission to inquire into the rise in the cost of living. In your opinion, has there been a rise in the cost of living, say, within the last ten years?—I have found it so in my household accounts.

3. Could you give us the figures for the last ten years?—I cannot give you the figures of my own accounts, but I can give you the figures prepared from the accounts of a number of other householders.

4. Can you give us the results of other people's experience, say, for the last five years?—These accounts which I have here have been collected within the last five years. This table has not

been prepared from the accounts of one household, but is an average based on the accounts of more than a dozen householders :—

Household Expenses for a Week for a Man, Wife, and Three Children under Seven Years of Age.

	£	s.	d.
Rent of a four-roomed house (usually without conveniences) ...	0	12	6
Meat and fish ...	0	5	0
Bread ...	0	2	0
Groceries, including eggs, butter, rice, sago, salt, pepper, baking-powder, flour, oatmeal, sultanas, soaps, all materials for polishing stoves, boots, floors, &c. ...	0	8	3
Milk ...	0	2	3
Coal, wood, kerosene, and candles ...	0	3	6
Boots and clothing for the family, replenishing house-linen, and utensils, crockery, brooms, brushes, &c. ...	0	10	0
Vegetables and fruit ...	0	3	9
Newspaper ...	0	0	6
Union, lodge, or insurance ...	0	2	0
	£2	9	9

Nothing is allowed for tram fares for the wage-earner, school-books for the children, reading-matter or entertainment for the family, and no tobacco. No sickness has been allowed for, not even the expenses incidental to the wife's confinements, though we know what these expenses are incurred.

5. *The Chairman.*] The cost of these things amounts to £2 9s. 9d. Supposing, as in the case of a bootmaker, the general wage is £2 6s. 6d., how would those expenses be met: would he get into debt, or would he have to shorten down on some items?—He would have to buy second-rate materials. Of course, in the list I have given there are some second-rate materials. He would certainly have to go in for cheaper commodities of every sort: that is to say, in some articles of food there must be a loss of nutrition.

6. You consider that the cost of these articles is greater now than five years ago?—The cost of some of them.

7. Which are the articles which have specially increased in price?—The difficulty is this, that some of these commodities are seasonable, such as potatoes, butter, eggs, and fish.

8. Have you noticed any diminution in the price of dried fruits, such as currants, &c., during the last two years?—Yes, currants are cheaper, but sultanas are dearer. Dates and raisins—most of them are cheaper. Most vegetables and fruit are dearer. I am referring specially in the way of fruit to plums, pears, and apples—the most necessary fruits.

9. Do you consider that the fact of working-men having to go further away from the centre of the town to live tends to increase the cost of living to them?—Yes, it must, I suppose.

10. By adding the cost of transportation?—The family must come into town sometimes, and it makes it dearer, certainly.

11. Have you any knowledge of the existence of a combine or ring which has tended to increase the cost of living by keeping up the prices of certain articles?—Only from hearsay.

12. Has there been any increase in the price of fish in Christchurch during the last five years?—I do not know.

13. *Mr. Veitch.*] Do you find that the different shops sell at more even prices, especially in regard to particular goods, than they used to do?—We notice that they may sometimes go down to a certain point, but do not go below it.

14. Does that give you the impression that they understand each other in that respect?—Yes, I suppose so.

15. *Dr. Hight.*] Would you mind telling us how the budget which you have read was obtained?—The figures were obtained from records of the accounts of different families. I got a good many housekeepers to give me the result of their accounts, and I averaged them over a period. I have not given you any special woman's account, but several of the persons from whom I got information are really very careful housekeepers—so careful indeed that it would be a trial to most people to be as careful as they are. The average which I have given has been carefully prepared, and is a very reasonable one.

16. Of course, the cost of living is relative to the income received? Have you any objection to state what the average income was of the household from which you composed that budget of expenditure?—The average wage was under £3 a week. There were only two where the wages were over that. The others were well underneath that amount, but still they were not the lowest working-man's wage.

17. *The Chairman.*] Not below £2 5s.?—No.

18. *Mr. Macdonald.*] What was the object for which the budget was obtained?—The information was collected for the British Commissioner who was making inquiries for the British Wages Board.

19. The duty was taken off certain articles in every-day use some years ago—tea, for instance. Could you tell us whether, in your opinion, the consumer benefited by the reduction then made in the tariff? Has tea come down in price to the general public?—I can only say this: a few years ago it seemed to me that tea came down for a while, but it is not as cheap now as it was ten or fourteen years ago—at least, some of it.

20. *The Chairman.*] The sort of tea used by the families you speak of?—A great many of them are paying 2d. per pound more for their tea now than they paid several years ago, in order to try and get the same quality of tea as they used to get.

21. Is it poorer in quality?—They are paying 2d. a pound more for tea which they consider of the same quality they used to use.

22. Is there anything we have not touched upon in our questions which you would like to state to us bearing on the subject that we are inquiring into?—I would like to say this, that in connection with maternity expenses nothing has been allowed in the figures I have given, and nothing usually is allowed for such expenses, yet that is a very heavy item of expense, and it really means that it reduced the amount that can be used for food in many cases. These extra expenses often handicap a family for more than a year. It is not only the doctor's expenses, but there has to be special food obtained, and extra blankets, and many other things. People seem to forget how much that is to some families. Some mothers cannot leave their houses to go into maternity homes at that time. I mention that because there has been so much talk recently about the birth-rate. A great many people do not seem to realize what a burden that expense is to many families.

23. *Dr. Hight.*] Have nurses' wages increased?—Yes.

24. *The Chairman.*] And while the nurse is in the house extra food is required?—Yes, extra food, firing, and many other things.

CHARLES HERBERT ENSOR, Farmer, examined on oath. (No. 42.)

1. *The Chairman.*] You are a farmer residing at Rangiora, North Canterbury?—Yes.

2. Have you had a long experience in that district?—Practically all my lifetime.

3. So that you know the questions affecting farmers in that district pretty well?—Yes.

4. Has land in that district increased greatly in value since you began farming?—Yes, to a certain extent. I would like to read a short statement which I have prepared in reference to several of the questions in the Commission's order of reference. The first question I wish to refer to is as follows: "7. To what extent, if any, has the rise in the price of land, during the past twenty years, contributed to the rise in the price of commodities?" It is necessary to divide land into two classes, town land and rural land, and to deal with each separately. The rural may be called the producing area, and the town the living and distributing area. The rise in the price of town land has, I think, increased the cost of living. The first charge on a man's wages is his rent. If the price of land increases in areas where the majority of workers live it stands to reason that rents must increase in consequence. This increase applies not only to the workers' living-area, but also to the distributing-area. If the rent of shops and warehouses increases, so must the cost of food and clothing which passes through those distributing-areas increase. The unimproved value of land in the City of Christchurch has increased during the last ten years. The Official Year-book shows that in the City of Christchurch, Central Ward, the unimproved value in 1891 was £1,820,770, and in March, 1911, it was £3,108,093, an increase of £1,287,323. This increase in the unimproved price of land must result in higher rents and a greater cost of distribution. The chief remedy for this lies in spreading the living-area. The State has intensified this condition of affairs by building workers' homes in the distributing-area instead of on the producing-area. I cannot see that the rise in the price of rural lands has added to the cost of living. Two factors have brought about increased price in rural land: First, the freezing-factory, which has enabled perishable food supplies to enter and compete in the world's markets. This factor has increased the price of certain food such as meat, not by adding to the cost of production but by entering the world's market. The second factor which has increased the price of rural land is cheaper money, and I cannot see that this has increased the cost of living. Rural land is only worth what it will produce, and if the value of rural land increases it cannot affect the cost of living, but should be an advantage, because it will in consequence carry a larger population of genuine producers of food and clothing. If an oversupply of food and clothing could be stimulated the cost of living would in consequence become less. "9. What effect, if any, has the labour legislation had on the increase in the prices of the commodities of life?" Production is being hindered by the fact that farmers are afraid to plant perishable crops. The scarcity of labour throughout the year is preventing production of the commodities of life. For this reason the growing of food-supplies which require labour has decreased. This is shown in the following official return: Grain crops grown in 1890, 826,505 acres; grain crops grown in 1911, 658,485 acres: decrease, 168,020 acres. Beef on 12th June, 1902, was from 19s. 6d. to 24s.; on 23rd October, 1902, it was from 28s. to 40s.; on 6th June, 1912, from 23s. to 26s. "12. What causes generally have brought about the increased cost of living?" First and foremost I believe that the increased cost of living should be traced to the cost of distribution. The cost of production of primary products cannot affect prices to any great extent, because the value of wool, grain, meat, and other necessary articles is regulated by the world's markets. It is after the article leaves the primary producer that the cost increases until it reaches the consumer. Take, for instance, a bushel of wheat—60 lb. It is to-day worth 3s. 6d., and leaves the producer at that price. It then goes into the hands of the distributors, and by the time that the bushel of wheat reaches the consumer in the form of bread it has actually more than doubled in price. No matter what the price of rural land is, the producer cannot get more than the world's market price for his staple products. But the consumer can be exploited to any extent as soon as those necessities of life pass into the hands of the distributors. I do not blame the people who live by being distributors, but it is the system under which they are working. For

instance, I have repeatedly seen Rangiora tradesmen's carts serving goods about Kaiapoi, and *vice versa*. Also, a number of milk-carts may be seen any morning following each other along the street, each serving an odd customer. It is this system of overlapping and covering unnecessary ground which raises the cost of living. These people who are filling an unnecessary place in the channel of distribution should have their work turned into the channel of production or manufacture. I do not blame them, but those who have allowed the laws to bring about an unproductive class in the community who are raising the cost of living to the many. The last census showed that for the first time the town population is larger than the rural population. This should not be so in a country which depends on the rural industries for its prosperity. "13. What steps should be taken with a view to reducing the cost of the necessities of life?" Consumers might form co-operative stores, which would deal direct with the producer or manufacturer, and thus eliminate the profits of merchants, retailers, and other middlemen. The best definition I can give of co-operation is—the equitable division of profits with worker, capitalist, and consumer concerned in the undertaking. The co-operative store is used as a means of distribution equivalent to the middleman and retailer. The profits of both these unnecessary links are done away with, and returned to the consumers in exact proportion to their expenditure. Thus the members of a co-operative society—and it need only cost 10s. to become a member—are purchasing from the manufacturers and primary producers at wholesale price. One co-operative store in a locality naturally regulates the prices at which other stores sell the same goods, and has the effect of preventing trade monopoly. To effectually use co-operative societies as a means of regulating the cost of living, it is necessary for the members of the society to limit the interest on capital invested to, say, 6 per cent., also the amount of capital invested by each member. Co-operative stores may crush out middlemen, but if it eliminates waste by bringing producer and consumer together, there is plenty of room in this country for the middleman to become a producer and help to create an oversupply of food and clothing. There can be no moral objection to men forming an organization for the purpose of reducing the cost of living through the channel of co-operation. Encouragement and opportunity should be given to married workers to make homes in the rural districts. The more people can be guided into the channel of production the cheaper will be the cost of living, because they will increase the supply of food and clothing. All men cannot at once become settlers or employers: some must go to the rural districts as workers. Few settlers can afford to do more than build a home for themselves. If assistance were given to workers to build homes on the rural lands, they would assist in the great work of producing food and clothing. I believe that many freehold farmers would willingly give sufficient land on which to build a workers' home, and enable him to keep a cow and grow his household products.

5. *The Chairman.*] What is your explanation of your statement that the building of workers' homes has increased the cost of living?—Because it has increased the number of distributors of food and clothing, instead of sending those people to live on the producing-area where they would be producers instead of distributors.

6. Do you consider that a person working in a clothing-factory is a distributor?—If he is engaged in manufacturing he is not, but under certain circumstances he may be simply an extra link in the chain of distribution.

7. Would you say that a tailor was a distributor or a producer?—He is a manufacturer to some extent.

8. *Mr. Macdonald.*] I would like you to amplify your argument that the fact that the unimproved value of land has risen must of necessity send up the price of commodities in the distributing-area?—Yes, because if you have to pay more for your ground-rent you must charge the consumer more to cover the amount of rent.

9. But in the distributing-area the rent is not all the same, and there is an open market?—Yes.

10. I do not think that a man in business in High Street could charge any more for a suit of clothes than a man in Sydenham, where the rent is necessarily lower?—It costs him more to produce the suit of clothes, because he is paying a larger rent, but he can compensate himself with a larger trade.

11. *The Chairman.*] When you were speaking of urban and rural land you made no distinction as to suburban land. In which division did you include suburban land?—The values I have given are for the Central Ward in the City of Christchurch.

12. Not for the suburbs?—No.

13. Is it not within your knowledge that suburban land in Christchurch has risen very much in value?—Most certainly. It has risen in the site-value. Where rural land and urban land will touch is where the site-value and producing-value join.

14. Has the unimproved value of land in Christchurch risen within the last two years, and at the same time caused the land in the suburbs to rise also because it has been cut up to meet the demand for houses and residential sites?—The greater the population in a city the greater will be the value of the land, for the land will be required for building purposes.

15. In your statement with regard to rent, do you mean that the cost of living has increased because a man has not only to pay rent for his own house, but has also to pay rent, so to speak, upon the goods which he purchases?—Yes.

16. In fact, he pays rent on every pound of chops and on every pound of bananas that he buys?—That is the position.

17. *Mr. Hall.*] I take it that you urge that the increased cost of distribution in the towns is passed on to both town and country consumers?—Yes.

18. *The Chairman.*] I understand you contend that the increased cost of rural land adds nothing to the cost of production?—I cannot see that the increased price of rural land adds one penny to the cost of living.

19. Is it your opinion that the frozen-meat trade and the shipping of New Zealand produce to other markets has had no influence in raising the price of mutton to the consumer?—I do not think it has.

20. Yet it has been stated that mutton could be bought for about 2d. or 3d. a pound before the freezing industry started, and that the price now charged is 5d. and 6d. a pound?—Yes, and there is some cause for that.

21. It is not on account of the high price of land?—No, I am certain it is not. We will take mutton. At the present time the producer is getting very little more for his live sheep than he was getting, say, ten years ago. Take the figures for 1902—prime wethers on the 29th May fetched from 17s. to 19s. 6d.

22. *Mr. Fairbairn.*] Is that a fair average for 1902?—I should think it is a fair average. I should say it is a low average. I remember getting up to 25s. for wethers sometimes during that year.

23. What is the present price?—I may say that ewes that same year were 16s. to 18s. 4d.—fat ewes. Take the year 1906: prime wethers were from 17s. to 24s., and ewes from 13s. to 18s. 9d. In 1889 prime wethers were 18s. to 25s., and prime ewes from 11s. 6d. to 14s. 6d.; and in 1912 prime wethers were from 18s. to 25s., and prime ewes from 16s. to 20s. 6d.

24. What would the last item work out at dead-weight after allowing for cost of killing, value of hides, and everything else—what would it work out per pound.? What would the farmer get?—I have not gone closely into that matter, but I may state that on my own farm I have always supplied the married men with meat at a uniform price of 2½d. per pound. I have found no cause to vary that price, because I consider that sheep are worth practically the same money to-day as, say, ten years ago. There is very little difference in the price, although it fluctuates from time to time.

25. You consider that that price paid you?—Yes.

26. *The Chairman.*] At what do you estimate the cost of taking sheep from your farm to town?—2d. a sheep, I think, would cover the cost of taking them to Addington Yards.

27. You think somebody is making money out of it?—I think it is possible that somebody is.

28. *Mr. Fairbairn.*] Will we get evidence with regard to the actual cost?—Yes; witnesses will come who are closely connected with the trade. It is far better to have experts to give the actual details.

29. *Mr. Hall.*] For how many years have you supplied your men with meat at 2½d. per pound?—For eleven years, and my father supplied them for twenty years before me. I was a farm labourer for a time, and was supplied at the same price that is being charged to-day.

30. *Mr. Veitch.*] You say it paid you to supply the men with meat at 2½d. Can you give us any idea of the real reason why there is such a difference between the price of the meat which you supply to your men and the price at which the meat is retailed in town?—As I have said, production is being hindered by the fact that farmers are afraid to plant perishable crops. The scarcity of labour throughout the year is preventing production of the commodities of life. For this reason the growing of food-supply which require labour has decreased. I have shown that from the official return which I have quoted.

31. *The Chairman.*] Here is a book of "Labour Laws" which contains the labour legislation which has been passed. Which particular Act has prevented the growing of the grain which you speak of?—There is no particular Act, but it is the trend of our legislation—or we would call it the trend of affairs, if you like—which is preventing or hindering labour from coming into the rural districts. Labour is aggregating in the towns. There is one reason which I can give why labour is aggregating in the town, and that is that the workers' homes have been built in the distributing-area of the city instead of in the producing-area.

32. *Mr. Macdonald.*] The falling-off in the acreage of crops has not been in wheat?—No, I have taken the general figures, including grain, barley, oats, and wheat.

33. The land under cultivation in wheat requires just as much labour as other grains?—Yes. The general amount of grain grown in this country has decreased, as I have shown, by 168,020 acres.

34. Can you give us an explanation why the land under cultivation in wheat has actually increased, and not fallen off?—When wheat rises to 4s. 6d. a bushel farmers would plant it. I say that there has been no labour legislation which will stimulate the production of these foods. We should stimulate the production of the food-supply, and then the cost of living would be cheaper.

35. *The Chairman.*] Some of this land has gone out of occupation for cropping owing to the fact that dairy-farming has been more productive than crop-growing?—To a large extent that is so, but I should think that those two should go along side by side, and I think that would be so if there were more workers in the country than in town districts. The more producers we can get the more is that likely to stimulate an oversupply of these products.

36. *Mr. Veitch.*] In regard to workers' homes, have you any idea of how many workers' homes have been built in New Zealand?—In my opinion, the State in assisting to build workers' homes in the city has done a very good thing, but it would have done a great deal better if the homes had been built in the producing-area instead of in the distributing-area. There has been no scheme for building workers' homes in rural districts.

37. Does not the advances-to-workers scheme give assistance for the building of homes in rural districts?—That may be so, but I refer particularly to the workers' homes which have been built in the cities.

38. *The Chairman.*] Would it be possible for any of the large farmers to have workers' homes built in the country for farm labourers—assisting the Government in the way of providing the land for the purpose?—I think that such a scheme could be carried out very successfully. I do not think that a row of houses for workers should be built, as I have seen done in the cities. Each man should have 4 or 5 acres of land around his house, in order that he may grow vegetables, keep poultry, and perhaps supply himself with milk.

39. You would have settlements of labourers who could be called upon by the farmers when they wanted them?—Yes; if the farm labourers are not there the farmers cannot get them. If a labouring-man lives in the town, and he has to go out into the country to work, it practically means the keeping-up of two homes, and in the town he has not sufficient land to grow his own vegetables.

40. *Mr. Veitch.*] Do you not think that the high price of land in the country would prevent the carrying-out of such a scheme?—There are many farmers who, I think, would be only too willing to give the land for nothing for homes for workers.

41. I do not know of any?—Here is one. I may state that I have built homes for workers. Of course, it is my property; but I am sure that if such a scheme were carried out farmers would do a great deal to assist it.

42. *Mr. Macdonald.*] Can you give us an instance within your own knowledge where land has gone out of cultivation because of the shortage of labour?—I am of opinion that if there was sufficient labour available farmers would cultivate twice as much land as they are doing now.

43. Would you put down more crops if there was a greater supply of labour available?—Most certainly.

44. *The Chairman.*] It is not that the wages paid by the farmers are so low that they do not induce labour to go into the country?—My idea is that you cannot expect a man with a family to go from his home and work in the country and keep up two homes, and the farmers cannot afford to build houses for such men.

45. *Mr. Veitch.*] Do you not think the supply of labour in country districts is simply regulated by the law of supply and demand?—I think the shortage of farm labour arises from the fact that men cannot go into the country and live there with their wives and families.

SARAH SAUNDERS PAGE, Married Woman, examined on oath. (No. 43.)

Witness said that she had kept house for some years with a growing family, and believed that the cost of living had increased considerably during the last sixteen years. In her experience, the price of necessities had increased, and the price of luxuries had decreased. Necessities, with the exception of bread, had all increased. It was in the very poorest houses that bread was a large item in the week's expenditure; in better houses its place was taken by other things. Milk and butter had increased. Sixteen years ago when she married she had a contract with a butter-supplier for 10d. per pound for butter all the year round; now butter was 1s. 3d. per pound. She had kept a cow herself at one time, and got 10d. per pound for the butter sold. Sometimes butter would go down to 7d. in the summer, and up to 1s. in the winter, years ago. Sixteen years ago she thought milk was 3d. per quart; now it was 4d. Sixteen years ago she used to buy half a sheep for 3s. 6d. (say, in 1896-7); this half-sheep was bought from a farmer. Woollen clothing was much dearer now than formerly. When she married they paid £30 per year for a house, and the same house, without improvements, was now let for £40 per year. It was not a new house sixteen years ago; it was a five-roomed house without hot-water service, but with a bathroom. Boots were much more expensive than they used to be; boots for herself for which she formerly paid 15s. now cost 21s.; as a fact, she paid 30s. per pair for her boots now, but they were better. The cost of education had increased; children now used paper and lead-pencils instead of slates, and a great many additional reading-books. These were good things, of course, but added to the cost of living. She thought the effect of the tariff was to decrease the prices of luxuries more than the price of necessities. Tea, for example, might be reckoned a luxury for children as compared with butter and milk and oatmeal, all of which had risen. Currants, raisins, and prunes had gone down. Housekeepers never could understand why it was that butter, meat, and other products could be sold more cheaply in England than in New Zealand, the place of their production. The lack of cheap household assistance added to the cost of living in various ways—more money had to be spent on labour-saving devices and conveniences, and more money on ready-made clothing. Hot-water services were good to have, but added to the cost of living. She heartily agreed with Mr. Ensor's evidence as to the desirability of co-operation, but the land should be held and worked on the co-operative system, too. If this were done, and free and easy access were given to the land, many of the necessities of life would go down in price.

ADA WELLS, Married Woman, examined on oath. (No. 44.)

Witness said that she could bear evidence to the increased cost of living during the last twenty years. Mutton used to be 2d. and 2½d. per pound, or a side of mutton could be bought for 4d. 6d. She understood that the men at the abattoirs at present could purchase a side of mutton or lamb which was a little underweight for 4s. 6d. Beef used to be 3d. and 4d., and now was 6d. per

pound; rump steak was 6d. per pound, and now was 8d. Fifteen or twenty years ago butter was 10d. per pound for all the year round, and now it was 1s. 3d. for many months of the year, and it certainly was not so good in quality as it used to be in the winter months; it was salted and frozen, and not fresh. The butter had not merely increased in value, but had deteriorated in quality. 1s. 5d. was the highest price she had paid for factory butter; last winter it was not quite so dear. Milk was now 4d. per quart, and used to be 3d. in past years. The quality was as good, she thought. Potatoes had increased enormously; they used to be 3s. 6d. per sack, sometimes 4s. 6d. and 5s.; now they were 12s. and 14s. per sack. Bread used to be 2d. for the small loaf and 4d. for large loaf; it was now 6d. for large loaf. Fruit was now an exorbitant price; a member of her household had paid 6d. for five apples the other day. Of course, apples could be bought more cheaply wholesale, but not for 1s. per sack, as in former years. People had less room for gardens than they had before the rating on unimproved value came into force. Vegetables were also much dearer; cauliflowers used to be 2d. or 3d., and now cost 6d. and 8d. each. Bananas were very dear in Christchurch, and of poor quality. Housewives suspected there were fruit rings, but, of course, this could not be proved. Fish had risen very greatly in price; at one time flounders could be got for twelve a shilling, now they were 1s. each. Fish was practically a luxury nowadays. It was also of poor quality, was stored for months in cool-chambers, and then sold when it had no flavour. This was done, of course, with the view of limiting the supply; if it all came on the market at once it would get too cheap. Boots and shoes had greatly increased in price; children's shoes could be bought in former years for 4s. 6d. and 5s., now they cost 10s. In past years more lignite coal was burnt, but now the hot-water services, &c., required the burning of better-quality coal, such as Westport and State coal. She, like Mrs. Page, could not understand why New Zealand produce could be bought cheaper by English housewives than by New Zealand housewives. It seemed very wrong that with the freight all saved, New Zealand women still had to pay more. Certainly the increased cost of living was due to some extent to the higher standard of living; people were no longer satisfied with a smock and a hut and beans and bacon. It was natural and desirable that they should demand more comforts. The modern houses practically all had bathrooms; a house without a bath was rightly considered a place of horror, but baths meant extra money. To be clean needed money, as Mrs. Black (her fellow-member on the Charitable Aid Board some years ago) was wont to say. It had been charged against the New Zealand girls that they spent more money on clothes. The idea of beauty was deeply rooted, and should be turned to good account by education in what beauty really meant. The technical classes now enabled practically every girl to learn to make her own clothes and trim her own hats, and that meant so much less cost. With regard to rent, she would like to see further extensions of the advances-to-workers scheme. She knew one widow who had been buying her house for thirty years, and in the end had paid twice the cost of the house—a £300 house cost her £600. Nursing was also an item calling for more money than formerly. In former years a woman could be got for nursing and general household work and attendance on children for 25s. per week; now a skilled woman cost two and three guineas per week, and did not do the washing, cooking, &c. She was not saying a word against skilled nurses, but the fact remained that nursing involved more expenditure for the housewives. Another factor in the increased cost of living was this: children did not go to work at as early an age as formerly; they used to go at eleven years of age, and even ten years; she had herself started as a pupil-teacher at eleven years of age. Education of young people was on different lines now. Education certainly cost more now than it used to—how much more she could not say, as her children were all grown up now. Many mothers had spoken to her of the additional cost of school-books. So far as the tariff was concerned, this had led to the decrease of prices on some lines, but the quality was often inferior. Probably one had to pay just as much as formerly for really good tea. Wages had gone up, and, of course, the commodities of life went up with them; that was a matter for the serious consideration of the New Zealand politicians. Another question was the larger number of women who were never prepared for housewifery, and had no knowledge of the proper way to expend the household money. In this respect the domestic schools were doing a great and good work. She thought it should be made compulsory for every girl in the land to go through a domestic-science course in conjunction with the public schools; every school should have a kitchen and dining-room attached to it where the girls could do the cooking, and learn general household management. The Technical College in Christchurch had such a kitchen, and supplied meals at a low rate to the students. She strongly advocated the establishment of municipal or State markets for fish, and meat, and fruit, and so forth. This would help to eliminate the middlemen altogether. Municipal kitchens would also be a great help, and municipal laundries. She thought the time ripe for the establishment of these even in New Zealand, with its comparatively sparse population. So far as amusements were concerned, there was a growing need for and appreciation of recreation, and, personally, she was very glad to see it, although she thought the time had come for the municipal censorship of what was one of the greatest educational factors of the people—the picture-shows.

ELIZABETH BEST TAYLOR, Widow, examined on oath. (No. 45.)

Witness stated she was president of the Creche and Kindergarten Association of Christchurch, and that she had lived in Christchurch for the last twenty-two years, and regretted that she had had so little notice before coming to the Commission. She had, however, gone over a few accounts of about ten years ago, and could confirm the evidence already given as to the increase in the prices of some of the necessities of life. There had been a gradual increase during the past ten, fifteen, or twenty years, and there was also the higher standard of living to be counted

with, particularly during the last ten years. The commodities she had specially noted were bread, butter, meat, potatoes, milk, bacon, and cheese. She could not be certain of the actual increase in bacon, but believed it was from 8d. to 10d. and 11d. per pound in fifteen years. Home-grown fruit had also increased, such as gooseberries, currants, and raspberries. Owing to increase of population these fruits came from longer distances in many cases, and there were therefore increased transport charges; there did not seem to be enough of this kind of fruit grown to meet the local demand. Raspberries used to be 4d. per pound by the dozen pounds, and now were 7d. per pound. The reason given for the increase was that the Frimley and other factories took so much of the fruit nowadays. Increased land-values no doubt was another factor; the people could not afford to buy land on which to grow these small fruits. Whether or not a fish ring existed she could not say of her own knowledge; there was a strong feeling among housewives that such was the case. Her experience confirmed that already quoted by Mrs. Page and Mrs. Wells in regard to milk. People sometimes paid as much as 5d. per quart in winter, and a few years ago it was the same price all the year round—did not rise in the winter. Butter used to go down to 6d. per pound in summer, and eggs also declined. Ten years ago they got eggs for 6d. and 8d. per dozen, and now they were never less than 10d. or 11d. For poultry they paid 8s. 6d. per pair, instead of 4s. 6d. as formerly. During the last ten years meat had risen 1d. and 1½d. per pound, she thought; the increase was greater on mutton than on beef. The increase was not so great in the last ten years as compared with the increase from twenty-five years ago. The price of boots had certainly increased, and she confirmed Mrs. Page's evidence in this respect. The increase in children's shoes was proportionately greater, in her opinion. In regard to drapery, woollen clothing had gone up greatly; stockings were dearer, and so was woven underwear. Cotton goods did not show much increase. The increased standard of living, the higher standard, had made a good deal of difference; and the purchasing of ready-made clothing, as referred to by previous witnesses, was a great factor. Probably this made clothing cost about one-third more. Certainly she would be in favour of compulsory domestic training for the girls of the nation. There were not enough girls to go into the homes to do the necessary work there—there were so many other avenues of employment open. The whole question of home life required the greatest attention, and it would certainly be very good for the nation if the girls were compelled to learn domestic science. The girls would then make better wives and mothers, and would avoid the waste and mismanagement that one saw all around nowadays in so many homes. The girls of the upper standards would be much better occupied in learning domestic science, she thought, than in doing so much arithmetic and little specks of Latin and other subjects; that is to say, she would substitute the technical domestic school for the higher standards of the primary schools. The higher standard of living imposed on parents new duties and responsibilities in all sorts of ways—*e.g.*, the care of their children's teeth was given much greater thought now, and was a matter of quite considerable expense. The greater desire for recreation had also to be reckoned with, as well as the increased price of commodities.

WILLIAM BAILEY BRAY, Apiarist, examined on oath. (No. 46.)

1. *The Chairman.*] Do you supply honey to Christchurch?—Yes.
2. Can you give us any information as to the amount of honey that came into Christchurch, say, ten years ago, and the price?—Generally speaking, the price of honey has not risen.
3. What information have you to put before the Commission that will help it?—I wished to deal with the price of rural land, as being the source of production of food and clothing. The general opinion is that prices have risen during the last decade, and whether that is the result of the higher price of land, or whether the higher price of land follows the increased prices of the produce, I would not state dogmatically, but I am inclined to think that the land has risen with the food. A previous witness stated that the increased price of land was the result of cheaper money. I think that has some connection with the increased output of gold—the production of gold all over the world.
4. Are you speaking as an expert?—Oh, no.
5. We are going to get expert evidence on that directly, and, honestly, we do not want any theories. Just give us facts?—The increased price of land is the result of cheap money. If we leave that aside, I would say that the cost of living has risen with the increase in the cost of land: the farmer can afford to pay more for his land because he can receive more for his goods. All the primary produce has risen in price, especially meat and dairy-produce. Produce such as fruit, bacon, poultry have risen, and these come from sub-rural land, and that has all risen in price. So I would say that the price of land has affected the price of food, and then the price of land in the city has also affected the price of land in the country and added to the cost of distribution. In my own experience in regard to selling honey I have seen something of wholesale methods of trading, and the present methods by which all our business is done are, to my mind, very clumsy and expensive through unnecessary overlapping.
6. Can you give us an instance in your own business?—I was standing outside a small second-rate suburban store recently and saw no less than three travellers go in to solicit orders, all dealing with the same lines. In regard to honey, there was overlapping through one store taking the honey, but declining to deal with different firms; then the honey had to be sent to another store which did deal with these firms.
7. *Mr. Fairbairn.*] Can you tell us anything about the price of honey?—It is sold at 3½d. to 4d. per pound in bulk. That is generally delivered in town. The retail price is 7d. to 8d. per pound in shops. There is the expense of bottling and providing the bottle; but they get extra for the bottle. There is a clear margin of 100 per cent. That is a grievance I have as a beekeeper. The wholesale firms make on this line to compensate for the narrow margin of profit on other lines.

I have not put much honey on the market myself yet; I have only started two years, and have been increasing my stocks.

8. Are these prices the same as other honey-producers are getting?—Yes.

9. *The Chairman.*] How much local honey is brought into Christchurch during the year?—It is impossible for me to give you any idea.

10. *Mr. Hall.*] How many hives have you?—Two hundred. The honey is exported to the Old Country and sent to other parts of New Zealand. My idea of avoiding the unnecessary handling is to establish State stores, not co-operative but State concerns. I think if the State can run coal-mines and railways they can run stores.

11. *Mr. Fairbairn.*] You mean you would sell to the State and the State would sell to the people?—Yes; the State should run retail shops, and that would cheapen the cost of commodities by eliminating the middlemen and selling and distributing agents. Trading should be a State monopoly, I think.

12. But not production?—No, not production. By doing that the cost of advertisements, and distributing and selling, and general overlapping in commercial circles could be eliminated and the goods cheapened. I also strongly condemn the credit system, which makes for unthriftiness, and leads to the formation of bad debts by the baker, the butcher, and the grocer, and these have to be added to the price of commodities. State trading would abolish this evil.

13. *Mr. Hall.*] About what quantity of honey per hive could you get in a good season?—The average output, reckoning one season with another, would be between 60 lb. and 70 lb.—that is for all over New Zealand.

14. *The Chairman.*] Could you send us in an exact statement as to the output of honey and the values received?—Yes. I will do so. Statement *re* honey: The last census shows that the total output of honey for the 1910–11 season was slightly over 1,000,000 lb. Generally speaking, the crop was a poor one, and in a good season it might have been three times this amount. There are no means of arriving at the total annual crop, as the census figures are all that is available. In commercial apiaries the average yearly production is about 60 lb. per colony. The cost of production, leaving out labour, amounts to—rent, say £2 for site of apiary; freight; renewal and depreciation of plant; very small tins or other vessels, $\frac{1}{4}$ d. per pound; commission, if any. Suitable labour is not available, and operations are limited to the capacity of the owner's labour. One man can attend to from two to four hundred colonies. The average price delivered in bulk is 4d. per lb. In Christchurch three seasons ago the crop was plentiful, and the price went down to 3d. per pound. Since then, notwithstanding two very poor seasons, $3\frac{1}{2}$ d. is the best price offering from the merchants. In other centres where honey is equally scarce, but where it is sold by the auctioneers, the price is $4\frac{1}{2}$ d. I have been selling mine in a retail package at 6d., less 5 per cent. commission and freight, the retail price being 8d. The limit of greatest production in New Zealand has not been reached yet by a long way. The eradication of disease and improved methods of management are cheapening the cost of production. The industry is practically independent of the rent question, and there is a likelihood in the near future of prices reaching a lower level.

TUESDAY, 11TH JUNE, 1912.

WHOLESALE MERCHANTS.

Mr. G. Harper, Solicitor: May I be permitted to make a short statement on behalf of some clients of mine? I represent T. H. Green and Co., and Benjamin Limited, both of whom have been subpoenaed to attend and give evidence. Without taking any technical objections at the present moment to the subpoena, I wish to state on their behalf, and also on behalf of other gentlemen if they are going to be subpoenaed, that they very respectfully decline to give evidence in the same way as was done by certain merchants in Dunedin. I mean no disrespect to the Commission at all; but they are following the advice which has been tendered to them in Dunedin, here, and, I believe, elsewhere, and they are simply acting as a matter of principle on that advice.

The Chairman: The Commission regrets that that course has been followed, but has no option except for the present to receive your statement.

GILBERT DIXON, Butcher, examined on oath. (No. 47.)

1. *The Chairman.*] You are a butcher carrying on business in Christchurch, Mr. Dixon?—Yes.

2. How long have you been in business here?—I have been in the butchering business all my life in Christchurch and suburbs.

3. Has there been any marked increase in the retail price of meat during the last ten years?—Yes.

4. Could you give us any idea of the percentage of increase during the ten years—that is, in the retail prices?—The wholesale buying price has increased on beef by about 10s. a hundred.

5. In what period?—In the last ten years. I suppose that would pan out at just over 1d. a pound.

6. Mutton?—In mutton there has been about the same increase—about 4s. or 5s. a head dearer than ten or fifteen years ago.

7. *Mr. Fairbairn.*] That is, on an average of 60 lb.?—Yes, 55 lb. or 60 lb. sheep.

8. *The Chairman.*] Is there much difference between the retail sellers as regards the price of meat?—Yes, there is a great deal.

9. In what way does it vary—is it owing to the situation of the shop in the suburb or in the main street, or in what way?—It applies more to delivery and booking.

10. Could you make us a short statement on the subject to enlighten the Commission as to how the difference arises?—If a man has got to deliver meat he has the expense of keeping horses and carts, and he has the expense of the extra labour. The cost of labour now is so high that it is a very important factor, and a man delivering meat cannot deliver much—a very much smaller proportion than a man selling it in a shop. It takes a man a lot longer to cut up a joint and put it in the cart, and deliver it, in some cases a long way from the shop, than if a man is selling meat over the counter.

11. What has the rise of the wages of butcher's assistants been during the past ten years?—That is within the period of the labour laws.

12. What has the Arbitration Court done in the way of raising the wages of butchers' assistants?—Before the labour laws came about you could get a young man of from eighteen to twenty-two or twenty-three years of age for £1 a week and found. Now the minimum is £2 11s., and from that to £3 10s.—head shopman.

13. What did you do in regard to "finding" men in those days?—I had no experience of that.

14. Would you not have considered that the price then given was a fair wage—I am speaking before the Court raised the wages?—No, I consider it was sweating for a man of twenty-two years of age.

15. Therefore you do not find fault with the Arbitration Court for having raised the wages of butchers' assistants?—No, their wages are not too high.

16. Has that been carried on to the price of meat in what you would consider a fair proportion?—Yes, certainly, it must be so.

17. Would that account for the greater part of the rise that you have mentioned?—No, there are other reasons besides that. That is partly the cause.

18. Would you kindly tell us to the best of your belief what are other causes which have raised the price of meat, besides those you have mentioned?—The Home market controls the price of mutton here very largely. Before frozen meat was being used there would be occasionally—in fact, very often—a glut in the market here. The consequence was that growers suffered, while the public had the benefit. If mutton is selling well at Home, naturally the frozen-meat buyers for Home come into competition with the butchers.

19. Do you pay the Home prices?—Yes, we have to compete with them. At the present time we are suffering from that competition very largely.

20. Does the best class of meat go out of the country?—Yes; of course, they also send out second-class meat, especially at a time like the present when there is a strong demand for meat at Home.

21. Is there any combination to keep up the retail prices of meat?—No, there is nothing of the sort. Our business would stop anything of that sort in any case.

22. Would you describe the particular nature of your business: is it a check on such a combination?—Our business was started about three years ago. The idea was to do away with credit and delivery. We recognize that it has made a great deal of difference. Our business supplies the public with the best class of meat at the lowest rate, allowing for no delivery and no credit.

23. That is to say, the public buys it over the counter and takes the meat away?—Yes, we have an immense business on those lines.

24. Could you give us any idea of the price at which you sell and the price at which the delivery butcher sells? For instance, what do you sell steak at?—We sell beef steak at 5d. and rump steak at 7d.

25. What do the delivery butchers sell it at?—I cannot tell you much about their prices. We sell mutton chops at 3d., and I know that in those shops they sell it at 5d. and 6d. Our best cuts of beef are 4½d. and 5½d. per pound.

26. Their prices you would consider fair for those who wish to have their goods delivered?—Yes.

27. Would you consider the difference between 3d. and 5d. in mutton was a fair delivery charge?—No, I think that is a very high charge; but I think they would want 1d. per pound for delivery. Delivery means booking as well. Some persons reckon ½d., but I do not think it enough. I would rather sell the meat at even 1d. per pound cheaper in the shop, as I am doing, than have the bother of delivery and have the 1d. more.

28. Supposing there was some central store at which persons taking delivery over the counter could be supplied, would not that save overlapping?—In our business you want individuality: experience has proved that. Large companies have tried it, and it seems impossible to make them pay. Companies are all admitting that their retail places do not pay. In a company's business you cannot get any one to take a personal interest in it—which our business seems to want. You have so many little things to deal with. It is not just a matter of selling the meat. If you have not some one overlooking the stuff continually there are liable to be serious losses.

29. You seem to consider that there is a margin in the price that might be saved. Tell us how that could be saved—I mean between a fair price for delivery and the cash system?—In the cost of delivery and the cost of booking—that is where the margin there comes in. I was alluding to other things. There are so many little side issues in our business that want individual attention, and it seems impossible to get that attention from managers. That has been the experience of companies which have started retail businesses.

30. *Mr. Hall.*] You referred to credit: do you think there is much lost through bad debts, in addition to the cost of keeping the books?—I can only speak generally; but it must be so—it always is so.

31. *The Chairman.*] You have no general knowledge of their business?—No.

32. *Mr. Fairbairn.*] What percentage of the retail trade is supplied from the abattoirs here?—All. We are not allowed to bring anything into the town that has not passed through the abattoirs.

33. Not from the meat companies?—If you do you have to pay the fees.

34. Can you give us the cost of killing at the abattoirs? What is the cost per head of sheep?—Sheep cost about 1s.; beef, I think, is about 6s. or 7s.

35. Is that the whole of the killing-charge—does that cover everything?—Yes, delivery to the shops.

36. I presume each butcher buys his own sheep, privately or at the saleyards, and sends his stock to the abattoirs to be killed, so that the market price, plus the cost of killing, indicates exactly what you pay for the mutton?—Yes.

37. Can you give us any idea what weight of meat one man would deliver, with one horse, in a day? Supposing a butcher had a thriving business, with a fairly large number of customers within a given area, how would it work out?—No, I could not give any idea of what the weight of meat would be. I used to load up a cart twice in a day when going rounds, but I could not give you the weight of meat.

38. Do you think there would be 6 cwt. in a load?—That is too low; it would be more than that.

39. Do you think one man would take a ton out in a day? You reckon 1d. per pound as the cost of distribution?—Most of the distribution is done by orders. The meat is cut up at the shop. I have never had any experience of a cash and booking round. Mine was a hawking round—a cash round. I put the meat in the cart in bulk, and cut it up and weighed it at the doors of the customers.

40. Do you think it would be an overestimate that one man would deliver a ton of meat in a day?—I should think if you put it at half a ton it would be nearer, and if he was fulfilling orders I am doubtful whether he would do that. There is one thing I ought to mention. The increased cost of beef is due largely to the fact that a lot of areas upon which beef was formerly reared have now been cut up, and the land is being used for dairy purposes. That has made an increase in the cost of beef. Take, for instance, a place like the Coldstream Estate, at Rangiora. They used to grow a lot of cattle there. That estate has now been cut up. That is a sample of many other places. We have had such difficulty in getting our beef that we have had to buy from the North Island; in fact, we draw most of our supplies from the North Island, simply because you cannot get good prime fat cattle in Canterbury. For the reasons I have given beef will probably get dearer.

41. *The Chairman.*] Is dairy-farming increasing in Canterbury?—No, Canterbury is rather a sheep country than a cattle country. There is some fine dairy country in this district.

42. You would not ascribe the shortage in the production of oats to farmers finding dairying to be more profitable?—I should think so.

43. *Dr. Hight.*] Do you ascribe all of the increase in wages to the influence of the labour laws? Would not the increase in wages have come about if there had been no labour laws in operation—would not there have been some increase?—I should think it would, because men could not live on the old wages paid with commodities at their present price.

44. And I suppose the majority of people require their meat to be delivered—a large proportion of the public, I suppose, would not come in to get their meat at the shop?—I think before our business started nearly all meat was obtained by delivery; but our business has rather altered that aspect of affairs, and now a very large number of people come to the shop for their meat. I think it was just because those people formerly had no inducement to come to the shop; the butchers were not competing for a cash trade.

45. There is room for both methods of doing business?—I think that those who are willing to come to the shop and take their meat away, thus avoiding the cost of delivery and booking, should be catered for, and when they are prepared to pay cash and thus get their meat cheaper they should get the benefit of that system.

46. Do you think there is any waste in the methods of dealing with meat—in the way of cooking meat, and the treatment of it: can you give us any information on that point?—Might it not be that meat is cheaper here in proportion to other things? As to there being waste in the methods of cooking and dealing with meat, I could not say anything as to that. I know that in my own house we do not waste it. I could not answer that question.

47. *The Chairman.*] Have you any further statements to make which would enlighten the Commission on the question in the rise of the cost of living?—No, I do not think so. Meat, I consider, is a necessity, and not a luxury.

48. *Mr. Macdonald.*] Are people using a better class of meat now than formerly?—No. I may say also that there are no monopolies or combines in connection with our business that I know of.

49. *Dr. Hight.*] They are paying a higher price for meat?—Yes, that is so. I may say this also: that I think it is the high price of stock that has caused the land to rise in value very largely rather than the other way. Men could not live on the land unless they got good prices for their commodities, and the fact that stock has been selling so well has caused a rise in the price of land.

50. *The Chairman.*] You are speaking of rural land entirely—it has not raised the price of land in the town?—That is so.

WILLIAM MURRAY, General Manager of the Christchurch Meat Company, examined on oath.
(No. 48.)

1. *The Chairman.*] You are general manager of the Christchurch Meat Company, Mr. Murray?—Yes.

2. Have you held that position long?—For the last seven years.

3. During that period, is it within your knowledge that the wholesale price of meat has risen considerably?—No, I do not think I would care to answer that question in the affirmative. It has fluctuated very much.

4. But, generally, is it not much higher at the end of seven years?—I think, so far as beef is concerned, that it has risen; that is, however, a line which the South Island is not specially concerned in. There is practically no exported beef from the South Island.

5. The purchasing-price of sheep has not risen?—At times it has. The price fluctuates from time to time.

6. Can you give us the percentage?—It fluctuates so much at different times of the year that I do not think it would be possible to give any absolute data on that question. As far as sheep is concerned, they steadily rise in price from shearing-time onwards as the wool grows.

7. About what is the weight of meat that is exported—approximately?—I could give the number of carcasses. The number of carcasses which pass through my company's various factories runs from about 1,300,000 to 1,600,000 carcasses.

8. What would those carcasses average in weight?—About 35 lb. or 36 lb. for lamb, and possibly 54 lb. or 55 lb. for sheep.

9. Is it within your knowledge that the export of so many sheep from New Zealand would naturally raise the price to the consumer in New Zealand?—If it were not for the export of sheep, sheep would practically have no value here at all. The demand in New Zealand as compared with the total quantity of stock available, I should say, would be a negligible quantity, and if it were not for the export stock would have little or no value save for wool and tallow.

10. Could you give us any idea how many carcasses of sheep are used for consumption in New Zealand?—No.

11. In your opinion, it is a negligible quantity as compared with the export?—It would be so small that there would be a huge surplus which would be of little or no value, save for the wool and tallow. Of course, the consumption here runs into a very large figure, taking into consideration the whole population of the Dominion. Perhaps the words "negligible quantity" are rather strong words, but it would be so small that the surplus left would practically have no value whatever, except, as I have said, for the wool and tallow, as was the case before the inception of the freezing industry. In other words, the cost of stock for consumption within the Dominion is entirely regulated by the export trade.

12. You have not any knowledge of any combination or ring controlling in any way the supply of meat?—Not the slightest. I do not believe for one moment that it exists here, whatever it may do elsewhere.

13. You have your own agents for your company who buy direct from the farmers?—Yes, and we also buy in the yards. We buy in every possible way.

14. *Mr. Veitch.*] Have you a retail branch in New Zealand at all?—Some years ago retail shops were started in Christchurch by the then manager of the company, and I think at one time the company had about nine shops.

15. Do they not have any branches now?—We still have three. I have been steadily reducing them as opportunity offers, and I intend to reduce them still further until there are none.

16. What difference is there between the retail prices in New Zealand and the prices got on the English market for what is exported?—You could not make a comparison very well between the two.

17. You do not retail on the English market?—No.

18. Can you give us the difference between the retail prices here and the retail prices at Home?—No, I could not give you that. They vary at different centres at Home. We only deal wholesale with the United Kingdom.

19. *Mr. Hall.*] Do any farmers ship direct to your company?—To a limited extent. They can do so at any time if they choose. We give them facilities for doing that.

20. What would be about the cost of the charges per pound, including freezing?—That varies. It depends on how the meat is disposed of at the other end. Meat may be put on the market and sold ex ship or sold ex store, and it may eventually go on the market and be sold carcase by carcase.

21. Suppose it is sold ex ship?—That is, roughly speaking, about 1½d. for lamb.

22. And what for sheep?—Rather less.

23. *Mr. Fairbairn.*] Is there a fixed charge for freezing? Do the export companies fix a rate where they take consignments in that way?—Yes, we have a rate that we are prepared to quote, but there is not much of that done.

24. It was at one time quite a practice?—Yes, but it is not now. We are buyers, and, in addition to that, there are large exporting firms representing either London interests or colonial interests who operate through our factories. In addition to that individual owners avail themselves of the facilities offered them by our factory, and ship on their own account.

25. You have already said that the cost of freezing works out at about 1½d. for lamb and 1d. for sheep?—Yes, those are the charges if you sell ex ship.

26. You gave that as the cost ex ship: did you mean ex store?—I was asked what it cost to sell ex ship, and I replied accordingly.

27. Can you give us any idea of the total consumption of meat in New Zealand? Does it approximate the export?—Oh, no, I should not think so. I have not the figures here, but I cannot conceive that it approximates the total export, at any rate, so far as lamb is concerned.

28. *Dr. Hight.*] We have had it stated that the price of mutton here is higher than it is at Home: how do you explain that statement? Have you any remark to make upon it?—Which price?

29. The statement made to us was that the price of mutton was higher here than it is at Home?—I cannot understand such a statement being made. It is possible that the retail prices of certain joints here may be higher than the wholesale price of the carcase at Home.

30. It is possible that the person making that statement has compared the wholesale price at Home with the retail price here?—He may have compared the price of the whole animal at Home with the price for a certain cut or joint here.

31. *The Chairman.*] Have you any statement that you would care to make, bearing upon the question of the cost of living, that may not have arisen in the course of the questions which you have been asked?—I think the cost of living has risen.

32. Can you give us what you consider is the cause of that?—There are many causes. I think there is a higher standard of living—that a higher standard of living is demanded by all. There is also the increase in wages. I think also that the higher cost of production has been brought about not only by the increase in wages, but by the general tendency to give less work for a given wage.

33. You think there is such a tendency?—Yes, most certainly.

EDWARD THOMAS REECE, Secretary of Messrs. E. Reece and Sons (Limited), Hardware Merchants, examined on oath. (No. 49.)

1. *The Chairman.*] Are you well acquainted with the hardware business?—Yes, I have had seventeen years' experience of it.

2. Is it within your knowledge that the price of hardware has increased during that time?—No, I think as a general rule it has decreased.

3. To what do you attribute that?—Principally to improvements in manufacturing methods.

4. If the improvement in the manufacture has caused a cheapening in the wholesale prices, does the consumer reap the full benefit of that cheapness in production?—Yes, they do; but at the same time they are generally demanding a better article than they did formerly. They are not satisfied with goods required for the fitting up of houses of the kind that people used years ago.

5. Still, in proportion, the cost is cheaper?—Yes, on ordinary every-day lines, such as the general public buy. Of course, metals like iron and goods of the heavy class are ruled by the rise and fall of the market. The price is a fluctuating one always.

6. You mean the rise in the price of raw material?—Yes; usually we find in the trade that the price ruling at Home for iron is the basis of everything. If iron is high, other things rise correspondingly.

7. Does the retail price rise in fair proportion to the wholesale price?—It depends on the rise. Some rises may only last for a few weeks and go back again; then, as a rule, the retail prices remain stationary, because, in a general way, retailers do not raise prices in such cases.

8. Does your firm buy directly from Home?—Yes.

9. Do all the hardware-merchants here buy in that way?—Yes, the majority do, I think.

10. There are no lines in your business controlled by any arrangement amongst the merchants here?—No. Of course, there has to be in all businesses a certain amount of unanimity with regard to raising prices on a rising market, just the same as the manufacturers at Home do if it is necessary. They have to contend with the same conditions of labour there, and that sort of thing, as we have here.

11. Could you give us any idea of how that regulation of prices is carried out? Are minutes of the meetings taken, or is there a signed agreement?—No, there is not anything of that sort. If there is any marked advance in prices, as there is at the present time, owing to the labour troubles, three or four of the merchants perhaps confer and agree to raise prices.

12. And do the others fall into line?—Yes.

13. *Mr. Veitch.*] Does that same principle apply here—merchants meeting together and deciding in that way?—Yes, I was speaking of both. At both ends of the world we have the same thing to contend against. If bar iron, for instance, is raised 10s. a ton at Home, there is an increase to a corresponding amount here.

14. Then, do the merchants here carry out that same principle?—Yes.

15. Suppose you find there is a rise in the price of iron such as you describe at Home, of course it naturally costs you more to import your iron here. How would you go about determining what price should be fixed: would you hold a conference with other merchants?—We would simply suggest to one or two firms interested that the price be advanced in accordance with the cost, and then the trade would naturally follow suit.

16. *The Chairman.*] Would a circular be issued to the other merchants?—No.

17. It is just a verbal understanding?—Yes.

18. *Mr. Veitch.*] Is there anything to prevent you doing that even if there was not any rise in the price in the Old Country?—The only thing to prevent it is that we have too much competition.

19. Have you absolutely free competition?—Yes, we have competition from every town, and if our prices here were too high people from Wellington and other places would immediately come in.

20. Is there no arrangement between the merchants here and the merchants in other cities?—None whatever.

21. Is there an association of merchants here?—No, there is simply the arrangement I have told you of in the case of an advance or a reduction in prices. It is necessary to have some unanimity with regard to the selling-prices.

22. You confer with other merchants as to the prices?—Yes.

23. And you agree that there is nothing to prevent that being done even if there is not any rise in the prices at Home?—Simply competition prevents that.

24. To what extent does this understanding exist between you and the other merchants? Are there no meetings of merchants held to arrange the prices or to decrease prices?—Occasionally

two or three merchants come together—as a rule, when there is a rise in prices at Home it affects many lines here.

25. Occasionally two or three merchants meet at the suggestion of one?—Yes. If two or three merchants take a lead in increasing prices to correspond with prices at Home the rest of them fall in with it.

26. You would not find any difficulty in getting the others to follow?—The competition is very keen.

27. On these occasions when a few merchants meet at the suggestion of one, what business is transacted at such meetings?—It is simply, as I said, for instance, if there has been a rise in bar iron at Home—a rise of, say, 10s. per ton—it will be necessary for us to raise the price accordingly; and it would be generally understood by the trade that the price would be raised here.

28. Would not the different merchants know of the increase in bar iron separately?—You must take some action in the thing to start it.

29. The merchants meet at the suggestion of one to discuss the position?—They do not necessarily meet. More often than not the communications are made by telephone.

30. *The Chairman.*] Do the merchants meet in this way when bar iron falls 10s.?—We have to regulate our prices according to the Home market.

31. So that they would be as much interested in letting the public have the benefit of a fall of 10s. as in making an advance of 10s.?—They have to be interested, whether they want or not.

32. *Mr. Fairbairn.*] Do you know of the existence of a combination amongst the galvanized-iron hollow-ware makers in New Zealand?—No, I do not know that there is. There may be. I know that the local prices are the same. It does not make any difference which one we buy from; we pay the same price.

33. Do you know that some nine months ago they increased the rates and altered the discounts?—Yes, the prices were raised some time ago.

34. What was the effect of that alteration in prices so far as the consumer was concerned? Take, for instance, the 11 in. buckets: to what extent were they increased in price to the public?—It was not a general increase all round. Some articles were increased more than others. I think probably the increase was about 25 per cent.; but previous to that I think hollow-ware makers were doing very little good at the business.

35. The hollow-ware merchants did not make it—that must be within your knowledge?—Well, I do not know who else could make it.

36. If they shortened discounts from a third to 20 per cent. and increased their rates, it must be obvious that the middlemen got it. At all events, you have no knowledge of such a combination?—I have no knowledge of any combination.

37. But you do know that the prices of hollow-ware have advanced 25 per cent.?—Yes.

38. *The Chairman.*] Is there anything within your knowledge upon which the duty has been taken off an article and where the consumer has not had the benefit of that reduction of duty?—No, I do not think so.

39. Do you sell gunpowder?—To a small extent. There is practically no sale for gunpowder, owing to the cheap price at which ammunition is sold. I think that practically the only importer of gunpowder at the present time is the Colonial Ammunition Company. Formerly cartridges were very much dearer than they are at present, and it paid shooters to reload their own shells.

40. Was not the duty of 6d. on gunpowder taken off by the Government?—Yes.

41. Was that duty retained by the wholesale merchants?—The sale of gunpowder at the present time is practically nil. What powder we have in stock we would be glad to quit at very much less than cost price.

42. *Dr. Hight.*] These meetings of merchants—in so far as they can be called meetings—consist of one or two or three at the most, and not all those engaged in the business; they are not general meetings?—That is so.

ROBERT ALLAN, Managing Director for Skelton, Frostick, and Co., Boot-manufacturers, examined on oath. (No. 50.)

1. *The Chairman.*] You are one of the managing directors of the firm of Skelton, Frostick, and Co.?—Yes, Mr. Frostick is the technical man, and I am the office and financial man; but I know sufficient to give the Commission any information which I think they may require.

2. You have been in Christchurch for some considerable time?—Yes, twenty-five years.

3. There has been during the last twenty years a considerable advance in the price of boots?—Yes. Will you allow me to put the position in my own way? There has been an increase in wages, going back, say, for a period of fifteen years—an increase probably of 25 or 30 per cent. in wages, and in the case of the girls' stitching department probably of 30 per cent. or 40 per cent. But in the interval the whole incidence of manufacturing boots and shoes has been changed. Whereas fifteen or eighteen years ago the work was chiefly done by hand, it is now entirely done by machinery of the most modern and up-to-date type. I think the machinery in operation in New Zealand is now equal to anything in the world. It is not concentrated as it would be in larger centres, and it is spread pretty well all over New Zealand. This increase and the change in the incidence of manufacturing has, I think, equalized the advance in wages. That is a statement that I will stand by. The actual cost of boots per pair is no greater than it was before the wages were raised, so the public as a matter of fact are not paying to-day anything for the increase in wages. But, for all that, there is a very heavy increase in the price of boots, but that increase is not entirely due to the increase in wages, but is entirely due to the enormous increase in the cost of materials. Fifteen or eighteen years ago we paid 9d. for sole-leather; to-day we pay 1s. 2d. to 1s. 3d. per pound. Really, I think it is nearer 1s. 3d. on the average

than anything else. That is an increase of fully 60 per cent. in sole-leather; and in upper-leathers there has been an increase of fully 40 per cent. also. You can readily understand when two-thirds of a boot is represented by material of this kind what a substantial increase it must have made in the cost of boots. I estimate it at one-third labour as against two-thirds material. Probably, in order to state the position more accurately, I might have to modify that perhaps by 4 or 5 per cent., because the machinery has probably made the labour a little smaller per boot. I may add that, in my opinion, the rise in material has not been caused from any combination of the tanners. I am speaking of materials that are turned out here, and which form a fairly large portion of the uppers. It is entirely due to the increased demand for hides and skins all over the world. And to-day I think the tanners will tell you that their competitors are the Canadians. The world evidently has overtaken the supply of the raw material. Going back a generation or two, you will find that in South America hundreds of thousands of cattle were slaughtered entirely for their hides. That is now all a thing of the past. A beast now is killed for its beef, and its hide is a secondary consideration. There is no doubt that, with the increase in the population, hides are in genuine demand, and that demand has not been brought about by any combination or anything of that sort. It is too strong a factor. The same remark applies to lots of other commodities, which we do not make but which we have to import, such as French calf, glace kid, and lines like that; the prices of these have risen enormously.

4. *Mr. Fairbairn.*] 40 per cent.?—Yes, a full increase of 40 per cent.

5. *The Chairman.*] Most of your material is made in the Dominion?—Yes, all the sole-leather. The glace kid is made from goat's skin, and that material is not manufactured in the Dominion, but is all imported. It is produced mostly in America and Germany, and a little in England. There is another factor in the price of boots which I wish to bring under your notice as affecting the public. As I have explained, there is no doubt that the increase is due entirely not to the increased wages bill, but entirely to the cost of material. Another factor is this: the public demand, and are buying, better stuff than they did. Boots and shoes which were bought ten, fifteen, and twenty years ago people would not look at to-day. The whole trend of the public is for more style, more quality, and they are paying higher prices for it. The question of fashion is a very big item now. Women will not look at certain boots and shoes if you imported some lines which are a little out of fashion. There are shoes selling to-day in Christchurch at 6s. and 7s. a pair which cost £1 a pair to import—boots of good quality, but which are not fashionable, and they will not be looked at. They are not selling even at that rate. That statement the Commission can verify by inquiring from retailers. I have said to retailers, "Can't you get rid of these boots? The boots are of splendid quality." They say, "We cannot sell them." And I am afraid to tell the Commission what they are being sold at. I may mention that one line of fifteen hundred pairs was sold at 4s. a pair, which cost us 15s. a pair; and these boots were sold at 5s. 11d. a pair retail.

6. *Mr. Fairbairn.*] Does the same apply to men's boots?—No, not to the same extent. I think it is the fashion which regulates women more than the men. Men, of course, have got their shortcomings, but not in that respect. There is no doubt of a better quality of boot being in demand. I suppose that denotes a certain amount of prosperity in the country. Then there is stuff manufactured in New Zealand which probably could not be bought twenty years ago.

7. *The Chairman.*] Do you think it is the fashion, and also the general advance in better conditions, which is responsible?—I think it is. I think it is a sort of emulation which has something to do with it. Women and men are now better dressed, and they see others better dressed, and each one is stirred up to be the same. Whether it is justifiable or not I am not sure, but I think that feeling is there.

8. I suppose they think they cannot afford to look dowdy?—I am not saying it is wrong. It is perhaps right. I think it is the aim in life to have better conditions in regard to everything we can get.

9. Do you buy material from merchants at Home?—Yes.

10. Have you found that you can only get certain lines from certain merchants at Home? Have you found any increase in prices from the existence of trusts or rings at Home?—I do not think there is any trust or ring. It is free competition. Business is very well classified there. In New Zealand we make all-round classes of boots. In America some firms only make women and children's boots, and other firms only make men's boots. In those countries the work is more specialized than we can have it here.

11. Is that the explanation why such a quantity of goods is imported—that a factory in the United States makes nothing but a particular kind of boot or shoe, and turns them out by the million? Of course, in such cases, I suppose they can afford to pour their surplus into New Zealand at a cheap rate—much cheaper than the general manufacturers here can make the boots, when he is making all classes of boots?—There is no doubt that the effect of specialization is to cheapen.

12. And that handicaps you here in the way of local manufacture?—Undoubtedly. Mr. Frostick, writing to me the other day, said that he called on one house in England and said that he could not fulfil certain general orders, and the manufacturer showed him his order-book, containing one order of 60,000 pairs of one line, without any variation, to be delivered in seven days. That was an English order. We make too many classes. We cannot help ourselves—the demand is there.

13. *Mr. Veitch.*] There is one point I am not quite clear about. With regard to the fact that people are going in more for higher-priced goods than they used to, do you think that the duty has anything to do with that?—There is a very curious thing taking place in connection with the tariff. A duty was placed on boots at per pair as well as *ad valorem*. It, no doubt,

did tend to shut out the low-quality stuff, because the duty from a percentage is very much higher on that class of boots, which is really unduly taxed; whereas, in regard to the higher grades—anything from over 10s. per pair—the alteration in the tariff did not affect them. The fixed duty per pair and the reducing of the *ad valorem* duty did not increase the duty on the higher-grade boots, but it did tax the lower-grade boots, and practically shuts them out. The effect of that, I think, has been to educate the people up to a better class of stuff. The imported stuff that comes here now is of a higher grade, and the whole of the public has been gradually educated to demand a better class of stuff. What would happen if that cheap stuff were in the market I am not prepared to say.

14. *Mr. Hall.*] A previous witness stated that some of the low-priced stuff could not be manufactured in New Zealand at anything like what it can be manufactured in England. Is that so?—Yes, undoubtedly.

15. He was speaking of slippers, for instance?—There is stuff made in England we could not compete against without the duty.

16. Can you compete with them with the assistance of the tariff?—We can just hold our own. The position of the tariff is this, and it is rather an important point to know: our wages-bill is exactly double the wages-bill in England and Germany. I recently saw a detailed statement of the wages paid in the various branches of manufacture in England and Germany, and they were just half our rates. The tariff we have got puts us just about on the same footing. We estimate that we are now practically working under free-trade conditions: that is to say, the difference in our wages compared with their's is counterbalanced by the tariff.

17. *Mr. Veitch.*] You say that the wages here are double those paid in England?—Yes; in England a man gets £1 8s. 6d. a week, and here we pay £2 16s. per week. In regard to the wages of cutters, machinists, &c., we just about pay double the rates paid in England. I am not quite clear whether they work rather more hours than we do, but the statement I have made is near enough.

18. *The Chairman.*] You do not suggest that the minimum rate given to men in the boot trade here is too high?—No, I do not think it is. The minimum rate that we pay is £2 6s. 10d., and we have not one man receiving the minimum rate in our factory. Although that is the minimum rate, and there has to be a minimum rate fixed, our wages run up to considerably over that—to £2 12s., £3, and £3 5s., and up as high as £4, not including foremen. £3 and £3 5s. is a common wage.

19. *Mr. Hall.*] Do I understand that some cheap lines are still coming in from England in spite of the tariff?—Yes, undoubtedly—a certain class of slipper and evening shoe; but all the time progress is being made here. But those lines are really checked by the scarcity of female labour: that is where all our factories are blocked. We could get the men, but it does not matter what men are available, you have to have a stitching-room. You can only get the boots made when you have the girls for the stitching-room. That is the weak spot of the extension of our factories. There is a certain growth, but not a very rapid growth.

20. Are there any materials which you use in the manufacture of boots upon which you are paying a high duty?—No, I think the tariff is a very fair one. The tariff was adjusted, I think, during the time that Mr. Millar was Minister of Customs, and he gave a great deal of attention to the subject. As I have said, I believe the tariff is a very fair one. I do not think there is any special handicap in that way from the materials point of view.

21. There is nothing handicapping the local manufacturer?—Not in regard to the importation of the materials. There are, I suppose, some items in leather that the manufacturer might desire to have free of duty. But, of course, the tanner has to be considered. I do not think that the industry is handicapped by the tariff at all.

22. *Mr. Fairbairn.*] You say that the labour cost of production of the goods is about one-third: does that apply to boots invoiced at 6s. a pair?—I was speaking of our own manufacture.

23. Do you not make boots of that nature? You say that the cost of labour is about one-third?—That is an average. The cheaper the boot, there is more material in proportion and less labour.

24. Approximately, 1s. 6d. would be the cost of labour?—Yes.

25. I want to analyse this: a pair of boots invoiced at 6s. in England—on youths' boots there would be 1s. duty to start with—16 per cent on 6s.—that is another 1s., making 2s. The duty, therefore, becomes equivalent to 33½ per cent.—namely, 2s. But the cost of labour in making a pair of boots of that kind would only be 2s., so if you are paying double the cost, you are paying 2s. on labour that would be got for 1s.: is not that so? I mean to say that the value of labour in England would be 1s. 1d., but you are paying 2s. here. So that it is not quite free-trade conditions on cheap boots, but I grant you it is on more expensive boots?—No, I do not think it is on cheap boots.

26. This is a very serious question to numbers of families—the cost of children's boots—say, children from seven to twelve years of age—the cost of their boots would be a big item. What we want to get at is some means of reducing the cost of these necessities of life?—You know that all infants' boots are free up to sixes.

27. But in the case of children from four to twelve years of age, the duty runs pretty high in consequence of a uniform tariff per pair, quite irrespective of the value?—Yes.

28. Would the boot-manufacturers object to a reduction? Would it be against the interests of your factory to reduce the duties on the cheaper class of goods—children's boots up to twelve or thirteen years of age?—There is a large number of youths' boots made lately, but I do not think anybody is keen on making children's boots in the Dominion.

29. So we were informed. One manufacturer said he would not like an abolition of the duty?—I do not think I would like to answer that question on behalf of the trade. There is a federation of the whole of the manufacturers in New Zealand, and I would not like to speak

for them. I may add that we make many thousands of pairs of evening shoes still at about 6s. 6d. a pair.

30. There is no common understanding between boot-manufacturers in regard to prices?—Not the slightest—good cut-throat competition the whole time. I may here say that one firm paid 2s. in the pound, and another firm 6½d., and they had £12,000 of liabilities. I think that lately the public has been getting some cheap stuff. I have never known the time when it was not so.

31. *Dr. Hight.*] You spoke of the introduction of better machinery during the last fifteen years. What was the cause of that: was it in any degree due to the higher wages, or simply in sympathy with the introduction of better machinery abroad, and the general progress?—We had to compete with the rest of the world and employ the most modern means of turning out the articles.

32. Do you find that the introduction of better machinery has some effect in raising the rate of wages?—We are paying higher wages, and we are turning out boots at no increased cost. If the wages had not been increased we should have manufactured at a cheaper cost—that is a certainty. The increase we pay in wages has absorbed some of the advantages of the machinery.

33. You spoke of the demand for a better quality of boots: can you suggest any particular causes for the increase in the quality demanded beyond the one you mentioned—the increased prosperity of the people?—No, I think it is that, and I think it is due also to the growth of the cities, and there being more life and smartness about them. Twenty-five years ago the place was much more countrified than now, but as the cities develop the people get smarter, and their wants are more in accordance with what the city expects.

34. They are better able to satisfy their wants than they were formerly?—Yes, undoubtedly.

35. You are of opinion that the capricious changes in fashion affect trade?—I think they are very good for the traders—the draper and tailor, and all those people. I think the fashion is everything to them. It is costly for the householder.

36. Is there any great loss of dead stock from that cause?—Yes, a good deal—a very heavy loss at times.

37. Can you distinguish between the classes of the community as regards devotion to fashion?—No, I do not think there is any class in it. I believe the classes are eliminated in that matter.

38. You think that changes of fashion are followed by what are commonly called “the workers” as well as by other classes of the community?—I think they are. I think the bulk of the people are affected by the fashions. There are a few exceptions where every shilling is of importance, and where the expenditure is closely studied, but speaking of the great bulk of the people I think they are all actuated by the same feeling.

39. You think that fair competition with foreign lines is good for the producer?—Now you are getting on to another subject altogether. If we were discussing tariff there is a great deal to be said on both sides of that subject. I dare say from the point of view of the public it is a good thing that there should be some competition—it keeps us up to the mark.

40. From the point of view of the general community?—Yes; if you were to sweep the tariff entirely away you would get cheaper boots—that there is no doubt about; but it would mean closing every factory in New Zealand in six months without a doubt.

41. But your idea of a satisfactory tariff is this: that the local producer should be put on the same footing as the foreign producer in our local markets?—Yes.

42. A tariff conforming to those conditions would be satisfactory to you?—I would like it a little better in some respects.

43. You spoke of the scarcity of female labour: have you any suggestions for remedying that?—I think the only suggestion is to import them. The local demand is very large, and girls are marrying very rapidly. We lost fifteen girls from our place one Christmas season. It was a great loss—fifteen expert girls. We cannot object to it; on the contrary, we must approve of it.

44. Is there any special plan of importation that you would suggest?—Our firm imported twenty girls some time ago, but they are nearly all gone—nearly all married. We lost nearly every girl that we imported in three years. I think we did the country some service, for we paid their passages, or some portion of them, and some portion was repaid. There is no doubt that we could do with a steady influx of female labour without injuring any one.

45. *Mr. Robertson.*] You have spoken about the increased standard of quality in demand for boots. Did you say that the average quality of women’s boots is as good now as it was fifteen years ago?—I think it is. But you have always this fact to consider in regard to women’s boots: if you go in for a class of boot that is smart and light, perhaps they will not give the same amount of wear as a stronger and rougher class of boot; but taking the quality all round I think it was never better than it is to-day.

46. Do you think that more boots are sold per head of the population now than there were fifteen years ago?—I would not think so.

47. Do you not think that the changes of fashion and devotion to fashion causes a greater sale of boots per head of the population?—I am not clear on that point—whether more per head are sold. Probably there are more per head sold. If people demand the better stuff they are also perhaps not wearing them out in the way they formerly did, for the same reason.

48. *Dr. Hight.*] You said that competition was pretty keen amongst the local producers: about how many plants are there in the Dominion?—I think, about twenty-five or thirty.

49. Suppose they were amalgamated—would it be possible to combine them, or the greater portion of them?—It would not be practicable. They are spread all over New Zealand, from Invercargill to Auckland. New Zealand is a place of very varied wants. The class of goods required in Invercargill is quite different from the class of goods required in Napier or Auckland.

50. *Mr. Hall.*] You referred to the Boot-manufacturers' Federation: where is its headquarters?—This year they are in Auckland. The president is in Auckland this year.

51. Do any of the American or English firms slaughter their surplus stuff—send it to New Zealand and sell it at under cost price?—I do not think so. Mr. Frostick informs me that it is refreshing to go to England and see the absolute independence of the manufacturers there. The industry is going on there at the very highest pressure. There is wonderful activity in the trade.

52. Do you think that the operatives in Northampton are earning a fair living-wage?—From our point of view I should say No.

53. But taking into consideration their cheaper cost of living?—I could not say.

Statement added by witness.] I intended to emphasize the fact that there exists to-day very keen competition between the importers and the local manufacturers. This is shown by an increase of £50,000 for the year ending 31st December, 1911 (the last published returns). I have already pointed out that the duties now enforced just about equals the difference between our wages and those in force in England and Germany, and I am of the opinion that any further increase in wages under present conditions will at once lead to a further extension of the import business. It will be realized that with the outside competition with the manufacturers the public are not by any means in the hands of the local manufacturers.

HORACE HENRY BARLOW, Tobacco-merchant, examined on oath. (No. 51.)

1. *The Chairman.*] You are a tobacco-merchant carrying on business in Christchurch, Mr. Barlow?—Yes.

2. What special line do you deal in?—Simply tobacco and tobacconists' goods.

3. Has there been, to your knowledge, any considerable rise in the price of tobacco during the last ten years?—No, not as far as I know; none whatever.

4. Has any alteration in the duty affected the sale?—There has been no alteration of duty during the last ten years.

5. What is the duty now?—3s. 6d. per pound on tobacco, and 7s. on cigars and cigarettes.

6. Is it your opinion that the existence of an all-round duty upon tobacco of 3s. 6d. per pound has an unfair incidence upon the poorer classes?—Of course it has.

7. Would you explain the difference in the incidence of the duty upon the poor man's tobacco?—The poor man, to start with, buys his cigars at 3d.—he can only afford to pay 2d. each. The ordinary class of individual—a man earning a fair income—would pay 6d. for each cigar. The poor man is paying from 200 to 250 per cent. duty, whereas the other man only pays from 33 to 50 per cent. duty. The poor man has to pay four times that of the other man. The difference between Juno and aromatic tobacco—the cost price—is, I suppose, a difference of 1s. per pound. That is a difference of from 40 to 50 per cent.; but the duty is all the same. There is not so much difference in that. As to other goods in our line, such as pipes, and tobacconists' goods generally, the poorer class of individual, the working-man, has to pay all the time just double the duty the other man has.* If a man can only afford to buy a 1s. pipe he has to pay double the duty the man has to pay who can afford to buy a 5s. or a 6s. pipe.

8. *Mr. Fairbairn.*] Will you please explain that?—There is a preferential tariff. Hardly any of the cheaper pipes are made in England at all—just a small percentage. We have to pay a preferential tariff on the cheaper lines of stuff, whilst on the dearer stuff we do not. It makes an enormous difference, of course.

9. What is the cost of the most expensive tobacco which you import in bond?—About 6s. a pound in bond.

10. And the cheapest black tobacco is 1s.—Yes, or a little more.

11. Therefore, the duty being the same, the cheap-tobacco buyers pay about six times the amount of duty, in ratio, to the value?—Yes, on the 6s. line; but there is none of it sold—nothing to speak of.

12. *The Chairman.*] A Wellington tobacconist informed me that he sold some tobacco at 14s. a pound?—He was probably referring to the retail price. I am speaking of the price of the wholesale tobacconists.

13. *Mr. Fairbairn.*] The point I want to elucidate is this: that the duty on the tobacco that the multitude use is about six times more on its value, compared with the duty on the more expensive tobacco?—Yes, it tends to make people smoke rubbishy tobacco—the present arrangement of the duty. A man has to pay the 3s. 6d. per pound duty, and it tends to make people smoke these black tobaccos, which, in my opinion, are worth nothing.

14. *The Chairman.*] You think, in justice to the classes you refer to, the duty should be altered to an *ad valorem* duty?—Yes, I think so.

15. Is your firm entirely wholesale?—We have a retail shop also; Davies and Lamb's shop belongs to us.

16. Is it fair to ask what you consider a fair profit in retailing?—The profits are fairly small—the profits of retail tobacconists especially.

17. Is it not true that you have also to charge interest on the duty paid?—In the wholesale business we pay no attention to the duty—all our goods are charged separately.

18. The general public buy from the retailer, and if the retailer is paying interest on the amount paid in duty the public has to pay it?—Yes. The retailer has nothing whatever to do with the tobacco in bond; it is delivered at his shop, and he pays for it some ten days after he gets delivery. That is one of the worst faults in our business. He should pay cash.

19. *Dr. Hight.*] But the wholesale merchant is out of pocket in the matter of duty?—Yes.

* Later the witness qualified this statement by saying there would be a difference of 50 per cent., not "double the duty."

20. But do you not take that into account in fixing the price for the retailer?—We cannot; we never get cash within a reasonable time.

21. *Mr. Veitch.*] As to that tobacco that costs 1s. a pound: at what price would it be retailed at in the shop?—I am not conversant with the retail business, but I think it would be sold at the rate of 1s. 2d. wholesale in bond—that is, roughly, 15 per cent. on the cost of tobacco. We take no notice of the duty.

22. Then you sell it without taking the duty into consideration when you pass it on to the retailer?—Yes.

23. *Mr. Hall.*] Has there been any tobacco of fair quality grown in this country?—Not that I know of.

24. Do you think that the soil and climate in some parts is suitable for growing it?—I could not say—I know nothing about the growing of tobacco.

DAVID REDPATH, Coal-merchant, examined on oath. (No. 52.)

1. *The Chairman.*] How many years have you been acquainted with the coal trade in Christchurch?—Practically all my life. I am now in business here.

2. Could you give us any information as to the prices of coal, say, ten years ago and now?—Yes. The evidence I give of my own knowledge is confined to Newcastle coal: that is the principal household fuel in Christchurch. The price in 1900 delivered to householders was 34s. per ton for Newcastle. That price obtained until about 1908, when it was advanced 1s. on account of the increased price f.o.b. Newcastle—that made it 35s. In May, 1912, the price advanced 2s. per ton delivered; the f.o.b. price Newcastle was the same, but the transport charges were higher all round.

3. Then the advent of the State coal depots made no difference to you?—Absolutely none as far as price is concerned.

4. *Mr. Fairbairn.*] What is the present price of Westport coal?—The same as Newcastle—37s. retail per ton. I cannot give such reliable evidence in regard to Westport as to Newcastle coal. The price in 1900 for Westport, I believe, was 39s.; now it is 37s. per ton. It has fallen in price. When the Westport Coal Company bought out our retail business some two or three years ago the price was reduced to 34s.; that has been raised again to 37s.

5. *The Chairman.*] Do you know of any machinery by which the prices of coal are regulated?—There is a Coal-merchants' Association, but there is nothing binding on the merchants at all.

6. There is an understanding between them?—There may be; I believe there is an understanding. I do not attend the meetings myself. There is a secretary, and I understand the association is registered.

7. They have minutes of proceedings?—That I would not be certain of. I have not been to any of the meetings. Our firm belong to the association, but I have never attended a meeting. I believe minutes of meetings are kept. This association does not rule the prices; it is really for the protection of the trade throughout. A number of things that crop up are discussed, and it really protects the merchants themselves from bad debts and such things. That is really the aim of the association. I think the coal-merchant is a prey to bad debts more than any one. There is a great number of people who go round and play upon the merchants, and this association has helped in that matter.

8. You do not consider that this regulation of prices has perhaps had the effect of keeping up prices when they would have fallen?—Most decidedly not. I think if I could give you an idea of the profits of the retail merchants you would be astonished that they could continue in business, and it is only their hard work which keeps them there.

9. *Mr. Veitch.*] Is there a framed set of rules for the Coal-merchants' Association?—No, not that I am aware of; I do not think so.

10. Is it associated with or federated with any other association outside Christchurch?—No; it is just purely a local concern.

11. Do you know how it is registered—under what Act?—I could not say; it is registered, I believe. Mr. T. W. Reese is secretary, and he could give you the information, no doubt.

12. It does not fix prices in any way whatever?—They are not binding in any way; any one may break the prices; there is no penalty. A man may sell for what price he chooses, but if he did sell under the present prices he could not exist.

13. The penalty would be bankruptcy?—Yes, it would.

14. Then what purpose does the association serve besides giving protection as to bad debts?—I do not know that it has any further objects than that particular aim; that is what it is there for.

15. You have just said that a member may break through the prices without punishment: that indicates that prices are arranged?—The prices are arranged from time to time.

16. But there is no punishment inflicted for breaking them?—Absolutely none; a man may break any of them.

17. Are any merchants not in that association?—10 per cent. to 15 per cent. are not in the association.

18. Assuming they joined, would the association then be able to punish price-breakers?—No.

19. Is there any arrangement between the mine-owners and the merchants?—No.

20. Is there any difficulty in purchasing coal for any merchant outside the association?—None.

21. Can outside merchants buy just as freely?—Absolutely freely; there is no prohibition of any one.

22. *Mr. Hall.*] Can the retailers buy direct from the pits without the purchase being made through the wholesale merchants?—As regards the Newcastle coals, nearly all the pits are represented by agents. We are the agents in Christchurch, for instance. We take the risk of bringing down that coal, arrange tonnage, and so forth, and sell to the retailers by the truck ex ship.

23. With regard to other kinds of coal: can they buy direct from the pit?—They can buy from the Westport Coal Company, or Stockton Company, or Blackball Company; these are all represented here, or have branches.

24. *Mr. Fairbairn.*] The Westport Coal Company sell to the public direct: they have no middleman handling their coal?—Yes, direct to the public, and they sell to the merchants as well.

25. They have two sets of prices?—Yes.

26. That was not the case in Dunedin. What are the charges on coal from the ship's slings into store?—The railage, 4s. 9d. per ton (imported coal); cartage to various yards averages 2s. per ton at present.

27. If coal is taken from the truck into the yards there is only the addition of 4s. 9d. per ton?—Well, we have got the discharging-costs. You could not bag direct from truck at sidings—there is no time; only a few hours is allowed us. It is rarely you are lucky enough to save the extra handling. There are only some three or four private sidings, and they pay a high rent.

28. You are quite certain that in your local association there is no penalty for breaking prices, such as expulsion from membership?—I am certain of that.

29. Have you a printed price-list?—I believe there is one. I would not be certain of that. I can let you have one if available.

30. Can you remember who signs the printed list?—No, I do not remember. We are out of the retail business, and have been for two years and a half.

31. *Mr. Robertson.*] How is most of the coal sold here—what quantities, small or by the ton, to householders?—I think there are more smaller quantities than ton lots sold. The usual way is quarter-ton, half-ton, and so forth, and some in lesser quantities, in bags. In the very small yards the bag and the hundred still pertains, but in the larger yards they try to stop that because of extra cost of delivery; it adds considerably to the cost.

32. What are about the usual charges for bags and per quarter-ton?—I think I am correct in saying that the quarter-ton of the Maitland or Newcastle is 10s. per quarter.

33. And by the bag it would be more?—Yes, more in proportion, because of the cost of delivery.

34. You could not give us the exact price?—I am not sure of it.

35. Most sales are in small quantities for householders?—It would be hard to answer that accurately. One man might have a number of small customers; another man larger customers.

36. *The Chairman.*] Is there anything within your knowledge which has not been brought out by the questions?—You asked me about the State competition—if that made any difference. It made no difference whatever as to the prices. The coal man could not reduce his selling-prices and live.

37. What was the State coal selling at when they started? Is it not lower now?—It was 30s. when they started, 31s. to-day.

38. *Mr. Fairbairn.*] The cost is greater in handling coal in Christchurch than in Dunedin?—Yes, there is a 1s. penalty on Newcastle coal as imported coal as against local coal. The railage is 3s. 9d. for the local coal, and 4s. 9d. for imported.

39. You say the State coal was 30s. and 31s.?—30s. was the price prior to the rise. I am speaking of best screened coal for household uses; that is what I have quoted for all through.

40. *The Chairman.*] Why do people buy from you for 39s. when they can get Port Elizabeth coal for 31s.?—Well, we think the Newcastle coal is superior.

41. Evidently the people of Christchurch think so too?—Oh, yes, the Maitland coal is the finest coal south of the Line.

WILLIAM MINTY, Factory-manager of the Kaiapoi Clothing Company, examined on oath. (No. 53.)

1. *The Chairman.*] Have you had a long experience as a clothing-manufacturer?—A lifelong experience. For the last eight years I have been in Christchurch.

2. Can you tell us if there has been any very great rise to the public in the cost of clothing during that time?—I can only answer for the costs as affected by labour in the matter of production. It is not within my jurisdiction to determine the selling-prices: that affects the warehouse. I have no jurisdiction over the material—the lines are supplied by the piece, and the factory supplies the labour and necessary trimming.

3. Has the price of that labour gone up considerably in the last ten years through the awards of the Arbitration Court?—Very much. By comparison of the wages it works out 37½ per cent. relating to the journeywomen; that is since 1902 that rise has taken place. That increase applies only to the women; the increase in the wages of male operatives is 10 per cent.

4. Do you know what ratio the labour-cost bears to the cost of materials?—I have no jurisdiction over that; I have no more knowledge of the cost of material than you have, sir; that does not come within my province.

5. Have you nearly the same class of worker that you had ten years ago?—Much the same, I think; there are continual changes being made, but I suppose the qualifications are much the same as before.

6. Have you any difficulty in getting female hands now?—Very great difficulty. I think during the last five years we have experienced greater difficulty, and I attribute that to the greater prosperity. We are losing a good many women by reason of their being married, and being taken away for domestic purposes.

7. And if there was general prosperity a man would be able to keep his children at home longer?—That has been our experience.

8. Have you any observations to make on the question of a rise in the cost of living?—None, sir; I can only speak of what has taken place in our own business, and the figures I have given I am prepared to substantiate.

9. That would add to the cost of living, owing to the cost of labour being carried on?—It must, of course; the cost of production has increased, and it is passed on.

10. Although the cost of labour has risen, has not the improvement of machinery levelled it, so that the charge for labour did not increase the cost?—It is not our experience.

11. *Mr. Robertson.*] Has there been any improvement in factory methods that might to some extent counteract the rise in the cost of labour?—There is always machinery being introduced for the purpose of labour-saving, and in some respects it has achieved what was claimed for it; and, speaking on behalf of my company, they have displayed great enterprise and spared no expense to install labour-saving machinery.

12. You have given us the percentage on which cost of labour has increased: how far has that increased the product?—Whatever advance is made in the cost of labour must be put on to the cost of producing that particular garment; that is passed on to the warehouse, and that put on the cost covering the whole, and by that means the selling-price is determined.

13. You said that labour has increased 37 per cent., female labour, and 10 per cent. male labour: has the cost of clothing increased in that proportion?—Not necessarily so; while the cost of labour has increased to that extent, there are other factors to consider. The trimmings and overhead charges are not affected in the same way, so that in the aggregate it does not represent 37½ per cent.

14. How much has it affected the cost of clothing: could you give us any idea?—I could not answer that question; I have not gone into the matter.

15. *Dr. Hight.*] You would need to know the cost of material, and that does not come within the scope of your province to determine?—No.

16. You have no knowledge of it?—No; the material is simply consigned to the factory from the mill for the purpose of making up, and the duty of the factory-manager (my position) is to determine the cost of labour and trimmings—that is, linings, &c., and what is required outside the cloth of the garment; such materials are provided by the factory.

17. The total cost of production has increased, and you could not say exactly to what extent?—I should think, without going into details, it would be half of the amount I stated as the total increase.

18. *Mr. Macdonald.*] Has there been any saving through increased efficiency of plant?—Yes, we have been able to introduce certain appliances for the purpose of effecting a saving of labour, but we have not enjoyed all the benefits which are said to be derived from them. [Witness instanced the installation of a new system of heating-irons, whereby the pressers did not have to leave their board, but the benefit of that was reaped by the pressers. No deduction had been made in the schedule of prices in consideration thereof.]

19. *The Chairman.*] Are you working under a log now?—Yes, sir. The piecework log for women was abolished in 1905, but the piecework for pressers has been maintained. The option is given to employers to adopt either—not both—systems: that is, an employer can elect to work by the prescribed weekly wages, or by piecework scale, as embodied in the award.

20. How long have you had power put on the sewing-machines?—Long before I took over control in 1904. The whole of the machines had power on in 1904 in the Kaiapoi Factory.

21. *Dr. Hight.*] You said that the efficiency of labour had not increased in the same way as wages had increased?—Oh, no; if anything it has deteriorated, because we find the hands do not stay the same length of time; the girls come and go for reasons which I just referred to. Generally speaking, the best of the girls are those selected for marriage—that has been our experience; we have to take almost anything that is offering and make the best use we can of it.

22. There is really a difference in the character of the worker rather than a change in individual efficiency?—In our experience all girls are not suitable. We are employing something like five hundred females, and are continually in search of young girls, and we take them as soon as they are eligible for employment in factories; but our experience is that it is not every girl who can adapt herself to the work—has the intelligence to adapt herself to the business. Some are very quick.

23. *The Chairman.*] Do you think that the power of adapting herself to factory work would make her more eligible for marriage?—No, I would not say that. But I do not think the conditions obtaining ten or twenty years ago differ greatly; the conditions will always be the same in that respect. We all know that some girls are gifted with more intelligence than others, and they can adapt themselves to any business; they grasp whatever task is put to them.

24. *Mr. Fairbairn.*] Did I understand you to say that labour represents half the cost of factory-made clothing?—I approximate it would be half; perhaps five-eighths would be represented in the cost of labour.

25. *Mr. Veitch.*] How did you estimate the increase in labour at 37½ per cent.? You have introduced labour-saving machinery into the factory, have you not, and that has naturally reduced the number of hands employed?—No, it has not—it has not given us the increased volume we might reasonably look for. I will tell you how I determined the figures, and I think the system is satisfactory. I went back ten years, to 1902, and by comparison with the tailoresses' and pressers' wages of 1902, as compared with the wage to-day, the cost pans out rather more than that. In 1902 the maximum wage paid to a tailoress was 25s.; to-day it is the minimum; and the average rate of pay is 27s. 6d. per week to-day, while the minimum wage is 25s. Sixty per cent. of our employees are receiving more than the minimum wage.

26. You mean to say that the wages have been increased 37½ per cent.?—Yes, collectively.

27. *The Chairman.*] You remember the time when the cutting was done by hand?—Yes, sir.

28. Now, when the work is done by machinery, surely there must be some saving in the labour?—That system has been in vogue for over twenty years. The cutting-machines have been duplicated, and we have introduced electric knives, but I do not think the results are any improve-

ment on the old system. The results are practically the same as fifteen years ago. Sewing-machines have been speeded up considerably, and we have labour-saving devices of various kinds, such as button-hole machines. And button-sewing machines have also been introduced, but not within the last ten years.

29. *Mr. Fairbairn.*] Prior to 1902 you had introduced a number of labour-saving machines: what is the relative position of cost of manufacture to-day as against twenty years ago—was it greater then?—I do not think my evidence would assist you, because I have only had control of the Kaiapoi Factory during the past eight years. I have taken my figures from our records of 1902, but I could not commit myself to what obtains in the methods of manufacture or factory charges then.

30. In your opinion you would naturally suppose that the introduction of labour-saving machines would reduce the cost?—That is what is in our minds when we introduce anything of the sort.

31. Have you made any changes in your factory in this way—work previously done by men being done by women now? Who make the trousers now?—Men have never been employed in the wholesale clothing—there is a distinct line of demarcation there—the women have always done it.

32. But you said there had been an increase of wages to the men of 10 per cent?—That remark was qualified by the statement that the pressing is done by men, but the making is confined to women. Women have always been employed in the capacity of machinists and finishers in the wholesale trade.

HAROLD BEAUCHAMP LOW, General Grocer, examined on oath. (No. 54.)

Witness said he was acquainted with the process of buying from the wholesale merchants, and had had some years' experience, on his own account for four years and a half, and previously as manager for some years. His decided opinion was that the market was not free and open for the purchase of groceries; certain lines were tariffed or scaled. The grocery business was not a particularly profitable one, as the large number of bankruptcies and compromises with creditors would show. This was due largely, he contended, to the excessive charges made by the merchants associated together as the Federated Merchants' Association. There was daily evidence of this in many lines. He had been employed at a large store, where there were eight or ten hands employed all the year round, and knew of the existence of scaled rates then. For small grocers who had to purchase in small quantities these rates were prohibitive, and were much in excess of what he had paid himself when buying in large quantities. He had therefore purchased, when going into business on his own account, in large quantities, and disposed of his surplus to other small grocers, thus doing a wholesale as well as a retail business. This method he and the others found mutually helpful. From time to time more lines were "scaled." Some of the merchants were willing he should purchase in this way, but others thought he was encroaching on their ground, and had threatened to prohibit his efforts in this direction. To get the low-scale rates he would have had to carry a £2,000 to £3,000 stock, whereas his business justified only £300 to £600, say. To show the benefit of buying in quantity, witness instanced plaid matches, which he could purchase at 3s. 5½d. net cash per gross in 1908-9; these were bought outside the Merchants' Association, but ultimately it became impossible to purchase in this way. Witness read a letter signed by Phillips and Pike, as sole selling brokers for Messrs. R. Bell and Co. (Limited), dealing with the limitation of supplying. As a result of these operations, he could not purchase a single gross of matches for less than 4s. per gross, with discount of 2½ per cent.; taking 12 gross quantities, the price was 3s. 11d.; that was about two years ago. Then the quantities were scaled to 50-case parcels, 600 gross—an altogether exorbitant quantity for a small grocer. He had to buy this quantity, £105 worth, and then split it up among his friends; he unloaded at 3s. 6d. net, the price paid. Sometimes he made a little loss on the transaction, due to clerical labour, &c. In regard to tinned fish he had to adopt the same practice as the lines were scaled in 2-gross lots. If they could buy direct from the Home manufacturer, he thought they would gain decidedly. He had determined in his own mind who were the persons in this "ring" of merchants, and would hand in the names to the Commission. He was sure there was a ring, and that other grocers could give similar evidence. He had a list of prices he would also hand in, showing prices he paid for quantities, and prices charged another small grocer for small quantities. He estimated that the average grocer made 15 per cent. gross profit, and out of that all his expenses had to be deducted. The man whose invoice prices he was quoting simply could not make his shop pay, although he had the assistance of his wife, and had had to draw on outside capital. For comparison purposes he had added 2½ per cent. to his own prices. The two prices were as follows, his own being the lower one: Kipperd herrings, small size (retail price 5d.), 3s. 11d. (4s. 9d.); seeded raisins, 4s. 3d. (5s.); cochineal (Crosse and Blackwell's), 6s. 1d. (7s.); brilliantshine, 7s. (7s. 3d.); quickshine, 4s. 3d. (4s. 6d.); Edmonds' baking-powder (large) (scaled in 5-gross lots), 9s. (9s. 6d.); penny flat matches, 9s. 3d. (9s. 7d.); herrings and tomato-sauce (small), 3s. 9d. (4s. 9d.). For No. 1 Food the price paid by him was 15s. 8d. (net) as against Federation Merchants' price to traders of 18s. 6d. (subject to terms). In regard to sugar, witness complained that they had also to take excessive quantities, otherwise the full discounts were not allowed; in quantities, a discount of 5 per cent. was given. Lately he had ascertained that he could get 4 per cent. discount himself if payment were made in seven days, but even one of the travellers was not aware of this; it was not generally known at all. He believed that the Merchants' Association was a Dominion association, not merely local. Some time ago there was a block made against a certain trader who was cutting prices, and he himself had been waited on by the heads of two merchant firms, who asked if he had been supplying this particular man. They inferred that if they could prove that witness was supplying this man his own supplies would be stopped.

1. *The Chairman.*] How did they communicate that idea to you?—In my shop; they told me so.

2. You swear that?—Yes. In this case I have no witnesses; I was alone at the time, and there were two of them.

3. *Mr. Macdonald.*] Could you tell us the words used?—It is so long ago. I could not tell you the exact words, but the impression was there: it would not only be here that my supplies would be stopped, but that I would not be able to draw my supplies from Wellington, for instance.

4. *The Chairman.*] Practically you would be boycotted throughout the Dominion?—Yes. The Merchants' Association was so strong that it would put a block on me, and eventuate in my closing up; that is what they inferred.

5. *Mr. Macdonald.*] Or that is what you inferred from what they said?—Yes, exactly.

6. *Mr. Veitch.*] Who were the two men?—

The Chairman: Oh, would that question be wise, Mr. Macdonald?

Mr. Macdonald: No.

The Chairman: The names can be handed in.

Mr. Veitch: Very well.

Witness, continuing, said that the Merchants' Association got an exorbitant profit from the retailer, and he thought it would be beneficial all round if this were reduced. To some extent the high prices were rendered necessary by the credit system; the merchants often ran great risks in supplying goods to traders. The prices he had quoted were for goods obtained outside the association. There was no advantage in purchasing from the Sugar Company direct; but had he been able to buy sugar outside the association, he could have taken what quantities he liked, instead of having to take 2-ton lots as from the Merchants' Association. By dealing wholesale as well as retail he would turn over 7 to 9 tons of sugar per month. He could not say how long the Merchants' Association had been in existence in Christchurch; it was growing considerably. Grocers were now blocked from getting supplies they could formerly purchase outside.

7. *Mr. Fairbairn.*] It is within your knowledge that the Merchants' Association definitely controls certain lines they did not control formerly?—Yes.

8. And in every instance that has been followed by an increase of price?—Yes.

9. Have you any instances where prices have been reduced?—No.

10. Before the last alteration in Customs tariff there was a duty of 2d. on Colman's mustard?—Yes.

11. Was that price afterwards reduced to the public?—No, sir.

12. Who got it?—The merchants; by "scaling" the mustard the merchants got the advantage.

13. And infants' food—Neave's and others—the duty of 20 per cent. was taken off?—There has been no alteration in the price, to my knowledge. Most of these supplies have been drawn from outside the association.

14. And "Highlander" milk?—We have to take twenty-five cases—altogether too much. In this way the Merchants' Association play into the hands of the bigger traders; such arrangements favour the big grocers, and make conditions such that the small grocer cannot compete with him. If the small men had the same facilities for buying as the big ones it would be better for the public; under present conditions small grocers cannot make a living.

15. If you could buy Colman's mustard at 14s. per dozen, you would not require 18s. from the public?—No; we could sell it at 16s. to the public.

16. *Dr. Hight.*] Do you recognize that there are good reasons for the merchants charging lower prices to those taking quantities?—Yes, to a certain extent.

17. But the differences are greater than the advantages warrant?—Far in excess. Office charges and the cost of delivery and terms given (which are very liberal—six or seven weeks' credit) must be added. In many cases the merchants took big risks. There are grounds for differential prices, but the differences are too great. [*Witness,* continuing, instanced Bournville cocoa, which they got for 3s. 1d. per pound by taking thirty boxes; the boxes used to be 3 lb. ones, now they were 6 lb., making the "scaled" quantity 180 lb.—£25 to £30 worth.]

18. *Dr. Hight.*] Is there a competing line to Colman's mustard on the New Zealand market?—Yes, but not a locally made article.

19. But there are other mustards?—Yes, but apparently they have no show against Colman's. Colman's is recognized as a good thing, and the people will pay the price for it every time.

20. Then Colman's mustard practically has a monopoly?—Practically. I could not sell other mustard in tins—only loose, when people did not know it was not Colman's.

Dr. Hight: Oh, I see.

21. *Mr. Hall.*] Is that due to the difference in quality?—Yes. Colman's put up an inferior mustard, a second class, which we buy, and sell loose at a lower rate.

EDMOND JOHN NEWMAN, Fish-salesman, examined on oath. (No. 55.)

1. *The Chairman.*] Are you doing business on your own account?—Yes. I am in business on my own account in Christchurch, and have been for three years in the wholesale business, and had been acquainted with fish-selling for about a year previously. Altogether I have had four years' experience.

2. In what way are fish bought in Christchurch, and how are they disposed of?—The Christchurch supply is drawn from pretty well all the South Island, largely from Port Chalmers, Moeraki, Oamaru, Timaru, Lyttelton, Akaroa—in fact, anywhere we can get fish. There is not a great deal comes from Lyttelton; the Lyttelton beds seem to be worked out.

3. How do you get the fish?—By rail, in barrels.

4. Does each person send to you what he thinks fit?—He sends what he can catch.
5. For sale in Christchurch?—Yes.
6. And it is sold by auction?—Yes.
7. We had evidence in Dunedin that the auctioneer was also a fish-seller?—Oh, yes, that is so; we have exported a little fish, but we have not been in a position to do so excepting during the last few months.
8. You do not act as an auctioneer?—Yes, as a salesman; but although we auction the fish, we are only classed as fish-salesmen; we could not auction other things.
9. What is the position generally?—When the supply is good and there is a great deal of fish in the market there is still only a certain quantity required for local use. In previous years the whole quantity of fish, if 30 tons even, had to be got rid of somehow; if it could not be sacrificed at any price it went to the destructor. We find it much better to put the fish into cool-chambers on our own account, or fishermen's account, when there is a surplus. The great trouble with the fish trade is the bad weather round the New Zealand coasts; one day the supply is adequate, the next far too much, and a week hence quite inadequate. Christchurch could do with 3 or 4 tons of fish a day; this week, owing to bad weather, we had not 1 ton a day even.
10. Does the price vary very much?—Yes, tremendously. One week we will be selling groper at £1 per cask, and the next £3 per cask.
11. Are these prices reflected on the retail price?—Oh, yes. When the price is £1 to £1 10s. the fisherman is getting a fair profit, and the retailer from 30 per cent. to 50 per cent. profit. When it goes over that the retailer gets less; when it is up to £3 per cask he is making nothing out of it—he is selling at cost price.
12. Do you own any fishing-vessels?—No.
13. Do you know of any ring controlling the output of fish from the side of the fisherman, so that they will not catch more than so-many fish per day?—No, the fishermen will not work together; they have tried it in several ports. They send us the fish whether it is little or much. In previous years the trade used to be chaotic. When the weather is fine they would romp in all the fish to Christchurch and flood the market, and the prices would come down—down to 5s. per cask, and the fisherman would not get 1s. per barrel; there would be a glut and then a famine. Having the freezing-chambers, we are now able to give the fishermen a fair return, and to encourage the fisherman at a distance, by giving a payable price of £1 per barrel. When the bad weather comes we try to draw supplies from other places. Port Chalmers is the best port for fishing, but it is handicapped by rail charges; it costs 5s. per barrel to send up the fish.
14. Has fish increased in price of late years—has your regulating the quantity of fish put on the market, and the price, added to the cost to the general public?—No; the only fish that has increased in price is the flounder—the flat fish—and that is due to the Acclimatization Society planting weed in Lake Ellesmere. The flounders are there by the ton, but they cannot be got: they are under the weeds. At certain seasons they come out, and we do get them.
15. *Mr. Robertson.*] What class of fish do you sell most of?—Gropers.
16. Do you get that direct from the fishermen at Port Chalmers?—Direct from the fishermen. A salesman sometimes sends some up—perhaps twice a year.
17. What price does it usually sell at?—There is no fixed price. It is not sold by the pound in Christchurch; they sell according to how they buy the fish. They buy a whole fish which costs, say, 2s. 6d., and they just split it up accordingly.
18. *Mr. Fairbairn.*] Is it not sold by the pound retail?—No.
19. What would it average per pound?—I really could not say. Buying it at the market, and with scales, fins, tail, bones, &c., they pay from 1½d. per pound up to 6d. or 8d. per pound.
20. *Mr. Robertson.*] You are not aware of any means adopted by the fishermen to limit the supply in Christchurch?—No; there is in Dunedin.
21. They do put a limit on the Dunedin market, but all over and above for that market you could find an outlet for here?—Yes. But of course, in the summer-time, when the supply is best, from the long distance it has to travel the quality is very often not good. The Railway Department do not give Christchurch proper facilities for getting fish here in proper condition; a good deal of it is thirty-six hours on the journey, and if there happens to be a nor'-wester it goes to the destructor straight away.
22. *Mr. Fairbairn.*] You say groper varies from 1½d. to 6d. per pound?—Yes—that is, the wholesale price.
23. And the supplies are dependent on weather-conditions?—Yes.
24. You said previously that you drew supplies from Dunedin and up and down the coast: is not the local shortage made good in this way?—No; when there is a good sou'-wester it strikes the whole coast.
25. They did not speak of these violent fluctuations south: they could give practically a ruling rate for groper?—We have not that here. To give an instance: A fortnight ago we had from ninety to a hundred casks a day—9 or 10 tons of fish; last week we had not half a ton—not 5 cwt. some days.
26. Can you give us any idea of the cost of other fish—flounders, e.g.?—In the season of plenty the average price for medium flounders would be 5s. to 6s. per dozen; they would run from 3s. per dozen for the very smallest to 8s. per dozen for the very largest—that is when the fish is plentiful. That is the ruling price in our market in the summer months.
27. When the fish is scarce what is the price?—Flounders of any size will go up to 16s. and 17s. per dozen.
28. What for other fish?—Say 1d. to 2d. in the summer months for groper, and in the winter months from 2½d. to 6d.
29. With groper plentiful and cheap, at what price would it reach the public?—You could put on an average profit of about 50 per cent.

30. Only 50 per cent.? Is it sold as low as 1½d. per pound?—Oh, no; there is the splitting up, and boning and cutting-off of waste parts; 50 per cent. is well over the average profit for the average retailer.

31. *Dr. Hight.*] The retailer charges 50 per cent. more than the wholesale price?—Yes. But I ought to qualify that. One shop will be selling at a profit of 10 per cent.; another will be getting 50 per cent. That depends on the class of customer.

32. Of course, distribution of fish is very costly?—Yes.

33. *The Chairman.*] You said “that depends on the class of customer”: please explain?—The class of trade, I should say. It is the ordering trade, for the rich class of customer, that pays the most; it is more credit trade, and there is the delivering-expense to be added on.

34. Would you credit the statement that the purchase of a shilling fish delivered means that you get 4d. worth of fish and 8d. worth of charges?—I think that is exaggerated; I have never delivered fish, but it strikes me that is an exaggeration.

35. *Mr. Veitch.*] How do you get at the actual cost per pound? How many fish are in a cask of proper?—From twelve to sixteen fish.

36. What is the weight of the cask?—1½ cwt. to 2 cwt., counting in the cask; say 1½ cwt. net weight of fish.

37. What are the average auction prices?—£1 10s. in the summer-time.

38. That is 2d. per pound. You said before 1½d. per pound?—Well, at any rate, that is about the weight of the cask. Owing to the prevalence of sou'-westers the fish has been much dearer this summer; in previous seasons the casks have been less than £1 10s.

39. *The Chairman.*] Have you any other information to give?—No. I do not think fish can ever be got properly in Christchurch till we get the right type of boats to go out and ensure a constant supply; then we could sell for less. The fishermen down south cannot work more than three days per week on the average, and it takes two men to the boat, and there is the cost of benzine. Supposing a man averages a cask a day, which he does not, he should get about £1 15s. for that cask to make a living for himself and his mate, and allow for wear-and-tear of boats, &c. I have known the Timaru fleet be out all day looking for proper and not find one.*

JAMES MAHER, Milkman, examined on oath. (No. 56.)

1. *The Chairman.*] Have you been long in business?—About twenty-five years in Christchurch; in fact, I have been amongst the dairy business for forty years.

2. Have you noticed any rise in the price of milk during that time?—No, sir.

3. If any one gave evidence that it used to be 3d. per quart and now was 4d., you would say that was wrong?—It is 3d. per quart in the summer and 4d. in the winter. The cost of production is very much more in winter, and you cannot get the quantity.

4. You are a proprietor of a milk-run?—Yes.

5. Are you in association with other milk-proprietors?—It is a sort of association, but it has hardly been in existence for some years.

6. There used to be one?—Yes.

7. There is no meeting together to agree upon the price of milk?—I believe there are a few, but most of the milkmen do not belong to it.

8. It is not a controlling trust?—Oh, no.

9. The opinion was given to this Commission that a great deal of the expense of delivering milk was through overlapping in delivery—a cart goes up one street and supplies one house, and another cart goes to another house in the same street, and so on?—There might be that; but it is not confined to the milkmen—every trade is the same.

10. It would be possible, if there were some organization, to deliver milk at a cheaper rate?—I do not think so. At the present rate of wages, suppose the City Council took it over, they could not deliver the milk as cheap as those who do the work themselves.

11. If that is the case, those who deliver the milk now cannot be earning proper wages?—Very likely. The rates, and the prices of cattle, leave the proprietor very little to come and go on.

12. Has the price of cattle gone up considerably in your recollection?—Yes, very much—within the last year especially.

13. Have you made that an occasion for raising the price of milk?—Oh, no; there is always a shortage of milk in the winter, and then the price goes up; we have to buy to keep up the supplies. And sometimes you have to buy more cattle to keep up the quantity of milk.

14. If living has risen in cost, it has not anything to do with the milk?—I do not think you have any record of it being any higher this last twenty-five years. I do remember when it was 6d. in winter and 4d. in summer, and you could get land cheaper in those days. Now the rates are very high. I have a small piece of ground, and the rates are £33 1s. 4d. on the 24 acres.

15. *Mr. Hall.*] How far is that from the centre of the city?—Not far—in the Shirley District, Marshland.

16. Do you sell all your milk direct to the consumer?—Yes, direct.

17. What is the present price?—4d. in winter and 3d. in summer.

18. Do you have a surplus in summer?—Very rarely; we can always dispose of the surplus to the factories.

19. *Mr. Fairbairn.*] Has there been a large increase in the value of property close to the city, for dairying?—Yes, it has gone up considerably. My own property has not gone up very much this last few years; I bought it rather dear.

20. It has not altered in, say, fifteen years?—It may be a trifle, but not much.

21. Have your rates been affected?—Yes; the rates have gradually gone up; in fact, we have a very small section in Greater Christchurch, on the outskirts of it, and that is under the unimproved value, and the rates come to £14 per year on the 6 acres under that.

* See further evidence given by this witness on page 186.

22. *Dr. Hight.*] Do you suffer at all from bad debts?—Very much so.

23. As a rule?—We weed them out pretty well, but we have one or two from whom it is very difficult to get money.

24. They are not sufficient to influence the price of milk?—It has done that in the past; we have lost a good deal; but lately I have been managing to weed them out.

25. *Mr. Macdonald.*] Was it not one of the objects of the association—to let each other know of likely bad debts?—Yes, that was principally what it was for.

26. *Mr. Robertson.*] Do you get all your supplies from your own cows?—Yes; we run short at times, and might get a few gallons from a farmer, just to make up the quantity, but we try to use our own as much as possible.

27. *Mr. Hall.*] How many cows have you?—Eighteen cows.

JOHN JOSEPH WESTGARTH, Builder and ex-Grocer, examined on oath. (No. 57.)

1. *The Chairman.*] What is your occupation?—I am a builder of houses, and I was in the grocery trade up to two years ago.

2. Is the evidence you would like to give in regard to the grocery trade?—I was summoned to appear and answer questions.

3. Very well. During the time that you were in the grocery trade, did you find it difficult to buy certain lines of food except from certain tradesmen?—Yes.

4. What would have happened had you purchased from other persons? Will you give any idea?—There were several firms I could not purchase from at all—manufacturers; one must go through certain houses. Sometimes they charge their own prices, and sometimes the prices were fixed at Home.

5. Take New Zealand jam: was there any agreement that you had to get this through certain merchants?—I think most of the manufacturers would only sell to the merchants; that is my experience in reference to the jam trade, and we had to buy from the merchants at the merchants' prices, and some of the larger firms issued price-lists.

6. Could you have got it cheaper direct from the manufacturers without this agreement?—No, I do not think so. Most of the manufacturers have special agents in town—one of the merchants generally, and he gets a commission on all the sales.

7. Do you consider that a fair agency business?—If you could get it direct I suppose you could sell it to the public cheaper—that is my opinion. When they have sole control they can get what price they want.

8. Is it an agent's business to have control and charge what prices he likes?—In some instances. Sometimes the manufacturer fixes the price, and in other lines they have to guarantee so-much sold per annum.

9. Are there some lines of English manufacture that are controlled by certain merchants in Christchurch?—Yes, some of the merchants are sole agents for the town or the district.

10. You do not buy from any member of the association, but from an agent?—You were speaking of special lines just then.

11. Well, take Neaves' Food?—That is a line there is not much sold of. I understand there will be one agent in the colony for Neaves' Food, and he will distribute to the merchants. They would not distribute to me; I would have to go to the merchants; it would pass through three or four hands before it comes to me, and they would each take a profit.

12. Could you make a statement in regard to what you believe to be the existence of any persons who put a restraint on trade?—I can speak of an instance five years ago, when I commenced business. Two merchants came to me and asked me to sell at the same prices as the big retailers in the town, and I refused to do so. I said I would sell at what prices I pleased. They threatened me to stop my supplies.

13. I would like to get some more exact statement of the words used?—Two of the merchants in the town came to me. They asked me to join the retailers' association, and I said, No, I would not. They said they would compel me to do so.

14. How would they compel you to do so?—They said they would stop my supplies—I would not be able to buy in Christchurch.

15. Were those the actual words used?—Yes.

16. You swear that?—Yes. And they did stop the supplies.

17. Did you have to go out of business?—No, I was a stranger here to the colony, and I could not see any other channel open without going to the northern towns, so I joined the association, and signed to sell at the same price as the others were selling at.

18. Prior to that you were selling cheaper than the association rates?—Yes, but I did not go by the association at all; I just fixed my profit. I was opening out a new business; I did not consult anybody as to what I should sell at until they came along to me as described.

19. *Mr. Robertson.*] In your opinion, the effect of this association would be to raise the price of commodities to the general public?—My opinion was that they were afraid I would sell things too cheap, and draw some of their customers from their shops, and so they forced me into line.

20. And thereby the prices would be raised to the general public?—Yes.

21. Through stopping free competition?—There is no competition at all in respect to prices; the only competition was with "presents" to customers.

22. *Mr. Hall.*] The prices that you were charging were such as to give you a good living?—Yes, if I had a fair turnover.

23. You were not cutting prices below what was profitable?—No.

24. *Mr. Macdonald.*] What did you consider a fair turnover?—That all depends on the rent paid and the staff employed.

25. How often would you turn over your stock?—Say every two or three months. Some lines we would turn over every two or three days—butter, for instance; sugar we would turn over every two or three weeks.

26. *The Chairman.*] And with the prices you charged you could have continued in business?—Yes.

27. Have you anything else to tell the Commission?—No, I have only been in the colony six years, and I have noticed a slight rise in most things since I have been here.

28. *Mr. Macdonald.*] What about building material?—There has been a rise on four occasions in eighteen months; I have been in the building trade for two years, or a little over that time.

29. Can you put that rise into a percentage for us?—The rise is 15 per cent., I should say, taking timber all round, rough and smooth.

30. *Mr. Fairbairn.*] Can you give us the price for timber?—I did not bring my prices with me; but rough red-pine is 15s. 3d. (less 5 per cent. and 2½ per cent. for cash at end of month) per 100 sup. ft. in the yards at Christchurch, and for dressed there are many different prices.

[At the Chairman's request witness promised to furnish list of timber-prices.]

WEDNESDAY, 12TH JUNE, 1912.

ARTHUR SMITH, Carrier, examined on oath. (No. 58.)

1. *The Chairman.*] You are of the firm of Hayward and Co. (Limited), carriers, Christchurch?—Yes.

2. Your firm's headquarters are in Christchurch?—Yes.

3. You have had experience of this district for some years?—Yes, during all my life.

4. Have you any statement to make in regard to the purposes for which this Commission has been set up—namely, to inquire into the question of the cost of living?—In regard to the carrying business, I may say that the wholesale cartage rates about twenty-two years ago in Christchurch were 1s. 1d. all round per ton. There was a contract all round which practically worked out 1s. 1d., measurement, and dead-weight would work out at about 1s. 3d. The rates at the present time are 9d. to 1s. Competition has tended to lower those rates down to the smaller amount of 9d. on measurement and 1s. dead-weight.

5. Is it your experience that the change was a gradual one, or was it a sudden change?—The Railway Department, or the Government, for a number of years were the biggest sweaters we had in Christchurch or New Zealand. They were charging 9d. until the contract was abolished. There is no contract now. Merchants make any arrangement they like. They are quite free, and there is an open market. At one time the Railway Department were making a little over 2d. a ton, and that gave a little over £1,100 a year.

6. Cartage has changed its nature from horse to steam or motor traction?—Steam or motor traction is no good at all. A motor-wagon cost me £600. I gave £800 for a motor-wagon, and sold it for £200. I was perfectly satisfied that there was nothing in it—not for short journeys.

7. Why?—The upkeep is so great. You can only travel on certain streets in Christchurch, and, taking into consideration the stopping and starting again, it is not able to compete with horses up to a radius of five miles. In England the two systems have been carefully studied, and it has been proved that up to five miles horse traction is superior to mechanical traction in every way. The delivery to the wholesale houses is only to within a radius of about two miles.

8. *Mr. Fairbairn.*] Does that apply to heavy traction only?—To heavy merchandise.

9. As to lighter vehicles?—I am not able to say. An experiment is being tried now, but I do not feel inclined to take it up.

10. *Mr. Macdonald.*] It has been laid down, so far as transportation goes, that for a certain distance the cheapest method is by hand delivery, next by horse, and then for long journeys by traction?—Yes.

11. *The Chairman.*] Is it within your knowledge that there is much overlapping between the competing firms—that is to say, through vehicles travelling over the same streets and localities?—No, there is no overlapping, except when we are doing what is called "washing-up" work.

12. You consider that in the general carrying trade there is not very much waste from competition?—There is no waste.

13. *Dr. Hight.*] You think that through competition the rates have come down?—Yes; the carrier has to compete in the open market. I may state that Australia is ruling the market in regard to horses at present, and has done so for the last three years.

14. Have the rates come down in spite of the increased competition in business?—Yes, they have come down until they are now practically at bed-rock. Wages have increased. At the present time some men get 8s. a day.

15. Have you any knowledge of retail cartage and delivery of retail goods?—No, we work our business purely on wholesale lines.

16. Motors are being used in the business to an increasing extent?—Yes, as advertisements, not for utility. A man gets a "cut" out of his cart, and a "cut" out of his goods. The carter gets purely a "cut" out of his cartage.

17. *The Chairman.*] Have you found that the cost of material has been increased through the tariff charges on such articles as saddlery, harness, and the general material used in the con-

struction of lorries?—No, labour has increased. When I first joined the firm an express wagon could be built for £35; at the present time that same vehicle would cost £55. Local labour has increased the cost to us of building a vehicle from £35 to £55—that is, it has added £15 or £20 on the cost of each vehicle.

18. What about the tariff charges?—Leather is made locally, but buckles, &c., I think, come in free, but I cannot say for certain. New Zealand wood is no good for building lorries or drays—kauri is the only wood that is used for some parts of vehicles, but the principal woods used are stringy-bark and ash. The price of kauri has gone up considerably.

19. *Mr. Macdonald.*] Is there a combination of drivers?—There is a Drivers' Union, and it was thought amongst the masters that in a certain branch of our business a combination might work, but it was found impracticable, as there were so many outside carriers who are not under the labour laws or the Shops and Offices Act, and who are under no restriction as to hours of work. I know of the case of one man who left his employment, where he was working forty-seven hours and a half, and who is now working for himself for about eighty hours.

20. Was the effect of the formation of the Drivers' Union to raise wages?—Yes.

21. But that combination has not been met yet by a combination of the masters?—No. The combination of the men is simply one to better their conditions. I know an instance of a man who worked for a firm for over thirty years, and I asked him how things were working at present, and his reply was that when he first joined the firm he was getting 6s. a day. Yet he managed to build two houses, and he added that he was at present getting 8s. a day and could not afford to buy paint for them.

22. *The Chairman.*] So that, in his opinion, the cost of living had increased in spite of the increased wages?—He said he was not so well off at 8s. a day as he was in the old days.

23. Did he give any reason for the extra wage not putting him in a better position?—Yes, he mentioned the higher standard of living, and said that people now went in for more luxuries, that their children want—and I do not blame them—to have bicycles, &c., whereas thirty years ago many of these things were not wanted. I may mention that I reared my family in a house which was attached to the stables; I lived in that for twenty-one years. The rent was originally 12s. 6d. a week. I had great difficulty in getting any of my men to take it at 8s. a week, because it had not got certain home comforts, and was near the stables. I took another place of five rooms with an acre of ground round it. I put up a notice in the stable amongst the fifty men offering them the use of the grounds free for the grazing of a cow or a horse. Some of the men were willing to take the place, but the wives would not go there. They were not contented to live in the conditions in which I lived thirty years ago. I do not blame them. They want a tram to their door, and every luxury they can get.

24. *Mr. Hall.*] How far was the place out from the tram?—I live within a stone's-throw of the place, and drive into town in a quarter of an hour. A man with a bicycle could travel the distance in twenty minutes from the stables. The rent was 6s.; there was one acre of ground round the house, and there was free grazing for a cow on twenty acres. The men stated that it was too far out of the town for their families to come and go into town. There is no tram there.

25. *Mr. Robertson.*] What is the rate of pay of drivers?—£2 4s. a man with one horse, £2 8s. a man with two horses; that is the minimum. It is a weekly wage.

26. How much have wages of drivers increased in the last ten years?—Before the union started fourteen years ago the wages were anything. When the union started the wages were fixed at 7s. a day—£2 2s. and £2 4s. a week—and they have been raised to £2 4s. and £2 8s. A man is paid when he is in the stable whether he is working or not. It is a weekly wage. So far as our business is concerned, when I first joined the company they were paying about £40 in rates and taxes, and at the present time they are paying £220. Our company has had to pay for the increased public improvements which have been made in the city—it has had to contribute to the extent I have indicated.

27. *The Chairman.*] What hours do the men work?—They are supposed to work forty-seven hours and a half a week. They have to do the stable-work, which runs into seven hours a week. They are paid for holidays, wet days, and broken days.

28. You consider that that is an equivalent for having to come early to look after their horses?—More than an equivalent, because when you take holidays and wet days when the men cannot go out, they are more than recompensed. It has been the usage almost from time immemorial. Some persons say it should not be, but we reckon that we give them an equivalent.

29. *Mr. Veitch.*] You say that the cost of a vehicle now averages £15 more than it did twenty years ago?—Yes.

30. You say that is due to the increased wages?—Yes, and to the increased rates, taxes, rents, and the upkeep of the coachbuilders' premises.

31. How do you arrive at that conclusion?—By having to pay for it.

32. How do you conclude that those are the causes?—By my own business. The cost of upkeep of my own business is a great deal more than it used to be. Rates have increased during the last twenty years; rent has increased, and the whole upkeep of my place has increased. If I get a carpenter to do anything it costs me £3 or £4, whereas previously I could get the work done for £1 10s.

33. Do you know what profit the coachbuilder makes for making a vehicle in comparison with twenty years ago?—I could not say.

34. How do you know that the increase in the cost of making a cart is all in the wages?—Where you paid a man 8s. twenty years ago, to-day you have to pay him 12s. 6d.

35. That is an assumption: can you give us a definite statement that it is so?—A man is getting 50 per cent. more wages now, and he does less work than a man did twenty years ago.

36. Do you know what proportion of the cost of making a vehicle is in wages and what proportion is in material?—The last coachbuilder who built a vehicle for me told me that the cost of making a vehicle was £34 years ago, and it was £55 at the present time.

37. It is quite possible that there is an increase in the cost of the materials?—Yes.

38. You do not know the details of the cost of the making of a vehicle?—No.

39. You are not able to say exactly what proportion of the increased cost was in material and what in wages?—No.

40. Could you make any statement in reference to the question of the increase in the cost of living?—I think myself it is only a question of the increased standard of living, and the increased expenditure on luxuries. I do not think there has been much difference in the cost of milk and meat—at least, there does not seem to me to be much difference, so far as my own household is concerned. We live in rather a simple way—I have to live perhaps cheaper than some of my men do, unfortunately; and I am not able to spend on luxuries what some of them do.

ARTHUR CHARLES NOTTINGHAM, Representative for New Zealand for Jeyes's Sanitary Compound Company, examined on oath. (No. 59.)

1. *The Chairman.*] What experience have you had in this district?—I have been here for thirty-six years.

2. In this particular line of business?—I have been connected with mercantile pursuits all my life.

3. But with Jeyes Company?—I have been representing them for seventeen years.

4. Is it your experience that during that time the cost of living has increased?—I suppose it has. I do not know that the bare necessities of life have increased such a lot; some things have gone up.

5. Have the prices of the compounds in which you deal increased?—No; the price at which we sell to merchants has been practically the same for the last fifteen years.

6. Do you sell through the merchants only, or is the market open to any one who comes to buy?—I sell to anybody.

7. Do you belong to the Merchants' Association of Christchurch?—No.

8. Is it within your knowledge that there is any society or any understanding between certain merchants to restrict trade in any way?—The Merchants' Association have wanted me to tariff Jeyes's goods, and only sell them at an increased price to what I have been doing for years.

9. Did this communication from the Merchants' Association reach you as a written communication?—Yes; I had a letter, and I have also been interviewed by them.

10. Would it be possible to produce that letter or a copy of it for this Commission?—Yes, I could do so if necessary.

11. What was the inference you drew from that—if you did not join the Merchants' Association?—I simply referred the matter back to them, and told them to fix the prices themselves, and that my prices remained unaltered.

12. In fact, you declined to join the association?—Yes.

13. Were any further steps taken to try to induce you to join the association?—Yes; the president of the Merchants' Association called on my principals in London.

14. Did he try in any way to restrict your principals in London to selling to their combination?—He tried to get my people at Home to only sell to the Merchants' Association, so that the Merchants' Association would be their distributors.

15. And those solely?—Yes.

16. And it was unsuccessful?—They referred the matter to me.

17. And you preferred to stand outside the association?—Yes.

18. *Mr. Macdonald.*] The last information which you have given us you obtained from letters from your firm?—Yes; they sent me the correspondence.

19. What do you classify as bare necessities of life? You say they have not increased in price?—Clothing is a little dearer, but food I do not think is dearer. I ought to know something about it, because I have a large family.

20. *The Chairman.*] Speaking with seventeen years' experience, is it not within your knowledge that there has been an increase in the price of supplies for your family?—I do not think the prices are much dearer.

21. Do you think the exportation of frozen mutton has had no effect in making meat dearer in New Zealand?—I would not like to say, but I do not think the actual food consumed in my house is much more expensive than it was some years ago.

22. *Mr. Fairbairn.*] You say that the Merchants' Association has approached you in Christchurch and other parts of New Zealand for the purpose of scaling Jeyes's fluid?—Yes.

23. What would the effect of that have been; who would pay for it? If you had acceded to the merchants' request who would have borne the increased cost?—The public.

24. Is it within your knowledge that Mr. Harold Beauchamp, late chairman of the Bank of New Zealand, chairman of the Merchants' Association in Wellington, and managing director of Bannatyne and Co., Wellington, called upon your principals in order to get the exclusive control of Jeyes's fluid for this country, on behalf of the Merchants' Association of New Zealand? Is that within your knowledge?—Yes.

25. *Mr. Veitch.*] You refer to the president of the Merchants' Association: do you mean the Merchants' Association for the whole of New Zealand, or just the local association?—For the whole of New Zealand. I think they have their headquarters in Wellington. They have a Merchants' Association in Christchurch and one in Dunedin, and I think their controlling body is in Wellington.

26. The controlling executive?—Yes, that is what it is. I could give you that exactly. I have not got the correspondence with me.

27. *The Chairman.*] Could you let us have that correspondence?—Yes, I could leave it in the morning. [Correspondence has since been handed to the Commission, to be treated as confidential.]

WILLIAM WILLIAMS, Boot Trade Employee, examined on oath. (No. 60.)

1. *The Chairman.*] In what capacity have you come here as a witness?—I am an employee in the boot trade, a machine-operator.

2. Are you connected with any trade or industrial union?—Yes, I am vice-president of the New Zealand Federated Boot Trade Workers.

3. How long have you been in this part of the country?—Nearly all my life.

4. During the last twenty years you have worked at the boot trade?—Yes.

5. You have a pretty intimate knowledge of the ramifications of the trade?—Yes.

6. Is it within your knowledge that the price of living has increased during the last twenty years?—Undoubtedly it has increased.

7. In what particular direction should you say it has increased?—I think there has been a general increase all round.

8. There has been a great increase in the price of boots and shoes?—There has been an increase, but it is not due to the increased cost of production.

9. Do you know if wages in the trade have increased of late years?—To make the position perfectly clear, it would be necessary to make an explanation. In twelve years the entire system of boot-manufacturing has changed. Twelve years ago the entire trade of the country was working under what was known as "logs" or "piecework rates." Prices for every particular line of goods were scheduled.

10. Under an award of the Arbitration Court?—The schedules were converted into an award.

11. The agreement was converted into an award by mutual consent?—Yes. At that time it would be perfectly impossible for a manufacturer to effect anything like what might be termed factory economy, because every pair of boots manufactured would bear the schedule price. Twelve years ago the entire system changed. Piecework and the log were abolished, and it became necessary to institute the weekly-wage system. There was then instituted a very minute subdivision of labour, in order to utilize the new machinery. So that to-day, instead of a man making a boot right through, there are numerous operations, and every man becomes a specialist in one operation.

12. Was there not an attempt made to introduce the "team" system?—No. What I wanted to make clear was this: that the saving which has been effected by the introduction of machinery and the minute subdivision of labour, that the result has been to reduce the cost as far as wages are concerned. Material has gone up. The increased cost of material may be added to the cost of production.

13. You do not mean that it would reduce the cost of wages but would counterbalance them?—It reduced the cost for a pair of boots. Take one line of boots scheduled at 4s. a pair: with the minute subdivision of labour, assisted by machinery, that pair of boots is produced to-day probably at 1s. 6d.

14. *Mr. Fairbairn.*] You referred to the log system: was that under the log system?—Yes; every pair of boots manufactured had to be paid according to scheduled rate. A pair of boots under the old system which cost 4s., which cost would be divided into 2s. for benching and 2s. for finishing—that roughly would be about the position—4s. for labour in those two departments—under their present system, with a minute subdivision of labour assisted by machinery, the actual amount paid in wages on that pair of boots would not exceed 1s. 6d.

15. The cost of labour in producing the boots is reduced to that extent?—Yes.

16. *Mr. Hall.*] What priced boots were you referring to—What quality?—Gentlemen's glace kid.

17. Sold at what price, roughly?—I could not say. The wholesale price would be 15s. or 16s.

18. Roughly retailed at £1?—Yes.

19. The labour for a pair of boots retailed at £1 is 1s. 6d.?—Yes.

20. What percentage of that is for machining?—I could not say exactly, because the prices of machining vary. It would assist the Commission very greatly, I think, if Mr. G. R. Whiting, secretary of the Federation, were called, because for the last four years he has held the position of permanent secretary, and part of his duties is to keep statistics relating to all these subjects. At the present time he is still in the Dominion. The figures which I quoted are figures which I saw prepared by Mr. Whiting; but from my own general knowledge I should say they are accurate. As against that, it must be borne in mind that there has been a very substantial increase in the cost of material which the manufacturers have had to contend with.

21. *The Chairman.*] Has the increase in the tariff benefited the workers in this trade?—I have been in the trade for some thirty-five years, and the last three years are the only three in the whole of that period in which I have had constant employment; whether that is due to the tariff I could not say.

22. *Mr. Macdonald.*] The general prosperity of the country?—No, I do not say it is entirely due to that, because the country would be equally prosperous before that period—in fact, more so.

23. *The Chairman.*] So you think the increase in the tariff has had the effect of stimulating the boot trade, at all events?—Yes.

24. Is that general steadiness of business or employment in the boot trade general in other places besides Christchurch—say, in Auckland?—Yes, I believe so, during the last year or two.

25. There has not been so much broken time?—No.

26. If there has been a rise in the cost of living generally, as far as the bootmakers are concerned, this has been balanced by steadier employment in your trade?—Yes, that is so.

27. Do you think the bootmakers can live equally cheaply and well now compared with what they did fifteen years ago?—Certainly not.

28. Would you kindly explain why he cannot? Wages have increased and employment has increased: is he still in a worse position than he was fifteen years ago?—I would not say he is in a worse position, but I do not think his position has materially bettered. There is an increase in house-rent, groceries, clothing, and everything. I cannot say with regard to other trades, but I do say emphatically with regard to the boot trade that the increased cost of boots cannot by any means be attributed to the increase in wages to the workers.

29. Your evidence was borne out by the proprietor. He said the same thing—that labour has not increased the price of boots?—Yes, I would like to say that manufacturers in New Zealand have my entire sympathy. I think the man who puts his capital in a business of that character, giving employment to the people, and who is responsible through his business for the upkeep of hundreds of homes in the Dominion, and who is amenable to the Factory Act and other laws which require the supply of spacious buildings and proper sanitary conditions, and who has certain liabilities under the Compensation to Workers Act—in my opinion, if there is any class of people in the Dominion who are deserving of consideration, I think it is these manufacturers. I have absolutely no time for the retail portion of the business, because I know from experience that they must increase the cost to the public as far as boots are concerned.

30. Please speak from your own knowledge—you are not in the retail trade?—No, but I have had experience of it, and I know what I say is true.

31. *Mr. Veitch.*] Do you know anything of any combination of retail boot-sellers?—No.

32. It is your opinion that their profits are higher than they ought to be?—Yes. There is one local shop in which I saw goods ticketed “Clark’s Celebrated.” Clark is a noted English manufacturer. The price of the boots was 22s. 6d. Those boots were made locally, and were purchased at 10s. 6d. a pair.

33. Is there any local manufacturer here named Clark?—No.

34. With regard to the cost of production: you say that the cost of wages per pair has been considerably reduced?—Yes.

35. That must be by one of two factors: the number of boots produced must have been increased, or the number of operatives reduced?—Yes.

36. Which has been the case?—To some extent, both.

37. Do you know anything about the details of boot-manufacturing in England?—Yes.

38. Could you give the Commission a fair estimate of what proportion of the cost of producing a pair of boots in England would be covered by wages?—I think that the best thing I could do would be to refer the Commission to Mr. Whiting. He has numbers of books containing the wages and rates allowed in all the various operations in the large shoe centres of England, and he has compared them with the rates allowed here for the purpose of drawing a comparison.

39. You are not able to say?—No, but I have examined his figures, and the result shows that we are producing more work in the Dominion in eight hours than the British worker is doing in ten hours.

40. Do you know anything about the rates of pay?—The minimum wage is £1 16s. at Home, as against £2 6s. 10d. here.*

41. That does not agree with Mr. Allan’s evidence given yesterday?—I know what Mr. Allan was referring to. Some nine months ago the British manufacturers sent a deputation to Germany to inquire into the conditions of manufacturing there, as compared with the conditions in England. Those figures were published in the *Boot and Shoe Journal*. And I know that the firm went very carefully into them for the purpose of drawing a comparison between those rates and the rates paid by themselves, and it certainly bore out the statement which Mr. Allan made yesterday—namely, that it virtually places the colonial boot-manufacturer on a free-trade basis.

42. You have mentioned the minimum wage £2 6s. 10d.?—Yes, that is the award rate. If it had not been for the men combining with the employers to secure the trade for the Dominion it would have been impossible for the employers to have paid the rates they are paying. Most of the men are receiving £3 3s. 10d. and £4 a week.

43. *Mr. Hall.*] One witness told us that a certain class of slipper could not be manufactured in New Zealand to compete with the English goods?—I entirely disagree with that. We have exactly the same machinery, and work under exactly the same conditions, and if it can be done at Home it can be done here. Certainly there is an enormous duty charged upon certain fittings, and mention was made of certain linings for slippers upon which we have to pay 22½ per cent. duty.

44. You do not agree with him?—No. That witness does not use machinery to any great extent. It is possible that if he produced goods by hand processes it is impossible for him to compete with machinery-produced boots.

45. *The Chairman.*] In regard to a certain retailer charging an excessive price for boots ticketed “Clark’s Celebrated,” would not there be a temptation to charge an excessive profit if he was paying excessive rent for his building?—I think it might be so.

46. Does it not come round to this: that it has a considerable bearing on the question of rents in the town?—I am not prepared to say that is the answer to that question, because I know that in the retail trade numerous subterfuges are commonly practised for one purpose, and that is to extract a higher price from the general public.

47. *Mr. Fairbairn.*] What you are referring to is a false description of boots simply?—Yes. I know of one factory turning out excellent goods, and they are nearly all branded with the

* Later witness amended this statement by letter by saying that the minimum wage of £1 16s. is paid to a certain class of machine-operators only. The general minimum in Leicester is £1 10s., and the highest £1 12s. (in London).

names of English or American boots. For what purpose is that done? For no other purpose than to exploit the public. The inference is that if you say a boot is English, French, or American it is considered higher-grade, whereas it is made in their own factory. It is not fair to trade.

48. *The Chairman.*] I have heard that most "French" shoes are made in the Dominion: is that so?—Yes.

49. *Mr. Fairbairn.*] In regard to the cheaper class of boots, are they imported—say, boots at from 8s. to 10s.—or are they made here?—Yes.

50. From the lowest grade?—Yes.

51. *Mr. Hall.*] Are slippers being manufactured locally, or are they imported—slippers costing about 2s. 6d.?—I would not like to say definitely—I know there is a cheap slipper imported in considerable quantities. At the same time, a considerable quantity is being manufactured here, but they do not go down as low as that in price.

52. *Mr. Robertson.*] Could you say that you manufacture a higher class of boot than ten or fifteen years ago?—Yes.

53. A better quality?—Yes.

54. There is more fashion in boots now than there was previously?—Yes.

55. Would that tend, do you think, to more boots being sold per head of the population than before?—Yes, I think it would do, for the simple reason that the better our roads get the greater the tendency is to wear a superior class of boot.

56. Would you say that the wearing-qualities of the boots made now are better than they were?—Yes.

57. *Mr. Macdonald.*] The improved machinery that is necessary, and the improved factories under the Government regulations must have added considerably to the capital cost of the factory?—Yes.

58. So that allowance must be made for interest on the increased capital sunk in the business?—Yes.

59. And that would have an upward tendency on the price?—Yes. The real complaint is this—and I certainly think, after years of experience, that they have some grounds for complaint—that, instead of the boot-manufacturers, the men who have invested money in the business, being the dominant factors in the boot industry, the dominant factors are the retailers. They are prepared, if they place an indent order for imported goods, to wait for a considerable length of time for the arrival of those goods; but if they place an order with a local manufacturer they must have them delivered within, say, one month, and if they cannot get them they refuse to take them. That is not giving the colonial manufacturer the same consideration that is given to the foreign manufacturer.

60. *The Chairman.*] Are there many retailers who import direct from Home?—I could not say.

61. They import through agencies or merchants?—Yes, and many boot-manufacturers are also importers.

62. They import direct?—Yes.

63. But the retailers have not to go to any particular set of men to get imported boots?—No.

64. There is no combination in the boot trade that you know of?—No.

65. *Dr. Hight.*] You think the statement that on a 15s. boot 5s. represents wages is not correct: it is too high?—Yes.

66. And that generally the wages-cost is not one-third of the wholesale cost?—I think it would be too high; but, of course, if a manufacturer was speaking, he would take everything into consideration, from the price of the skins coming into the factory until they went out as the finished article. I have been speaking more with respect to the operations of the class with whom I have associated. I have not said anything with regard to the work of the women in the trade. Their wages have gone up, but what the cost of machining a pair of boots would be I could not say.

67. You gave as an illustration that a boot would cost 1s. 6d. in labour: what would be the total wholesale cost of that boot?—15s. 6d., I think.

68. Which would be retailed at about £1?—You would not get it at £1.

69. That means, of course, that the labour-cost is about one-twelfth or one-fourteenth of the total wholesale cost?—Yes.

70. *The Chairman.*] Still, there may be other classes of boots in which the labour-cost might be more?—There are a few special lines. The cost would be greater where hand processes are used.

71. *Dr. Hight.*] You have not allowed for stitching in this labour-cost?—Not for the upper stitching.

72. It is not the total labour-cost?—No.

73. Only the cost of the labour with which you are concerned?—Yes, making and finishing.

74. *Mr. Fairbairn.*] According to the statistics, a considerable number of cheap boots must be coming into this market?—Yes, there are large quantities of goods coming out here with rope soles—deck slippers, and goods of that description, which are entered in the statistics as boots.

75. What is the total number of operatives in the boot trade in New Zealand?—Our federation represents about twelve hundred for New Zealand. Of course, that does not include many employed in retail establishments, but simply those in the wholesale manufacturies.

MICHAEL JOSEPH O'BRIEN, Boot-manufacturer, examined on oath. (No. 61.)

1. *The Chairman.*] You are a boot-manufacturer carrying on business in Christchurch?—Yes.

2. Have you been long in that business?—About twenty-three years.

3. You have noticed a rise in the cost of boots during that period?—Yes.

4. Has it been partly owing to material and partly owing to labour?—Chiefly owing to material, but partly to labour.

5. Did you hear the evidence of the last witness?—A portion of it.

6. Where he spoke about the value of labour used in making a pair of boots as 1s 6d., he did not include the cost of stitching, &c., the result of female labour. Can you give us any idea of what the cost of that would be to add to the 1s. 6d.?—I do not think the 1s. 6d. was quite right. He said that formerly goods which cost 4s. could now be produced for 1s. 6d., as far as labour was concerned. That is not so. I have been costing boots for ten, fifteen, or twenty years—almost since I first went into the business. One portion of the labour has not gone down at all; in fact, if anything there is a slight increase. The other portion, the finishing, has slightly dropped. A boot costing 4s. could not be produced at much under that now—3s. 9d. or 3s. 6d. perhaps.

7. The cost of material has gone up considerably of late years?—Yes, very much; in fact, it is going up every month or two. There is never any reduction: it is always a rise.

8. Why has the price of shoe-leather gone up?—The tanners say they have got to pay considerably more for their hides than they used to, and a lot of hides are exported.

9. There is a greater demand for hides all over the world?—I should think so.

10. Does that arise from the gradual diminution in the supply?—I think that may be the reason partly, but leather is used more largely now than it used to be, in a great many ways.

11. *Mr. Fairbairn.*] That would include the cost of the material? Would that affect cheaper boots more than more expensive ones?—There would be a bigger percentage of rise in the case of cheaper boots.

12. You think that relatively it has increased the cost of cheaper boots more than more expensive boots?—Yes.

13. *The Chairman.*] Therefore in that particular line the cost of living to the working-class has been increased more than in the case of the opulent class?—Yes, they have to pay more for their boots.

14. *Dr. Hight.*] Do you think that the better class of machinery in the last few years has equalized the increase in wages?—Hardly. There is the expense of the material, the interest on the cost of machinery, and wear-and-tear and repairs, and now we have to be continually altering the lasts. They cost 7s. a pair, and they become obsolete perhaps in the following year. In the old days there were iron lasts, which lasted practically for ever. We are compelled to use wooden lasts now, and they soon become damaged or have to be put aside, owing to the changes in fashion. This involves a great expense—the machinery in a boot factory now costs from £2,000 to £4,000, and the cost of repairs is very great.

15. What has been the percentage of rise in the cost of leather for the last ten years?—Leather for which we paid perhaps 10d., 11d., or 1s., we have now to pay 1s. 2d., 1s. 4d., or 1s. 6d. Goods for which we were paying 1s. formerly we are now paying 1s. 6d.

16. From 14 to 16 per cent.?—Yes.

17. And the public are demanding a better kind of boot?—Yes. The working-people are just as bad as the wealthier people. There is no demand for cheap boots now. The demand is for the best quality we can produce at the lowest price.

18. Do you find a great scarcity of women-labour?—Yes, that is a great drawback to the boot business.

19. *Mr. Macdonald.*] Could you give us an idea of the increase in the capital cost of a factory under the new system, with a certain output, as compared with the old?—I should not think there would be much difference.

20. I understood the last witness to say that the new machinery is more expensive?—Yes, but I could not say what the difference would be.

21. *Mr. Fairbairn.*] Are there any goods imported now that you cannot compete with in your business?—We can compete with the best of them. We can compete with all the good classes of imported boots.

22. You can compete with the more expensive boots, and not so well with the cheaper class of boots?—When the tariff was altered in 1907 we thought that nothing would be left for us but to make the cheap boots. Instead of that, we find that there is a demand for better stuff all round, and it has come about that, generally speaking, we do not sell the cheaper class of boot at all.

23. What is the position in regard to cheap slippers?—We have dropped slipper-making long ago—there was nothing in it. Some of the smaller factories make them, and we buy them from them.

24. Leather slippers?—Yes.

25. *Mr. Robertson.*] With reference to putting the stamp of foreign makers on colonial-made boots, do you know if such a thing is usual?—We do it ourselves—we stamp most of our boots “M. O'Brien and Co., Christchurch”; but we have three or four other lines with different merchants, and at the same time we advertise that these lines are made by us, and we put a ticket on the shoes. They are marked “Easy walker,” “long life,” and “M. O'Brien and Co.”

26. Can those tickets be detached?—Yes.

27. They can be taken off by the retailers and the boots sold as foreign-made boots?—No, they are high-priced boots.

28. That is the practice?—Yes; and in a great many cases the retailers ask us to leave the brand off, and they sell them then as their own make.

CHARLES PHIPP AGAR, Secretary of the Taitapu Dairy Company, examined on oath. (No. 62.)

1. *The Chairman.*] You are secretary of the Taitapu Dairy Company?—Yes.

2. How many dairy factories have you connected with that company?—One dairy factory and two creameries.

3. You deal direct with the farmer?—Yes. Our factory is under the co-operative system. We have some home separators, but the milk is brought to the factory, and is weighed and tested every ten days. The skimmed milk is given back to the farmer, the butter-fat is turned into butter, and is sold by us on the local market and for export at Home. We pay as a co-operative concern sufficient to keep us financial, and we hold a little for the safe side as a business institution, but the whole of the money derived from the sale of the butter, less expenses, is paid to the farmer.

4. Do you employ many hands?—About fourteen.

5. How far back does your experience reach?—I have been in my present position for two years.

6. Were you acquainted with the industry before that?—Not in New Zealand.

7. You could not speak of your own knowledge as to any rise in the price of wages making butter dearer?—No; the rise in wages affects us very little. It would not affect a butter company. Wages are a very small item in a butter company. Any rise in wages would not affect the price of butter.

8. What is done with the overplus of butter produced during the summer?—For the first few months the keeping-quality of the butter is not so good as afterwards. Subsequently, after filling local requirements we either sell the surplus to a firm, or consign it Home.

9. Do you keep enough in store to satisfy local requirements?—No; we keep as much in store as we can—that is, of reliable butter, but we can never hold sufficient to keep our local trade going.

10. Does the price you get abroad, or the Australian article, affect the price to the consumer in New Zealand?—Australia does not affect our market. We do not deal with Australia.

11. I have heard of butter being exported to Australia some few years ago?—Not during the last ten years.

12. *Mr. Hall.*] Do you send any butter to Vancouver?—We do not send direct, but we might get an inquiry from Vancouver from a firm, and might sell through them.

13. Do you retail milk in the city?—No, only butter.

14. About what price have you been able to pay the farmer for butter-fat for the last season?—1s. per pound—that is the average for the season. That was an exceptionally good year. Butter is $1\frac{1}{2}$ d. higher than it was last year.

15. What do you estimate the cost of shipping-charges, freezing, and other charges to the London market?—We generally reckon it at about $1\frac{1}{2}$ d.

16. *Mr. Robertson.*] In regard to the store butter, is it the practice to put it in a store at the height of the season?—Yes.

17. Then in winter that butter may be retailed locally?—Yes.

18. Is there any understanding between yourselves and any other factory with regard to the winter prices?—No. Our summer price is based on the Home market, and the winter market price is based on the price ruling throughout New Zealand for butter. There are butter-factories that have no local sales, and they help to keep others going in the winter.

19. You use the term "last year": do you mean last season? What is your financial year?—It finishes on the 31st July. If we are discussing business with any one we must discuss the season.

20. Did you include the winter and the summer season in that?—Yes.

21. You are counting just the season that is over?—Yes.

22. You mean that your butter-fat price is about $1\frac{1}{2}$ d. more this season than last?—The advance that has been made to the suppliers. I cannot tell you what the year will show; but the advance made right through this summer on butter-fat was higher this year than last year.

23. What proportion of your total output is sold locally?—Almost all of our output. During this past year we have only sent 1,000 boxes outside of the local sale. We sold it at the railway-station near the factory, and after that we were done with it.

24. There is very little bulk-butter trade done in this part of the world?—In Dunedin they do that trade, but we do not.

25. *Mr. Fairbairn.*] What is the highest price for butter in the English market?—Last season we did not send any Home.

26. What is the highest price paid for butter retailed in Christchurch?—1s. 2d. and 1s. 3d. to the public.

27. I am speaking of last winter?—1s. 6d.; but that was very exceptional.

28. I understand you to say that there is a local price for butter quite irrespective of the Home market. In the summer your prices are fixed by the English market, but in the winter you depend upon the stored butter in New Zealand?—Yes, partly. We have large local sales, and so have the other companies. We consider that those sales are far more reliable than the English sales. There is not the same risk. I may state that at the time we were selling butter at 1s. 6d. we were losing money on it. We were forced to those prices by the scarcity of butter in New Zealand. I may add that people cannot eat butter at 1s. 6d., and at that time our sales went down considerably. We have not recovered the lost ground yet. Our prices at all times are kept down so as to allow no outside competition to compete with us. If we see a reasonable chance of reducing the price we bring it down. The fact that no North Island factories compete with us on the local market is a proof of that statement.

29. *Mr. Fairbairn.*] What was the price for summer-stored butter last year when the price was 1s. 6d.?—North Island butter was sold at 1s. 5d.

30. Is 1d. per pound generally the difference between stored butter and fresh butter? Would that fairly indicate the difference in price to the consumer?—No; there is sometimes no difference.

31. Between butter which has been frozen and stored for a time and fresh butter?—There is no difference in price. Anybody who is a judge of butter would take the stored butter in winter-time in preference to fresh butter. There are food-flavours in fresh butter in the winter-time.

32. You say that last winter stored butter was sold at 1s. 5d.—that is, North Island butter?—Yes.

33. Is there anything of the nature of an understanding between your company and the wholesale grocers of Christchurch with respect to fixing prices?—No.

34. Have you ever refused to supply any retailer who was selling below the ordinary price?—No.

35. *Mr. Hall.*] Is there any difference between the price of farmers' butter and the price of factory butter?—Yes, a good deal of difference.

36. Generally speaking, what would be the difference—would there be 2d. per pound difference?—I suppose 1½d. to 2d.

37. You spoke of supplying butter in the city: is it sold to the shops in bulk or in pats?—In pats.

38. What do you estimate to be the cost of putting it up into pats?—½d. per pound, and putting it on the local market.

39. With regard to the stored butter: how long does fairly good stored butter keep without deteriorating—two or three months?—It is according to the factory. There are factories which have their cream coming from a long distance, and it is soured before it arrives at the factory. Our factory is on essentially dairying land, and all our cream is in the factory by 10.30 a.m., and the freezer is immediately put on to it. We can keep Taitapu butter from six to eight months, and it is then as good as the day it comes in. We are very careful in respect to our cream. If any cream is not exactly right we take care not to mix it with the other cream.

40. *Mr. Robertson.*] You referred to there being two qualities of butter in the market at one time: what was the difference in the quality?—The second-grade butter is mostly outside butter. At the present time the second-grade butter is North Island butter. The first-grade butter is Taitapu butter.

41. You bought the North Island butter and put it on the market here?—Yes, it comes in in bulk, and we pat it.

42. *The Chairman.*] You do not sell it as Taitapu butter?—No. We sell that as second brand, called "Snowdrop."

43. Have you any other information to give us bearing on the cost of living?—No. You know the cause of the rise in the price of butter-fat. There has been a gradual rise—a small rise—and the cause of that is the increased value of land pure and simple.

44. That is your opinion?—Yes, that is the opinion I hold.

45. *Dr. Hight.*] How do you explain the increase in the value of land?—The subdivision of land has resulted in more people going on to the land, and in more going in for dairying.

46. *The Chairman.*] In that case should it not result in butter becoming cheaper—more men going in for dairying?—The law of supply and demand comes in there. The demand for butter is increasing quicker than is the making of the butter. There is more demand now than there was two years ago.

47. *Dr. Hight.*] Does the demand for butter help to raise the price of land?—Yes, all combined.

48. *The Chairman.*] The increased price of land has raised the price of butter, and the increased price of butter has raised the price of land?—Yes.

49. *Mr. Robertson.*] In regard to the men's wages in the factories: you say that is a very small item in the cost apart from the rise in the butter-fat price. Is it, in your opinion, due also to the cost of manufacture in the factories? The cost of converting butter-fat into butter is less than it was ten years ago?—Most decidedly it is more. Pasteurization has come in. There is a different standard of butter required to what there was ten years ago. And the pasteurization of skimmed milk has come in also—that is another thing that is coming in very fast; and that will help to increase the cost of running the factories.

50. Will not that be counteracted to some extent by the fact that a larger supply is being handled by practically the same plant?—Where are you going to get your increased supply from?

51. I am speaking of the subdivision of the land?—Most of the land suitable for dairying is being used for dairying.

52. That is as regards your own district?—Yes.

HARRY ARTHUR CAMPBELL, representing Canterbury General Labourers' Union, examined on oath.
(No. 63.)

1. *The Chairman.*] You are a general labourer, Mr. Campbell?—Yes. I have been appointed by the General Labourers' Union to give evidence before the Commission.

2. We are a Commission inquiring into the increased cost of living. Can you give us any information on that subject?—That is what I am here for. I have had a very wide experience, and, in my opinion, the high prices are entirely due to land-speculation, and to the ever-increasing price of land.

3. Have you any expert knowledge on the subject of land-values?—I was reared on a farm, and am familiar with farm and station life. I have also been a land and commission agent.

4. The scope of the Commission extends for twenty years back. Will you give us your experience with regard to the price of land in this district?—I have only been eight years in New Zealand. I came to live in Taranaki eight years ago. That is a dairying country, and during the time I was living there—two years—land went up £4 an acre. I discovered that land was going up at the rate of £1 10s. an acre every year: that was the average. Land that was sold eight years ago for £12 an acre was quite recently sold for £24 an acre. It stands to reason that when a man buys land at £24 an acre he has got to charge far more for the product of that land than a man who has taken up virgin soil and has only paid £2 an acre for it. I think the same increase in value is going on in other districts, but perhaps not to the same extent as in Taranaki. There is, however, an ever-increasing value in agricultural land in Canterbury. I am speaking

of the general agricultural and pastoral land of the country. I have had several hundred farms in Taranaki for sale, as a land agent, and I think 90 per cent. of those farms were heavily mortgaged. The farmers had to pay in most cases 6 and 7 per cent. interest upon the money they borrowed. They were heavily handicapped. They had to charge a very large figure for what they produced from their land.

5. Is that an explanation of the statement that some of the farmers there employ their children in working their dairy farms?—The farmers told me that they could not afford to pay for labour—that they were so handicapped they had to employ their children to do the milking. During the three years I have lived here I have found that the price of land has been going up. Agricultural land is going up about £1 an acre every year. And coming closer to the town I find that there is an even more rapid increase in the price of land. Naturally, when men pay a high figure for allotments in the town they have to charge higher rents to their tenants of their houses. For instance, take the case of working-men—general labourers: no man can get a house worth living in at less than 12s. 6d. a week. A general labourer cannot afford to pay such a rent under our award rate, under which he is only paid 1s. an hour; and no allowance is made for loss of time. About £1 12s. per week is our average wage, and out of that 12s. has to be paid for house-rent. That leaves only £1 a week for a married man with a family to pay for food, clothing, and other necessities of life. I can assure this Commission that there are a number of general labourers in this town who are living below what is really a fair living-wage: I mean that they are not living as human beings ought to live. They cannot provide sufficient food and clothing and proper shelter for their families. I suppose it is the duty of the Commission to try and suggest some remedy for such a state of things. I think the suggestion they should make is to stop the ever-increasing value of the land.

6. How do you propose to do that?—The men who are increasing the price of the land are the land speculators. It can be stopped by the country taking the increased value of the land. If a man buys land at £20 an acre and desires to sell it at £25 an acre, let the State step in and take the extra £5—the value over and above what a man has paid for the land—if he desires to sell it.

7. Supposing he has made substantial additions to the value of the property?—If he has, he ought to be paid for his improvements. I think the Government ought to impose a heavy land-tax on the land held by the land-monopolists. If this increase in the cost of living continues to go up, I pity the general labourers of New Zealand, because their wages have been increased very little during the last seven or eight years. When I came to New Zealand seven years ago I was able to get 1s. an hour—the same price that is paid to-day.

8. Is there any increased competition amongst general labourers: does the supply continue to equal the demand?—I think the number of general labourers has increased *pro rata* to the general increase in the population of the country. The last witness was asked the reason for the increase in land-values. I think that any sane man knows that the reason is the increased population of the country—that is, where the Government has not constructed some public utility that has increased the value in a particular district or place.

9. If a tramway is constructed at the public expense to run out to a suburban district, and suburban property rises in value, do you think the general public is paying in two ways for that accommodation?—Decidedly.

10. Paying for the tramway and also for the increased rent on the land?—Yes, that is what is continually going on in Christchurch. Where trams are made to a new district up goes the price of land to probably double the value.

11. *Mr. Veitch.*] With regard to the question of labour, we have had evidence placed before this Commission to the effect that the farmers are unable to get as much labour as they want. Do you think that the general labourers in the cities would be prepared to go into the country and live provided they could get houses and were assured of getting employment at a reasonable rate?—I know scores of general labourers who are anxious to go into the country if they could be assured of getting a fair living, particularly married men. But they object to go out and live in barns, as some of them have had to do in the past.

12. *Mr. Robertson.*] You spoke of land-values going up in Taranaki at the rate of £1 an acre a year, or something like that. Are those lands changing hands very frequently?—Yes. I may tell the Commission that I had a partner with me in the land-agency business. He speculated in land, and made £16,000 out of land speculations in three years. The land is continually changing hands.

13. *The Chairman.*] Was that opportunity not yours as well as your partner's?—I did not feel inclined to speculate in land, and even if I had I had not the money to speculate.

14. *Mr. Robertson.*] What part of Taranaki were you living in?—At Stratford.

15. Can you give us some specific instances of farms which to your knowledge have changed hands under the circumstances you suggest?—It is six years since I left there. I could not just at the moment give you the names of the persons who sold and those who bought; but I have received that information from certain land agents with whom I have been in communication.

WILLIAM RALPH GARDNER, Flour-miller, Cust, examined on oath. (No. 64.)

1. *The Chairman.*] You are a flour-miller carrying on business at Cust?—Yes.

2. Have you been in the business for some time?—I have been running my business for seventeen years.

3. Has there been any great alteration in the prices of things which you work in—such as differences in the price of wheat and flour?—Yes, great fluctuations.

4. Has that been in the direction of a rise in the cost of living?—For the time being it has.

5. Is not the rise somewhat owing to monopolies—in regard to persons having the handling of these stocks?—Yes, in the handling of wheat.

6. Could you give the Commission an idea of how that is?—It is not in this part of the world that these monopolies take place. It is in Chicago, London, New York, St. Louis, and San Francisco, where large deals in wheat take place, which instantly cause a rise of 2d., 3d., or 6d. a bushel in New Zealand.

7. Do the persons who cause this rise grow wheat themselves?—Unfortunately, they do not.

8. Do they farm anything except stock in Wall Street?—That is all they farm, I believe.

9. Do you find that their exertions in America affect your business here considerably?—Yes.

10. And the public of New Zealand suffers therefrom?—The public suffers, and they gain at the same time. The farmer gains, and the general public have to pay considerably more for their flour, and probably for their bread.

11. Is the wheat-area in New Zealand increasing?—The area in wheat in 1910–11 was about 330,000 acres; and in 1911–12 the area was reduced by about 100,000 acres, roughly speaking.

12. Was there any cause within your knowledge for the decrease this year?—No, except that the farmers probably saw that wheat would be lower next harvest. The general run of farmers did not plant as much.

13. You do not think it is owing to the labour legislation?—I have heard a neighbour of mine remark that if he could secure all the labour he wanted at harvest-time he would plant more wheat.

14. That was to show that there was a shortage in the labour-market?—That may affect a few isolated cases. If the farmer thinks that wheat is going to be higher in price next harvest he puts in more wheat—he goes in for what he sees most profit in.

15. Have you any knowledge of any combination taking place between the persons who buy flour from you?—I do not know that there is any combination between them.

16. There is nothing takes place between the miller and the baker to make flour more dear?—No.

17. Do you know of any combination amongst the bakers to put up the price of flour?—No, they do not control the price in any way.

18. The baker merely controls the price of bread?—Yes.

19. You know of no local combination to control the price of wheat?—None that I know of.

20. This rise in the price of foodstuffs comes from foreign influences first, and next from local variations in the planting of crops, &c.?—It may come from local conditions first, and from foreign conditions second. In other cases foreign conditions may come in first.

21. *Mr. Macdonald.*] Those are the two causes that affect the price of wheat?—Yes.

22. *The Chairman.*] Has there been any considerable increase of late years in the cost of milling?—Wages have increased. Ten years ago wages were from 10 to 15 per cent. lower for mill hands. Longer hours were worked then. An eight- to ten-hour day was considered the usual thing, with one weekly half-holiday. Now they work eight hours for five days a week, and four hours on the sixth day. In a great many cases they are allowed to put in forty-four hours a week, just as they please.

23. Has that increased the labour-cost, or is it counterbalanced by improved machinery? Has there been any diminution in cost owing to improvements in the mechanical means of production?—The mechanical contrivances required for flour-milling are very much the same now as they were ten years ago, but the wages of mill hands have been raised. The price of flour is governed by conditions over which the miller has no control.

24. *Mr. Fairbairn.*] At one time the prices were quoted by the Flour-millers' Association: Are you a member of that association?—We were until last October. We then seceded from the association.

25. But you are still guided by their prices?—Yes.

26. Have you no understanding to that effect?—No. It is a matter of selling in the best market. At the present moment it does not pay to sell at less than their prices. At the present time the flour-milling industry is in a most peculiar position. Ten years ago wages were 10 to 15 per cent. lower than at present, and those hours were worked with no weekly half-holiday. The flour-milling industry is placed in a peculiar position in this country compared with other parts of the world. In some countries an export bounty is given, and every encouragement is given to manufacture the flour in the country in which the wheat is grown; the offals are saved in the country, and support the stock-feeding industry, on which a tax of 10 per cent. is charged on all wheat-products on the railway: in other words, one-tenth more wheat can be carried on the lines for the same money. At the present moment a bushel of wheat entering the mill at a cost of 3s. 8d. is being delivered to the Christchurch baker at 3s. 11½d. These are the wheat and flour prices for ten years: 1st March, 1902—Wheat, 2s. 9d. per bushel; flour, £8 10s. per ton. 1903—Wheat, 3s. 10d.; flour, £11. 1904—Wheat, 3s. 1d.; flour, £9. 1905—Wheat, 3s.; flour, £9 10s. 1906—Wheat, 3s.; flour, £8 10s. 1907—Wheat, 3s. 1d.; flour, £8 10s. 1908—Wheat, 4s. 2d.; flour, £11. 1909—Wheat, 4s.; flour, £10 10s. 1910—Wheat, 3s. 9d.; flour, £10. 1911—Wheat, 3s. 2d.; flour, £8 10s. 1912—Wheat, 3s. 5d.; flour, £8 10s. In 1895 wheat was 2s. per bushel, and flour was £6 10s. per ton; in 1908 wheat reached 6s. per bushel, and flour rose to £13 10s. per ton. The London market is the controlling factor in wheat prices. In 1902, on the 1st March, wheat was costing 2s. 9d. per bushel, and flour was selling at £8 10s. per ton; on the 1st March of the present year, 1912, wheat was 3s. 5d. per bushel, and flour £8 10s. per ton. In my books, extending over eighteen years, profits were never less than £1 per ton clear; at the present moment the net amount of profit on an expendi-

ture of £9 9s. 4d. is 4s. 8d., as shown by the following figures on the cost of wheat and selling-prices of flour :—

WHEAT.				FLOUR.			
48 bushels of wheat at	£	s.	d.	1 ton at £8 10s. (less dis-	£	s.	d.
3s. 8d. ..	8	16	0	count) ..	8	1	6
10 sacks for flour ..	0	5	10	Bran, $\frac{1}{4}$ ton ..	1	2	6
4 sacks for offal ..	0	2	6	Pollard, $\frac{1}{4}$ ton ..	1	2	6
Railage, cartage, &c. ..	0	7	6				
		9	11				
		10					
Cost of manufacture ..	0	10	0				
		10	1				
		10					
Balance ..	0	4	8				
	£10	6	6		£10	6	6

This represents a gross profit of $2\frac{1}{2}$ per cent. on turnover. Out of this must come interest on capital, insurance, rates, &c.

27. *Mr. Fairbairn.*] When you were a member of the Flour-millers' Association which absolutely controlled matters so far as the South Island was concerned, were you bound down absolutely?—As to the selling-prices we were bound down.

28. Your output was regulated, and your prices were fixed?—That is quite correct.

29. *Mr. Macdonald.*] When you withdrew, did you cut prices or did they?—They cut prices the week after our withdrawal.

30. *Mr. Robertson.*] With regard to the high price of wheat in 1908: when it was 6s. a bushel here, could you give us an idea of what the London price was?—Wheat touched 52s. a quarter in London at that time.

31. What is the equivalent for a bushel?—Roughly, that would be 6s. 6d. or 6s. 4d. a bushel.

32. *Mr. Fairbairn.*] Has the matter of the railway charges on flour not been brought under the notice of the Government?—I have been trying for ten years to have it brought down to an equitable basis. I wrote to Sir Joseph Ward when he was Minister of Railways, and drew his attention to the fact. He said he had looked into the matter, and he found that the custom had been in vogue since the days of the provincial Government. I also wrote to Sir William Hall-Jones when he was Minister of Railways, and he gave me a similar reply. I intend to draw the attention of the present Minister of Railways to the matter.

33. *Mr. Macdonald.*] You mean that the railway rates discriminate between the raw material against the manufactured article?—In most cases in the United States the manufacturer has a pull over the raw material.

34. *Mr. Hall.*] Do the millers have to give much credit to the bakers?—The recognized time of credit is six weeks.

35. Is there much loss in bad debts?—When I was a member of the association, the average loss in bad debts amounted to less than $\frac{1}{2}$ per cent. on the turnover. The turnover was, roughly speaking, three-quarters of a million per annum.

36. Do you think that is a fair average for the trade?—Yes, for the operations of the Millers' Association, but for privately run mills the average is far greater, for the simple reason that the Flour-millers' Association will give absolutely no credit.

37. What would be a reasonable estimate of the loss per annum of a miller not a member of the association?—If you said it would not be less than $2\frac{1}{2}$ per cent. of his turnover that would be something like it.

38. *Mr. Fairbairn.*] Of late years, the amount of bad debts has diminished?—Yes.

39. It was not so eighteen years ago, but the conditions of trading have altered during recent years?—Yes. A miller outside the association his loss would be $2\frac{1}{2}$ per cent. on his turnover, because people of doubtful standing run after all these outside men.

40. *Mr. Macdonald.*] Do you mind stating the reasons why you withdrew from the Millers' Association?—On account of the capacity of the mill, we did not get what we considered a fair share of the orders.

41. *Dr. Hight.*] Do you think it is a difficult matter to maintain a combination like the Flour-millers' Association as a permanent association?—It is a rather difficult thing to maintain.

42. What do you consider the conditions are that might lead to the break-up of a complete monopoly, or to the impossibility of forming it?—One or two of the large flour-millers at the present time seem determined to have no connection with the Millers' Association; in fact, the largest millers in Timaru and the Northern Roller Mills of Auckland have refused to come in.

43. *Mr. Hall.*] Is there any flour imported from Australia at present?—I am pretty safe in saying there is none now coming in, but up till recently it was coming in.

44. What is the duty?—£1 a ton.

45. *Mr. Macdonald.*] So that the abolition of that duty would always effectually stop a monopoly in New Zealand?—Yes, it would wipe out the flour-milling industry here, in my opinion.

46. It would give us cheaper flour?—It would reduce the price of wheat a little perhaps, and the Australian miller working with a larger capital and under better conditions would more than compete with the New Zealand miller, except in isolated cases where a mill was situated a good long distance from a seaport.

47. *Mr. Hall.*] You think it would injure the milling industry?—Yes, it would practically wipe out the milling industry in New Zealand.

48. *Mr. Robertson.*] When was the Flour-millers' Association formed?—About 1900, I think.

49. By the system of allocating orders to different mills, have they, in your opinion, reduced the cost of production?—Yes, that reduces the cost of production.

50. I see by the figures you gave us that about 1904 wheat was 3s. 1d. a bushel, and flour was—what?—Flour was £9.

51. How do you account for that difference?—It was just the price of wheat at that particular time.

52. The wheat-prices you gave are not the average prices for the year?—No, just on the 1st March.

53. And the Flour-millers' Association was formed previous to 1902?—Yes.

54. *Mr. Veitch.*] How many 4 lb. loaves would a bushel of ordinary flour produce?—I could not say, but I have always understood that it would produce sixty-eight.

55. You referred to a neighbour of yours who complained he could not get enough labour during harvest-time: can you give us any information with regard to the conditions of life there—for instance, whether there would be a house that a married man could live in if he went to live in that district?—He told me that if he could be assured of getting labour next harvest he would sow more wheat, and he is well known as being a very good employer. He had one man on his farm for nineteen years, who saved £1,000.

56. Why is labour not available?—He said that he had spoken to his men one day during lunch-time last harvest. He said to them, "If I can get you fellows all back next year, will you guarantee to come, and I will put in 400 acres of wheat?" Outside of his regular hands, not a man agreed to come the following year.

57. *The Chairman.*] Was he prepared to keep them in employment all the year round?—No; only for the harvesting.

58. *Mr. Hall.*] How many men was he employing all the year round?—Four, at least.

59. Would these men have to come far to assist in harvesting work?—A number of his men at that particular harvest came from a distance of from seven to ten miles from the neighbouring town.

60. What was he paying an hour during harvest-time?—Probably 1s. 3d. an hour, but I could not say definitely.

61. He is paying a higher rate than ordinary wages for assistants during harvest?—Yes.

62. Was that higher than the ordinary wage for casual employment?—Yes.

63. *Dr. Hight.*] You stated that the cost of production was reduced by the amalgamation of the millers?—Yes.

64. Who reaped the benefit of that reduction in cost?—The miller, I suppose.

65. It was not passed on to the consumer?—The miller gets as much as he can, and is prepared to take as little as he can to do the business.

66. If the diminished cost of production had not been brought about what would have been the position in regard to prices?—The prices would have remained much the same.

67. The consumer has not reaped the benefit?—No, I do not think he has.

68. Have there been any other instances of a breakout or attempted breakout from the association besides this one?—Four or five years ago one or two large mills withdrew from the association, and they are still outside.

69. Can you give us any idea of the number of mills in the association?—Roughly speaking, about thirty.

70. And outside the association what is the number?—About ten.

71. *Mr. Macdonald.*] Could you give us the output of the thirty mills, and of the ten mills?—The output of the thirty mills is, roughly speaking, 3,500 tons monthly.

72. What is the output of the ten mills?—It would be about the same. There are three or four very large mills outside the association.

73. *The Chairman.*] Do the mills outside the association still sell at association prices?—Yes.

74. They might as well be in the association?—Yes.

75. *Dr. Hight.*] What do you think would be the position if the forty mills joined in the association?—There would immediately be an increase of £1 a ton.

76. And what would be the result to the consumer?—The consumer would hardly feel it.

77. One pound a ton makes ½d. a loaf?—It means about 1d.; but the baker does not get a little more than the average price from his bread.

78. *Mr. Hall.*] How long have the Northern Roller Mills been fighting this association?—For twelve or thirteen years.

79. *Mr. Fairbairn.*] That must have tended to steady the price during that period?—No; prices have been steadied by outside influences during all that time.

80. If the mill in the North Island had not stood out—and you admit that the Flour-millers' Association is looking after itself—what was there to prevent them taking advantage of the position?—The import duty would prevent that.

81. They are protected to the extent of £1 a ton?—They require £1 a ton to put them on a right basis. In Melbourne there are three or four very large plants which produce enormous quantities of flour. The greater the production the less is the cost per ton. I understand also that in Victoria there is an export bounty as well. The freight from Victoria by sailing-vessel to New Zealand is much the same as what the Union Company charge from Lyttelton to one of the North Island ports, and it is sometimes less. I have known flour cargoes come from Australia at 9s. a ton, and the freight from Lyttelton to Auckland by the Union Company's boat is 9s. a ton.

82. They are not restricted in regard to their output?—We were not restricted in our output. We could export to other countries.

83. The whole thing amounts to an admission of inefficiency here in comparison with Australia?—Wheat in Australia will produce more flour than New Zealand wheat, and the export bounty also makes a difference.

84. What is that export bounty?—In some parts of the world they get so-much for every ton they export.

85. Do you know what it was per ton?—I understand it was 5s. per ton.

86. *The Chairman.*] What is it in South Australia?—I do not know, but I am led to believe that in most of the Australian States there was an export bounty until lately.

87. *Mr. Hall.*] What is the value of Australian wheat compared with ours?—1s. a quarter more on the London market—that is 1½d. a bushel. That is the average. Our New Zealand wheats are very suitable for mixing; therefore, if they get a wheat that suits them, prices will be relatively higher according to the quality of the wheat.

88. Do they at times slaughter their surplus wheat at a less price than they are selling it over there?—Yes.

89. *Mr. Fairbairn.*] Can you give us any definite instance of that?—I had a letter from my agent in Auckland last week, and he said that flour was being landed there from Adelaide at prices less than our local price here.

90. The question is, do they slaughter on markets outside their own market?—Yes, that is what they are doing. At 10s. a ton above our price they were prepared to come in, whereas the Melbourne price is 30s. a ton above our price.

91. It is the practice in the milling trade to dump their surplus elsewhere?—Yes, that is done.

92. *Dr. Hight.*] That is a temporary expedient?—Yes, but it will be a permanent condition if they can get rid of their stuff at a profit.

93. *Mr. Hall.*] Do you run your mill night and day?—We are working off our present stock, but we are going to stop, because it will not pay to buy wheat at 3s. 8d.

94. The Australian mills are running night and day?—Yes.

95. And that enables them to dump their surplus?—Yes.

Memorandum re Capacity of Associated and Non-associated Mills, 12th June, 1912.—The capacity of mills at present selling through the association is 164½ sacks. The capacity of the mills selling outside the association is, say, 174 sacks. I cannot say whether all these mills are working at the present time, but have every reason to believe from information obtained that they are all ready to work, and may be counted as competitors. The capacity of the mills selling through the association three years ago was 256½ sacks. If you add to this the capacity of the Auckland Roller Mills—say 25 sacks; Bycroft Limited, say 10 sacks; additional certified capacity Timaru Milling Company, 6½ sacks; and Mandeville Company, Reid and Sons, D. Baker, Shand and Co., Reilly, Scott, and Gill, Phoenix Company, Maniototo Company, in Otago and Southland, 16½ sacks; Simpson, Heslop, Moffat, Archer and Sons, N. B. Archer, C. Leach, Wheeler and Co., in Canterbury, 16 sacks; J. N. Croucher and A. Manaoy, in Nelson, 2½ sacks; Southern Cross Company and C. H. Flower, in the North Island, 5½ sacks: total 40½ sacks—you thus have a total capacity of 338 sacks—174 out and 164½ in—as mentioned above.—W.R.G.

WILLIAM GOSS, Timber-merchant, examined on oath. (No. 65.)

1. *The Chairman.*] Have you had a long experience in this district?—Yes, it is the only district I have had experience in. I have had twenty years' experience. In that period the cost of timber has increased a good deal. Owing to the short notice received I am not prepared with any figures.

2. You think, however, that the cost of timber has increased very greatly during the last twenty years?—Yes.

3. Could you tell us what are the causes of the increase?—The extra cost of getting it, principally. Twenty years ago timber was much easier got than to-day; there was nothing like the same distance to go for it. The cost of transport has increased, but I am referring to getting it from the bush. Twenty years' working of the bush has made a considerable difference: they are working bush-areas to-day that they would not look at twenty years ago, because there was other timber so much more easily available.

4. Has the cost of labour increased?—Yes. Of course, there is a good deal of labour in the production of timber.

5. In the case of the greater part of the cost it would be for bush parties getting the timber?—I was referring to the cost of the timber as the merchant gets it; and the merchants' price is governed by what he pays for it.

6. Do you own mills in town?—Yes, I have a timber-yard and a sawmill.

7. Do you dress the timber?—Yes.

8. The price of dressed timber has very much increased: can you give us some approximations?—No, I do not remember what the price of dressing timber was twenty years ago compared with to-day.

9. Do you remember what it was ten years ago?—No, not without looking it up. We have such a tremendous gradation of figures for dressing.

10. Is there anything within your knowledge in the way of a combination or understanding among millowners to keep up the price of timber?—No, I do not know of anything that tends to keep up the price above a paying price.

11. There is no association of timber-merchants?—There is an association of timber-merchants in this place, but several are not in the association. I am in the association. We have formed the association principally in connection with the awards of the Arbitration Court.

12. Is your association an industrial association of employers?—It is not registered; there is nothing binding on us: it is a moral obligation.

13. Is it set forth in a written agreement?—Nothing signed, just an understanding.

14. In regard to the selling-rates of timber?—Yes.

15. How do you settle that: do you meet together in conclave?—Generally.

16. And you just settle it orally amongst yourselves?—Yes, that is so.

17. Have you any notion that the settling of these rates for timber is for the protection of yourselves or for the protection of the public?—Oh, well, we are only there for ourselves, to begin with.

18. Then it is for the protection of yourselves?—Yes, naturally so.

19. There might be a tendency in such an association to keep up the price of timber at a highly profitable selling-rate?—I do not think there is any possible chance of that. If we wished to do it we could not. It is so easy to start a timber-yard.

20. What percentage of the timber-merchants is within the association, and what percentage free?—I should think there would be about one-third out, roughly speaking.

21. Does that third sell at association prices or cut you?—They please themselves. They mostly stick to our list. They may undercut in some instances; I do not know whether they do or not.

22. *Mr. Fairbairn.*] You have a uniform price-list for timber?—Yes.

23. The Timber-merchants' Association has no articles of association?—No.

24. Everything is done orally?—Yes.

25. And those people outside the association, can they get supplies of timber exactly on the same terms as yourselves?—Yes.

26. Then the market is strictly open and competitive?—Yes, strictly so, as far as that is concerned.

27. *Mr. Veitch.*] Does your association fix the selling-price of timber for its members—the local selling-price?—Yes. They fix the price, and that is the price we are supposed to sell at.

28. Do you list the whole of the sizes?—Not the sizes, but the particular sorts.

29. Is all that done orally at the meetings of your members?—Yes.

30. The whole list is fixed?—Yes.

31. Do you think some of you might forget the details after you got away?—I think we do sometimes, probably.

32. Why do you not record the proceedings of the meetings in writing?—I did not say we did not.

33. Then you do record some of the proceedings?—We have minutes of the meetings. It would be a peculiar association if we did not; it would not be very businesslike.

34. You do have minutes of meetings?—Yes.

35. Are these prices recorded in the minutes?—No, there is no need to do that; they are printed and published.

36. How does your secretary make up the list? How do you arrive at that: is it all determined orally at these meetings?—Yes, certainly.

37. By resolution of the meeting?—Yes, by resolution of the meeting. We go into the question of the cost, and then say what the selling-price would be. It is done by the members themselves, not the secretary.

38. I understand that. The secretary would do the writing merely. Where is the timber bought from principally?—Various parts of New Zealand. It is mostly New Zealand timber; very little imported timber comes into Christchurch.

39. Do you get any from the West Coast?—Yes, and some from other parts—from the South and the North Island.

40. Is there any relation between your association and that of the timber-millers who supply you?—No; we have no control over them, and they have none over us. They are just the suppliers of timber, and naturally they supply; we could not get the quantity elsewhere.

41. Have you any agreement to supply your association only?—No; the understanding is they can sell to anybody.

42. At the same prices as to you?—Yes.

43. And on the same terms?—Yes. I have a feeling that sometimes they sell at less to others than to us, because they know we must take the timber from them.

44. *Dr. Hight.*] You said the cost of timber had increased, as you get it from the sawmillers?—Yes.

45. Has there been any increased cost in the work of dealing with the timber after you get it and before you dispose of it?—Yes, labour has increased, and rates and taxes.

46. Have all the elements in your cost of production increased within the last ten years or so? Have your labour-costs increased?—Yes, there has been a slight increase in the cost of labour.

47. Has that been balanced by the introduction of more efficient machinery?—No, I do not think so.

48. Or increased output?—No, certainly not by increased output.

49. And the rates and taxes have increased?—Yes, gradually and slowly they go up; they are always on the increase.

50. *Mr. Robertson.*] How does the milling of these further-back areas affect the quality of the timber?—I do not think it affects the quality at all. The quality varies from wherever you get the timber.

51. It is simply a case of going further back: you mean you do not get more sap wood and younger wood?—Oh, yes; they probably take more out of the bush than before.

52. Has the quality of building-timber deteriorated in the last twenty years?—Well, the peculiar thing about Christchurch trade is that they call for a better article to-day than they did then. They are more particular about the quality of the timber.

53. It has not deteriorated?—No, not at all.

54. *Dr. Hight.*] Do you consider that the system of rating on unimproved values presses with particular hardship on the timber-yards?—Undoubtedly; we cannot do our business without a fairly large area of land, and we have to be somewhat near the centre to do good business, and probably we pay more than any other class of trade in proportion to the value of the business.

55. Are you able to pass on the increased cost of these taxes to the consumer?—Oh, we have to.

56. *Mr. Hall.*] But what have your rates increased during the last ten years?—That I could not say offhand.

57. *The Chairman.*] Is there anything else you wish to say to the Commission?—No, except, as I said before, the people call for a better standard of stuff, and I consider the standard of living is higher and the rise is due to that. People want better houses now than they used to, and therefore the rents are higher.

ERNEST WEBSTER WALLER, of John Waller and Sons (Limited), Timber-merchant, examined on oath. (No. 66.)

1. *The Chairman.*] Your business is done mostly in and about Christchurch?—Yes.

2. And your experience?—I have been in the trade about thirty-four years—practically since I left school.

3. Is the timber trade prosperous?—The last few years it has been anything but prosperous.

4. In comparison with the growing population so much money is not spent on timber?—I would not like to say that. I am speaking as a timber-merchant. The profits of the last four or five years are not so great.

5. What is the reason for that?—Competition is very keen.

6. Does your firm belong to the association of timber-merchants?—Yes.

7. Owing to keen competition you have had to bind yourselves together to keep prices at anything like a fair level?—Well, the merchants are associated together to get a fair return for their trade.

8. And the question of the fairness of the return is left entirely to the merchants?—No; I do not think that. We never attempt to get anything but a fair thing by the association. Of course, there are a good many timber-merchants outside the association.

9. And their competition keeps prices pretty level?—There is no attempt, as I said, to unduly inflate prices, and there is such competition that would keep it down if there was any attempt—the competition is so keen.

10. Do you think that your association benefits the public by other things than regulating prices—such as organization?—It benefits the public in this way: that that is practically the standard price of timber. All builders know this is the standard price. If the buying public considers that they could do better elsewhere there is plenty of opportunity for them to try. It is a free market, and there are many other ways of getting timber outside the merchants' association.

11. Timber has risen considerably within the last ten years?—Yes, I have taken out a few figures with regard to ten years. I had not time to go back twenty years.

12. Do these relate to the different qualities or just the average?—They take rimu, which is the largest proportion of the timber used in Christchurch—the standard building timber, rough and dressed.

13. What was the price of rough-sawn red-pine ten years ago?—I will give my figures. With a mixed list of different requirements it is difficult to state the exact percentages of increase, but I shall tell the Commission the means I adopted to get the prices. I took a builder's account for two cottages built ten years ago, two ordinary cottages for a working-man, built in Sydenham. They were not expensive houses—about four- or five-roomed houses. We are timber-merchants, not manufacturers, but for these cottages the goods we supplied to the builder came to £164 2s. ten years ago. I left out ironmongery, and took timber only. We are prepared to do that order to-day at £190 9s. That would be the same quantity of timber of the same description; the quality would be a little superior perhaps, because the quality has risen. That is £13 per cottage in excess—practically about 16 per cent. increase.

14. To what do you attribute that rise?—Well, in the first place, ten years ago I worked out that the first cost of timber at the sawmill had risen 15 per cent.—that is, on the price we pay f.o.b. shipping port. Then I reckoned freight has increased 19 to 20 per cent.

15. What line brings the bulk of your timber?—The Union Company carries the largest proportion in New Zealand, but we are not bound to any shipping company.

16. You think that freight generally has risen 19 per cent. in that time?—Yes; those are actual figures. I have taken out actual figures of what we were paying. Railage and wharfage I have combined, and I reckon that has increased 4 per cent. Then the cartage and labour of fetching the stuff into the yard has increased considerably. I could not give exact percentage of increase, because the railway-yards have been shifted in the last ten years, and the conditions are therefore not the same; but I should say that there would be a 20 per cent. increase in cartage, approximately.

17. *Mr. Fairbairn.*] Your total increase was only about 15½ per cent., and you are getting rather over these figures now?—The percentage of increase in freight was percentage in freight charges, not percentage relatively to the total cost of timber. I wished to say that the value of timber, the price at the mill, had increased 15 per cent. So far as labour is concerned, the system I adopted was to take the first ten men's wages in 1902 and the first ten men in 1912, and these wages had increased 12½ to 15 per cent.

18. What do you estimate the cost of, say, rough red-pine for handling-charges from the mill till it reaches your yard?—I should reckon it from 5s. 4d. to 5s. 6d. per 100 ft. [NOTE.—At a later stage Mr. Waller explained that these figures referred to handling-charges from the shipping port, not from the mill.]

19. That would apply to dressed timber?—No. In dealing with dressed timber the ordinary timber had to come into the yard, and be all stripped for seasoning and kept for many months, and then placed in the mill, and there is large depreciation, the higher-class timber coming down to lower-class, and so on.

20. *The Chairman.*] Is any part of the rise due to the increased royalties?—I understand that the royalty has doubled on ordinary red-pine, but I cannot speak authoritatively on this point, although I have an interest in a timber-mill.

21. You believe houses cost more to build, and therefore rents have risen?—I am inclined to think that a cottage that could be let ten years ago would be let for the same money now; but, speaking as a timber-merchant, there is not the slightest doubt that the house built now is a very great deal better house than the house built twenty years ago, and there is a different class of timber required from us.

22. *Dr. Hight.*] Has the limitation of the size of the sawmilling area tended to increase the cost of producing timber?—I could hardly give evidence in that respect; but, of course, with a small area you could not put in such good trams, and so the cost of producing would be reduced if you could have large enough areas.

23. *Mr. Robertson.*] You referred to a better class of houses being wanted; but, taking the same house, would it cost more to build now than ten years ago?—Oh, yes, it would cost more in proportion to the figures I stated.

24. Therefore we would expect house-rents to be higher than they were?—Yes. Of course, with regard to timber, kauri is the timber that has gone up in price more than any other wood we have in New Zealand, but that is a timber very little used in the ordinary house.

25. *The Chairman.*] Do you find that it adds considerably to the cost of timber that you should have the space on which the timber is stacked so heavily rated?—Most certainly it is a cause of higher expenses.

26. Your expenses?—No; if we have to pay more rates, naturally the price we charge is a little higher.

DAVID JONES, Farmer, examined on oath. (No. 67.)

1. *The Chairman.*] You are the secretary of the Farmers' Union?—No, I am a farmer.

2. You have no official connection with the union?—Not with the Farmers' Union.

3. How long has your experience extended in this district?—As long as I have lived; but I was eighteen months farming in the Waikato. I have been farming all my life.

4. Has the price of land increased during the last twenty years?—Yes, there has been a fair increase in land. The price of interest falling lifted land a good deal. I know of one farm at £17 per acre seventeen years ago, when money was 7 per cent.; that farm sold two years ago at £25 per acre, but with money at 5 per cent. It went only at £23 10s., and the improvements put upon the property were more than the difference in the amount—£2. That farm is between here and Oxford.

5. Does the rise generally affect mostly the lands used for cropping or for dairying?—Probably dairy land has risen more.

6. The value of land used for dairying is greater than if used for cropping in this part of the country?—Oh, no, you could not put it that way. Dairying-land is not cropping-land in Canterbury. Practically there are two different classes of land—the heavier land for dairying; cropping-land in a drier country like this is not dairying-land.

7. Has the cost of farm labour gone up greatly of late years?—I have some facts prepared on this point. One of the positions is that the price of land has gone up. I do not know one single article that has been increased in cost through the rise in the price of land. Butter is often quoted. Take land on the west coast at £8 to £10 per acre; the people there want 1s. 3d. for their butter just as they do here. It is a question of the London market. The rise in the price of land has not affected the price of butter a farthing. One great factor in the rise of the price of land has been the quality of stock, more than the land itself. Every pound you can put on to the sheep's back in wool is pretty well a million of money to this country. The individual efforts of the farmer are altogether more than the rise in land. You can see that especially in dairying with the weeding-out of the poorer class and getting a better class of stock. Wheat is often quoted. I have here a return compiled by the New Zealand Farmers' Co-operative Association covering seventeen years for wheat and oats, which I shall hand in to the Commission, and another return from one of the leading mills showing the average price per month for eight years for grain. The Commission will see that the rise in the price of land has not affected the price of wheat at all. McManus, a Dunedin witness, stated that wheat had risen from 2s. 6d. in 1900 to 6s. 6d. in 1910. The price should have been 6s., not 6s. 6d., and then it was for wheat on the Otago goldfields. I quote this to show how unreliable Mr. McManus is. The farmers' price at country stations on trucks was 2s. 4d. in 1900, and in 1910 3s. 9d.?—not 6s. 6d. as stated by McManus.

8. *Dr. Hight.*] You do not know how these averages in your return have been obtained?—Yes; the average is given for all the grain the Farmers' Co-op. has bought.

9. *The Chairman.*] Of course, you understand we get certain evidence in certain places, but the Commission sifts out this evidence before relying upon it?—Yes; but I wish to point out that the evidence given by that witness is of no value whatever to the Commission.

The Chairman. The Commission has to thank you, Mr. Jones, for these very carefully prepared tables you have just handed in.

Witness: I would like to point out the position of the producer in recent years. I have taken out a return which I think would be of some value in connection with 40 bushels of wheat, showing how much bread can be baked from it, and the cost.

The Chairman: Thank you, that would be useful.

Witness: The 40 bushels of wheat is the product of $1\frac{1}{4}$ acres, which at 3s. 6d. = £7. Then I take in the miller's charges. That would produce 1,680 lb. of flour, 720 lb. of bran and pollard. At the present rate of flour that would amount to £7 2s. 9d. for flour, and £1 16s. 6d. for offal = £8 19s. 3d. manufactured. The difference between £7 and £8 19s. 3d. is the cost of manufacture, but off that has to be taken the $2\frac{1}{2}$ per cent. discount the miller gives, and he has to provide sacks and railage, which come to about 15s. per ton. 1,680 lb. of flour bake (according to best evidence I can get) 571 loaves—4 lb. loaves—and that means £14 5s. The baker in addition gets the $8\frac{1}{2}$ sacks at 6d. = 4s. 3d. The result is: the farmer grows, harvests, pays rent, threshes, rails to the mill, and the miller manufactures into flour and delivers at the baker's door for 3d. per loaf; the baker handles the flour for twelve hours, and it costs 3d. more to deliver it to my door.

10. *The Chairman.*] You think there is too great a difference between the first charge and the last?—Yes. The cost of handling that flour, which we grew and milled and paid rent and profit for, amounts to a shade less than the baker gets for handling it for twelve hours. As far as the producer is concerned, we are producing now as cheap as ever we produced it; the fault lies after the wheat leaves us. The question of rent has also to be counted—say 25s. for the 40 bushels of wheat.

11. You mean the farmer is either renting his place or losing interest equivalent to rent?—Yes.

12. *Mr. Hall.*] That is 25s. on the $1\frac{1}{4}$ acres required to grow the 40 bushels?—Yes; that is, one-thirteenth of the loaf is rent. And that is not rent of land, because the most of that is labour that has been put into the land; you might call it "stored" labour. The labour you put into your farm should receive as much consideration as the man who grows it.

13. *Mr. Veitch.*] The 25s. is rent on the present value of land?—Yes.

14. On the capital value?—Yes. The Commission will see that practically the whole cost of growing wheat is labour, and the rent of land does not enter into it.

15. *Mr. Fairbairn.*] The real cost is in baking and distributing, you contend?—Yes; and none of the bakers seem to be getting rich.

16. *The Chairman.*] I would like you to explain how the whole cost of growing wheat is labour—why, you turn the word "rent" into "labour"?—Well, at the present prices there has not been very much profit more than the cost of the farmer's labour in growing wheat for the last seventeen years; so that I consider that practically the whole of the loaf of bread is labour. I do not know what the profits of the miller are; I have no interest in a mill.

17. Would he not have to labour as much on a farm costing £20 as on a farm costing £100 per acre to produce the wheat?—Yes, if you are growing wheat it costs as much to produce a bushel no matter what the price your land is.

18. Can he afford to sell the wheat at the same price?—The position is that you can only give for land what it will produce in the way of wheat, so you would not give the higher price for the land. Therefore that question does not enter in. There has been a very slight increase in the price of wheat, as that return will show. But that is world-wide. I will read here a few lines from Professor Hill, dealing with the production in America. He says, "Still more of the rise of price is due to the decline of agricultural produce as compared with the increase of population. Taking the average for five-year period, the wheat crop of the country increased 41 per cent. in the twenty-five years ending 1908; the population increased 74 per cent. The decrease in wheat exports was 24 per cent. when wheat sold a \$0.65 per bushel; it was because the world's product was relatively in excess of the world's demand. The ratio is now reversed, and demand, taking the world as a whole, is gaining on the supply." The number of mouths to be fed is always increasing, and, of course, America's position is just ours. People are going into the city where they are eating bread, instead of being in the country where they ought to be producing it. That quotation is taken from Professor Hill's pamphlet "Highways of Progress." I will now deal with the exports. The export of wheat, as far as New Zealand is concerned, has been steadily declining. It might be thought that the dairying industry was having some effect, but it has practically no effect on the wheat-growing area; dairy land, taken as a whole, is not wheat land. Another factor is this: in the last twenty years practically the whole of Southland has come into grain-growing, and our closer-settlement schemes have brought an enormous area under closer cultivation, and yet in spite of that the wheat-area is decreasing. This year has been the most prolific I have known in Canterbury; but for that we should undoubtedly be importing wheat. I have no doubt we shall be next year; I do not think we shall be growing nearly enough for our requirements next year. The whole problem in connection with the growing of wheat in this country is the insufficiency of labour. Never in the last four or five years principally have we been able to get sufficient labour.

19. *The Chairman.*] Thirty years ago a certain amount of the Taranaki land was under wheat, and now had gone under dairy-farming, because of the insecurity of the New Zealand climate mainly, which was not so important a factor in dairying?—Yes, but practically the whole of the dairy land in Taranaki was bush land, and only a small proportion of it was croppable thirty years ago.

20. Is it not a fact that cropping has gone out of fashion on account of the butter and cheese industry increasing by export?—The North Island is not a cropping district.

21. That seems a good reason for cropping going out?—Yes, there never has been an extensive area of crops grown in the North Island.

22. Do I understand you to say that the land under wheat is declining?—Yes; it has been practically at a standstill for many years, in spite of the enormous area opened up for closer settlement. We should have multiplied our wheat by at least three, but there is a large decrease last year—for the year not in the Year-book.

23. *Mr. Macdonald.*] You estimate that?—Yes. I have not the figures here to-day, but I could hand them in. We are 100,000 acres of wheat short.

24. Where do those figures come from?—From the Agricultural Department, I think. Take the Greendale district—not a dairying district, a very fine wheat district: there is a lot of land there that ought to be growing wheat that is not growing wheat because labour is not available. That statement was made by Mr. Holland, farmer, of Greendale, at the Farmers' Union Conference a week ago, and I know it is true. That is true of a large area of our Canterbury land—it should be growing wheat instead of sheep. It has been suggested that we are not paying sufficient wages to attract labour. In twenty years our wages have increased 50 per cent.

25. *Mr. Fairbairn.*] When was that increase most marked—the last ten years or the previous ten years?—It has been fairly gradual. To show you that we are paying sufficient for the labour we are employing I may say that the farm labourers dispute proved that a youth could start on a farm at sixteen years of age, and some of them gave evidence to show that they had saved £500 at twenty-five years of age with agricultural labour alone.

26. *The Chairman.*] As wages-men?—Yes.

27. *Mr. Hall.*] In nine years?—Yes, saved £500, with compound interest.

28. *Mr. Macdonald.*] On what wage?—The wages then would be less than they are to-day. The wages they would be receiving would be from 20s. to 22s. 6d. per week, with a bonus for harvest of £4 to £10. There would not be many £10 bonuses, probably none. The evidence in that dispute proved that 80 per cent. of the farmers who are actually farming were farm labourers.

29. *Mr. Hall.*] What district does that cover?—That was given throughout the Ashburton County, as being an estimate; it is fairly characteristic of farmers.

30. *The Chairman.*] You mean a man who has worked on the land for wages?—Yes. If you take the North Island it will bear out that statement as well as this.

31. *Mr. Hall.*] Is one cause the scarcity of labour—that the men are becoming farmers themselves?—Yes. There has been a constant stream of our best farm labourers leaving labour and taking up farms of their own. I know one man employed eight hands, and four of them this year left to take up land for themselves, and all their money was made at wages. That is a fact I can substantiate if necessary.

32. *The Chairman.*] Would they have been able to take up as much land had it not been leased land?—Well, if you take Government land you have to show three years' rent in advance.

33. Is that in the regulations?—Yes, I think that is the Land Board regulation. A poor man cannot get on Government land.

34. Not under the Land for Settlements Act?—Oh, no. There is plenty of freehold land that is as easy to get on as Government land, sold by private individuals, and of course the Government always charges six months in advance, which no one else charges. Glenmark Estate is a good illustration to take: that was settled by a 10 per cent. deposit; a man could get on that quite as easily as on Government land. A landholder cannot cut up his land now on those conditions, because there is a barrier: the Government demand 15 per cent. should be paid down, and that blocks a good deal of settlement—15 per cent. deposit is required before the large runholder gets relief from the graduated tax. This constant stream of men from the farms lies at the root of the farm labour scarcity.

35. But you consider that is for the ultimate good of New Zealand?—Yes.

36. Then the shortage of labour must have been beneficial to New Zealand so far as taking up land is concerned?—Taking up land is certainly beneficial to New Zealand, and it must go on. Still, the decrease in cropping through insufficient labour is enormous, and that fact is going to affect the cities more than it has done in the past. If we are producing heavily in the country, that means better conditions in the towns as well; but if production is stopped it means the reverse. Our exports have decreased between two and three millions, and we are feeling the pinch of that now. Take the question of potatoes: I was speaking to a man on Saturday, and he was paying 1s. 4d. for digging potatoes on a farm at Broadfields, and the men are making 2s. per hour. If sufficient labour had been available for digging potato crops in the proper season I do not think that potatoes would be over £2 per ton; enormous quantities have been destroyed and rotted in the ground because labour was not available. It would be worth the while of the Commission going to Kaiapoi to see the potatoes not dug.

37. Then the cost of labour is increasing because there are not sufficient workers to produce?—As far as production is concerned, that is going on. I think our costs are judged by London prices; but next year there will be a shortage of wheat, and New Zealand will be living on American wheat; there will not be much to be had from Australia. New Zealand, to keep its present position, has to produce more, and that is impossible under present conditions of labour. It is not a question of low wages. There are any amount of six- and four-horse teams running in the paddocks because men are not available to plough. There is no industry in New Zealand that I know of that is meeting the demand for more wages, less hours, and charged a smaller additional sum for his product than the farmer. Bacon has been quoted as being very dear; it will probably be dearer.

38. *Mr. Fairbairn.*] Can you tell us something about bacon?—In connection with the production of bacon and pigs boy-labour is essential; it is boys' work, not men's work. There are no boys available in the country; you put the boy to other things because you are short of labour in other directions.

39. Not because when he has tended pigs long enough he is not prepared for any other pursuit?—A boy does not tend pigs more than two or three hours in the day; he has his other five hours to go through the farm, learning his business, and if he can handle horses he is quickly given a team. That is the way we train them.

40. I thought you spoke of boys tending pigs altogether?—Oh, no; doing the odd jobs about a farm, and you gradually get him into other things. That is why bacon and things of that description are going to be dearer. The farmer is going out of these things; that is the position.

41. *Mr. Veitch.*] Can you give us any figures to show that these statements are correct?—Take bacon: the Year-book will show the price of pigs; I have taken my figures from my own personal observations.

42. *The Chairman.*] And you do not grow pigs because you cannot get boys. For years I have been trying to make the public understand that there are no girls and boys available: it is a question of the falling birth-rate?—I know that. I know it in connection with weeding operations. Once I was able to get thirty boys for weeding; in the same district to-day I could not get one-third of them.

43. I only interjected because I thought you were blaming the boys for not being ready to go to farm-work when the boys are not here?—I see. We tried to get over that difficulty in connection with the Sedgwick boys. That experiment has quite justified itself, and we could have taken five hundred boys from where they were not wanted and put them where they were wanted, but the Government blocked us.

44. It was much to my regret?—The farmer, then, has to go out of pig-growing because the labour is not available. Those are things the Home market does not influence, and consequently the price of these commodities will rise unless that defect is removed.

45. *Mr. Fairbairn.*] Have you any suggestions or definite information about the price the farmer gets for his pigs?—Pigs in Addington (our chief market), as a farmer, I should say have been averaging 5½d. to 6d. through this season—that is, on deadweight for the live pig; often it is well over 6d.

46. *Mr. Hall.*] What are bacon-factories paying?—I could not speak authoritatively upon that. Now, one of the big factors in the price of land quoted has been the improvement of stock, and that is often lost sight of.

47. *The Chairman.*] Have you any idea that the farmer's produce is not made to return a fair amount to him because there are middlemen intervening in any way? Take the price of fruit, for instance: do you think the grower gets an absolutely fair show with the public?—I have been in Christchurch over a year, and the public auctions are free to everybody, and I have bought there, and never paid more than 1½d. per pound for apples, which seems to me a satisfactory price. I have bought Nelson apples for ½d. per pound. I could not say what the same apples sell for in the shops. I am here as a farmer, but apples are not a farmer's line, and I can only speak from the buyer's point of view. I know I can go into the auctions and buy any kind of fruit and vegetables—onions, potatoes, apples, &c.; these are sold direct from the farmer merely with an additional 10 per cent. for the auctioneer. If a householder wants to live as cheaply in Christchurch now as twenty years ago, I believe he can do so by going to the auctions in this way. If a person will have services rendered through the shops—and men are shortening hours and increasing wages there—that is their concern; but the opportunity to deal by auction is there. As far as we are concerned as a people, in connection with the cost of living, if more mouths come into the city and less into the country, the cost of living must increase. What is wanted to-day is more production through our country, and that means more work for the cities, and railways, and so forth; but unless the labour-conditions are dealt with, and dealt with very quickly all through New Zealand, living is going to be considerably dearer than before.

48. *Mr. Macdonald.*] You mean that the proportion of the population will have to be altered?—Yes; for the first time in New Zealand history there are more people in the cities than in the country, and the reverse ought to be the case.

49. *The Chairman.*] Do you think there will be more attractions offered in the country in the future than in the towns, and so the population will move?—There is something more behind it than that. The people are not in the country. Our best men are becoming farmers, and there is not a country population coming on, and unless it is increased by immigration it will not be done in any other way. The bulk of the people brought up in the towns will stop there; only some few go into the country. Men can get on the land so easily now, if they have any intelligence and are prepared to save; and they leave a vacancy behind which we are making no effort to fill.

50. *Mr. Veitch.*] Do not the men who go out of farm labour produce more than they did in the employ of a farmer?—That is very questionable. They often go to a single or double furrow of their own, instead of a three-furrow plough.

51. How can they make themselves better off then?—They will do well on the land at present values, if a man has intelligence and ability in New Zealand; but that does not get over the difficulty that if that vacancy is left and not filled the country will suffer.

52. You say the production, then, is being reduced on account of the men going out of the employ of farmers: do you think the country will produce more in large blocks than in small?—No, the production over the country has become less, because the men on the large blocks are not able to produce as much as they ought, because they have not enough labour. I am speaking of grain. If you take frozen mutton, there you have a big increase.

53. What line of farming do the men go into when going out of employment?—Dairying, sheep-farming, grain-growing, and so on.

54. I cannot understand how it is possible to reduce production by putting more farmers on the land?—I did not say that; I said the production of grain had decreased.

55. But they will be producing wealth of some kind—grain or something else?—There is a bigger export of sheep. But the point is this: that there is a lot of our land producing sheep that ought to be producing wheat, and wheat is far more profitable on that land.

56. Can you give us your reasons—sound reasons—why the workers do not go on the farms?—The reason is that they go into the employ, and get out of the employ by becoming farmers.

57. Then there must be a constant stream of men going on the land and increasing the production?—Yes, and my figures show that, but I am dealing with grain alone. I make this statement: the price of land in no instance has increased the price of a single article in connection with farm life. The price of some articles has increased through insufficiency of labour; I do not think the price of land has the slightest thing to do with it.

58. Would not the demand have something to do with it?—Yes, somewhat; but it must always stop where the limit of profitable production is reached. Another point I was just making, which is lost sight of, is that every improvement in the flock or dairy herd increases the price of land through the individual effort of the farmer and his breeding of stock; but he will get more out of his land through improved stock.

59. You may be right so far as the price of land is concerned, but I want to know why men do not go to work on farms. Are there houses for these men to go to? Are they guaranteed permanent employment? There are labouring-men in Christchurch getting very low wages, and if they were guaranteed a decent living in the country, with secure employment, surely they would go to it. We had a farmer who said he was willing to give the men land. What is the trouble? Are there any houses for these people—the married men?—There are not enough. The question of more accommodation for married men is a question I have written and spoken on for ten years. There is room for a great deal of improvement.

60. Could you produce farmers who are willing to build houses for married men and guarantee regular employment at fair wages if they go to the expense of shifting their families from the town to the country?—The best evidence is that it is being done every day.

61. Then how is it the country population is decreasing—especially in view of the closer-settlement policy?—I do not mean building a house a day. I say that throughout the country men are building houses for workers, but there is room for an extension of that principle. The best way to train workers is to take a youth and teach him his business, and then at from twenty-five to twenty-eight years of age he is a practical farmer with sufficient money to start farming for himself. That facility is open to any young man.

62. You speak of the increased settlement of the country, but that is not borne out by the statistics: last year our exports shrunk three millions, accounted for by price as well as by quantity?—Here is an instance. The Government bought Mr. Joseph Bailey's property at Templeton, 1,000 acres; they put ten settlers or more on it: there will be less exports than if that place were under Mr. Bailey's management—considerably less.

63. *The Chairman.*] How?—If you take a man with 1,000 acres of land and two or three three-furrow ploughs, he can produce cheaply, and export. You put eight or ten families upon it, and they are consuming as well as producing, and your exports are less.

64. Then perhaps it would be better to have all the farmers swept away and turn New Zealand into one great wheat-ranch?—I am not arguing that way. I say that this year our exports are less, and your exports from that farm will decrease.

65. *Mr. Veitch.*] But if a man goes out of the town into the country he will eat as much in the country as in the town; it would not affect the matter at all?—Well, there you have a concrete instance. I was answering Mr. Fairbairn's question *re* exports from a large farm.

66. But the export of the whole country will not be less?—I am not saying this is not a good thing; it is a benefit to the country that the land should be settled nevertheless.

Mr. Fairbairn: It is quite understandable, I think. Mr. Jones means that the production would be more, but the exports from that particular farm would be less.

Witness: Mr. Veitch has mentioned the question of housing, and it is a very important one. I noticed that the Commission visited the Sydenham workers' homes. They are excellent, but the question is, Are they in the proper place? The Government at the present moment are running a suburban train to Templeton and back, and the worker could get in for 2s. per week; you could buy 2 acres there for less than the cost of your $\frac{1}{4}$ -acre town section.

67. *Mr. Veitch.*] How long would you be able to do that if you planted a workers' settlement there?—That is no concern of ours. If we can put a worker on 2 acres of land within reach of his work for 2s. per week train fare he must be better off than on a town section.

68. Your contention is that the money should be spent in building workers' homes in the country?—Yes.

69. It seems to be a good idea on the face of it. But they would have to be occupied by married men working on a farm: can you find any guarantee that that house will be permanently occupied and the man permanently employed on the farm?—You cannot guarantee that; and you cannot guarantee it in connection with the city house. I think what is better is to give the individual farmer some encouragement to do it.

70. It would be far better for the farmers to do it?—I could tell you how it could be done, but that is outside the scope of this Commission. This is the question with the cost of living: the Government figures prove that vegetables, milk, butter, and cheese are 37½ per cent. of the total cost of a man's food; a man living at Templeton on 2 acres could save the whole of those items; his position would be infinitely superior to congesting him in Christchurch. A man put on 2 acres (and that could be bought within five miles of Christchurch for £50 per acre) could be a casual worker, and he need never be out of employment; he could fill in all his spare time on his land. The whole thing lies in getting the producer and consumer nearer together and eliminating waste, and the worker realizing that to get more he must produce more. The shorter

hours and more money given must mean an equivalent in more work. Another question is the production of meat. I know something of the butchering trade; my father was twenty years in it, and as a lad I kept his books. Twenty years ago we were selling meat out of the cart for 2½d. per pound for mutton forequarters, 3½d. for legs, and 3d. for sides; legs could never be bought for 1s. unless there happened to be a glut in the boiling-down establishments once in a while. On my farm I never charged my men more than 2½d. per pound for mutton, and I can go into a shop in Christchurch to-day and buy mutton at identically the same price as paid twenty years ago. The greater cost comes in the delivery.

71. *Mr. Fairbairn.*] But you know these prices are abnormal: that has not been the ruling rate for mutton for the last six years here—you are referring to a cash butcher?—Yes, and that cash butcher has come in at a dear time—dear in buying his stuff. I have a return showing what the farmer has been getting on the hooks for his mutton—killed and dressed, bare meat. For the last three years for best wether mutton the price is 2½d. per pound; ewes (the bulk of what is used in the butchering trade) is barely 1½d. on the hooks. I could not say what it is sold for. But one of the largest firms, as evidence shows, has been compelled to go out of the retail business. In 1910 wether mutton was 2·47d. per pound, and ewe mutton 1·17d. per pound; in 1911 wether mutton was 2·88d., and in 1912 3·19d. per pound; in 1911 ewe mutton was 1·61d., and in 1912 1·94d. per pound. This year the mutton has been dearer, owing to the very dry season the year before last: the stocks of sheep got low, so that this meat at the cash butcher's shop is being sold when mutton is bought the dearest from us.

72. *The Chairman.*] The price is really a little over 1½d. per pound?—Yes, the bulk of the mutton is bought at that rate; so that there is no country in the world that is handing over its finished product so cheaply as the farmers of New Zealand. It is a question of the distribution of the meat. People are apt to think that the larger the concern the cheaper the meat; that is not so. One firm which started butchers' shops some years ago the farmers dreaded supporting, and yet that big company has gradually gone out of the business, reducing the number of its shops, and intends to close them all.

73. Do you know their motive?—The shops do not pay. That shows that individual enterprise can beat the company every time in the butchery trade, through more attention to detail. My experience of butchering is that the difference for what the meat can be bought for and what the householder buys it for practically all goes in labour—in distribution—and we can live, as far as mutton is concerned, pretty well as cheaply as twenty years ago, if we do not want service.

74. *Mr. Macdonald.*] What about 4d. for fish and 8d. for service, as we were told?—That is pretty strong, I think; still, if you buy for 1½d. per pound and sell for 4d. you get into the same position. Two-thirds of the trade in Christchurch is ewe mutton bought at 1½d. per pound. I should think the wholesale price of the mutton all round is 2d. per pound, at the outside. I do not think there are great profits in the retail butchery—as the closing of the shops mentioned shows. If the profits were there the right class of man and the organization would be available.

75. *Mr. Fairbairn.*] It may be accounted for by the cultivation of the other part of this company's trade?—I am certain it is not that; it is rather a benefit to them to have shops, because they can work off in the shops meat that is not good enough to ship. Taking the cost of living as it applies to me, I find that boots cost me 90 per cent. more than bread. I have a family of five—four at school and one not at school. I suppose boots are as much a necessity as bread. We hear a good deal of the slight protection the farmer gets of £1 per ton on wheat, and if that protection were removed I think bread would be dearer in five years than if it were kept on. The slight protection the farmer gets is very trifling compared with other trades. It was stated here that some boots imported into New Zealand cannot be made here at a profit; if that duty were removed it would be a great benefit to the workers. I know of no single item in the cost of living that is pressing so hard on a man with a growing family as boots. The question of rent has been mentioned, and I have here two or three facts in connection with the building of a house in 1897, and what it cost in 1911, and the proportion that goes in labour. It is for a large house in one case, but a builder informed me that he thought the proportion of labour would be the same in both. In 1897 the proportion was 18½ per cent., and last year it was 32½ per cent. In the cost of material the bulk of it is labour; royalties being doubled from 6d. to 1s. is only a trifling matter after all, but the cost of the labour being doubled results in increase of rent. Practically the whole cost goes to the worker in increased wages and shorter hours.

76. *Mr. Veitch.*] Is this hearsay evidence from a builder?—No; these two houses were actually built, and the wages-sheets handed to me.

77. How were they computed? Are the two houses alike?—No; but I asked the builder if the proportion of wages was the same, and he said he thought so.

78. *The Chairman.*] He "thought" so: that is not evidence, Mr. Jones?—It is a comparison I was making with two houses which in the judgment of a builder, who ought to be an expert, carried the same proportion of labour.

79. *Mr. Veitch.*] Do you know how the percentage was computed?—Yes, I have the wages-list.

80. Is it not possible that he employed wages-men to do the greater proportion of the work, and in the former case had the work done by contract?—The whole of both houses were built by day-labour, but in one the painting was done by contract; that cost £19.

81. A good big proportion of the amount?—Well, I put half that as labour and the other half paint; in every case I gave the advantage to labour.

82. *The Chairman.*] I think, when it comes to painting and plumbing, and so forth, and you are thinking this, and judging that, and calculating the other, your evidence is not so valuable as when it applies to farming?—But I have the facts here before me; and I think the proportion of labour is the same. I know one cottage well.

83. *Mr. Veitch.*] Have you seen both houses?—No, but I know the style of the two houses.

84. *The Chairman.*] I should be glad if you would keep to the farming?—There is one factor that has not been taken into consideration in buying land: twenty years ago a man bought a section with a road on a map, and had to make the rest; to-day the man buys a section channelled and roaded at a cost of £40 per chain, so that if his section costs more that has to be counted in. I was offered yesterday in Christchurch six quarter-acre sections, in good positions in the 2d. area in Christchurch, from £130 to £170. I saw the statement made that they cost £300, so I quote this. Land can be purchased within two miles and a half of Cathedral Square for £140 per acre, and that is beautiful dairying-land within reach of Christchurch. This concludes the facts I have to put before the Commission from the producer's point of view. I contend that we are producing as cheaply as anybody in the world, and my figures show beyond a shadow of doubt that the price of land does not enter into the question.

85. *Mr. Robertson.*] I see by the Year-book that from 1908 to 1911 there was a very large increase in the number of pigs kept?—I know from practical experience as a farmer that farmers are going out of the pig business; where we used to keep a large quantity of pigs we do not now.

86. The higher price of bacon is no doubt due to the shortage of pigs?—Unless there is a greater demand for bacon.

87. While there is a smaller area under wheat crop, the area under oats has increased by 100,000 acres?—Yes, that is so; and as settlement goes on that is bound to go on increasing. A man has to provide food for his horses.

88. But production does not decline owing to the system of farm labourers settling on the land themselves?—The production does not necessarily decline, but the figures in connection with wheat prove that, in spite of the population increasing and the taking-up of land, the wheat-area is not increasing.

89. You took an example of a 1,000-acre farm, and ten families on it; you said that farm would produce more under one man?—No; I said the export from the country would be greater; I said the production would be more.

90. *Dr. Hight.*] Can men wishing to go on the land get capital on easy terms?—Generally, you mean—not at the present moment?

91. During the past ten years?—Yes, easier than at any time in New Zealand's history.

92. Both for purchase of land and investment in stock?—Yes.

93. Is it not possible for farmers, to avoid increasing costs of distribution, to sell direct to the consumer by means of co-operation?—The abattoir blocks that for meat, and I do not think the increased profits would warrant the increased service. The Farmers' Co-operative Association has done good, and the same principle would be better for butter and eggs and poultry, we think.

94. You said you could tell us how it would be possible to build cottages in the country to ease the scarcity of labour?—That goes back to the question of taxation. At the present time we are supposed to be exempted for improvements. That is a theory; in practice we do not get exemption—merely a little allowance on the capital value, and the more a farmer improves his property to-day the greater becomes his taxation. If a man got relief from the graduated tax in proportion to the houses he put up on his property that would encourage the building of houses. But suppose a man stumps a piece of bush country, at a cost of £10 per acre, and his neighbour leaves the stumps in as evidence of bush, he gets exemption. At present the more a farmer improves his land the more taxation goes up, while the speculative farmer keeps his taxes stationary.

95. You said that the worker has gained in wages, and the chief gain has gone to the worker?—Yes.

96. Are you of opinion that this gain compensates him for the rise in prices?—There is little increased cost to him. Practically the whole of the increased cost for agricultural workers falls on the farmer, except clothing. The worker is "found" in accommodation and food, so that practically it is a net gain to the country worker.

97. *The Chairman.*] Would you have us believe that the Government valuers are so ignorant or culpable as not to know when a piece of land has been stumped—that they do not make inquiries, and take the facts into account?—The valuer dare not do it. His instructions are to allow for improvements in sight; he cannot discuss whether the bush was actually there. That is the law to-day. We hear a good deal of the unimproved value rising; that is a pure fabrication. It is supposed to have risen £136,000,000, according to the single-taxer. Improvements are not properly allowed for. I know a farm in Waikato, sold for 5s. per acre, and sold a few years after for 50s., and the second man did not make any money. The present man wanted £7 per acre, and was offered £6 10s., and he was a careful book-keeper and said he could not take it. The unimproved value is £3 10s.

98. *Mr. Veitch.*] At what point are unimproved values to be fixed?—As a practical farmer I say there is no possibility of fixing the unimproved value. Take a clay paddock that has had fifteen years' cultivation to bring it to the point of productivity: no man can tell what that has cost; the smartest valuer in the world has not the slightest idea of what it is worth.

99. *The Chairman.*] Do you believe it would be a better system to tax on the improved value?—I say that the taxing on unimproved values has caused a tremendous lot of dissatisfaction amongst farmers. I think if the lesser rate of taxation were put on the capital value it would be preferable to the present system. You can get at the capital value, but it is impossible to get at the unimproved value.

100. If he built houses for workers his farm would be taxed more highly?—I said these things should be taken into consideration.

101. *Mr. Macdonald.*] But the farmer in the Waikato could find out the value of his farm?—The Government would not have accepted his figures. I do not think it is practicable, as a general rule. Some farms are brought from heavy clay to high cultivation and profit, but for ten years you have practically nothing for your labour, and by no system of book-keeping I know

can you tell the unimproved value. I could take my father's farm, bought at £2 per acre and now worth £20, but there is no way of calculating these things.

102. *Mr. Fairbairn.*] You have an instance of a farm hand saving £500: was that many years ago?—That was given by a witness who took up land with Moore, of Glenmark. That would be beginning sixteen or seventeen years ago.

103. And the rate of interest was probably higher?—Yes.

DAVID JONES recalled.

Witness. Yesterday I mentioned that there were later data in connection with the wheat, and I have been round to the Agricultural Department and got this morning the return which I put in. This return shows that the wheat-area this year is 106,539 acres less than last year.

104. *The Chairman.*] You do not give the area in oats?—The oat crop in 1901 was 10½ million bushels exported, and it fell gradually (with the exception of one year) till last year there was less than half a million bushels exported.

105. You have not answered my question, Mr. Jones?—The area in oats this year is more than last year—it is 403,668 acres total area.

106. *Mr. Macdonald.*] It has gone up about as much as wheat has gone down, then?—I have the areas here.

107. Yes, it is just about that?—From 1901 to now our exports have dropped from about ten million bushels in oats, as I explained. In answer to another question that dairying has driven out grain in Taranaki, I went into the records and find the grain crops in 1891 (the earliest record) to be 5,296 acres, and last year the area was 11,984 acres; so that although dairying has gone ahead at such a rapid rate in Taranaki, the area of grain has also doubled in that period.

108. *The Chairman.*] You gave several reasons why the wheat crop this year was not being put down; you said it was on account of the shortage of labour, and so on. The real fact is that, although so much land has not been put down in wheat, it has been put down in oats?—That means that two years ago and last year the areas were practically the same. I am not claiming that there has been a tremendous drop in a single year.

109. *Dr. Hight.*] You were referring to Canterbury?—More particularly to Canterbury as a grain-growing district, but it applies to the whole of New Zealand, the areas. Since 1901 the areas of both have materially decreased, until practically we are not exporting anything. The fact that oats this year compensate for the loss in wheat simply means that in the two years there was very little difference.

110. *Mr. Macdonald.*] Oh, I cannot follow that from your figures [figures quoted]. There has been no steady drop at all; there has been a little fluctuation, but it has been almost steady grain-growing?—Yes, but under ordinary conditions there ought to have been a tremendous increase in the area, but with the oats there has been a material drop in the export.

111. I do not think it was fair to take oats in 1902–3, the year of the South African war?—Oh, every year you export every oat you can spare; that does not make any difference. The ten million export was next year five million, and so on down to less than one million bushels exported; it has never reached the million again till two years ago.

112. *Mr. Veitch.*] How does the quantity exported compare with the area under crop? All the oats are not exported: has the local consumption increased or decreased?—There is bound to be a gradual increase in the local consumption, but I think the exports are the best indication, and it was the most reliable as to quantity.

113. In reply to Mr. Macdonald you said that as settlement increases the quantity of crop grown should increase?—Yes.

114. Yesterday did you not say, too, that the increase of settlement had the opposite effect—that the man with the large farm grew wheat and the man with the small farm did not?—No; what I said was that there was more production, and that where you got more settlement there was less available for export, and that the larger farmer, on account of his farm hands going into business on their own account, was left without sufficient workers to increase his exports.

Mr. Veitch: I do not think that clears up the point at all.

Mr. Macdonald: Mr. Jones gave the same explanation yesterday.

115. *Mr. Fairbairn.*] The conditions of export of wheat and oats have been much less favourable to New Zealand during the last ten years. Australian farmers, through simpler methods of harvesting, &c., have been able to wipe us out in the Home markets altogether, and for some years our exports in wheat show a big drop: is that not so?—Well, New Zealand and Australia are not material factors in the Home markets.

116. Still, the export of grain from Canterbury was a considerable item?—Undoubtedly.

117. And bulked largely in our exports?—Yes.

118. And farmers have taken much less attention to it because they have more profitable channels in dairying and grazing—they both pay better: is not that the position?—Somewhat. But I was quoting Taranaki to show that, although dairying had increased so enormously, yet the cropping area had doubled.

GEORGE FRANCIS SIMPSON, Flour-miller, Southbridge, examined on oath. (No. 68.)

Witness said he had been in the flour-milling business for ten years, and would hand in a return showing the prices of wheat, &c., for the last few years. He did not belong to the Millers' Association, preferring to be free. He had no idea that the association artificially raised prices; the price at present was much against the miller. The association never interfered with him nor he with them. He approved of giving a fair wage and getting a fair return, but did not think he was getting that now. The price of wheat now was 3s. 6d. to 3s. 7d. per bushel, and

flour £8 10s.; bran £4 15s., and pollard £6. To make a ton of flour cost at present 5s. more than the wheat actually cost, and all the expenses had therefore to come from the offal, which left barely enough to clear expenses. All the profit and 5s. over had to come from the bran and pollard. There was no profit in grinding flour, and had not been since last November, when the price dropped. Before November flour was £9 per ton, and then there was a little profit in the business; but large quantities of Australian flour had been put on the market, and the bakers preferred this, because it was drier and produced a little more to the ton than New Zealand flour. He had never been in the association, and had nothing to do with it at all, but he followed their prices according to what he saw in the newspapers.

JOHN NICHOLAS DU FEU, Boot-retailer, examined on oath. (No. 69.)

1. *The Chairman.*] You have a retail shop?—Yes, I have been in that business for over twenty years in Christchurch, doing retail and order work.

2. Do you find the rents asked for shops of your class very exorbitant?—Yes, we feel that the rent is higher than it should be, but one has no option, because if you go out or even complain about things there is always somebody ready to come into the shop.

3. Do you get your shop on a long lease?—Ten years at present is the lease; they do not care to lease for longer, because the cost of land increased, and then they put up the rents. This is the first lease I have had of my shop; formerly I was further up the street in a cheaper shop.

4. It has been alleged that there is a large profit on boots made by the retailers: is that true?—No, the profit made in retailing generally is about 25 per cent., and I do not think it could be done on less. A few years ago people did not mind taking away their own repairs or purchases, but now everything has to be sent. A good deal of the profit goes in extra expenses that have thereby become necessary. Then people want smarter shops, better appointments; but I do not think the profits are prohibitive.

5. If it should be alleged that some retail bootmakers alter the brand and make the public believe that New Zealand boots are American or Parisian, would you be able to confirm that having been done?—No, I have never seen it done. I have frequently heard a salesman say, in answer to a question as to whether a boot was English, "Yes, it is British," and it may be a colonial boot. It has never come under my notice that brands have been altered.

6. Nor new brands affixed?—No, I have never heard of that.

7. *Dr. Hight.*] Is your business mostly making boots to order?—Yes, bespoke work. We do not make any boots for the shop at all; we buy these from the wholesale manufacturers.

8. Your retailing of boots is a small item, then?—Oh, I suppose we do about £300 to £400 a month in that way.

9. *Mr. Fairbairn.*] You mentioned rent: do you pay rates and taxes also?—Yes, as tenant.

10. Have you found a big increase in your rates and taxes?—They have not increased since we have been in this new place—that is, the last three years they have been stationary. Speaking from memory, they are £26 10s. The rent is £3 10s. per week.

11. *The Chairman.*] Have you any other statement to make that would help the Commission?—I cannot see that the cost of living has increased with the exception of house-rent and meat, if people would live the same as they did twenty years ago. House-rent has increased, and meat has increased. People say that boots have increased in prices—they have a little, but not as much as people make out. People wear better boots, finer boots now. You can buy the same quality of boot at the same price, if they would wear them, but they will not. I noticed a man working for the Council the other day wearing a pair of glaze boots with patent toes. They do not buy the same quality of boot for themselves, nor for their wives and children.

12. You think the increase is due to high living?—Yes; people will have more. House-rent is dearer, because land has increased in value, and they have to pay 20 per cent. more for the same house. If people would live in the same kind of houses, have a bath in the shed, &c., they could get the house for the same rent, perhaps. I think the extra wages more than compensate for the extra expense they have been put to.

13. *Mr. Veitch.*] Are the lower-quality boots selling at the same price as before?—Yes, back to the last twenty years. Take a blucher boot: it is no dearer than it was twenty years ago.

14. Has there not been a tax of 1s. 6d. per pair put on?—Only on the English stuff, and the rougher boots were nearly always made in New Zealand, and they are still made here. Twenty years ago the boots the workers used in New Zealand were made here, and they are still made here; and their light Sunday boots are still made here, and the price is not very much different.

15. No boots are imported of that class?—Not very many; there never were very many of that class of boot imported. The imported boots are mostly men's finer boots, ladies' boots, and evening shoes. To decrease the cost of living in boots I think it would be a great advantage if the whole of the duty was taken off goods that could not be made here profitably. Take ladies' evening shoes: they could be bought thus for 4s. 6d., instead of 7s. as now, without any loss of profit to the retailer.

16. *Mr. Fairbairn.*] But material has gone up?—I do not think it could cost any more at Home to make the boot. The cost of material is fractional compared with new methods of manufacture which make the boot produced cheaper. The whole of the extra cost in the case I mentioned is the new duty that is put on.

17. You think on cheap boots and felt slippers, &c., the duty should be reduced?—Yes, or taken off altogether, and a corresponding amount put on those boots which could be made here.

18. *Mr. Veitch.*] With the protection that is on the boots that can be made here, can the manufacturers carry on their work profitably?—You can buy boots in England and land them in the shop now a fraction cheaper than you can get them from the local people; that is one

reason why we still import them. Another reason is that they sell better—people demand them. The more duty you put on the imported boot, the more the price of the local goods goes up. I have noticed that repeatedly. But I dare say it has been on account of the increased cost of material to some extent. It is always a mistake to put a duty on the necessities of life that cannot be made here profitably.

19. *Mr. Hall.*] This class of boot can be imported from England, pay duty and carriage, and sold at less than the locally produced article of the same kind?—Oh, yes; we can still import cheaper than we can buy from the local manufacturers.

20. *The Chairman.*] Some of these duties are on for revenue purposes, you know?—Yes, that is so; but that is wrong, I think, in our particular trade. To put duty on felt slippers, small children's shoes, evening shoes, and so on, is not a good way of raising the revenue; it simply increases the cost of the necessities of life. Evening shoes, perhaps, may be said to be a luxury, but young ladies must have some recreations, and if they go to dances must wear evening shoes.

GEORGE FRANCIS TRAVERRA ROWE, Accountant in the employ of Messrs. Fairbairn, Wright, and Co., Christchurch, examined on oath. (No. 70.)

Witness: In September last my principals considered that the Colonial Sugar Company and the New Zealand merchants had broken the law by entering into an agreement to control the price of sugar, and they addressed this letter to the Minister of Commerce. The letter is as follows—

Mr. Macdonald: I do not think that letter should go in at all when there are proceedings pending against the sugar people.*

The Chairman: You think it should be handed to us, but not made public?

Mr. Macdonald: It might be handed to us; I do not think anything relating to the Sugar Company should be put in evidence.

The Minister of Commerce, Wellington.

SIR,—

Christchurch, 18th September, 1911.

We desire to draw your attention to an infringement of the Commercial Trusts Act by the Colonial Sugar Company and a combination of merchants in New Zealand, who have conspired to undermine the law and establish a close monopoly in the sale of sugar throughout the Dominion.

The Commercial Trusts Act, 1910, is defined to be "An Act for the Repression of Monopolies in Trade or Commerce," and contains the following provisions:—

"Commercial trust" means any association or combination (whether incorporated or not) of any number of persons established either before or after the commencement of this Act, and either in New Zealand or elsewhere, and (a) having as its object or one of its objects that of (1) controlling, determining, or influencing the supply or demand or price of any goods in New Zealand, or any part thereof or elsewhere, or that of (2) creating or maintaining in New Zealand or any part thereof or elsewhere a monopoly, whether complete or partial, in the supply or demand of any goods, or (b) acting in New Zealand or elsewhere with any such object as aforesaid.

"Any person who conspires with any other person to monopolize wholly or partially the supply or demand or price in New Zealand or any part thereof of any goods is guilty of an offence, if such monopoly or control is of such a nature as to be contrary to the public interest."

The Colonial Sugar Company have always adopted preferential methods in the sale of their products in New Zealand. Prior to the operation of the Commercial Trusts Act—on 1st January last—the selling-terms were as follows, viz.: 3 per cent. prompt cash discount, a bonus of 10s. per ton (payable half-yearly) to all purchasers who agreed not to handle outside products, and a special discount ranging from $\frac{1}{2}$ per cent. for £150 per month to $3\frac{1}{2}$ per cent. for large syndicate purchases. In connection with these special discounts the Sugar Company arranged combinations of buyers throughout the Dominion to form syndicates. The aggregate purchases entitled each trader in the combine to the special discount on the collective purchases of the whole syndicate, although each trader's business was conducted and financed direct by the Sugar Company. It consequently happened that certain retailers whose individual purchases were comparatively trifling were placed in a better position than independent buyers who handled large quantities.

On the 1st January the Sugar Company advised their customers that in consequence of the operation of the Commercial Trusts Act all bonuses and special concessions would cease, and that in future the selling-terms would be $\frac{1}{2}$ per cent. prompt cash (instead of 3 per cent.), and the following special discounts for quantity buyers, viz.: £500 per month, 1 per cent.; £750, $1\frac{1}{2}$ per cent.; £1,000, 2 per cent.; £1,250, $2\frac{1}{2}$ per cent.; £1,500, 3 per cent.; £1,750, $3\frac{1}{2}$ per cent.; £2,000, 4 per cent.; £2,500, $4\frac{1}{2}$ per cent. These concessions were payable every six months, but in order to secure these special discounts the purchasers had to average the amounts stated per month for six consecutive months.

These terms were altered on the 1st April last as follows: £500 per month, 1 per cent.; £1,000, 2 per cent.; £2,500, 3 per cent.; and £10,000 per month, $4\frac{1}{2}$ per cent.: an additional provision being that £500 had to be purchased every month to secure the concession, thus compelling traders to draw regular supplies.

The latest alteration, dated 11th September last, announces another change in the terms and conditions of sale which will take effect on the 1st October next, as follows: Extra discounts, payable half-yearly on purchases made to 31st March next, will be made on the following scale: £500 per month, 1 per cent.; £1,000, $1\frac{1}{2}$ per cent.; £2,500, 2 per cent.; £5,000, $2\frac{1}{2}$ per cent.; £12,500, 3 per cent.; and £25,000, 5 per cent. There is a further stipulation that at least half the value stated must be purchased in each month, thus preventing outside importations.

The total value of sugar refined in New Zealand is approximately £600,000 per annum, and when supplies to local manufacturers, breweries, &c. (who are on a preferential basis) are deducted, the quantity specified to obtain the special discount of 5 per cent. is more than half of the whole consumption in New Zealand, clearly beyond the requirements of any single trader. Favoured individuals—whose purchases are not more than £500 per month—who are included in the merchants' combination are enabled to secure the maximum special discount of 5 per cent. to the manifest disadvantage of their independent competitors and the community at large. If these concessions were available through open competition the consumer would get the benefit.

There is no single wholesale firm in New Zealand drawing more than £5,000 per month for their own distributing business. The Sugar Company's special discount for this amount is $2\frac{1}{2}$ per cent. It is therefore impossible for any independent wholesaler to handle sugar under the latest selling-conditions, and, as there is no retail business outside the combine handling £500 per month, it follows that practically the whole sugar-output will be controlled by a syndicate with the sole object of restraining trade in their own interests. If this monopoly is permitted it means placing it in the uncontrolled position of fixing conditions with a margin of 5 per cent. to operate on. This conspiracy will cost the public approximately £30,000 per annum, which will find its way into the pockets of about forty conspirators.

The bulk of the sugar transactions in the Dominion are simply financial operations. The Sugar Company ship to consignees, and finance direct at the request of buyers; all charges are borne by the consignees, and there is no risk to the merchant, beyond the usual handling of documents appertaining to ordinary banking. Business of this nature can be profitably handled for a trifling commission. A merchant turning over £5,000 per month at 1 per cent. will make

* It was subsequently decided, after legal advice had been obtained, to publish these letters.

£600 per annum. The only cost is book-keeping, stationery, and postages; £100 per annum would be more than sufficient to cover this item.

In order to indicate the unearned increment in trading monopolies, the exclusive right to sell tea in New Zealand is worth a present cash price of at least £1,000,000, without disturbing present retail prices. There is a serious constitutional principle underlying all conspiracies to control trade. It has taken many centuries to vindicate the right of the Commons to control all money Bills in England. In the past despotic rulers have granted exclusive trading rights to companies and individuals, and have created special forms of taxation for the purpose of raising money illegally without the consent of Parliament. Eminent Judges have denounced these acts as treasons to the State. It will be an iniquity for this country if private individuals can do with impunity what was denied the Monarchs and Peers of England.

The only protection that can be given to the public against the rapacity of trusts and combines is absolute free trade in the Dominion, and a law passed that all selling-conditions are illegal, thus establishing the right of a purchaser to his own property without fettered conditions of sale.

We are prepared to submit proof that conspiracies to control trade have been growing in the Dominion for many years past in many branches of commerce. These conspiracies are solely designed to benefit a few interested parties, and in every instance they have been followed by an increase in the cost of living to the public.

We have, &c.,

FAIRBAIRN, WRIGHT, AND CO.

Witness: This was followed by another letter to the Attorney-General, which letter I also put in.

[COPY OF LETTER SENT TO THE HON. SIR JOHN G. FINDLAY, ATTORNEY-GENERAL.]

Christchurch, 2nd October, 1911.

THE Merchants' Association is a combination of wholesale grocers, who have banded together for the purpose of bringing united pressure to bear upon New Zealand, Home, and foreign suppliers to refuse supplies to independent traders who will not agree to fix selling-prices at their dictation. In every instance their operations have been followed by an increase in price to the retailer, which is in due course passed on to the public. At the outset they found it necessary to include the largest retailers, who were buying on exactly the same terms as themselves, and whose co-operation was necessary to give them the desired power to influence suppliers. It is an understanding that these favoured retailers are not to cut prices, so that the wholesaler can depend upon certain profits from other retailers. The effect of this arrangement is that the rate of profit to retailers outside the combination is too small to permit of competition which would directly benefit the public. Two illustrations will suffice to indicate how this conspiracy works out with lines they now control, viz. :—

Neave's food is retailed in Dunedin and Christchurch at 11d. per tin. Prior to the last alteration of the Customs tariff the duty was 15 per cent. It is now on the free list, yet the retail price has been 11d. per tin for twelve years past. Under the old tariff the cost was 9s. 3d. per dozen. Wholesale prices varied from 9s. 7d. to 10s. per dozen. The present cost is 8s. 1d.; wholesale scaled price, 9s. 6d.: which means that the Merchants' Association have pocketed the remission in duty.

Colman's D.S.F. mustard costs 1s. 2d. per pound; scaled price to retailer, 1s. 4d.; retailed at 1s. 6d. If the outside retailer is satisfied with 2d. per pound profit, it is evident that the public are being fleeced to the extent of 2d. per pound, or 12½ per cent.

This association has already induced local soap and candle factories, match-factories, several less important manufacturers, and a number of resident New Zealand agents for outside firms to boycott independent traders; their combined influence has also induced several English firms of standing to adopt the same methods, and at the present time they are using every effort to widen the sphere of their operations. Firms such as C. and E. Morton, Crosse and Blackwell, Maconochie Bros., and all trading concerns controlling proprietary goods in strong demand in this market are being pressed to fall into line.

In other branches of commerce the Wholesale Hardware Association, who individually invariably conduct a dual wholesale and retail business, have already created a combination controlling New Zealand galvanized hollow-ware, which is protected with a 25 per cent. *ad valorem* tariff, whereby prices have advanced fully 25 per cent. to the retailer. Common household necessities, such as buckets and cheap baths, are thus used as another method of fleecing the public, in this instance to the tune of about 30 per cent. In the face of these facts, is it surprising that the cost of living is increasing? The Wholesale Druggists' Association have also used similar methods, and have induced several suppliers of proprietary articles to meet their views. In every instance these schemes have resulted in trade restrictions, increased profits, and increased cost of living to the public.

The very fact that retail concerns in all branches of trade have for years past been buying direct from manufacturers on practically the same terms as wholesale houses proves that the wholesale merchants are simply middlemen who are afraid to meet open competition, and resort to boycotting methods to bolster up their decaying influence. Trade-unionism was legalized in this country to prevent sweating and for the protection of the workers, yet it is astonishing to find wealthy traders of more than average intelligence asserting that they have as much right to form themselves into unions to protect their own interests as the working-classes, and see no wrong in using their power and influence to increase prices for their own benefit and at the public expense.

The functions of government applied to the wages problem of the workers is in a large measure limited by the laws of supply and demand, but the rapacity of trusts designed solely to exploit the people is clearly within the scope of legislative action, and if this country is to be saved from an aggregation of wealth by a small section of unprincipled traders, who abuse their power by entering into combination to surreptitiously exploit the masses, urgent legislation is necessary.

It is as impossible to fix trading profits as it is to fix rates of interest of money. As an illustration, a well-conducted retail grocery business with good buying facilities and soundly financed will buy to better advantage and carry on with a smaller cost in working-expenses (usually 10 per cent. to 12½ per cent.) than a badly conducted business with financial disabilities and inferior purchasing-power. If the rates of profits are based upon the necessities of the weaker concern, it means a rapid accumulation of wealth to the first-named at the expense of the public, as fixed selling-rates necessarily restrict competition. An attempt to adjust profits under existing trade conditions would be as futile as arranging uniform rates of speed between motor-cars and bullock-wagons.

The proposed amending legislation to the Commercial Trusts Act should widen the scope of the Act so as to embrace all commerce. A clause should be added to prevent fixed selling-conditions such as "Every person commits an offence who, either as principal or agent, in respect of dealings in any goods, makes it a condition of purchase that the goods are to be resold at a price fixed by the vendor." (Note.—This would establish the principle that the purchaser would have an unrestricted right to his own property, but would not interfere with a community of traders mutually arranging to sell at a uniform price, without obligation or penalty to any one refusing to do so. The safety of the public would be, if prices were too high, the door would at once be open for unfettered competition.)

The term "agent" appears to require special definition. It is now being used to defeat the Act in the sale of oatmeal, where merchants who buy and sell this commodity are called "agents" in order to secure them special discount, which otherwise would be illegal.

As regards the Sugar Company's latest selling-conditions, these are deliberately framed for the purpose of excluding independent traders, and in order to create a monopoly in the sale of their products. It is not an unusual proceeding for suppliers to give special concessions for large purchases. In most instances such concessions have benefited the public, inasmuch as the lower price has enabled the merchant to sell on better terms to the storekeeper; but the Sugar Company's terms are in exact opposition to the public interest, inasmuch as they have increased the quantity far beyond the possible requirements of a reasonable number of traders, without any advantage to the buyer of large parcels.

viz. : In January last the discount was $4\frac{1}{2}$ per cent. for purchases amounting to £2,500 per month, in April the amount to obtain the same discount was increased to £10,000 per month, and their latest terms necessitate purchasing £25,000 per month to obtain an extra $\frac{1}{2}$ per cent. Legislation that will make such operations illegal is absolutely necessary, and might be met with an additional clause in the Act, or a preamble to the Act, giving power to the Governor in Council to gazette prohibitions to any selling-conditions that were cunningly devised to defeat the spirit of the Act, where the public interests were prejudiced.

FAIRBAIRN, WRIGHT, AND CO.

The proof that these allegations are correct is shown by the correspondence and invoices I now produce. The manufacturers' prices of Colman's mustard, Keen's Oxford blue, Robinson's groats and barley, and Neave's food have not altered since the reduction of duties, although the Merchants' Association have in some instances increased the prices to the retail trade and the public. As these goods have all along been supplied direct to the retail trade on the same terms as the merchants, there is no occasion for two profits. [Original suppliers' invoices produced confirming this evidence.]

DEAR SIRS,—

14th October, 1911.

Having received complaints from the New Zealand merchants as to the underselling of our Neave's food to the retail trade in that Dominion, we have decided that the selling-price to the *retailers* be fixed at 9s. 6d. per dozen, less the ordinary terms usually allowed them, and thus ensure the merchants a fair profit.

We have therefore agreed that from the commencement of the year we can only supply direct to merchants who are willing to comply with these terms, and in receiving any orders hereafter we shall assume that the merchants agree to this condition, which we need hardly point out is to their material benefit.

We trust that the friendly feeling that has hitherto existed between us may thus be strengthened to our mutual benefit.

We are, &c.,

JOSIAH R. NEAVE.

P.S.—We would add that we are writing to this effect to all the London exporting houses.

Messrs. Fairbairn, Wright, and Co., Christchurch, New Zealand.

DEAR SIRS,—

24th August, 1911.

Our reasons for having refused to accept the selling-conditions in New Zealand for your proprietories are as follows : (1) That the wholesale profits are too high ; (2) that no protection is given to the retailer ; (3) that, in view of the fact that you supply certain retailers on the same terms as wholesalers, it is obviously unfair that traders in active competition with those favoured retailers should be compelled to pay $12\frac{1}{2}$ per cent. more for the same goods. (Colman's D.S.F. mustard, $\frac{1}{2}$ lb. and 1 lb., cost 1s. 2d. per pound in store, Christchurch and Dunedin—scale rates, 1s. 4d. per pound.)

There is a regular inquiry for your goods, and we have had to refuse business since your goods were scaled. This is an inconvenience to a number of our country friends who place the bulk of their business through ourselves. Under these circumstances we are again sending you indents for shipment to Dunedin and Christchurch, trusting that you will see your way either to reduce the profits or permit any retailer ordering a stipulated quantity of your goods to buy direct on equal terms to other retailers.

If you cannot see your way to fall in with our suggestions, we have no alternative but to accept the selling-conditions, and we quite understand that the execution of the enclosed indents are subject to the selling-conditions you stipulate.

Yours faithfully,

FAIRBAIRN, WRIGHT, AND CO.

Messrs. J. and J. Colman (Limited), 108 Cannon Street, London.

Tariff of Prices for Colman's Goods, to be maintained in Canterbury, Otago, and Southland.

				F. W. and Co.'s Old Prices before Scale.			
				s.	d.	s.	d.
Mustard—Colman's, Keen's, and Farrow's :—							
1 lb.—5 boxes .. .. .	..	..	..	16	0	per box of 12 lb. ..	..
Less than 5 boxes .. .. .	..	..	..	16	6	..	..
$\frac{1}{2}$ lb.—5 boxes .. .. .	..	..	..	16	0	..	..
Less than 5 boxes .. .. .	..	..	..	16	6	..	..
$\frac{1}{4}$ lb.—5 boxes .. .. .	..	..	..	18	0	..	..
Less than 5 boxes .. .. .	..	..	..	18	8	..	..
Starch—Colman's :—							
5 boxes .. .. .	..	..	..	49	0	..	..
Less than 5 boxes .. .. .	..	..	..	..	..	..	..
Groats and barley—Robinson's Patent :—							
6 dozen .. .. .	..	..	..	7	6	per dozen ..	..
Less than 6 dozen .. .. .	..	..	..	7	9	..	..
Blue—Colman's and Keen's square and bag :—							
10 boxes .. .. .	..	..	..	7	3	per box ..	..
Less than 10 boxes .. .. .	..	..	..	7	6	..	..
Mustard, Durham—Colman's and Keen's :—							
1 case or more .. .. .	..	..	..	0	7	per pound.	..
Less than 1 case .. .. .	..	..	..	0	7 $\frac{1}{2}$	..	..
Mustard, D.S.F.—Colman's and Keen's :—							
7 lb. tins .. .. .	..	..	..	1	3 $\frac{1}{2}$	per pound.	..
Cornflour—Colman's :—							
1 lb. packets .. .. .	..	..	..	0	4 $\frac{1}{2}$	..	..

5-box lots of mustard in $\frac{1}{2}$'s, $\frac{1}{4}$'s, and 1's may be assorted, but Durham and D.S.F. may not be. Groats and barley may be assorted, blue also ; but no mixture of parcels, such as groats and blue, or blue and starch, is permitted.

				s.	d.
Brosemeal :—					
1 cwt. .. .. .	..	..	..	0	3 $\frac{1}{2}$
Less than 1 cwt. .. .. .	..	..	..	0	3 $\frac{1}{2}$
Semolina—Colman's :—					
1 gross, 1 lb. packets .. .. .	..	..	..	51	0
Less than 1 gross .. .. .	..	..	..	4	6

Terms : $2\frac{1}{2}$ per cent. cash discount to be given if paid by the 20th of the month following delivery. For cash within ten days, 3 per cent. discount to be given. Under no condition may a discount of more than 3 per cent. be allowed on these goods.

1. *The Chairman.*] Has there been any reduction for mustard?—The manufacturers' prices have been the same for the last twelve or twenty years for mustard, and there has been a reduction in the duty.

2. *Mr. Fairbairn.*] What is the duty on infants' food?—It used to be 15 per cent., and there is no duty now.

3. *The Chairman.*] And the general public has not benefited by the duty being taken off?—The merchants have kept that.

4. In addition to the profit they made before?—Yes, of course. I also put in correspondence relating to Sapon, which has been "scaled" by the merchants. 51s. was the former price, and now they have made it 54s. 6d.; 20s. was the price for a smaller line, and now 22s. 6d. is the "scaled" price. I also put in correspondence, &c., *re* Keiller's marmalade, Van Houten's cocoa, and tobacco and cigarettes.

DEAR SIR,—

Dundee House, 15 Eastcheap, London E.C., 4th August, 1911.

We have recently been compelled to take steps to prevent the persistent cutting of our marmalade and conserves in New Zealand, and with this end in view have effected an understanding with the Merchants' Trade Association of New Zealand—which comprises all the foremost and most influential wholesale distributors in New Zealand—by which we agree to decline to accept indents, either direct or through London indent agents, for other than members of the association.

We can assure you that this action is taken solely in our mutual interests, and has been strongly advocated for some considerable time by all the larger distributing-houses. We appeal with confidence for your support by requesting you to disclose the name of the indenter when ordering, which the circumstances, as explained above, compel us to have knowledge of. Needless to mention, we wish this information simply to satisfy ourselves whether the firms are members of the association, and for no other purpose.

Thanking you in anticipation.

Laughland, Mackay, and Co., 50 Lime Street, London.

We remain, &c.,

JAMES KEILLER AND SON (LIMITED).

DEAR SIR,—

Royal Cocoa and Chocolate Factories, Weesp, Holland, 4th August, 1911.

We regret to have to bring to your notice a complaint which has reached us. It comes from New Zealand, and relates to one of your customers, Messrs. Fairbairn, Wright, and Co., of Dunedin, Christchurch, Wellington, and Auckland.

Members of the wholesale trade out there are complaining to us that this firm has adopted a policy of cutting prices, to the detriment of the trade generally, and we have been approached with the object of getting the firm in question to adopt the ruling prices for Van Houten's cocoa instead of underselling.

We suggest that you write them and endeavour to get them to conform to the ruling of the trade in the matter of the price for Van Houten's cocoa, as by underselling a state of things is created which ends to the disadvantage of all concerned in the trade. We trust you will bring about the desired result, and we feel sure you will co-operate with us in this matter, as we endeavour to maintain prices as much as possible in the interest of both wholesaler and retailer.

Laughland, Mackay, and Co., 50 Lime Street, London.

We are, &c.,

VAN HOUTEN AND ZOON.

DEAR SIR,—

3rd October, 1911.

We attach particulars of fourteen cases of tobaccos and cigarettes for shipment to Christchurch, and eight cases for shipment to Dunedin. This is merely a preliminary order, and will be supplemented with our Auckland and Wellington requirements at an early date.

Please advise us what quantities of plug tobacco—such as Juno, Welcome Nugget, &c.—it is necessary to order in one shipment for one port, also if these indents can be cabled.

Please declare value for insurance with the British Dominions Insurance Company.

The Manager, British Empire Trading Company, Wellington.

Yours faithfully,

FAIRBAIRN, WRIGHT, AND CO.

DEAR SIR,—

Wellington, 9th October, 1911.

We acknowledge receipt of your letter of 3rd instant enclosing order for fourteen cases tobacco and cigarettes for shipment to Christchurch, and eight cases tobacco and cigarettes for shipment to Dunedin. We beg to state, however, that we are not at present opening any new accounts, and therefore have not entertained your order.

Yours faithfully,

THE BRITISH EMPIRE TRADING COMPANY (LIMITED),

Messrs. Fairbairn, Wright, and Co., Christchurch.

By J. J. LITTLE.

Wellington, New Zealand, 3rd November, 1911.

DEAR SIR,—

"Sapon."

We are in receipt of your favour of the 2nd, and thank you for your orders for Dunedin and Christchurch.

We are sending on your Dunedin order to our principals, but much regret—as already advised you on 9th June last—that we cannot send on your Christchurch order without breaking current contracts, which we trust you will recognize renders our doing so impossible.

There is a tariff for "Sapon" in Christchurch, which we would ask you to sign. When this is done it will give us much pleasure to send on your Christchurch orders. The tariff at present operative in Christchurch is in our opinion too high, and does not leave sufficient profit to retailers. It is probable that a tariff will be adopted for the whole of the Dominion, which will deal equitably with all concerned.

Trusting you will see the above is the only course open for us.

Messrs. Fairbairn, Wright, and Co., Christchurch.

We are, &c.,

PHILIPS AND PIKE.

DEAR SIR,—

"Sapon."

7th November, 1911.

Your favour of the 3rd instant to hand. We note that there is a likelihood of a tariff being adopted for the whole of New Zealand, in which event we shall adhere to the selling-conditions imposed. Please execute our indent for Christchurch on this understanding.

Messrs. Philips and Pike, Wellington.

Yours faithfully,

FAIRBAIRN, WRIGHT, AND CO.

Wellington, New Zealand, 16th December, 1911.

DEAR SIR,—

"Sapon" Tariff.

On the 9th November we had the pleasure of addressing you *re* above. As you are aware, for a long time cutting has been prevalent, with a result that the profits have been reduced to so low a rate that there is insufficient in the line to warrant wholesale houses pushing it. It is for this reason that, acting with the consent of our principals, Messrs. Sapon (Limited), we decided to consult the wholesale houses throughout the Dominion as to the advisability of instituting a tariff.

We are pleased to be able to state that the new tariff has been very well received, and the large majority of the handlers have already signed it. So far we have not yet received from you the signed copy of the tariff. We enclose another copy, and will be obliged if you will kindly sign same and return to us at your earliest convenience. Trusting that as a result of the tariff you will in future find "Sapon" a more profitable line to handle, and assuring you of our strong support should any New Zealand merchant cut prices.

Messrs. Fairbairn, Wright, and Co.

We are, &c.,

PHILIPS AND PIKE.

Tariff.—“Sapon” Washing-powder.

	£	s.	d.
1 lb. (6d.) packets—			
Per case of 12 dozen packets	2	14	6
Not less than 6 dozen packets	0	4	8 per dozen.
Under 6 dozen packets	0	4	11 „
Small (2½d.) packets—			
Per case of 12 dozen packets	1	2	6
Not less than 6 dozen packets	0	1	11½ per dozen.
Less than 6 dozen packets	0	2	0 „
3 lb. bags—			
Per case containing 22 5 lb. bags	1	0	9 per dozen.
Less than 1 case	1	1	3 „

To come into force on the 1st December, 1911.

We agree to maintain the above tariff.

DEAR SIRS,—

20th January, 1912.

In reply to your favour of the 17th instant we regret having overlooked replying to your request for our acceptance of selling-rates.

In an earlier letter you stated that the selling-rates already in force were too high, and that you proposed making alterations. We now find that the average profit works out about 20 per cent. on actual cost: this appears to us to be an abnormal profit for wholesale distributors. Please advise us if this is a final adjustment.

Yours faithfully,

Messrs. Philips and Pike, Wellington.

FAIRBAIRN, WRIGHT, AND CO.

Wellington, New Zealand, 23rd January, 1912.

DEAR SIRS,—

“Sapon” Tariff.

We are in receipt of your letter of the 20th January, and note that in your opinion the average profit, working out at about 20 per cent. on actual cost, is too high a rate for wholesale distributors.

Before deciding upon the figures as per copy of tariff enclosed we went very carefully into the matter with the various Merchants' Associations, and found that if we desired to have one tariff to apply throughout New Zealand both in cities and country districts it would be impossible for us to make the rate of profit any lower than that eventually decided upon. Under the circumstances we would be obliged if, as advised in your letter of the 7th November, you will be so kind as to signify your agreement.

We are, &c.,

PHILIPS AND PIKE,

Per W. H. McCaul.

Messrs. Fairbairn, Wright, and Co., Christchurch.

In connection with galvanized hollow-ware a scale has also been introduced. There are two price-lists now.

5. *Mr. Fairbairn.*] And what is the general effect of the two price-lists?—A general increase. In buckets there has been an increase of about 20 per cent. The 11 in. bucket used to be 10s., less 10 per cent., and now it is 15s. 9d., less varying discounts, the maximum being 33½ per cent. and the minimum 5 per cent.; the 10s. price works out thus to about 12s. 3d. [Confirmed by price-lists issued by T. Crompton and Sons.]

6. Who gets the maximum discount?—The hardware people who take quantities of £50 worth, and that is to hardware merchants only. [Correspondence *re* hollow-ware and price-lists put in confirming this evidence.] There is also a circular which we issued at the time to our customers *re* the combination entered into by the manufacturers and the Merchants' Association.

DEAR SIRS,—

Christchurch, 1st March, 1911.

Enclosed please find new price-list for our superior Anchor brand galvanized hollow-ware, which we trust will prove a convenience to you. This new list, you will notice, allows of a universal discount off all lines, and we feel sure that you, as buyers of the line, will welcome the new arrangement.

We take the present opportunity of thanking you very heartily for the generous support you have accorded us during the past twelve months, and to inform you that we have just completed the installation of our extension of plant, so that we shall now be in a still better position than before to give your valued orders quick delivery, while the finish of the line will also have slight improvements, which we are sure you will appreciate.

Awaiting your kind orders on the new list, and again thanking you for all past favours, allow us to remain,

Yours faithfully,

THOS. CROMPTON AND SONS,

Per C. B.

Messrs. Fairbairn, Wright, and Co., Christchurch.

SIR,—

Christchurch, 1st March, 1911.

Enclosed we have pleasure in handing you a new price-list for galvanized hollow-ware. The list is based to give the buyer an all-round universal discount off all lines enumerated thereon, and we are sure you will greatly appreciate the innovation.

This list comes into operation on 6th March, 1911, and cancels all previous New Zealand lists and quotations.

You will notice that we have marked your special discount at the bottom hereof.

TAYLOR AND OAKLEY (LIMITED).

THOS. CROMPTON AND SONS.

THE KIA ORA GALVANIZING COMPANY.

THE SOUTHERN CROSS MANUFACTURING COMPANY (LIMITED).

Discount, 20 per cent.

THOS. CROMPTON AND SONS.

(Confidential.)

Galvanized Hollow-ware.

DEAR SIRS,—

20th March, 1911.

A combination has been entered into between the manufacturers and the Hardware Merchants' Association, and as usual the result is a large increase in the cost to the retailer. The new scale prices are as follows, viz.: List rates less 20 per cent., and for parcels over £10 25 per cent. off list. The terms to hardware-merchants are 33½ per cent. off list, and 5 per cent. for £50 parcels. The actual difference is 26 per cent. for small parcels and 18½ per cent. for £10 parcels. As far as we know, there are no strictly *wholesale* hardware merchants in New Zealand. It means that their retail departments are in a position to buy at from 18½ to 26 per cent. better than their competitors who are outside the ring.

We will not accept the selling-conditions mentioned, and are placing substantial indents for some of our friends who have decided to import. If you propose taking advantage of this opportunity to combine purchases, please advise us promptly. We expect to land galvanized hollow-ware such as buckets, baths, &c., at least 33½ per cent. better than the local goods can be procured.

Yours faithfully,

FAIRBAIRN, WRIGHT, AND CO.

DEAR SIR,—

Christchurch, 14th June, 1911.

Further to your conversation over telephone with us this day on discount allowed you on your valued order for hollow-ware this week: Going back to what we may almost call the progenitive of the telephone conversation, your Mr. Fairbairn will doubtless remember meeting the writer on a couple of occasions on this very vexed question of discounts for buyers of galvanized hollow-ware. The whole trouble arose, as Mr. Fairbairn will recall to mind, so far as your firm is concerned, that you were allegedly handling the line on so small a margin of profit that the Otago Hardware Association in particular took the matter in hand so far as to inform us and the other New Zealand manufacturers of the line that if we could not see our way to regulate the trade for this particular line a little better, that they would as a body resolve to turn down the line absolutely: and for this reason requested us to draw up a new list giving certain discounts to certain grades of buyers, based principally upon the buyer's status, whether merchants, semi-merchants, or purely retailers. At the same time it was requested that we should assist the various hardware associations, in helping them so far as we could in helping us, by absolutely drawing the line at supplying the retailer unless at the discount off list, the same as the legitimate hardware-merchant would be enabled to quote and reap a fair profit for stocking and quoting the line. For this especial reason, and to fetch the matter to a head as quickly as possible, you were placed on the 20 per cent. discount off list mark, and, as we anticipated, we very quickly had response from your good selves, and as a consequence we had a couple of chats with Mr. Fairbairn, in the last of which the writer assured him that if your firm would combine with us, the manufacturers, and your brother-merchants, by accepting our lists and discounts, and quoting the same, as the list to be supplied, for the various grades of buyers at the various discounts, we should be extremely pleased to see that you were placed on the limit discount mark. This, we may respectfully state, we were extremely desirous of doing, as we make no secret of the fact that we have undoubtedly missed the kind favours in receipt from you in the past.

In the last interview with you, Mr. Fairbairn mentioned the fact that if we were not prepared to accept your business at the maximum discount, without any conditions whatever, he purposed to start a campaign against us, by landing English galvanized hollow-ware and putting it into severe competition with our Dominion-made article. This made us think a lot, and we again made overtures with you to see if you would not agree with your brother-merchants to quote the line on our list of sliding discounts. The last intimation we had from you, was that "this you emphatically refused to do," and that you would take indents for and land the English article.

Since this conversation we have heard nothing directly from you, although it is alleged that you have been diligently seeking and taking orders for the imported article, at prices just beating our present list. To-day you ask us now to place you on the maximum discount for the small line you have just purchased. We assured you that the proposal should have our thought, and that we should have to interview our good friends Messrs. Taylor and Oakley before giving a definite answer.

We have since had a conversation with Mr. Oakley, and he thinks, with ourselves, that if your last decision to land the English article has materialized, that you are now asking us a very unfair thing, inasmuch that you could hardly expect us to supply you with odds and ends of galvanized hollow-ware to fill in gaps which may occur in the stocks of your landed goods, at the maximum discounts; and, further, we feel that we should not be running straight with the major portion of the merchant buyers from whom we are at present enjoying such emphatic support.

We have your belated assurance now that any hollow-ware you purchase locally will be sold at our quoted prices, and we must say that we would wish we could have had this assurance a couple of months back, in which case we should have probably still been in receipt of your former repeated favours. For this return to our old terms, however, we still look forward, and in conclusion we would respectfully point out that our new list and discounts ensures every buyer of the line, either merchant or retailer, a fair profit for handling the goods, and that nothing would be so conducive to placing the line on a dissatisfactory basis again than extensive importation, as we manufacturers, who have all our interests at stake, must keep on making the line, and, incidentally, meet or beat the imported article for price all the time.

We trust to hear further from you, and to hear that you will be shortly again prepared to handle Dominion-made galvanized hollow-ware, on a basis to pay you well for the handling. We thank you for your courtesy, and await your comments.

Yours respectfully,

THOS. CROMPTON AND SONS.

(GEO. S. CULL, Manager.)

Messrs. Fairbairn and Wright, Christchurch.

DEAR SIR,—

16th June, 1911.

In reply to your favour of the 14th instant we are not quite clear in regard to the position you take up. We understood that if we agreed to sell at scale rates that the discount would be 33½ per cent. with an extra 5 per cent. for quantities. On this representation we ordered a small parcel of your goods and expect this transaction to carry 33½ per cent. discount. As regards future business with you, please state definitely what terms and conditions you wish to stipulate.

Yours faithfully,

FAIRBAIRN, WRIGHT, AND CO.

Messrs. Thos. Crompton and Sons, 133 Tuam Street, Christchurch.

DEAR SIR,—

Christchurch, 17th June, 1911.

We have your favour dated 16th instant before us, in reply to ours of 14th.

We mentioned that it was alleged you were quoting English hollow-ware to various buyers at a better discount than we were quoting for the Dominion-made article. If this is so, you can hardly state you are keeping our prices. We should be pleased to have your assurance that our information on this point is incorrect, until which time we very much regret that we cannot alter our quotation to you, at 20 per cent. off list.

As regards the last clause in your letter, so soon as we get the word from you that you have not accepted hollow-ware orders at better prices to the buyer than we are quoting, and your assurance also that you will not do so, we shall be most happy to fetch the matter again before the members of our manufacturers' association, when you would undoubtedly be placed on the very best footing. We trust to have the pleasure of doing this on receipt of your reply.

Should you prefer it, we should be very pleased to make an appointment at your office, when Mr. Oakley would also be present. This, we think, would be more satisfactory, and we hope for the favour of a few minutes with you, when we feel quite sure that we can fix this matter up, once and for all, on a satisfactory footing for all concerned.

Yours respectfully,

THOS. CROMPTON AND SONS.

(GEO. S. CULL, Manager.)

Messrs. Fairbairn, Wright, and Co., Christchurch.

7. *Mr. Fairbairn.*] What is the general effect of these advances? Who gains them where the goods have been scaled? What purpose have they been scaled for?—Simply for the benefit of the merchants; the merchants do not pass on the advantage of remitted duty to the retailers.

8. You know that a number of lines are imported by the retailers?—Yes.

9. And the scale is fixed: there is one profit paid to the retailer and one to the wholesaler?—Yes; two profits are paid by the public.

THURSDAY, 13TH JUNE, 1912.

Re *Wholesale Merchants and Grocers subpoenaed.*

Mr. G. Harper, Solicitor: I appear on behalf of Mr. Kincaid, of T. Kincaid and Son, grocers, who has been summoned to give evidence before the Commission, and with great respect I want him to be placed in the same category as the other persons for whom I appeared the other day. He declines to give evidence.

The Chairman: May I ask, on behalf of the Commission, what are the names of the firms you do represent, because you mentioned one gentleman and referred to others. Those others have been subpoenaed, and we must have more precise information in regard to those whom you represent, and who have been subpoenaed?

Mr. Harper: I represent Mr. Kincaid at the present moment. I am not aware of the others who have been subpoenaed. The gentlemen for whom I appeared the other day are Messrs. T. H. Green and Co., Benjamin (Limited), and I understand that Royd Clark and Co. would decline to give evidence if they were asked to, and also Godfrey and Co. I will furnish the Commission later with the other names. I cannot remember them at the moment.

The Chairman: Have you any objection to stating the reason why you are advising these gentlemen to refuse to give evidence, Mr. Harper?

Mr. Harper: I am working together with two other counsel in the matter. I would be very glad to give the reason, but my instructions are not to state any reasons.

The Chairman: I ask that because certain Dunedin merchants for whom counsel appeared and refused to give evidence afterwards wrote a letter to the newspapers stating certain reasons which they would not give before the Commission.

Mr. Harper: At any rate, I do not feel inclined to state any reasons at present.

The Chairman: Very well, Mr. Harper.

THOMAS HENRY STRAHAN, Fishmonger, examined on oath. (No. 71.)

1. *The Chairman.*] You are a fishmonger carrying on business in Christchurch?—Yes.

2. Have you been long in the business?—I took over my father's business six months ago. My father has written the following letter to the Commission: "The Chairman and Members, Cost of Living Commission, Christchurch.—GENTLEMEN,—I have been in the fish business, both wholesale and retail, for the last nineteen years, and I find that prices of flounders, soles, and herrings have gone up considerably, owing to the small catches from Lake Ellesmere of late years. A few years back flounders were very plentiful, the average price being 10s. per case, equivalent to 1s. 6d. per dozen. At the present time the catches are exceedingly small and most irregular. The prices range from 3s. 6d. to 16s. 6d. per dozen. Regarding the deep-sea fish, such as groper (hapuka), ling, moki, trumpeter, conger-eel, &c., these catches depend solely on the conditions of the weather. If the weather is boisterous most of the boats are unable to get out to the fishing-grounds, therefore the lucky and most daring of the fishermen get extraordinary prices for their catches, as they are sold by auction.—Yours obediently, T. HALES-STRAHAN.—Thursday, 13th June, 1912."

3. You are a distributor of fish—you have no interest in the catching of fish?—No interest at all.

4. Do you export fish?—No.

5. Are you an auctioneer of fish?—We used to be, but we are out of it now.

6. Do you just buy your fish at auction?—Yes.

7. Have you any knowledge of any understanding or ring amongst the buyers?—None whatever. The fish is there, and we bid for it. It is free and open competition; there is no understanding whatever.

8. Supposing a surplus of fish comes into the market and cannot be sold—what happens?—The auctioneers generally buy it for freezing. Sometimes we buy it, and others.

9. The auctioneer himself sometimes buys it?—If there is any surplus they take it themselves.

10. So that the auctioneer not only acts as auctioneer but as a fish-merchant himself?—Yes.

11. *Mr. Veitch.*] Is there any understanding between the distributors as to fixing the retail selling-price?—No; each one sells at his own price, one shop cutting against the other.

12. *Mr. Fairbairn.*] Is there any suspicion of fishermen limiting the supply to this market?—Not here. Down south the fishermen limit the supply, but the fish are very seldom sent here—that is, for the Dunedin market.

13. As far as this market is concerned, you do not know of any attempt to limit the supply?—No.

14. How are deep-sea fish obtained here—by independent boats or by trawlers?—By independent boats. Some years ago they used to go out twenty miles from Timaru, and now they have to go out forty miles.

15. *Dr. Hight.*] You say you have no knowledge of any arrangement that will limit their catch?—No, there is no limit at all.

16. When there is a surplus what is the effect of freezing on prices?—I do not think it has any effect at all. When there is a glut of fish in hot weather they are not in such demand, whereas in the winter-time when fish is very scarce everybody rushes it, and up goes the price of fish.

17. Would it not have the effect of steadying the price for the whole year?—I sell fish, fresh and frozen, at the same price all the year round.

18. The effect of freezing is that it steadies the prices?—Yes.

19. How many fish-auctioneers are there in Christchurch?—Only one.

20. You say he retains fish for freezing?—Yes, he freezes and exports.

21. What percentage is there between the retail and the wholesale price of fish? If you struck an average, what would the difference be between the price at which the fish is sold to the public and the price which the fish-dealer pays for the fish in the market?—It is hard to say—the market varies.

22. Could you strike an average?—I reckon about 25 per cent.
 23. You think 30 per cent would be too high?—Yes.

DANIEL GILES SULLIVAN, of the Canterbury Trades and Labour Council, examined on oath.
 (No. 72.)

1. *The Chairman.*] You have been asked, I understand, to give evidence on behalf of the Canterbury Trades and Labour Council?—Yes.

2. You have some information to give in respect to some matters which this Commission has been set up to inquire into. Perhaps you had better make your own statement?—When I was instructed to give evidence I interviewed a considerable number of people whom I represent here, and asked them to supply me with definite data, showing the expenditure upon various household items, covering the period into which the Commission is inquiring. I have that information here, and I will read it: Bread, large loaf—1893, 6d.; 1894, 4d.; 1895, 4½d.; 1896, 5d.; 1897, 6d.; 1898, 6d.; 1899, 6d.; 1912, 6d. Kerosene—1897, 7s. a tin; 1912, 4s. 6d. Butter—1901, 11d.; 1902, 10d.; 1897, 9d. and 10d.; 1912, 1s. 2d. and 1s. 3d. Cheese—1901, 6d.; 1902, 6d.; 1897, 5d.; 1912, 9d. Flour (50 lb. bag)—1891, 5s. 9d.; 1901, 4s.; 1897, 6s. 6d.; 1912, 5s. 2d. Bacon—1901, 1s. 1d.; 1902, 1s.; 1897, 9d.; 1912, 1s. Rice—1901, 2d.; 1897, 3d.; 1912, 2½d. Sage—1890, 3d.; 1897, 2d.; 1912, 3½d. Sugar (4 lb.)—1890, 1s.; 1901, 11d.; 1912, 10d. Trousers—12s. 9d. and 13s. 6d., now 16s. 6d. Coal (¼ ton)—1900, 9s. 3d.; 1901, 9s.; 1902, 9s. 3d.; 1905, 8s. 9d.; 1912, 10s. Two years ago currants were 3½d. a pound, now 5d.; sultanas, 5½d., now 7d. Collars which six years ago sold at 6½d. now sell at 9d. and 10d.; cashmere socks 9d., now 1s.; handkerchiefs 4½d., now 6d. Tweed suits—ten years ago £4 10s., same quality cannot now be got for £6. Straw hats—4s. 6d. and 5s., now 7s. 9d. House-rents—Houses eight years ago brought 8s. rent, now 12s.; another house formerly brought 10s., now 13s. 6d.; a third house, 5s. (built twenty years ago), now 10s. I notice that one of the questions which the Commission have to report upon is this: “3. To what extent is the increased cost of living, if any, the result of a higher standard of living?” In connection with that matter I may perhaps be breaking new ground and introducing a point of view which perhaps has not previously been put before the Commission. The point I want to make is this: that, owing to the speeding-up which has taken place during the period into which the Commission is inquiring, a very much higher standard of comfort is absolutely necessary to-day than the standard of comfort which obtained ten, twelve, or fifteen years ago. I mean to say this: that as a result of the competition and development which is taking place in machinery, and the general scientific management in production and business, the times allowed the employees to turn out certain articles are being constantly cut, and an enormous amount more of energy has got to be expended to-day by the worker in the factory than was the case ten or twenty years ago. Just as in the same manner the Englishman needs a very much higher standard of comfort than does the Indian or Asiatic, by virtue of his physical make-up, so to-day does the man working in a factory need a much higher standard of comfort to enable him to keep up with the increased demand which is made upon his energy. That is a factor which I would like the Commission to take into consideration when you talk about the higher standard of comfort that has been rendered absolutely necessary by reason of the increased strain upon the worker in the factory. Another question which the Commission has to consider is this: “To what extent have monopolies, combines, trusts, and other associations of manufacturers or sellers of the necessities of life contributed to the rise in prices?” I have no personal knowledge except the knowledge which has been imparted to me by travellers who are employed by the various merchants. One or two of these travellers have definitely told me that there are such things as rings and combines.

3. But that is merely hearsay: please confine your remarks to your own knowledge?—Yes. Perhaps any other information which I may possess may be obtained by the Commission asking me questions.

4. You were speaking about the higher degree of energy necessary for carrying on business at the present day than in former years. Is it not within your knowledge that employers state sometimes that the men are not giving as good service to-day for the wages they get as they used to do: in fact, statements have been made before the Commission to that effect?—I am speaking now as one who until three months ago was working in a factory, and I know that, generally speaking, what I say is correct: that the time allowed on various articles is considerably less to-day than it used to be.

5. You have heard of the “team” system?—It applies to whatever system may be in operation. It is owing to each factory trying to hold its own in the market. I mean to say that if the proprietor is constantly trying to extend his business and keeping up with modern developments the time is being constantly cut. Of course, there are some cases where the employer perhaps makes no effort to keep up the competition, but I am referring to firms which are trying to keep up with modern developments.

6. A firm that keeps in the forefront must have the intelligent assistance of the hands?—Yes.

7. There is a very considerable increase in the cost of these things, as you have supplied the figures to the Commission?—I have all receipts.

8. *Mr. Macdonald.*] You have given us the retail prices?—Yes; I mean the prices paid by the purchasers at these stores. I have all the receipted bills to prove the figures I have given.

9. *Mr. Veitch.*] How does the condition of labour in Christchurch to-day compare with the conditions generally ten years ago and twenty years ago?—I am quite convinced that there has been an increase in the cost of living to the worker. I also admit that there may have been an increase also in the standard of comfort, but, as I have pointed out, that increased standard of comfort is absolutely necessary to compensate for the increased energy which the worker has to give to his work. Upon the artisan in the workshop and factory the increase has not fallen quite as heavily as it has fallen on the unskilled worker. I use the term “unskilled” because it is a term in common use, but I regard all labour as skilled. In regard to general labourers and drivers,

they are getting 1s. an hour, but they lose so much time during the winter months that the condition of that section of the working-class is absolutely deplorable. They have to meet the increased expenditure that may have been brought about by increased wages, or anything else, which has tended to increase the cost of living, yet they on their part have received no increase. The condition of the general labourers and drivers, and of the whole mass of workers who are only getting 1s. an hour, is, as I have said, deplorable.

10. Do you think the difference as between the artisan and the general labourer is accounted for by the fact that one class is capable of organizing for their own advancement and the other class is not in a position to organize so well?—I think that exactly explains the position. I think that were the conditions and circumstances of the general labourers such that his work could be more easily, as it were, monopolized—if it were possible for him to organize as the factory-worker is organized—I think his position would be a good deal better.

11. You have stated that the condition of the general labourers—that is, the one-shilling-an-hour men, who have broken time, and who lose time in bad weather, is very deplorable?—Yes.

12. Do you think that those men, or any number of them, would be willing to accept employment from squatters and farmers, provided they were given reasonable service conditions, reasonably regular employment, and decent houses for their wives and families?—I am quite convinced that if the conditions of the life were improved in the country districts—that is, if better accommodation were provided, better wages paid, and better comforts and conditions obtained in the country—the town worker would not have the same objection to going in the country that he has to-day. The position to-day is this: that even though a man may have spent his life in a country district, if he comes into town he finds things, despite the fact that he may have to go on the general labour market, better in town than in the country, and the result is, of course, that these men stay in the town. I am repeating statements which have been made to me by farm labourers who have spent their lives in the country, and who have come into town, and, by reason of the improved conditions of life in the city in comparison with the country, they prefer to remain in the town rather than go to the country. I personally think that if you were to bring five thousand farm labourers from England to-morrow, or from any other country, and spread them out over our rural districts, the probability is that the mass of them would drift into the towns before the end of twelve months.

13. Can you give us any indication of what are the principal objections on the part of labouring-men to life in the country?—I have not been a country worker, and can only repeat statements which have been made to me by men who have worked in the country, and their objection is chiefly to what they term the rough accommodation and long hours.

14. *Mr. Hall.*] You have given us some interesting details with regard to the cost of commodities: are these average prices, or prices taken at some particular time of the year?—They were simply selected at random. The receipted bills were handed to me by the purchasers of the commodities, and were selected at random.

15. Take butter, for example—would these figures be for butter in the winter-time, when butter is dear, or in the summer-time, when it is cheaper?—I quoted two prices—9d. and 10d. In all probability it was 9d. in the summer and 10d. in the winter.

16. Could you tell us whether it was farmer or factory butter?—I could not say, but I think it was chiefly dairy butter.

17. *Mr. Fairbairn.*] You mention a house that was built twenty years ago, and which was rented at 5s. a week, and which is now rented at 10s.: can you give us any reason for that change? What was the value of that house originally?—I could not answer that question.

18. My reason for referring to that is this: that twenty years ago house property was a drug in the market, and the rents were invariably below their true value, but they were readjusted as times improved. Has that any bearing directly on this question?—You will notice that there has been an increase according to the other figures which I have given in respect to houses built at a later period.

19. I want you to tell me what the special circumstances were which increased the rent of a house built twenty years ago from 5s. to 10s.?—I can account for no special circumstances at all. I think it is simply a result of the general rise that has taken place.

20. The rise in land-values; but the house would not improve in twenty years?—I am simply stating the facts, and have not attempted to estimate the various factors that have brought about that increase; but I should assume that the main reason has been the increase in the land-value.

21. That would not affect the house accommodation. Can you tell me how many rooms are in this house?—I think it was a four-roomed house with scullery attached.

22. This information has been given you—you do not know the particular house?—I have not got a detailed acquaintance with it, but I have seen the house.

23. What would you estimate that house cost to build?—I could not say.

24. *Dr. Hight.*] You have deduced from the tables you have given in that the prices of food, though they have risen, have not risen by any means to the same degree as the price of materials, clothing, and rent?—That is so, and that is the opinion I have formed: that while there has been some increase in regard to foods and groceries generally, I think that the main increase in the cost of living is accounted for by the increase in the cost of clothing, rents, &c.

25. You stated that the higher standard of comfort is probably the cause of the increased prices of the necessaries of life, causing an increase in the cost of living: do you not think it is possible that the higher standard of comfort is partly the result of higher prices that were got for the staple products of this country in the Home market, and of the benefits thus obtained being gradually diffused throughout the community, giving the community the means of satisfying wants which they had not the ability to satisfy before?—While an increase in wages might increase the cost of the article, it has to be remembered that the general tendency in industries, with the greater perfection of machinery, &c., is to reduce the cost of producing the article. The increase of wages ought to be compensated by the increased perfection in the conduct of the business, and in the

development of machinery, &c. I assume that what you say would be a natural result, but I would lay particular emphasis upon the fact that increased purchasing-power would be in varying proportions. You cannot say that the general labourer and the thousands of people who work at 1s. an hour, and who lose so much time through bad weather and other causes—you cannot say that they are participating in the increased returns from the high prices of our exports.

26. You referred to the relative position of the general labourer and the artisan. It has been stated that there is not sufficient wages paid to the so-called unskilled labourer, compared with the artisan—that the gap between the two wages does not measure the difference in the skill required, and the various sacrifices involved in doing skilled work on the one hand and unskilled work on the other. Is that your opinion?—If there is to be any measurement of skill and any difference in compensation by reason of a certain class possessing more skill than another, it ought to operate by first lifting up the general labourers and drivers to a decent standard of comfort—these men ought to have the opportunity of living a decent life. Lift these men first up to a proper decent standard of living, and then let the other questions come up for settlement afterwards.

27. You spoke of men leaving the country owing to the rough accommodation and long hours of work: were the men of this class with whom you are personally acquainted chiefly married men?—Those with whom I am personally acquainted were single at that time, although they are married now.

28. And they were successful in getting employment in the cities?—Yes; and some of them have risen to responsible positions in the city, indicating that they were men of character and intelligence.

29. *Mr. Macdonald.*] Do I understand you to say that, in your opinion, the output per man has increased in the factory?—Yes.

30. Can you put that in a percentage form?—No, I do not think I could do that.

31. I understand that it was due to two causes—one was the machinery, and the second was that the men are working harder?—Yes, the machinery has been perfected and developed, and those who attend to the machinery have to keep pace with the machinery. Competition has resulted in more scientific and better business management, and these have resulted in the elimination of waste time.

32. Have you any knowledge of the gap between the artisan and unskilled labourer in New Zealand and between the same classes in England?—I cannot bring it to my mind at the present moment; answering the question simply off-hand, I believe the gap is perhaps greater in England than here.

33. That the artisan gets better treatment in England than he does out here?—Yes.

34. In connection with the scarcity that the farmers told us about of labour in the country, and the difficulty of getting labour to leave the town and go into the country, do you think that one of the reasons why labourers are unwilling to go out to farms, in addition to what you have told us, is because there are greater attractions in the town in the way of amusements and pleasure?—It is quite possible that is a factor in the matter. We have to remember in connection with that phase of the question that men to-day have got greater facilities for education than in days gone by, and with the increased facilities for education, and with the intellectual development that has taken place, this gives rise to a stronger desire in the mind of the worker to live a much more refined life. It is a natural and desirable ambition, of course. The man who is utterly devoid of education will be satisfied with a great deal less refinement than the man who has had education; and as I say, while the workers are being educated they are not, particularly in the country districts, being given the opportunity of living that higher and more refined life which education leads them to demand.

35. Do you not think that one of the cures is to give them an interest in country life through the schools by the development of nature-study, &c.?—Yes, that undoubtedly would be a good thing; but even though you introduce the system of nature-study, rendering country life more interesting, even then you cannot induce men to remain in the country while better conditions are offering in the towns.

36. *The Chairman.*] Although you said that the position of the casual labourer in the town is deplorable?—Yes, I still hold to that statement.

37. *Mr. Robertson.*] You stated that several labourers you know of have come from the country to town, and are now occupying responsible positions: does that lead you to infer that as a general thing the prospects are better in the towns than in the country?—As I have already stated, the prospects of the labourer, whether in the country or in the town, are not very brilliant; but in the town he has got the advantage of somewhat better conditions. For instance, in the country he has often to live in a whare, which you may regard as the substitute for a home; but when he comes into town he will drift into a boardinghouse, and will be waited on and get some attention; and there are more facilities for living a fuller and more comfortable life in the city than in the country.

38. Would that apply in greater or less degree with regard to labourers who are married?—As regards the married man, the remark applies with even greater force, because his consideration for his children would also induce him to come into the town in order to give them a better opportunity in life than they would have in the country.

39. You assume that his children would have a better opportunity in the town than in the country?—That is my opinion. I think that anything that tends to take people out of the city and put them in the country is much better for the national welfare than that which tends to concentrate them in the city.

40. *Dr. Hight.*] I want to get your opinion, particularly as you are a representative of the Trades and Labour Council, as to whether you think a census taken, say, every ten years in the country—one of the objects of it being to ascertain exactly the value of the output per man employed in the country—whether a census of that nature—such a census as was taken in England

in 1907—would be of value as giving some test of the degree to which wages influence efficiency, as well as the general industrial progress of the country?—Yes, I hold very strongly that the more statistical data you can get with regard to the whole economic question the better able you will be to deal with the problems which arise.

41. Is your knowledge of the conditions under which farm labourers work derived from the average farm labourer in the country, or from the farm labourer who has come into the town?—From the average farm labourer who has come into the town.

42. *The Chairman.*] Is there any point you would like to speak about that has not been raised by the questions you have been asked?—The last question in the order of reference of the Commission is as follows: “What steps should be taken with a view to reducing the costs of the necessaries of life?” My contention is that the more State competition we have the more effective will it be in reducing the cost of the necessaries of life to the people. It will force organization on those who are competing against the State enterprises, eliminate waste, and at the same time give the benefits of that elimination of waste to the people as a whole, instead of concentrating it in the pockets of private owners.

43. *Dr. Hight.*] Do you advocate simply State competition or State monopoly of ordinary industries—I mean as an immediate measure?—I think that State competition is the thing we need now.

44. *Mr. Macdonald.*] Would you allow the State to run an enterprise at a loss, and make up any deficiency in the working-expenses at the expense of the general taxpayer?—No, that is not the policy I would advocate. It might be possible to defend such a policy as you are indicating, but I should say the immediate policy should be in regard to every such institution that is of an economic character to make it pay.

Re A. D. Ford (subpœnaed as a witness).

Mr. J. A. Flesher, Solicitor: I appear on behalf of A. D. Ford, who has been subpœnaed to give evidence this morning. I want to explain the position as far as he is concerned that on my advice he declines to give evidence. I may explain that this is out of no disrespect to the Commission. He is a member of the firm of Ford and Mirams. They are not members of the Federated Merchants' Association of New Zealand. I wish to make that point definitely clear. They are the Canterbury agents for a North Island firm against whom an action has been brought for a breach of the Commercial Trusts Act, and their principals strongly object to any of their representatives giving any evidence. It is practically the position of an accused.

The Chairman: Under the circumstances Mr. Ford is excused.

MICHAEL MURPHY, ex-Secretary of the Canterbury Agricultural and Pastoral Association, examined on oath. (No. 73.)

1. *The Chairman.*] You were secretary of the Canterbury Agricultural and Pastoral Association for many years?—Yes.

2. I understand you have a statement which you desire to make to the Commission?—Yes. I have resided in Christchurch since 1868, but I will begin with the year 1878, or thirty-four years ago. The cost of bread has been the same, with slight fluctuations—viz., 3d. for the 2lb. loaf—ever since. Meat—mutton 2½d. per pound, beef 3d. to 4d. per pound; sugar, 4d. to 6d. per pound; tea, 2s. to 3s. per pound; butter, 6d. to 8d. per pound; milk, about the same all along the line; potatoes ditto, with slight fluctuations; coal somewhat dearer than at present. Workmen's boots, 25s. to 30s. per pair. “Cookham's” clothing, 20 per cent. cheaper than at present. Day labour, 5s.; expert labour, 7s. to 8s. per day. Rent of six-roomed cottages, without modern appliances, £50 to £60 per annum. No bicycles, no pictures, no trams, no theatres, except a small one—the people were quite satisfied with occasional penny readings. Cost of living, 1912: Bread, 3d. the 2lb. loaf; mutton, 4d. to 7d.; beef, 6d. to 10d.; sugar, 2½d. per pound; tea, 1s. 6d. to 2s. per pound; butter, 1s. 1d. per pound; milk, about the same all through; potatoes, about the same; coal, cheaper, in consequence of State coal; workmen's boots, 15s. to 18s. per pair; clothing, 20 per cent. dearer now; day-labour, 7s. to 14s. per day, with shorter hours (plenty of employment for girls and boys at the present time, thereby supplementing their parents' earnings); rent of five-roomed cottages, with modern appliances, £38 to £40. Now let us compare our present mode of life. Every workman, including clerks, office boys, and girls, must have a bicycle, in many cases a motor-bicycle. Our amusements have increased tenfold. Trams in all directions gathering up the pennies and odd threepenny bits. No one thinks of walking any distance to or from work, or on any other business. The trams are packed every holiday with young and old to Sumner and New Brighton. Our theatres are packed almost nightly. Our picture-shows are frequented in the same way with young and old. Our weekly half-holiday, which has come to be regarded as a blessing, is an extra source of expenditure in pleasure. It is a privilege to live in a land where labour is not the alpha and omega of existence, where children are well fed and cared for. Comparing the present with the past, there should be no difficulty in saddling the right horse as regards the cost of living. Homes for farm labourers: Regarding workers' dwellings for farm labourers, witness suggested a scheme which he thought was capable of greater expansion than at first sight was apparent. Blocks of good land should be secured as near the centres of labour as possible, to be subdivided into lots of not more than three acres, and, if possible, near a railway, more particularly those blocks destined to supply the labour for large cities, which should be served by workmen's morning and evening trains; such sections to be sold on easy terms, extending over lengthened periods, each annual payment providing for a sinking fund, which in time would secure the freehold to the occupier. This system is in vogue in Ireland, the farmers paying off their indebtedness to the State in a most satisfactory manner, thus securing the freehold of their holdings. The settlement should be laid out with a view of becoming rural centres, provided with ample open spaces as commons, where the young people would find room and encouragement to indulge in rural games. Schools would

be provided, if not already within reach. Instructors should be appointed to direct the settlers as to the best system for working their sections, giving lectures during the long winter evenings. Reading-rooms, supplied with papers and books, would be necessary; periodical visits of moving pictures and other legitimate amusements should also be encouraged. If workers and their families were ever to be reconciled to living away from the large towns they must have at least some of the attractions incidental to city life. The growing tendency of the present day was dislike to servitude. This feeling would in a large measure be counteracted by the adoption of some such scheme as witness suggested. It was certain that employers would be only too pleased to be freed from the responsibility of having to provide for the continuous housing of large numbers of farm hands. The demand for farm-labour was not like that of the workshops—continuous. For certain seasons, such as harvest and threshing, &c., the demand was much greater than during the rest of the year, and the owners of sections would be glad at such times to have the opportunity of making a cheque, enabling them to meet their liabilities to the Government and other creditors.

Witness, in reply to a question, said that he did not know whether there were scores of people willing to go out and work in the country, but he knew there were many; but until there were sufficient inducements offered for them to live comfortably in the country, as pointed out, it is futile to expect them to go out from the town. This country will never prosper until the people are encouraged to live in the country districts. The scheme was somewhat like that of the late Mr. Wakefield.

3. *Mr. Macdonald.*] Do you agree that if the conditions of life in the country were changed the farmers would not need to complain of lack of labour?—I do not think they would; the thing would soon cure itself, but you must make provision for the people to be comfortable and happy, as pointed out already.

4. *Mr. Veitch.*] There must be two schemes then, one for the country worker and one for the city worker who lives in the country: is that your idea?—No, it is not. The scheme I have suggested would apply to both sections. Many farm hands are not competent to take farms; the settlement I propose would give a training-ground for them to take up larger areas of land ultimately.

5. Who is going to live in the country houses?—The owner; but I explained there should be a sinking fund, so that in time the house and land becomes the man's own property. Possibly this would need some alteration of the conditions of the present scheme. I would allow transference and compensation for improvements, as is done under the tenant right in Ireland—giving full value for unexhausted improvements, but the tenant not to be allowed to sell the property at least until it becomes his absolute property. The subject is a very big one, and wants careful consideration; want of labour is at the root of the trouble. The farmers do not object to the wages, but they object to not being able to get the labour when it is most needed.

CUTHBERT CHAMBERS, Local Manager of the Vacuum Oil Company, Christchurch, examined on oath. (No. 74.)

1. *The Chairman.*] How long have you acted in your present capacity?—Since the beginning of 1909—about three years and a half.

2. You were acquainted with the business before?—With the lubricating oil business, yes.

3. Not with kerosene?—I was not very familiar with burning-oils.

4. What was the price of kerosene ten years ago?—I have no records.

5. Were you in charge when the duty was taken off kerosene?—No, that was before my time. I have no knowledge of the matter.

6. *Mr. Macdonald.*] Is oil showing a tendency to rise?—It has shown a tendency during this year.

7. Is it likely to continue?—Well, it is regulated by the American market, of course.

8. Is there less supply or a greater demand?—Well, there are various conditions; the freight condition is the principal one that is influencing it now—freight from America to New Zealand.

9. By what line of steamers does it come?—Usually chartered boats of various companies.

10. And they have increased their freights?—Yes, freights have increased.

11. Why?—They are increased all over—the general freight right throughout has increased.

12. On account of wages?—I think the reason is that there are more goods being transferred in proportion to the shipping facilities offering.

13. The operation of the law of supply and demand again?—Exactly.

14. Assuming the duty was put upon kerosene—say, 6d. per gallon—would the price rise?—Of course, it must do so.

15. If that is so the public is getting the benefit of the reduction in duty?—Yes.

16. Are your firm competitors with the Shell Oil Company?—Yes.

17. And are both striving after the one market?—Yes.

18. And there is no understanding to regulate prices?—Not that I know of.

19. You are “competing like blazes,” as one witness put it to us?—That is so.

20. *The Chairman.*] What is the connection between the Vacuum Oil Company and the Standard Oil Company?—Well, I do not know myself: I believe there is some relation: I am not familiar with it. We handle the Standard Oil Company's oil—White Rose kerosene and also the Pratt's spirits.

21. You buy in America direct?—Yes.

22. And ship to here?—Yes.

23. You have never attempted to influence merchants to take your oils—not by business methods which are not fair and open—American methods?—Well, of course, I do not know much about American business at all.

24. It is ordinary New Zealand business methods you adopt?—Yes, exactly.

25. *Mr. Veitch.*] Does your firm sell to all retailers on the same terms?—No, we do not do a retail trade at all.

26. I asked, do you sell on the same terms to all retailers?—Oh, yes, exactly; but as a fact the merchants are able to beat us on our prices; they cut the price.

27. Do merchants who retail your goods return any statements with regard to the price at which they sell your goods?—No.

28. There is none of that work going on?—No.

29. Have you a special agreement with the Merchants' Association in any way?—No, none whatever.

30. *Mr. Fairbairn.*] The market is quite open and competitive so far as kerosene is concerned?—Yes.

31. *Mr. Macdonald.*] And the merchants beat you in supplying the retailers?—We state a retailers' price; in order to protect the retailers we issue a retailers' price, and also a wholesalers' price.

32. *Mr. Veitch.*] Oh, that is a new point. What would be the position if a retailer refuses to sell at your price? Do you fix the selling-price?—No, we only fix our selling-price to the retailers; we have nothing to do with his price.

33. *The Chairman.*] And the different price to the retailer and the wholesaler is just because of quantity?—It is a matter of distribution; the wholesaler has to distribute, and must have some profit on this.

JOHANNES CARL ANDERSEN, Civil Servant, examined on oath. (No.75.)

Witness said he had compiled various figures for a history of South Canterbury, which he was preparing, and these would show prices of provisions, &c., and wages in Canterbury, for the fifty years ending 1908—sometimes for more than fifty years. The figures were compiled from Government statistics in all cases, and for the past twenty years they showed that the cost of articles generally had not increased. His figures showed that artisan labour had been constant for the last thirty-five years, but carpenters were getting 1s. per day more; female labour was also better paid than it was.

1. *The Chairman.*] What has become of the awards of the Arbitration Court in regard to these trades?—Well, 1908 are the latest figures I have, and they are as I state.

2. *Dr. Hight.*] Between 1873 and 1908 there was a great dip?—Yes, the curve has not been constant throughout.

3. *Mr. Macdonald.*] Comparing 1890 with 1908, what is the position of wages for agricultural labourers?—In 1890 they were getting 15s. to 20s. per week, with board, and in 1908 20s. to 25s., day-labour on the farms in 1890 was 6s. to 8s. per day, and in 1900 7s. to 8s. Ploughmen in 1890 were getting 17s. to 25s. per week and found, and 6s. to 8s. per day; and in 1908 22s. to 27s. 6d. per week, and 7s. to 8s. per day. Pastoral labour was as follows:—

	1890.	1908.
Shepherd, with board	£52 to £65 per annum.	£65 to £80 per annum.
Stockkeepers	£52 to £65 ..	£65 to £80 ..
Station labourers	15s. to 20s. per week.	20s. to 25s. per week.
Shearers	16s. to 20s. per 100.	16s. 8d. to 20s. per 100.
Station cooks	20s. to 30s. per week.	25s. to 30s. per week.
Artisans—		
Masons	10s. per day.	12s. per day.
Plasterers	8s. ..	12s. ..
Bricklayers	10s. ..	12s. ..
Carpenters	9s. ..	10s. 8d. ..
Blacksmiths	10s. ..	10s. ..
Wheelwrights	10s. ..	10s. to 12s. per day.
Shipwrights	10s. ..	10s. per day.
Plumbers	10s. ..	10s. ..
Painters	9s. ..	10s. ..
Saddlers	9s. ..	8s. to 10s. per day.
Shoemakers	10s. ..	7s. 6d. to 10s. per day.

4. *Mr. Fairbairn.*] A higher rate in 1890?—Yes, a higher average rate.

The Chairman: I have never known when the average bootmaker got 10s. per day.

Mr. Fairbairn: Perhaps this was for bespoke work.

5. *Mr. Hall.*] How were these figures arrived at?—They are Government figures.

6. There must be some explanation?—Perhaps so; the figures are not always taken out on the same principle, and when the system is altered and details not given it is very misleading.

7. *Mr. Macdonald.*] The general tendency has been upward?—Yes.

8. *Dr. Hight.*] Can you tell us anything of the methods by which these figures are taken out? They are averages, I suppose?—I believe so.

9. Taken monthly or yearly?—I do not know; I have simply copied out the averages from the Government returns.

10. And you do not know anything further about them?—No, I give you the figures bare.

11. Have you any reason to believe that the methods of compilation have changed from time to time?—Yes, at different periods new methods are adopted, and that makes the matter very puzzling at times; sometimes the boundaries of the districts are altered, or districts are merged into one another—three divided into two—making it impossible to obtain consecutive details for individual districts. [*Witness* put in tables showing imports and exports up to 1908. These showed how the value of exports, gradually creeping up to now, exceeded the value of imports,

so that wealth was coming into the country. When $\frac{1}{2}$ d. a pound was taken off sugar in 1879 the amount of Customs duties had dropped £36,000, but the amount was made up in four years, showing that sugar was more widely used when it became cheaper.]

Mr. Fairbairn pointed out that the tariff had changed three times on foodstuffs in the last twenty years, and comparisons were therefore rendered difficult.

The Chairman said that statistics were compiled differently by the Government Statistician and by the Labour Department, and there were often the widest discrepancies; the methods certainly had been changed from time to time.

Witness: Unless we know of these changes the figures are useless from the historian's point of view.

The Chairman: From the historian's point of view there is nothing so false as facts, except figures, you know, Mr. Andersen.

[Witness put in table of houses—size and occupation of. These showed that the houses had been increasing in size, and the number of persons occupying each house had declined. The houses were also better appointed and fitted up with necessities, once considered luxuries, such as bathrooms, hot and cold water, gas, floor-covering, &c. He also put in tables of savings, showing that the average amount of savings in the post-office savings-banks had increased per head, and the total number of depositors and their deposits had increased enormously.]

DR. BRITTEN recalled.*

Witness handed in a newspaper article dealing with the operations of the Northern Steamship Company.

CHARLES LAFFERTY, Boot-retailer, examined on oath. (No. 76.)

Witness said he was a boot-retailer, carrying on business in Christchurch, and had been a boot operative and a foreman in a boot-factory.

1. *The Chairman*.] Have you any statement to make regarding the rise in the price of boots?—The cost of living has increased considerably from the fact of so much inferior stuff introduced into the colony. A considerable amount of boots are not genuine, but composed of shoddy, and with cardboard insoles and cardboard stiffeners. Such boots look well, and are tempting to the buyer, but after a fortnight's wear in wet weather they come to pieces. [Witness produced a sample of this description.] This boot costs 12s. 6d. duty-paid landed in New Zealand. It has been worn one month, and was sold to a customer and brought back then. The retail price was 15s. 6d., which does not show a very great profit, seeing that shop-rents, light, wages, &c., have all to be taken out of it. Such articles impose hardship on the worker who buys them, and injustice on the shopkeeper who has to refund. I think that New Zealand can produce boots equal to any part of the world. Of course, the lower price is the great attraction with these boots, especially with a housewife who has a very limited amount of money to spend, and has perhaps several children to provide boots for. Here is a little shoe [small child's shoe produced] which looks very attractive for a working-man's child; it was ordered as "all leather." It has a composition insole, is faced with canvas and backed up with cardboard. It is a fraud, and such stuff should not be allowed to come into New Zealand under the headings it does; it should be branded as to what it is made of. Very often the retailer buys such stuff in perfect good faith, sells it in perfect good faith, and then has to suffer loss through refunds. Such competition as is given by these cheap shoddy shoes is unfair to the better New-Zealand-made article. If such shoes as I have shown the Commission do not get wet they may wear fairly well, but even then they cannot be repaired; the nails and sewing will not hold, so that it is better to buy one good pair than two of these pairs. I also have another shoe here [young lady's shoe produced] which looks well; it is supposed to be all leather, and none but a thorough tradesman could discover that it was not. Part of the heel is cardboard. A man with eleven in family bought three pairs of these shoes; and after they had worn down a little on the heel there was nothing but cardboard. I do not say that the agents who take the orders are wilfully to blame in any sense of the word, because very often the samples are genuine all leather, but the orders as fulfilled are not.

2. *Mr. Fairbairn*.] Do you think that a branded boot, imported or locally made, carries a guarantee to the public?—Yes, I hold that if cardboard is used in its composition that should be branded on it; if it is all leather, let it be so branded: that is only fair to the customer and to the retailer, and there is then no chance of deception. In New Zealand under the present methods of machinery and equipment, with fair competition in price, we are able to produce anything that New Zealand requires—I am satisfied of that; the New-Zealand-made article is equal to, if not better, than anything imported. But, unfortunately, the market price is not so regular—not sufficiently so to warrant the retailers depending solely on the local-made article. For instance, when the last tariff was introduced it was slightly increased; shortly after there was an increase in sole leather and uppers, increasing 9d. per pair on a certain line of boots. Thus, although the increase in the tariff was intended to benefit the workers in the trade, and not in any way as a tax on the community, it has worked out in the opposite way. It gave the imported article an advantage of about 6d.

3. How was that?—Because the colonial boot was increased in price owing to an alleged rise in the price of raw material. I refer to New-Zealand-made raw material. At the time it was stated that there was a shortage in hides, and therefore an increase in price. But the *Tanners' Journal*, from Australia, showed that hides had declined $\frac{1}{2}$ d., and that on the London market they were a glut.

4. *Mr. Fairbairn*.] Do you mean that the local prices for tanned leathers are higher than the prices abroad?—In New Zealand there is not much glaze kid made; I am speaking of chromes and kips, &c. The principal portion of the lighter grades come from America and England; we are dependent on that market, and have no option. But you can import to New Zealand boots

* See page 61 for main evidence.

made of the same materials as used for the same boots in New Zealand, and pay, say, 4s. to 4s. 6d. in duties and charges, and still get the boot landed in your shop cheaper than you can buy it in New Zealand. That is what is responsible for so much importation of genuine articles.

5. Is the difference made in wages?—No, I think the wages are not responsible. If you gave the whole wages in that would not account for it. Of course, in the Old Country they do things in a bigger way, and may probably send goods to us at a lesser price than we could get the same goods in other places than New Zealand. They get rid of their stuff to us—that is, New Zealand is a dumping-place. German goods are certainly dumped here, and you get an awful lot of shoddy slippers, because they do not come under the tariff. The American goods are not so frequently imported because of the preferential tariff.

6. You mentioned branding the goods to show that they were shoddy: I meant reputable makers putting on their brands as a benefit to the maker and to the public?—Yes, I advocated that we should have a “Made in New Zealand” brand, because our boots are equal to those made in any other part of the world; and that would prevent the retailers selling the best of the New Zealand boots as imported, as they do now. That is an injustice to the New Zealand workers, and it increases the competition in an unfair way, and misleads the public. I have often seen the best New Zealand boots branded in such a way as to suggest they were made in England, or Australia, or America. You can see these any day in the week, and that leads the public to believe that the imported boot is better, and so they will not take the colonial when it is offered to them. Thus the prejudice of the public against the local article is fostered. I have even known tradesmen who were advocating better conditions for workers ask for an American-made boot. We have a boot on this market which is branded “Brooklyn,” and yet it is a colonial-made boot. In fact, the whole of the good New Zealand-made boots are branded in such a way that you would not think they were made in New Zealand. Many of the largest manufacturers are also importers, and often of a quantity of shoddy. They do not sell shoddy as their own stuff, but it comes into the market, and so the worker is taxed unfairly and increases his cost of living. It is alleged that the retailer is the one to blame. As a fact, if the retailer had not shoddy stuff to deal with he would not be placed in the awkward position he is. It has been stated he gets an enormous profit. I have produced a 12s. 6d. boot which he sells at 15s. or 15s. 6d., and after three weeks he had to refund the price to the customer or give him another pair of boots free. In a newspaper clipping I have here Mr. Whiting says, “I am certain that the State could manufacture boots and retail them at 5s. per pair less on the average than they are sold to-day, make a profit, and compete successfully with the foreign articles.” This is not so. I feel sure that gentlemen would not have made that statement had he gone into the subject more deeply. I have seen boots marked up in shops at a retail price of less than that at which I could purchase them from the manufacturer. These are “bait” lines, and the bulk of the shop’s stock is shoddy. Customers buy these bait lines, and then come along to a shop that keeps only genuine stuff and wants boots for the same price. Many retailers are not averaging per week in profits as much as the wages-man gets in the boot-factory. I think a prohibitive tariff should be imposed on shoddy boots; and I think it should be arranged that the local manufacturer cannot charge an unduly high rate for the articles he makes here.

7. *Mr. Veitch.*] Is there any combination of local retailers in the boot trade?—No, there is no such thing in Christchurch; there was one, but it fell through.

8. No association of any kind?—No. We were cited individually before the Arbitration Court. The association did not put in an appearance, and I understand that the Registrar has given notice to strike it off the list.

9. *Mr. Hall.*] Did you say that boots could be landed here cheaper than they could be made—that is, boots of equal quality?—I said, so far as the retailer was concerned, they could be imported and landed cheaper than the retailer could buy them locally made.

10. You said many common kinds were sold in New Zealand?—A considerable quantity of shoddy boots are sold in New Zealand.

11. How would you rectify this?—The makers should be compelled to brand their goods as to what they are made of; that would be beneficial, and the public would know what it was buying, and would have a chance to compare a good shoe with a bad one as to wearing-quality.

12. *Mr. Fairbairn.*] Is there no satisfactory substitute for leather?—Rubber is not, so far as the bootmaker is concerned; it is too costly. A considerable amount of good-quality linen is used for boot-linings in preference to skins, such as basils, roans, and so forth: this is a saving in cost, and they wear remarkably well if of good quality.

13. *The Chairman.*] Is there any combination amongst the wholesalers? Is there a perfectly free and open market?—Yes, personally I am a free man; there is nothing to prevent my buying in any market I choose, and I have no knowledge of any such combination. I am not justified in speaking about the wholesale trade; I could not say whether they control the price or not.

14. Is there any belief that they do?—I know of none.

15. *Dr. Hight.*] Would it be easy for an average person to tell a good boot from a bad one?—Very difficult. It would be difficult to teach the average person who is not acquainted with bootmaking.

16. And if once interest were aroused in the matter?—If a public meeting were called and illustrations of the different kinds given, that would have a marked effect on the people as a whole.

17. Would it be useful to include simple lessons in the schools distinguishing materials in the ordinary articles of domestic economy?—It would be a very good idea, particularly if given to girls in the upper standards. Women do most of the purchasing of boots, and they do not grasp the construction of it so quickly as men.

18. *Mr. Macdonald.*] And they are easier gulled?—Well, the price tempts them, especially if they have a very limited amount of money.

19. *Mr. Fairbairn.*] Compulsory branding would meet this difficulty absolutely?—Oh, yes, I think so. In addition, it would be to the benefit of New Zealand if the best qualities of New Zealand boots were branded, and thus the prejudice against the colonial boot broken down.

20. *Dr. Hight.*] Do you not think it would be better to educate the people in the difference between good and bad—

Mr. Veitch: Let the people acquire a knowledge of good and evil, you mean!

Witness: It would be a good thing if they could distinguish between good and bad boots. [Witness referred to the discussion that had taken place between Mr. Frostick and the late Mr. T. E. Taylor, and said that nothing practical had ever been attempted to cope with this evil.]

21. *Dr. Hight.*] You referred to a rise in the price of boots when the tariff was raised?—Yes, a slight rise in local prices.

22. Do you suggest that the tanners, believing that the boot-manufacturers would be able to pay a higher price, combined to put up the price of leathers?—I cannot answer that question. I know that at that time I found one line of boots was 9d. per pair dearer, and was told that the price of materials had gone up. I suggested that this would defeat the object of increasing the tariff, and that it should be protested against, but the salesman said it was easier for them to pass on the extra cost than to quarrel with the leather-merchants about it.

23. *Mr. Macdonald.*] Are there any shops “tied” to the manufacturers?—There have been strong impressions that this was so in the past, but I cannot speak definitely now.

24. What is the average consumption of boots per head—or per foot—in New Zealand?—I cannot say.

25. *Mr. Robertson.*] Is more shoddy worn in New Zealand than formerly?—I would not say that, but proportionately there is as much; but there is a good deal of good-quality stuff imported too.

26. Has the standard of quality in footwear gone up?—Yes, the designs and shapes are better; the quality of boot worn is superior to what was worn years ago. The boys’ boots, nailed, toe-tips, and heel-tips, have practically gone out in favour of a lighter boot, which, of course, does not wear so long.

27. *Mr. Hall.*] You referred to a rise in price when the tariff was increased: was that an average rise?—I could not say it was on every line; a fair proportion was raised in price; there was certainly an increase. I could not say what the average would be. [Witness, continuing, gave an instance of an attempt he had made to purchase laces in England, and had been referred to a certain Christchurch house acting as agents for the Home manufacturer; the Christchurch house referred him to another firm in Christchurch, and they would not sell these 4s. laces under 5s. 3d.]

28. *The Chairman.*] You consider that an action in restraint of trade?—Yes. The firm I refer to is not in business now.

Mrs. JANE MITCHELL, Officer in Charge of the Women’s Branch of the Labour Department, Christchurch, examined on oath. (No. 77.)

Witness stated that she had had twenty years’ experience of registry-office business.

1. *The Chairman.*] Have the wages of servants increased very greatly during the last twenty years?—Yes, almost doubled.

2. Has the supply increased with the increased wages?—No, gradually decreased.

3. Why?—The girl’s working-life—the single girl—is only four or five years; then she marries, and only sometimes do we get her back—when her husband is out of work, for example. We used to get young girls about fifteen years of age; now they go to dressmaking, &c., and later on may come to us. Another reason is that the girls are not here to fill the places, because of the declining birth-rate.

4. Is there any difference in the class of girls offering?—No, the girls are very good indeed; the class of girls is remarkably good, but there is a very great scarcity.

5. Do you find that presses upon the mothers of young children?—Yes, to a very great extent.

6. Has there been any organized attempt on the part of employers to get girls from England?—The only attempt is through the Farmers’ Association—the only attempt I am conversant with.

7. Do they pay the passages or make a contract?—I think it is mostly done through the British Women’s Association. The girls come through them, and that association has to be allowed a certain percentage—I think it is £2 10s. per girl; and then the girls are penalized when they arrive here.

8. How?—They have to sign contract papers, guaranteeing that they will remain with the association one year.

9. Do they sign papers in this country?—I think they are signed here when they come through the association, and then they are charged a fine when they break away from the association. Of course, the association cannot claim that fine, but the girls do not know that.

10. Are the wages paid less than the girls would get on the open market?—Oh, no. I think they give just about the average wage, but, of course, the girls have no chance of selecting their places; they have to go where they are sent by the association.

11. Do you consider it necessary for a certain class of household that there should be help available?—Oh, yes; some women are quite unfit physically to do their housework, and where there are small children it is most desirable.

12. How should that want be filled?—I suppose immigration is the only way.

13. Do you not think if the status of the domestic servant were raised it would attract girls to that work?—I do not see how the status can be raised higher—the best conditions prevail now; the girls are simply not on the market for any class of labour.

14. What is the inducement that makes girls prefer factory-work to domestic service?—Perhaps a working-man has a family of daughters, and by going to the factory they can help their mother at home and contribute financially as well.

15. And have the evening free for themselves?—Yes, free time for themselves or to help in the house. Girls out of town cannot take factory-work—domestic work pays better.

16. Is there no possibility of girls going to domestic work under factory conditions—8 to 5, and sleep at home?—A great many ladies are offering those conditions now, but that would not do for country girls or girls from abroad; they must have homes.

17. *Dr. Hight.*] With regard to the British Association's girls, can they not leave one position and go to another within the one year?—Provided they go to another position within the association, but they must stay twelve months at the first house.

18. *Mr. Macdonald.*] You do not see any particular harm in that?—Yes, I do, because if a girl is bound to the association she perhaps loses a chance of better employment; there might not be the most tempting situations vacant at the time she comes out.

19. But she got the chance to come out from Home?—She has the same chance through the Agent-General, and it costs her less, and when the girl comes here she is a free agent, and should be allowed to refund her passage-money if she wants to leave her situation, if she is not happy in it, for instance. There have been girls brought out here who have one consuming idea—£1 per week and nothing to do in the way of washing, &c., and they want to select their places, and select light places.

20. Do you think they are deluded into that idea by agents at Home?—Yes, that is the idea given to them at Home.

21. By agents who get a commission on their passage?—Yes, that is the case I have no doubt—the shipping-company agents.

22. *Mr. Robertson.*] You do not know whether the association makes the agreement at Home or here?—No, not to be perfectly sure. I suppose there is some sort of understanding before they leave there. The British Women's Association gets £2 10s. for every girl they send out.

23. There is a risk of the girl making an agreement at Home with the association and finding when she arrives that it is not as good as she could make here?—Yes, that is so in a great many cases. They have done so, and then come to us for relief, and we have found them situations; we constantly get this kind of thing to do. The girls are not happy in their positions, and they come to us for better conditions.

24. *The Chairman.*] The arrangement made at Home does not stand?—That is so.

25. *Mr. Hall.*] Does this British Women's Association get any special concession on the fares of these domestics—the British Women's Association?—I do not know what their arrangements are with the shipping companies.

26. What about the £2?—That is for working-expenses. I suppose there would be office expenses of some kind; the British Women's Association will have a good deal of expense.

27. Are the girls paying the ordinary steamer fare?—Yes.

28. And do they get any concession if they come out by the aid of the Agent-General?—Yes, they only have to pay the current fare—£2 16s., or something of that kind, and they are not hemmed in—they are perfectly free agents when they arrive. They can take domestic work or not; there is no law to force them to take any class of work.

29. *Mr. Fairbairn.*] Coming through the Agent-General they only pay £2 16s. passage-money, you say?—There have been domestics getting fares for that rate; the arrangement was in existence some few months ago, I know, so the girls tell me. I think they can come out that way still.

EDWARD KENNEDY, Secretary of the Canterbury Farm Labourers' Union, examined on oath.

(No. 78.)

1. *The Chairman.*] What is your occupation?—I have been a farm labourer all my life, except for the last two years, when I have been secretary of the union, and have had twelve or thirteen years' experience of Canterbury.

2. Have wages increased in Canterbury in that time?—In some instances, with the best class of employers, but amongst a very large number they have not increased very much. The best class of employers have increased the wages considerably.

3. Do you think there is a shortage of farm labour?—No, I do not know of any shortage where the men are paid a reasonable rate of wages and reasonably treated.

4. Has there been any request to you to provide men?—No, never. We wanted that permission for the union to supply men instead of the registry offices, but we were not successful in getting it—the employers would not agree.

5. Are many farm labourers out of work here?—No, not a great number; but there are a good many men in Christchurch who were farm labourers and are now out of work in town, and will not go back to the farms.

6. Why not?—Because of bad accommodation.

7. What is the accommodation they complain of?—I will give an account of one place which I know of my own knowledge; I have seen it, but I got the actual measurements from another man. The building is about 10 ft. 6 in. long, 8 ft. 6 in. wide, wall about 5 ft. 6 in. high, ridge or centre 10 ft. 6 in. from floor; walls of single board tongued and grooved; board floor; no lining whatever except sack tacked round bunks, of which there are four, two top and two bottom; and one sheet of galvanized iron between wall and stove, at present occupied by two ploughmen; window with four 9 in. by 12 in. panes. More men are employed during harvest than in winter, and those men are crowded into buildings that otherwise might be sufficient to comply with the Accommodation Act. I have seen as many as eight men sleeping in the whare I have just described, some of them sleeping on the ground.

8. Do you assert that that is anything like a fair sample of a good deal of the accommodation provided?—Yes, it is a fair sample of a very large number; it would not be the majority. That is within my own knowledge.

9. On large or small farms?—In every class—in large stations sometimes. I know large stations where the accommodation has been up for thirty years, and the men are leaving all the time because of the bad accommodation. I have been told this by men who left that station, and

I know large stations myself where the accommodation is not any better. Wages are another item; the men will not work on the farms for these. I have spoken to several large employers who pay fair wages—up to 30s. per week—and treat and house their men well, and they tell me they have no difficulty in finding men.

10. *Mr. Fairbairn.*] There is no difficulty with people who pay good wages and give good accommodation?—That is so, and give reasonable hours as well.

11. *Mr. Hall.*] 30s. per week and board?—Yes.

12. *The Chairman.*] What are farm servants to do after their day's work is finished?—They have nowhere to go except into their bunks or into the hotels; they go to the hotel just for company and because there is nowhere else to go.

13. The greater attractions of the town take men away from that life?—Oh, yes; but I know a great many men in Christchurch who would go into the country to-morrow if they could get reasonable accommodation and reasonable wages, and a fair continuance of the wage—say, 30s., with a guarantee of twelve months or even six months' work.

14. These are the three things which you think would take men back to the country: fair wages, decent accommodation, and fair continuance of employment?—Yes, and if the half-holiday were allowed the younger class of workers would go into the country. Some of the most successful farmers give the half-holiday—not dairy-farmers, of course.

15. *Mr. Veitch.*] What is a fair average of the hours of a farm labourer?—The general farm labourer is the man employed by the week, and his work commences at 5.30 to 6 a.m., and he is not free to get away till he lets his horses go in the evening at 7.30 or 8 p.m.; that is all the year round. Fair-minded employers and honest workers both agree that there is much room for improvement in these conditions. As to hours, I know of one large farmer in the Ashburton district who, excepting in harvest-time, gives his men eight hours a day work, and the men are never asked to work in wet weather, and he is one of the most successful men in the district. He says there is nothing unreasonable about the conditions we ask. Where employers treat employees fairly there is no difficulty.

16. *Mr. Hall.*] What hours do the general labourers work?—Eight—that is, the men employed casually by the day on the farms.

17. What time does the ploughman leave off work?—At 5 p.m.; but he has to bring the horses home from the paddock, perhaps a mile or more away, and he has to tend and cover his horses, gets his own supper, and sometimes has to clean down the horses too, and then lets them out about 8 p.m.

18. *Dr. Hight.*] Why do not all the farmers provide suitable accommodation, and so be sure of getting suitable labour?—I do not know, unless it is the natural grab; most classes of people want to get all they can.

19. *Mr. Macdonald.*] A double dose of original sin in the farmers, eh?—I do not think the farmer sins more than any other man, judging from my experience.

20. *Dr. Hight.*] The larger the scale of farming the better the conditions: do you find that?—No, I could not say that; I do not think there is any difference in the large and the small place as to hours, food, accommodation, &c.

21. The example of shorter hours you gave was on a large farm?—That was one large farm; but there are others in the Ashburton district where long hours are worked. [Witness here handed in some extracts from evidence given in the farm labourers' dispute with the Canterbury farmers.]

22. *Mr. Robertson.*] You stated you knew a number of men willing to go and work on farms provided there was good accommodation?—Yes.

23. It has been said that the shortage of farm labour is caused through the constant stream of men in the country, wages-men, going from the farms to their own land: is that correct?—No, I would not say it is correct. There are some farm labourers going on to farms of their own—not a very large number. The majority of men taking up land in this country are farmers' sons—that is, of recent years.

24. Is the stream more towards the town than towards the land?—More towards the town. The worker comes into the town because he gets better conditions of life. That is a larger factor than any other. I have no doubt that years ago, when land was cheap, the great majority of the oldest farmers in Canterbury were at one time farm labourers, but that was in early times when land was 30s. and 40s. per acre; it is ridiculous to suggest that farm labourers can become farmers to any extent nowadays, with land at £30 and £40 per acre.

25. The farm labourers' prospect of taking up land are worse than previously?—Oh, yes, far worse; the cost of land has risen, and the wages have not risen in comparison, therefore he cannot be in as good a position as before.

26. *Mr. Hall.*] You referred to the inferior accommodation: is that inspected?—There is an Act—Agricultural Labourers' Accommodation Act—but no regulations for working it have been drawn up, and the Inspectors merely go out and see what the union complains of. Inspectors have sent in reports and complained of the accommodation as insufficient.

27. Do you know of men leaving the district to take up land elsewhere on leasehold or cheap land?—I do not know that there has been any great number; a few go to the North Island. I have known them go there and find the price paid so high that they could not meet their engagements, even though they had to pay only a small deposit in the first instance. I know one family that has been fairly successful there.

28. *Mr. Veitch.*] Do you know anything about shearers' accommodation?—My union has nothing to do with that; I think the majority of squatters supply accommodation sufficient to comply with the Shearers' Accommodation Act.

Witness, continuing, said that in his opinion one of the causes of the cost of living going up was the increase of exports of frozen mutton, &c., leaving a shortage in this country. He would like to see the Government conducting large farms of their own, and putting the produce

on the market at cost price; the local market only, he meant. So far as the non-operation of the Farm Labourers' Accommodation Act was concerned, he thought there was political influence at work there—that the Government were frightened of the farming community.

The Chairman said it was entirely a matter of expense; the Government had found that at least nine new Inspectors would be required, and so they had dropped the scheme for the time being, and limited the inspection to that given by the present Factory Inspectors to any disgraceful accommodation reported by the union.

FREDERICK WILLIAM RICKETTS (representing J. Ballantyne and Co.), Draper's Assistant, examined on oath. (No. 79.)

1. *The Chairman.*] What experience have you had as a draper's assistant?—Thirty years.
2. Have the circumstances with regard to the draper's trade changed during the last twenty years?—Not a great deal.
3. Has the trade increased in volume?—Yes; but there are not a great many more drapers here than there used to be.
4. Is there a drapers' assistants' union?—I believe not.
5. They prefer to make an individual bargain with their employers?—I have heard no opinion expressed on that, nor am I aware of any attempt to form a union.
6. Are the conditions in the trade favourable to the trade?—Yes; there is very little grumbling. I can hardly say what is the average wage, the conditions vary so much, and some houses pay better than others.
7. Have the prices of drapery increased greatly in the last few years?—Some articles have gone up considerably—articles made on the premises and articles that are luxuries.
8. You do not think prices of articles of necessity have increased?—Very little.
9. When the tariff was taken off lately from calico was there any difference made in the price?—I cannot say; I have not noticed any difference.
10. Are you a buyer for your firm?—Yes.
11. Is there any understanding that you should buy at certain wholesale houses?—None at all.
12. Do you buy direct from Home or through merchants in Christchurch?—Both.
13. If you set up for yourself you would have a perfectly free and open chance of making a business for yourself?—Absolutely.
14. You would be free to go to any wholesaler without any restriction of rates?—Yes.
15. *Mr. Robertson.*] Has the proportion of female to male assistants increased in the last ten or fifteen years?—No.
16. What is the proportion?—I cannot tell you; approximately, I should say the proportion would be about eighty males to a hundred females, but I do not think the proportion of female assistants has increased in the last ten years.
17. *Dr. Hight.*] You say the volume of business has increased, but not the number of shops?—Only slightly increased, the number of shops.
18. The scale of business has increased?—Oh, yes.
19. Would that not have a tendency to increase prices?—I do not think so.
20. You say that articles made on the premises have increased in price: why?—Owing to the higher scale of wages paid.
21. And the prices of articles of luxury more than that of necessities purchased by the people generally?—Yes.
22. They enter into the consumption of all classes, though?—Yes.
23. There is no noticeable difference as to price made by tariff changes?—Well, there was one particular line mentioned to me—calico; I cannot say with any certainty that there has been any difference in that.
24. The price of articles is the result of so many things that you cannot tell whether the tariff had any effect or not?—That is so.
25. *Mr. Macdonald.*] If there was an increased tariff would articles go up in price?—Yes.
26. *The Chairman.*] But they would not come down if the tariff was decreased?—Other things might not be equal.
27. They would only be equal when the tariff was put on?—Yes, I suppose so.
28. *Mr. Fairbairn.*] Since the tariff was taken off cottons has there been any rise in the cotton market?—Of course, the cotton market has been very high of late years.
29. You said that since the reduction of duty, or obliteration of duty, the price to the public has not changed?—Well, really, as far as the cotton department is concerned, that is outside my jurisdiction; my department is woollens and silks.
30. These goods have shown variation in the last ten years?—Woollen goods have gone up in price 10 or 15 per cent.
31. In fact, all textiles have increased 10 to 15 per cent.?—Not all of them. In silks there has been an increase of 5 to 10 per cent.
32. Cotton piece-goods you cannot speak of?—No.

GEORGE CALLENDER, Secretary in New Zealand of the New Zealand Shipping Company, examined on oath. (No. 80.)

1. *The Chairman.*] How long have you been secretary?—About two years. I have been in Canterbury nearly all my life, and have had over thirty years experience of the shipping trade.
2. During the last twenty years have the freights increased?—From London they have gone up.
3. And to London?—If anything, they are lower now than they have been, and there has been a large increase in the quantity of trade.

4. Are any advantages given to special classes of customers?—I cannot speak of the outward business to New Zealand, but we carry cargo from New Zealand to London for any one on the same rates for all.

5. Is there anything within your knowledge in regard to the shipping business which would lead you to think there has been a rise in the cost of the necessaries of life?—The outward freights from London have risen, and that would fall upon groceries and goods of that description.

6. How much in the last ten years?—Goods we are bringing out now at 45s. would ten years ago be brought out at 40s., rough measurement; and fine-measurement goods, 60s. now, would probably be 55s. ten years ago.

7. So that there has been a distinct advance on the freight in imports?—Oh, yes; the labour charges have been the cause of that extra freight largely.

8. In the Old Country or New Zealand?—In both.

9. Has there been any equivalent in improved machinery in handling goods that would nullify the advance in wages?—I do not think there has. I am not an expert on wharf matters, but I do not know of any gear so much better that it would nullify extra labour costs.

10. During those twenty years have you not had the hydraulic cranes, &c.?—I am afraid I could not tell you.

11. In your eyes the labour charge stands out alone?—As the main charge; and we have to pay our officers and seamen more, as well as the lumpers.

12. And the rise in freights is due to this and to the rise in the labour of shore men?—Yes, we are paying more than we used to. Undoubtedly that was one reason for the increase of freights.

13. You carry frozen meat Home?—Yes, large quantities.

14. Has the rate for carrying that increased very greatly?—No, it has not; it has gone down; it has been gradually going down for the last twenty years.

15. Through the efficient system of carriage?—Well, there has been more of it, and the steamers have been larger: that has enabled it to be carried at a lower rate.

16. Do not these larger steamers take less time than the smaller vessels used to do?—As far as the mail-boats are concerned there is little difference. When we first put on cargo-steamers they were much slower, but there is not the same difference in the mail-steamers.

17. The carriage of frozen meat and other products is an advantage to the producer and to the shipping company, is it not?—Yes.

18. And also an advantage to the people of this country as a whole, or only to a particular class, do you think?—It must affect the whole community, because it distributes more money. Without the export of frozen meat the shipments would be much less, and the farmers would not have the same amount of money to spend.

19. Is that the case with the wool also?—Wool here would be almost valueless unless you exported it in very large quantities.

20. So that you think the money coming back to the farmers and runholders is of very great advantage to everybody?—Yes, more or less.

21. And that would counterbalance the disadvantages of having to pay more for mutton and other things shipped out of the country at British prices?—Well, it would in many cases—I would not like to say in all; I do not think a clerk, for example, would derive much benefit.

22. Would a labouring-man?—It produces more labour, and in that way would be to his advantage.

23. I just wanted your opinion. On the whole you consider it a very great advantage to New Zealand to have such large exports?—Yes, decidedly so.

24. *Mr. Veitch.*] Has your firm any working arrangement with other firms in the same business with regard to fixed rates of freight?—Yes, we generally arrange the rates between us.

25. The charges are fixed to all classes alike?—Yes.

26. And arranged between the different firms?—Yes.

27. You spoke of freights having gone up?—Freights to New Zealand, not from New Zealand.

28. *Mr. Hall.*] What are the freights at the present time on frozen meat?—Mutton this month would be $\frac{2}{16}$ d. per pound less $7\frac{1}{2}$ per cent. I could not give the amount of other transport charges. Lamb would be $\frac{2}{16}$ d., speaking from memory.

29. Perhaps you could let us have these figures to-morrow?—Yes.*

30. *Mr. Fairbairn.*] Would you please include freight on butter?—Freight on butter is 2s. 6d. per box.

31. Can you tell us anything about the Continental classification of goods? It is much lower in many commodities than your own. That has an important bearing in reference to the preferential tariff. You carry certain goods from Hamburg through to New Zealand at a much lower rate of freight than from London to New Zealand: why?—Competition with heavily subsidized German lines account for that.

32. There are not subsidized German lines here?—They take cargo through and tranship from Australian boats to New Zealand.

33. Then you penalize your good English customer through fear of a foreign fleet?—We have to meet competition from all quarters.

34. This means really that glassware, for instance, where freight is a big item, is carried from Hamburg to New Zealand at about 30 per cent. less than you carry the same goods from London: thus the whole effect of the preferential tariff is nullified by the preferential treatment given the German manufacturers by the shipping companies?—I do not know whether your per-

* *Rates of Freight on Frozen Meat.*—Mutton—June to November, $\frac{2}{16}$ d. per lb. less $7\frac{1}{2}$ per cent.; December to May $\frac{2}{16}$ d. per lb. less 5 per cent. Lamb—June to November, $\frac{2}{16}$ d. per lb. less $7\frac{1}{2}$ per cent.; December to May, $\frac{2}{16}$ d. per lb. less 5 per cent. Beef—June to November, $\frac{2}{16}$ d. per lb. less $7\frac{1}{2}$ per cent.; December to May, $\frac{2}{16}$ d. per lb. less 5 per cent. Butter—2s. 6d. per box.

centage is right or not, but I know that we do carry at a less rate. These things do not come before us at this end—it is all fixed in London.

35. You can offer no explanation?—The explanation is that we have to meet the competition of the German lines, which are subsidized by the German Government.

36. That competition could not be affected owing to the comparatively high freights ruling from Australia to New Zealand as against Hamburg to London?—No; those, I understand, are the same rates as the German steamers are prepared to bring goods out to New Zealand for, paying the transport from Australia to New Zealand: that is the position, I believe.

37. *Mr. Macdonald.*] Freights, of course, are, like everything else, subject to the law of supply and demand?—Yes.

38. There has been a scarcity of shipping relative to the amount of commodities to be transported?—At the present time there is a shortage of tonnage throughout the whole world.

39. And that has some bearing on the freights?—Decidedly.

40. In addition to the labour charges?—I do not know that it has had a bearing on the Homeward rates of freight from this colony.

41. But it may have had a bearing on the outward rates from Europe to New Zealand?—It might have; I do not think it has to any great extent.

42. It has not operated yet, but it should?—It must sooner or later.

43. And would be a factor accounting for the rise as well as the increase of wages?—It would affect us in this way: that unless the rates to Australia were pretty nearly the same as ours, we would have to carry at a lower rate. If goods were brought out to Australia at very low rates owing to competition we could not maintain our present rates.

44. I was referring to the scarcity of shipping?—If there is a scarcity of shipping there is not the same competition; that is the only way in which it would have any bearing upon the question.

45. *The Chairman.*] Supposing there was a runholder who was getting £10,000 a year out of frozen mutton, and he was an absentee, and the £10,000 went to him in London, would that benefit the labourer here who was paying 5d. for his mutton instead of 3d.?—It would depend on where he spent the money, I should think.

RICHARD ALLEN, Flour-miller, Fendalton, examined on oath. (No. 81.)

1. *The Chairman.*] You are one of the associated millers?—Yes, I belong to the association, and always have done so.

2. Your association fixes the rates at which flour is sold?—No, not at present. I think it is the outside mills which do that.

3. Evidence has been given that there is a war in the milling trade at present: is that a fact?—I do not know; I could not say.

4. Prices are cut very low?—The fact is that the milling-power of New Zealand—the capacity—is more than double the requirements; naturally, competition is very keen.

5. Although you have an association of millers?—Undoubtedly. The sack-capacity of the mills that do not belong to our selling association is very much greater than of those mills in the association.

6. Evidence was given that if there was too great a charge for bread as compared with wheat, it was the baker's fault?—Oh, well, I should not like to answer for the bakers.

7. Can you follow a sack of wheat through the mill to the baker, and give us an idea of what prices follow at different periods?—No, I could not; I question very much if the baker's expenses could be averaged out—some would be very much less than others.

8. You think it would be impossible for an association of bakers to regulate prices of bread?—I do not think they could do it.

9. Do you think that the sack of flour as issued from your mill bears a steady proportion in value to the amount received when made up into bread?—I think so.

10. What is the price of bread?—Cash, 6d. per loaf, and 6½d. delivered.

11. You think a fair charge would be 6½d. delivered?—I have always thought so.

12. You have never followed the exact ratio of prices?—No.

13. And you do not know how many loaves can be got from a sack of flour?—There is always a dispute as to that—no two bakers give you the same figures; and then, Adelaide flour turns out more than Victorian, and New South Wales more than Victorian; and Australian flour is better than New Zealand flour—far better. The wheat is better, it will absorb more moisture; it is a drier wheat.

14. How does it come out better in the bread?—It takes more liquor.

15. And that would be weighed in the bread?—Oh, yes; it makes more bread.

16. You pay for more water?—Hardly that; the flour is drier to begin with. You must admit that the Sydney and Melbourne bread is better than the New Zealand bread.

17. I have eaten some beautiful bread in New Zealand?—Perhaps it was made with Australian flour. There is more gluten and less starch in their flour, and it will carry more water.

18. You could not say how many loaves a 200 lb. bag of Adelaide flour will make?—I hardly know; I asked a baker yesterday, and he said seventy-four. Sixty-eight to seventy is the number for New Zealand flour.

19. Would there be a good deal more nutriment in the seventy-four loaves than in the sixty-eight from New Zealand flour?—There would be more gluten; the other factor is starch, and gluten is superior to starch; our wheat is starchy.

20. *Mr. Robertson.*] There is no regulation of prices at the present time by the trust?—There is no such thing as a trust as far as I am aware. We have a selling association for a number of mills, principally to protect us from bad debts.

21. You said the capacity of the mills in New Zealand was about double the requirements?—I think so.

22. Do you allot the orders among the different mills?—The present members of the selling association, you mean?

23. Yes?—Oh, no; they are given whatever flour they ask for.

24. Was that always the case? We are told the association is not so strong now as it was?—I can give you the numbers. The capacity of the mills selling through the association is 164½ sacks per hour; outside the association 174 sacks per hour, reckoning 200 lb. sacks. I cannot say whether all these mills are working, but they are all ready to work, and may be counted on as competitors.

25. You hold that there is practically free competition just now?—Yes, very much so now. My profit on flour at present is 10d. per ton; that is free competition surely.

	£	s.	d.
48 bushels wheat at 3s. 8d.	8	16	0
Cost of making, 4½d. per bushel	0	18	0
5 per cent. discount, 10s. 9d.; f.o.b., 4s. 9d.; 16 sacks, 6½d., 8s. 8d.	1	4	2
	<hr/>		
	10	18	2
1 ton flour	8	10	0
480 lb. bran	1	1	7
400 lb. pollard	1	4	0
Gain, weight bags	0	3	5
	<hr/>		
	10	19	0
	<hr/>		
Profit	£0	0	10

That is all there is in the business at present, and I have been milling in New Zealand for twenty-seven or thirty years, and I think I know something about it.

26. Is the price of wheat in New Zealand ruled altogether by the London markets?—And by the freights. At the present time wheat is from 3s. 7d. to 3s. 8d. at handy stations; freights are 25s. Wheat at Home (I had a cable just now) is 41s. for Australian wheat. There is a deficiency in the French harvest. The shipping companies are now charging 25s., because there is plenty of meat and lamb and other things offering for London; in another month possibly the freight will be down to 15s. If the scarcity of wheat continues, possibly wheat will go up to 4s. 6d. It is all a gamble.

27. *The Chairman.*] There are several ways of gambling—gambling on a game, for example, when there is a chance of winning. Does the wheat gamble give a fair chance of winning?—The wheat market is a gamble.

28. And clever people control the board?—Some people have made fortunes, and others have lost them. We know a man who went bankrupt through trying to corner the wheat market.

29. Yes, Leiter?—Yes. You cannot corner wheat in Australia or New Zealand, at any rate.

30. Do you believe that the harvest of America is sold six times over before it is grown?—Possibly. I have seen the Wheat-pit in Chicago.

31. You do not consider it is a gamble with a fair chance on one side?—History has told us that sometimes it goes one way, sometimes another.

32. *Mr. Robertson.*] Have you ever known there to be any great discrepancy between the price quoted on London market for wheat and price in New Zealand at the same time?—Yes, when the New Zealand wheat has been inferior—sometimes we have a wet harvest, and it would be very difficult for them in England to take our wheat unless it was on a par with Australian. I have known several years when the New Zealand wheat has been very bad, owing to a rainy harvest.

33. I have heard it alleged that some large companies, such as the National Mortgage Company, buy up wheat in harvest-time and export quantities, keeping back as much as New Zealand will require, and then raise the price artificially?—I can assure you it is a thing that is quite impossible.

34. *Mr. Macdonald.*] It has been stated that a certain miller left the association, and immediately a drop in the price of flour 10s. per ton took place?—No, sir. Last May (1911) the price of flour was £8 10s.; then wheat advanced 3s. 6d. to 3s. 7d., and we put up the price of flour 10s., and made it £9. The mills not selling through the association continued to cut the price, and on the 7th November we reduced the price to £8 10s.

35. Is there any penalty on withdrawal from the association?—None at all.

36. And anybody can join?—Yes, provided they are eligible.

37. The output is stated to be 7,000 tons in New Zealand consumption of flour?—I suppose that would be about right; I do not know what it is.

38. And the duty of £1 per ton on Australian flour keeps up the price of flour in New Zealand?—Yes, but I think those duties are unjust: it is £2 on New Zealand flour into Australia, and only £1 on Australian flour into New Zealand.

39. *The Chairman.*] Does not the Prime Minister of the Commonwealth propose free trade with New Zealand?—I think so.

40. *Dr. Hight.*] You were referring to cutting prices last year: was that begun by the mills outside the association?—Yes. If they did not cut in prices they gave a larger discount.

41. *Mr. Fairbairn.*] One of the objects of the association is to limit the output?—Oh, no, not necessarily; we are prepared to fill any orders. The objects of the association were as follows: Supposing there were thirty mills, each one had a traveller—I sometimes had two or three men; with amalgamation the thirty mills would open an office, say, in Wellington, and have one man

for Wellington, one for Palmerston North, one for Greymouth, and so on: that was a great saving. Then there was the question of bad debts. A baker would come along and get 10 tons of flour from one mill, and go all round, giving us all a turn, and paying none of us; and he would be cutting prices and dissipating the money in other ways, and then he would go bankrupt and we would all get nothing.

42. The object was not to limit the output of flour?—No, we tried to give every one an output in proportion to his sack-capacity.

43. It was represented to us that the flour-millers of New Zealand could not compete with the mills of Australia, because the New Zealand mills were smaller, not so well equipped, and the output was limited?—You want to inquire further. Quite recently they had a drought in New South Wales and Queensland, and the price of offal went up; naturally they were able to sell their flour at a less price for export.

44. Is it the practice of the Australian mills to dump flour on the New Zealand markets?—Undoubtedly. 850 tons has just arrived from Warrnambool, on which they pay £1 per ton duty as well as freight; it came over in Craig's steamers to Auckland, and the freight would be 8s. or 9s.; that would be a 29s. charge, or perhaps a little less. 9s. is the Union Company's freight; Craig's might be 7s. 6d.

45. Do they grow sufficient wheat for themselves in Auckland?—They draw 90 per cent. from here—i.e., from Oamaru, Timaru, and South Canterbury.

46. *Mr. Hall.*] If this extra duty were removed, are there any times when you would be able to send flour to Australia?—Oh, yes, especially in times of drought there. Six years ago there was a terrible drought there, and they had to import wheat from America. There is also £1 per ton duty on offal going into Australia. I have been sending a lot of bran to Newcastle at £5 5s. per ton, but now rain has come and the export has stopped.

47. Do you mix Australian wheat with New Zealand to improve strength and colour?—No, not now; we are working on New Zealand wheat.

48. *The Chairman.*] Supposing it was considered desirable to admit New Zealand flour to Australia at £1 per ton, and free in case of drought, is there any guarantee that the New Zealand public would not pay the higher price?—Oh, that might happen, or it might happen the other way about—the Australians might run short.

49. *Mr. Fairbairn.*] That has occurred before, when there were no duties subsisting?—Oh, yes; twenty-four years ago we used to send a lot of flour to Newcastle.

50. *The Chairman.*] Enough to shorten up the supplies in New Zealand?—I have never known that.

51. *Mr. Hall.*] And that made work for the men here?—Yes, for some.

52. Do you think it would be a good thing to remove the duty?—No; that would affect the farmer.

53. *Mr. Macdonald.*] Is not the price dependent on the London market?—The farmer does not grow wheat to depend on the London market. You cannot grow wheat profitably at 2s. 6d.; 3s. 6d. is the lowest price at which it should be grown.

54. *The Chairman.*] Does the New Zealand farmers' market depend upon Great Britain or not? It is asserted that his prices are governed entirely by outside prices?—I do not know about that. I think it is governed by the demand from New Zealand—the consumption here, and the freights from England: that is a very important factor. You pay 25s. per ton freight now, and last year it was 10s. from all the shipping companies. That was because there was no mutton left, and the vessels were going Home empty.

55. *Mr. Hall.*] What are New Zealand wheats worth in London at present?—2s. under the Australian generally: 38s. to-day, and Australian is 41s.

JOHN HENRY HOWELL, Director of the Christchurch Technical College, examined on oath.
(No. 82.)

1. *The Chairman.*] You are interested in the subject of domestic training?—Yes.

2. Would you make a statement to the Commission?—Yes. We have for some years had classes for the training of girls and women in cookery, dressmaking, needlework, millinery, and laundry-work, &c. Up to the present that training is carried on in ordinary class-rooms and kitchens; but it is necessarily inadequate, because it has no immediate relation to the needs of the home. The Board is now erecting a Girls' Training Hostel, in which students who are taking the domestic-economy course will be trained in all the work of the house. This course of instruction will begin next year. We have at present over eighty girls from fourteen to seventeen years of age taking a full domestic-science course, and next year when the Hostel is in working all those girls will in turn, for periods of six to eight weeks, go to the Hostel, and will do all the work of the house. Part of the Hostel is arranged as a small home, in which the girls finishing their course will carry out the whole of the work for themselves. Special attention will be paid to the cost of everything, separate meters will be provided for gas-boiler and gas-stove, so that they may work out the cost of gas for various household purposes, and similarly with the coal-range. They will keep specially in view the cost of all the different processes. Later on the Board hopes to provide in connection with the Hostel a separate small creche, where young children will be taken for a week or so. This will be of great assistance to sick and ailing mothers, and the students will receive training in the care and management of young children.

3. *Mr. Fairbairn.*] Would it not be a better arrangement to have something of the kind in connection with our public schools, where the elder brothers and sisters could bring the little ones, and have them under their control?—Our aim is to make this a part of the training of the girls. While no doubt it would be a great benefit to sick mothers to be relieved of young children as you suggest, we look at it primarily from the point of view of the students.

4. *The Chairman.*] Are the girls intended to be domestic servants, or to be trained as housewives?—It is impossible to say what future work they will take up. Many of them will return to their homes and help their mothers, but we have begun to assist in the solution of the domestic problem by the provision of home assistants. The girls go from us under the auspices of the advisory committee.

5. But they go out as domestic helpers?—They will bear the same relation to the domestic servant as the trained nurse does to the "Sairey Gamp."

6. Is there any degree in domestic science at the University?—Yes, but, of course, we are not training for that; we are not a part of the University, although we do train teachers. A number of our students have already become teachers, and others are preparing for that work; but we do not prepare them for the University degree.

7. You consider that you will eliminate waste and thus diminish the cost of living in the homes?—Yes, certainly, and decrease the doctor's bills.

8. Are they taught anything in the way of mending clothes or making clothes?—Yes, they are taught this at present.

9. *Dr. Hight.*] And there will be a course of instruction in shopping?—Yes, that is being done to some extent already.

10. In which the pupils are taught to discriminate between the qualities of the articles?—Oh, yes.

11. What is the length of the course?—It depends on the circumstances of the parents. Sometimes the students remain for one year only. We have some ten students now who are in their third year.

12. *The Chairman.*] What is the cost to the parents?—Not much, except in loss of wages. If they are with us they would not be earning wages in a factory or elsewhere; but in nearly all cases there are no fees to be paid except a certain charge for material—about 11s. 6d. per year for cookery, dressmaking, millinery, &c. That is the total charge for materials, unless, for example, the girl wishes to make a dress for herself, when we only supply the less expensive materials. The Government pays a capitation up to £15 per annum for such students.

13. *Mr. Macdonald.*] Is it a development of the Roycrofters' idea?—I am afraid I am unable to say.

14. *Dr. Hight.*] What is the proper length of the domestic-science course?—The students should remain three years if they come to us at thirteen years of age.

15. Can you suggest any means for inducing girls generally to stay that length of time?—Particularly in the case of country girls, bursaries should be provided to enable them to board in town free. As far as the town girls are concerned, it would require a considerable expenditure to enable all those prepared to take up the work to stay for the full course, but I do think it is very important that greater encouragement should be given to the children from country districts to come in and avail themselves of this instruction. We have quite a number of girls who spend hours in the train each day in coming to school, whereas if the Government would provide boarding-allowances for these students it would render the instruction much more efficient, and the conditions altogether much more satisfactory. In Victoria, where last year a hostel was established for the training of teachers in domestic science, the Government paid £50 a year to the students who go into training.

16. *The Chairman.*] And bear the expense of the hostel besides?—The students pay from the £50, I believe, £1 per week for their board.

17. *Mr. Robertson.*] This is the only thing of the kind in New Zealand so far?—Yes, so far.

FRIDAY, 14TH JUNE, 1912.

JOHN SAMUEL WILSON, Secretary of the Bakers' Union of Workers, examined on oath. (No. 83.)

1. *The Chairman.*] You are secretary of the Bakers' Union of Workers, Mr. Wilson?—Yes, I have been in the union ever since it started in this district.

2. Has there been any rise in the wages of bakers' employees during recent years?—5s. per week during the past eleven years. The wages of foremen are £3; second hand, £2 10s.; third hand, £2 5s.; with fifty-one hours a week.

3. Is that the minimum or average wage?—That is the minimum and practically the maximum. There are only two men who are getting more than the minimum wage in our district.

4. Have the conditions under which you work been improved of late years?—Not during the last ten years.

5. Any shortening of hours?—Eleven years ago they shortened them, but not since then.

6. How much did they shorten them?—There were no classified hours for working then.

7. Then they came under the award of the Arbitration Court?—Yes.

8. Has there been any larger output during those eleven years? Have the men been expected to do more for the money?—They do the work in the bakehouse quicker.

9. So that, in your opinion, there has been no falling-off in the efficiency of the workers?—I think, if anything, they are more efficient now.

10. Can you tell us what is the average number of loaves that can be made from a 200 lb. bag of New Zealand flour?—That all depends upon what weight they weigh the dough in the oven at. Some men will allow 2 oz., 3 oz., or 4 oz., and some do not allow any. If you put in a bare 2 lb. of dough you will get more. The average is about seventy—allowing 2 oz.

11. Adelaide flour turns out more loaves than New Zealand flour?—Yes, that is a stronger flour. The stronger the flour the more percentage they can get out of it.

12. What constitutes that extra amount in the bread—which makes more loaves—is it water?—Yes.

13. The consumer buys more water?—No, not necessarily; the flour is stronger. If he gets the weight in the bread he does not buy more water.

14. Bakers should sell the exact weight, should they not?—Yes.

15. Is there more profit in the sale of fancy bread?—There is not supposed to be any fancy bread now. It is all supposed, according to law, to come out at the same weight.

16. Has there been any action in Christchurch during late years in regard to light bread?—A number were fined a year or eighteen months ago for short-weight bread. They periodically take a turn round.

17. Who has the oversight of that?—The Inspector of Weights and Measures.

18. Is he a municipal or General Government officer?—A Government officer. I think about two years ago the master bakers approached the Minister of Internal Affairs with the object of having the dough weighed in at a certain weight—a standard weight—but he would not agree to pass any Act to that effect.

19. Do you know anything about the cost of producing a loaf? Granting that flour was a certain price, what proportion or ratio does it bear to the number of loaves turned out?—It would not cost $\frac{3}{4}$ d. for one man at £3 a week to bake on an average a thousand loaves a week: it would not work out that for the labour. At £3 2s. 6d. it works out at $\frac{1}{4}$ d. for labour.

20. *Mr. Fairbairn.*] You are referring to the baking only?—Yes, just the actual cost of the labour.

21. *The Chairman.*] Is the bread delivered in the case of the establishment you work at?—Yes.

22. Is there any great expense in delivery: I mean through one cart going to one house in one street and to another house in another street, and other bakers' carts supplying other houses in the same streets?—Yes.

23. *Mr. Fairbairn.*] Can you tell us how many loaves one cart usually takes round?—It would be rather hard to work out an average, because some bakers deliver chiefly to stores and hotels, and others deliver only to private houses.

24. Take an ordinary family round: how many loaves would one man deliver in a day?—I should say very nearly two hundred loaves in a day.

25. Only two hundred loaves in a day?—Yes.

26. And that would take a man, horse, and cart?—Yes.

27. And a boy?—That is not necessary.

28. Two hundred loaves in a day: that is 1d. a loaf at least?—One employer told me that he had worked it out at an average cost of 1d. a loaf delivered.

29. *Mr. Hall.*] You spoke of weighing bread to the oven at 4 lb. 2 oz.: would that weigh 4 lb. when it came out of the oven?—From 2 oz. to 3 oz. is a fair thing to allow for evaporation.

30. How much would it lose in weight before the next day—another 2 oz.?—I do not think it would lose more than $\frac{1}{2}$ oz.

31. Would it lose more than $\frac{1}{2}$ oz. in cooking?—It all depends upon the bread. Tinned bread would lose more, probably.

32. Do bakers in this centre weigh on delivery?—No.

33. Do they weigh when they hand it out over the counter?—You can demand it being weighed if you wish, but they do not do so as a rule.

34. I have seen it weighed in the Old Country?—Yes.

35. Do you carry scales on the cart?—If you weighed the bread you would not deliver many loaves in a day. We do not carry scales now.

36. What do you think would be a fair weight to weigh bread into the oven?—About 2 lb. 3 oz. of dough.

37. *The Chairman.*] Do the men find any difficulty in living on the wage you mentioned?—No man can more than exist on £2 5s. In the present state of things he cannot save anything—at least, he can save very little if he has a family.

38. Do you consider that the cost of living has been raised of late years? Is it more difficult for a man to live on that wage now than eleven years ago?—Undoubtedly.

39. What are the principal items, in your opinion, of the increased cost of living?—I think the rent is about the greatest. A baker must live near his work owing to his hours of work, and he has therefore to pay higher rent. He starts his work at a very early hour of the morning.

40. There are no trams running at that hour?—No.

41. *Mr. Robertson.*] Is there a master bakers' association in Christchurch?—Yes.

42. Do you know anything about the reason for which that association exists?—I think it was really formed in the first place when we formed our union—to keep up with the union.

43. To hold up the masters' end of the stick?—I think it is only natural. I think they were quite right, myself.

44. Do you know if the association issues anything in the nature of a price-list, or if there is any understanding as to the prices of bread?—I think they generally have an understanding amongst themselves; but it is not compulsory in any way, because, I suppose, there are only about one-third of them in the association.

45. It is not a controlling body?—No.

46. I think I heard you say, with regard to the amount allowed for evaporation, that some just put in the net weight of dough?—Yes.

47. That bread would come out 2 oz. or 3 oz. short?—It all depends upon the heat of the oven. If it was a sharp oven and the bread was crushed it would lose more.

48. That means that in such cases the bakers would sell short weight?—Yes.

49. Is short weight sold?—I do not think much short weight is sold.

50. Do you think it would be better if a standard were fixed at which the dough should go into the oven?—Yes.

51. *Dr. Hight.*] You said there has been an increased efficiency in the workers since the last increase in the wages?—Yes.

52. You mean that the increased efficiency was due to the increased wage?—Yes. Before we had an award there was no such thing as an apprenticeship, but since the union was formed apprentices had to be indentured. The men are taught the trade right through.

53. It is not altogether the result of the increased wages, but the altered conditions—better organization, and particularly the learning of the trade?—Yes.

54. Which was the result of the introduction of the labour laws?—Yes.

55. *Mr. Hall.*] Are the bakers using machinery to any large extent—for instance, kneading-machines?—There are a few—not a great many.

56. *The Chairman.*] Did the rise in wages have a perceptible effect on the cost of the loaf?—I do not think so; 5s. rise represents such a small fraction that it could not mean raising the price of bread.

57. *Mr. Fairbairn.*] Have the wages of drivers increased?—Yes.

58. To what extent?—I cannot say.

59. *The Chairman.*] Is there a finer bread demanded now than ten years ago?—I think the introduction of roller flour has made the flour finer.

60. Is it more expensive?—I do not think so.

61. Then it has not added to the cost of living?—I do not think it has made any difference.

ROWLAND EDWARD COWPER, representing the General Labourers' Union, examined on oath.
(No. 84.)

1. *The Chairman.*] You are a representative of the General Labourers' Union?—Yes.

2. Can you tell us whether the cost of living to the members of the General Labourers' Union has risen of late years?—The term "general labourer" is a very wide one. For a period covering twelve years I worked in one district as a general labourer. We applied to the Arbitration Court to be classed as "skilled labourers," but we were all classed as "general labourers."* That was in the case of the workers in the pelt industry at the Christchurch Meat Company's works. In the year 1900 the number of men employed in that particular department was forty-five; the pay per hour was 9d., and the output was six hundred pelts per hour for the forty-five men. The shares of the company were at par—£10—and the dividend I do not know. Hand power was employed in 1900, and steam power also; and electric power in 1911. In that year the number of men employed was thirty-one, and the wages per hour were 1s. 5½d. It was piecework rate. The Arbitration Court wages were 1s. 0¾d.

3. There had been a considerable rise in wages, but the number of men had decreased?—Yes; and the output increased to a thousand per hour. The shares increased from £10 to £16, and the dividend was 8 per cent. During that period the whole of the works had been practically rebuilt. The number of men employed had decreased by 32½ per cent.; the output increased by 40 per cent., and the wages only increased by 22½ per cent. instead of 95 per cent.

4. The increased output was due to the improved machinery?—Yes; but that does not improve the wages. Employers state day after day that the increased cost of living is due to the increase in the wages. This instance shows that that is not so, and that, whereas nominally wages seem to have risen, they have really declined.

5. I thought you said they had increased by 22½ per cent.?—Yes, but the increased output has been 40 per cent.; so that the worker has given 17½ per cent. more labour, or has received 17½ per cent. less wages.

6. That does not follow. The increased output may be due to the increased efficiency of the machinery. If the worker's wages have been increased, surely that is a gain to him?—It is to him.

7. The wages have not increased in ratio to the output, that is true; but the wages have increased?—In my opinion, the position is as I have stated.

8. *Mr. Robertson.*] Your point is that the labour cost of production is less even though the wages have increased?—Yes, in that particular industry it is 17½ per cent. less. This is a specialized industry. Each man is a specialist in his own department.

9. You have proved that there has been no falling-off in efficiency?—I hold that it is labour that makes that machinery, and labour is entitled to some reward for that machinery.

10. Do they not get a reward by an increase in their wages from 9d. to 1s. an hour?—Yes, one portion of the labourers. I represent the general labourers. I got a return from the secretary of the General Labourers' Union. He asked a number of the men in his union to keep a correct account of their total earnings for four months, and he worked out the average earnings to be 32s. 6d. a week. Although one section of the general labourers has got an increase of 95 per cent., the earnings of another section have decreased, making the average earnings only 32s. 6d. a week.

11. *Mr. Fairbairn.*] You spoke of wages having increased from 9d. to 1s. 0¾d. an hour, but that on piecework it works out at 1s. 5½d. an hour?—Yes; it is done under the "team" system.

12. Your contention is that the employers are getting greater efficiency and more work as a result of the altered labour conditions?—Yes, in that particular line.

13. *The Chairman.*] Could you give us more about the general labourers?—That list shows their earnings. As to the general labourer, I have worked in almost every department, and I find that during ten years their wages have only increased by about 1s. 6d. a day—in fact, hardly that; and they are at the mercy of the weather.

14. Were they not at the mercy of the weather ten years ago?—Yes, but the cost of living is a long way higher now.

* These labourers are under the tanners' award.

15. Is it the wet weather and the uncertainty of employment that keeps the average earnings of the general labourer so low?—Yes.

16. Do you consider that 32s. 6d. a week is a living-wage for a man with a wife and family?—I certainly do not.

17. What would you consider the average rent of such a man earning 32s. 6d. a week?—Five years ago a cottage of three rooms was let at 5s. a week. The Government valuation of that cottage was £90. It was put in the market, and inside of a month it was sold at £150.

18. What land was attached to it?—About 20 perches. Next month the rent was increased to 6s. 6d.

19. Was the labourer able to pay that rent?—He moved out.

20. And tried to find a cheaper house?—Yes.

21. He would find it almost impossible in Christchurch to get a house at 5s. a week at present?—Yes. This cottage was really a box with a shingle roof, that let in the wind and rain.

22. *Mr. Veitch.*] What is your opinion of the general condition of the general labourers in Christchurch?—My opinion is that it is a standing disgrace to the community of New Zealand.

23. *The Chairman.*] Do you think there should be a national minimum wage?—That is what I advocate.

24. That would hardly meet the difficulty of the uncertainty of employment. It would be only while he worked that he would get the national minimum wage?—A man has to live just the same if he is out of work as when he is in work. The lowest wage must be that which will supply a man with food.

25. That is, if he is willing to work?—I think if we had a national minimum wage we would find out who are willing to work and who are not. How can a man work if he does not get enough to eat?

26. *Mr. Veitch.*] What is the general rate of wages for those casual men—1s. an hour all round?—Yes, for the hours they work.

27. Do you know of any cases where those men have been offered good regular employment in the country and have refused it—good permanent employment on farms?—Yes, I know of one case, but he was not offered permanent work.

28. Was he a married man?—Yes.

29. Would he have had to pay the cost of shifting his family into the country?—I should think so. I do not think the other man would pay it.

30. You state that, taking it all round, the rate of pay has gone up 1s. 6d. a day for general labourers?—Yes.

31. What time does that cover?—I should say a period of about ten years.

32. That 1s. 6d. a day increase is the rate of pay of those men who are only working part of their time. Would they get 9s. a week more than they were previously drawing?—No, that is only in proportion to the time employed.

33. How many men are there who come under the head of casual labourers at 1s. an hour in Christchurch?—It would be hard to state the number. The union embraces quarry-workers, grain-workers, wool-shed employees, and casual labourers.

34. Not wharf labourers?—No.

35. Not building-trade labourers?—Yes, they are really casual labourers.

36. Do you suggest that the best remedy is to fix a minimum weekly wage?—Yes, an hourly wage is no good.

37. A weekly wage for any man willing to work?—Yes.

38. Can you suggest any remedies for the present position?—If you look at the laws of the country you will find that a man is compelled to produce children. If you prevent it by medium of abortion or murder you are liable to a heavy sentence. Therefore the State compels you to produce children.

39. *The Chairman.*] Married men?—Yes. But after the children are born the State throws a heavy responsibility upon the individual to keep the child. If they compel you by legal means in the shape of penalties to have children and keep them, the State ought to provide you with work once the children are born.

40. You are pleading for a Right to Work Act?—Yes.

41. *Mr. Hall.*] What proportion of the men you referred to as receiving 32s. 6d. a week were single men?—There would be a fair number of them single men.

42. Do you think that these men, if they were capable of doing farm-work at 27s. 6d. a week and board, would be better off working on farms?—Yes, providing they had decent houses to live in, and not barns.

43. With regard to the machinery you mentioned, would there be any loss from depreciation?—Not in this particular industry.

44. How long would it be before it had to be renewed?—During eleven years it has only been renewed once—this year.

45. Has there been any heavy cost of repairs during that period?—Yes.

46. *Dr. Hight.*] To go back to what you said of the pelt-workers: the result is that pelts were cheaper. Would not that benefit the community as a whole?—If they get them cheaper.

47. I mean, other things remaining the same, and the labour-cost being reduced, pelts would be cheaper, would they not?—They are exported.

48. But pelts are used here, are they not?—Yes, when they come back again.

49. Are they not used here as raw material?—In very small proportion in comparison with what is exported.

50. What do you suggest should be done with the fourteen men who were dismissed?—The Government should provide for those men. I think there should be State farms.

51. The men who are displaced now simply increase the number of casual labourers?—Yes.

52. Do you think if these men had been kept at school longer and were taught certain trade courses after leaving the primary school, they would have been in a better position to cope with the circumstances?—Not necessarily, because casual labour you must have.

53. But would not that tend to decrease the oversupply of casual labour?—If the men are specialized only in one department a certain proportion will fall out owing to the improvements in machinery.

54. The object of a technical school is to give training for a man to deal intelligently with the problems common to all trades, and in addition to give a little specialized knowledge necessary for the different trades?—That would be a big improvement.

55. Taking the average casual labourer, has he now more difficulty in getting employment than he had ten years ago?—I could not say.

56. Do not casual labourers lose a considerable amount of time in seeking employment?—Of course.

57. Has not the Labour Bureau diminished that difficulty?—The labour they require is generally in different parts of the country—opening up new lines of railway, making roads, &c. Married men cannot shift their families to every place where they may be given work. The Department does not assist in shifting the wives and families. Homes for workers are built in the cities, whereas they should be built in the country.

58. Do I understand that many casual labourers do not trouble the bureau?—I could not say.

59. You referred to the price of the shares of the company producing the pelts: does not the company conduct several branches of industry?—Yes.

60. Your statistics as to the capital referred to the whole of the operations of the company?—Yes.

61. *The Chairman.*] You spoke of a State farm to which men should be sent when out of employment: would you object to men leaving the State farm if trade became better, or do you mean that they should stay on the State farm always?—I think that those naturally adapted for farming would not require any forcing to keep them on the State farm.

62. Have you any other statement to make in regard to the rise in the cost of living?—I think the solution of the whole problem would be simply to impose a tax on economic rent.

CUTHBERT BOWYER, ex Grocer and Draper, examined on oath. (No. 85.)

1. *The Chairman.*] You have been a grocer and draper in Christchurch, and I understand that you are now engaged in farming?—Yes.

2. For how many years were you a grocer and draper?—For twenty years.

3. You are acquainted with the trade in Christchurch?—Yes.

4. Did you ever find, in the course of your business in Christchurch, that your choice of the persons from whom you might purchase certain lines was limited?—Yes, entirely limited: so much so that I could not buy here at all.

5. Were you able to buy direct from Home?—Yes.

6. It was only by being able to buy direct from Home that you were able to get a fair profit on your goods?—Yes.

7. Did you find that there was an understanding among certain merchants to let you have certain lines only at certain prices?—Yes.

8. Have you heard of a body called the Merchants' Association?—Yes, and also the Retail Grocers' Association.

9. Is there any knowledge that you have in regard to the retailers' association limiting prices?—Yes.

10. Was there an agreement to sell only at a certain price?—Yes.

11. Was that in any way in restraint of trade?—Decidedly it was.

12. Could you make a general statement on the subject?—Yes, I can go back to the time when I first came to New Zealand twelve years and a half ago. After I had been in Christchurch a month I went to Chrystal's and gave them my opening order. They said they would be very pleased to send me the goods. When I went again in about a fortnight's time for some more goods, after some conversation with them, they declined to supply me. Certain arrangements were made by me, and they continued until just prior to the opening of the Exhibition in Christchurch, when it was apparently decided to bring all the retail grocers in Christchurch into the association, and that those who did not join were to be boycotted. No travellers came to me that week. I went to Green and Co., and asked them if they wanted the cash with the order, and they said No, but they wanted every retail grocer to join the Retail Grocers' Association. I said that I did not care to join. They advised me to join. I saw that it meant that I would be boycotted if I did not join, so I joined to give it a trial, and that continued until June, 1909, when I decided to resign from the association. An effort was made to get me to withdraw my resignation, and I was told that if I did not withdraw my resignation they would stop all my supplies throughout New Zealand. Mr. Green and the late Mr. George Payling made the request to me to withdraw my resignation, and they said, "If you do not, we will stop your supplies throughout New Zealand."

13. Will you swear that they absolutely said those words?—Yes. They said that I would not be able to buy sugar or anything else from them; and I had it on good authority at the time that the Colonial Sugar-refining Company had been written to by the Merchants' Association asking them to withdraw their supplies from me. Aulsebrook and Co. stopped supplying me with biscuits and lollies. I went to see the Atlas Confectionery Company, and the manager told me that pressure had been brought to bear upon him not to supply me. I went to another firm, and they said they could not supply me. I was doing business with Chidgey and Co., and Mr. Chidgey said that pressure had been brought to bear upon him, and that he could not supply

me. Hudson and Co., of Dunedin, also wrote stating that pressure had been brought to bear upon them, and that they would have to discontinue sending me supplies. I also received a note from the Millers' Association to call and see them. I saw Mr. Hoare of that association, and he told me that he had been interviewed in reference to the matter, but that he was not disposed to stop my supplies. He said that what I had better do would be to send up the cash with each order, which I did. That went on for a little while, and Mr. Kelly, of the *Press* newspaper, interviewed me two or three times. I expected that the *Press* would publish the particulars of the matter, but whether it was through the influence of the merchants, and the fear that they might withdraw their advertisements, I do not know; but the *Press* did not take up the matter. The end of it was that prices were reduced on several lines, and then Messrs. Chidgey sent their traveller round, and I did business with them, and also with Hudson and Co. and with Payling and Co. After that I was given to understand by one of Payling and Co.'s employees that they had been requested to charge me as stiff as possible for my supplies. Then we had some trouble in reference to the coupon system.

14. *Mr. Hall.*] You said that Messrs. Hudson and Co. wrote to you in reference to this matter?—Yes.

15. Have you got that letter?—I fancy I mislaid it.

16. *Mr. Veitch.*] Could you send it to us?—I have given up my grocery and drapery store, and I fancy I have lost the run of the letter.

17. *Mr. Hall.*] What was the tenor of the letter?—It was to the effect that pressure had been brought to bear upon them.

18. By whom?—It did not say by whom; but the existence of the Wholesale Grocers' Association was known.

19. Are we to understand that you joined the Retail Grocers' Association through fear of boycott in the first instance?—Yes.

20. When you had the difficulty of getting supplies, did they assign any reason—that you were selling at unduly low prices?—No, they simply said they would not supply me.

21. Were the prices you were selling at high enough to enable you to get a fair living?—Yes.

22. Did you estimate the discount you got from the coupons was about 9d. in the pound?—The coupons bore the words that they would give 9d. value in groceries or 1s. in presents for every £1.

23. That is practically a discount of 9d. in the pound?—Yes.

24. What do you estimate is a fair profit on the turnover of retail grocers?—That depends upon the amount of business a man is doing entirely. The bigger a man's output the less are his proportionate expenses.

25. What percentage of profit does a man make in an ordinary medium-sized business?—It depends entirely upon the man.

26. *The Chairman.*] Have you any other statement that you wish to make?—It is possible that one of the objects of the Wholesale Grocers' Association is this: There have been instances where men of very small capital indeed have gone to them and been practically financed by them in business. The consequence is that the wholesale grocers want to protect them—the shops which they are practically running themselves.

27. They are like tied houses?—Yes.

28. *Mr. Veitch.*] Do you know of any such cases?—No, but in the course of conversation we know that this thing is done.

29. *Mr. Hall.*] You spoke of one firm that offered to supply you with goods if you were willing to pay cash?—That was the Flour-millers' Association.

30. Do you think that the Wholesale Merchants' Association would have been willing to supply you if you had paid cash?—No. I sent cash on one occasion to Chrystal and Co. with a small order—two dozen tins of baking-powder and a box of National candles—and they replied that they were stocktaking and that they had run out of those lines. Fancy a firm like that being out of such goods!

31. *The Chairman.*] During the time you were in business the duty was taken off certain lines of goods: did you find that the public got any benefit of the reduction?—We got a portion of it, but we never got the full rebate on anything really.

32. Did you get half of it?—Yes, possibly half was taken off.

33. *Mr. Veitch.*] The Retail Grocers' Association got half, and the Merchants' Association got the other half?—Yes.

34. Would the public get the other half?—The public got none. There is no doubt that owing to this trade association in Christchurch, and, in fact, throughout New Zealand, the tendency is to increase prices. That is really, I take it, their only idea in forming the association—to arrange prices. It does not matter whether they are timber-merchants, brickmakers, or millers—one of their principal objects in associating is to fix prices.

35. For their own benefit?—Yes, for their own benefit.

36. *Mr. Macdonald.*] Would not you say that the object was rather to steady prices—to prevent ruinous competition?—No, you never need be afraid of ruinous competition. Competition must be the soul of all progress.

37. Can you see any difference in principle in the retail grocers forming an association and labour unions forming an association to keep up prices?—The labourers, by their unions, are only striving for happier conditions—to better themselves as regards their living and working conditions; but the merchant who fixes the price lives perhaps in a palatial residence, and fixes his price so that he can continue there.

38. *Mr. Veitch.*] Do you know of any cases where a trades-union has gained an unfair advantage for its members?—No, I do not think so.

39. But you do know of a case where a commercial organization has gained an unfair advantage?—Yes.

Witness read correspondence as follows relating to restriction of trade:—

DEAR SIR,— 109 St. Asaph Street, Christchurch, New Zealand, 7th August, 1909.
We have your order of yesterday, for which we thank you; but regret that owing to pressure brought to bear on us by the merchants and larger grocers of this city we must pass it. They are too strong for us to oppose.

Mr. C. Bowyer, Sydenham.

Yours faithfully,
WILLIAMSON AND CO.

DEAR SIR,— Dunedin, 12th August, 1909.
We are in receipt of your favour of 10th instant, and we note your remarks *re* Retail Grocers' Association. We are now writing to our Mr. Williamson, asking him to write us full particulars, and on receipt of his reply we will write you again.

Mr. Cuthbert Bowyer, Colombo Road, Sydenham, Christchurch.

We remain, &c.,
R. HUDSON AND CO. (LIMITED).
(R. HUDSON, Director.)

DEAR SIR,— Nelson, 15th July, 1909.
Replying to your favour of the 12th instant, we have referred the matter to Messrs. Green and Co., with a request that they keep you supplied with our goods as heretofore, if at all possible. Of course, at this distance we are not in possession of the necessary data in connection with the arrangement between Messrs. Green and Co. and the Grocers' Association to enable us to express any opinion with regard to it. If, however, you still have difficulty in obtaining our goods we should be glad to correspond with you further.

Thanking you for your inquiry,

Yours faithfully,
GRIFFIN AND SONS (LIMITED).
(GEO. R. GRIFFIN, Manager.)

Mr. Cuthbert Bowyer, Colombo Road, Sydenham, Christchurch.

DEAR SIR,— Nelson, 11th August, 1909.
We duly received your telegram of yesterday ordering certain lines of goods. While thanking you for this order, we regret that we are unable to supply you direct, as we have an agreement with our Christchurch agents that all business in their district is to be done through them. We can only hope that there is no obstacle in the way of our agents supplying the lines. Should there be, however, we are sorry that we cannot interfere between them and their clients.

Yours faithfully,
GRIFFIN AND SONS (LIMITED).
(GEO. R. GRIFFIN, Manager.)

Mr. Cuthbert Bowyer, Sydenham, Christchurch.

Witness also said he had referred to sending an order with cash for goods to Chrystal and Co., and they sent back memo. [produced] saying they were out of stock; and explained the circumstance of his being interviewed by a *Press* reporter two or three times as to these price-lists, &c. The allegation had been made that he wanted a cheap advertisement. He had not come before the Commission with any such idea, but simply in the hope that all restraint of trade might be done away with in New Zealand.

GEORGE LELLIOT CULL, Wholesale Hollow-ware Manufacturer, examined on oath. (No. 86.)

1. *The Chairman.*] What is your occupation, Mr. Cull?—I am a partner and manager of the firm of T. Crompton and Sons, wholesale hollow-ware manufacturers. I have been in the trade for a good many years.

2. Has the cost of hardware as a whole gone up in New Zealand?—With regard to our particular line, there have been certain reflections cast upon us during the sitting of the Commission down south, and also here, and, if I may be permitted, I would like to make a statement in reference to the matter. A statement has been made that galvanized hollow-ware a short time ago rose, on an average, to the extent of 25 per cent. We challenge this statement, and have gone into the subject and find the average rise, taken over some twenty lines, which for a time were placed on the market at an absolute loss—this we can prove—is about 20 per cent., and that we were entitled to. On the other hand, other lines in the trade have remained at stationary prices, and some of every-day household lines are sold now at less than ever before; this notwithstanding the fact that wages within the past year have been increased to the extent of 12½ per cent. As a matter of fact, the present prices are about the same as those ruling up to some six or seven years ago—this in face of the fact that raw material has increased in cost since that time fully 10 per cent.—and this is rather under than over estimated—and wages are plussed 12½ per cent., as before mentioned. We, as manufacturers, should be in a position to wish to go on extending and adding to our plant and staff; and if the trade was in as rosy a state as some people appear to think, then we should without doubt be doing so: instead of which we have shortened hands considerably this year, and whereas previously we have worked a week of forty-seven hours we have adopted a forty-four-hours week sooner than lose some of our hands, and so as to still find employment for as many as possible. For this state of the trade we blame largely the wholesale importation of goods such as we manufacture, and these imported goods are made under vastly different conditions to what ours are. We pay men 10s. 8d. per day to do what girls do in England for a few shillings per week. Also, these imported goods are in no way to be compared with the Dominion-made article, either for weight or finish. Should the Commission desire it, we shall be pleased to submit samples for comparison. There are four manufacturers of the line in New Zealand, and if the plants were going at full pressure they could probably supply Australasia's demands. This what we might call mania for manufacturing was what led to some extent to the rise in price before referred to. We had all accumulated large stocks, and started chopping prices, which went on until we were selling almost every line below the cost of production, and the philanthropic business had to be dropped. Indications now point to the fact that we shall have to get further protection; and if we cannot get assistance through the tariff to enable us to increase our turnover, and thus make quantity reduce the cost, then we will have to make a further advance to enable us to get more profit out of the restricted output. A manufacturer of lines such as ours is not in a position to deal direct with the public. No person requiring a bucket would come to us, and if we had to deliver singly every article we made we should have more hands delivering goods than making them; and that, again, would have to be added to our cost. For this reason the merchant is called upon to be the distributor; and in

return for his storage of the line, his travellers quoting all over the country, his risk of bad debts, &c., he is due for a profit also. Our Manufacturers' Association is not a trust in any shape or form: we have no rules or penalties for anything whatever; and I am in a position to give buckets away on Hospital Saturday, or dispose of stock in any way I deem fit. But rather than see the old cut-throat business of three years back, we should drop the industry in which our firm has been occupied for the last thirty years, and use our premises for the stocking of the imported article.

3. *Mr. Fairbairn.*] You say wages have increased $12\frac{1}{2}$ per cent.?—Yes.

4. What is the proportion of wages in buckets?—I could not say offhand.

5. You do not suggest that the increase is caused by the wages?—No; there is an advance in material.

6. What do you estimate the increased cost of production owing to advances in wages?—I could not answer that.

7. Would it be 10 per cent.?—I could not answer offhand.

8. Has material increased 10 per cent.?—Fully 10 per cent. right through.

9. Have you ever imported galvanized hollow-ware?—No.

10. Do you know anything of the cost of importation?—I have seen Home lists, and I have had advices as to what it would cost to land; also, I believe there are various qualities at Home, and, of course, we only make one here—the best.

11. Do you know that the cost of importing is at least 110 per cent.?—I have heard it stated up to 150 per cent. I would accept 110 per cent. as reasonable.

12. Do you think you require more protection?—It seems that we have got to get more. I have seen the lists of wages paid for the line at Home, and I have seen photographs of machinery, showing little girls working at the machines. These Home factories can turn out hundreds of thousands where we can make dozens.

13. Is your plant not up-to-date?—We are not using a plant anything like that; our plant is up-to-date for the size, that is all.

14. In regard to the selling-conditions of hollow-ware: is it within your knowledge that during the last three or four years a combination has been entered into between yourselves and certain hardware-merchants in order to fix the selling-rates?—Yes, we have fixed the selling-rates.

15. And the effect has been to increase the price to the small retailer at least 20 to 25 per cent.?—It is round about 20 per cent.

16. And this combination has insured a profit of at least 20 per cent. to wholesalers?—How do you mean?

17. A profit between the wholesalers and the retailers?—That is so.

18. That has been the effect of the fresh arrangement?—I do not know that the fresh arrangement has made that difference.

19. Did it exist before?—The hardware-merchants have always had a profit for handling our lines: there is no doubt about that.

20. Have you refused to supply people with your hollow-ware unless they agreed to your selling-conditions—do you admit that?—I must admit that I have.

21. And those selling-conditions meant an increased profit of 20 per cent. at least?—Yes, to the firm.

22. And the discounts were as stated [discounts read]?—Yes.

23. And the result has been about 25 per cent. increased cost passed on to the public?—Yes, it must be passed on.

24. By this combination?—It is hardly a "combination." We have an arrangement, but if I wanted to sell my stock to-day and take less than the price arranged, as set out, I could do so.

25. I was speaking about your having a combination?—I say there is nothing to stop my selling my goods at any price I like.

26. Nothing in the world; but you have entered into an arrangement that restricts the sale and fixes the price of hollow-ware?—I do not admit that. I am in a position to supply anybody round the corner at one-third off and 5 per cent. if I wish.

27. Will you supply an order for £5 worth of hollow-ware with those discounts?—No, it would not pay.

28. Would you supply a certain merchant with your hollow-ware at that rate and give them a free hand to sell at what price they liked?—No, because they would then soon be bringing the trade back to the position it was in before.

29. You have inferred that there is no such thing as restriction in the sale of hollow-ware?—It seems to me, Mr. Fairbairn, that some of the questions are rather too pointed; in a way it becomes a personal matter between the firm of Fairbairn, Wright, and Co. and my firm.

30. There was no occasion to introduce these names, but as you have done so I will ask, Have you not written to Fairbairn, Wright, and Co. refusing to supply hollow-ware unless they conform with the conditions which mean an increased price of 25 per cent.: you will not deny writing that letter?—I will not. It is rather a coincidence that it should be dated the 14th June last year, and this is the 14th June I am giving evidence here.

31. A coincidence, but that does not alter the fact, does it?—No.

32. *Mr. Hall.*] Who are the manufacturers of hollow-ware in New Zealand?—Taylor and Oakley, Christchurch; Kia Ora Galvanizing Company, Wellington; Southern Cross Galvanizing Company, Auckland; and ourselves.

33. The wages you are paying are 10s. 8d. per day?—Yes.

34. What are they paying in the trade at Home?—I did know a fortnight ago, but the information was left with Mr. Laurensen in Wellington, and I forgot it.

35. Could you supply that information?—Really, I have forgotten it.

36. *The Chairman.*] Supposing you were justified in increasing the local-made article 20 or 25 per cent., does it follow that the imported shoddy article should be increased 20 to 25 per cent.

too?—Well, say an imported bucket comes in for 9d., and it would cost us 1s. to make it here—say 1s. 3d. for selling-price. If a customer went to buy a bucket and saw the imported one marked at 1s., she would probably take it rather than break into a half-crown by paying 1s. 3d.

37. That is the reason why the imported article is preferred?—Yes, that is the sole reason.

38. But why enter into a combination that enables other people importing trash to put 20 per cent. on their articles?—I do not know that you can call an arrangement a "combination" altogether.

39. Perhaps it is too harsh a word: let us say "association." I do not understand the reason for this. You are making a really good article, you say; then why increase the price of the imported article which is not so good?—We have to trade all over the Dominion, and a Dunedin man may want some buckets of a particular brand, our's or some other brand; we cannot send half a dozen buckets, say, all the way to Dunedin or Auckland, therefore we have to run depots or let the merchants handle the line. The bulk of our stuff goes away from Christchurch to Dunedin and Auckland, and all over the Dominion. We have tried to work through branches, but it is unsatisfactory.

40. The usefulness of the combination comes in through the friendly services rendered to you by these merchants?—Yes, and so we consider it is up to us to see that they get a certain profit for the storage of our line. It takes a big room to hold £100 worth of hollow-ware, and that is a big item in the city, and then there are travellers all over the place in every township.

41. *Dr. Hight.*] There are four manufacturers of hollow-ware in New Zealand, and they have put down sufficient plant to satisfy the Australasian demand?—Yes, if going in full swing.

42. Does not that fact point to the conclusion that the price of the article is unduly high?—I do not think so. I mentioned the fact that it was almost a mania for manufacturing that brought about the last rise. There is no doubt that we have interest to pay on plants not working all day, and that if they could be kept going all the time it would decrease the cost of the line.

43. You are protecting yourselves now against the results of inefficient investment of capital?—It is not inefficient investment of capital.

44. What do you consider to be the demand for hardware—the amount of the demand throughout Australasia, in value?—I have no idea.

45. Do you know the value of the output in New Zealand?—No.

46. The value of the output required for Australasia would be at least four times that for New Zealand alone?—I guess it would be quite that, judging from what I have just seen in Australia.

47. Then the capital invested here is sufficient to turn out four or five times the amount of work you do?—Easily that; we could ourselves do four or five times the business we are doing.

48. From that fact alone, the price of hollow-ware, through the loss of return of interest on that capital, must be unduly high?—Well, a few years ago, when we were in keen competition, we were selling a good deal more hollow-ware for household use than we are to-day. The modern houses going up do not need the same quantity, because of the tubs, baths, &c., that are fitted in the houses.

49. Did you extend your plant upon the upward revision of the tariff?—There has been no revision of tariff on hollow-ware; it has always been 25 per cent. *ad valorem*.

50. Then the investment would not have been made but for the stimulus given by the tariff?—Probably not.

51. *Mr. Macdonald.*] Will you explain the statement that you have a protection of 110 to 150 per cent.?—That includes duty, freight, and all charges from the factory at Home to the store in the Dominion.

52. Can you tell us the amount of hollow-ware made in New Zealand?—No.

53. Nor the number of men employed in the industry?—The blue-book which Mr. Laurenson showed us in Wellington recently is the latest information I know of.

54. You have stated that there is a combination or arrangement to fix prices: is there anything in that arrangement in the way of penalty for withdrawal?—Absolutely none at all. The association was brought about in the first place through the Christchurch manufacturers swamping Auckland with hollow-ware until the Auckland manufacturers held a stock of some 15,000 to 20,000 pieces, and prices began to go down; and we all thought it was very foolish to go on with that cut-throat business.

55. *Mr. Robertson.*] What award of the Court do you work under?—Tinsmiths and sheet-metal workers, I believe; but I am the business-manager, and do not have anything to do with the running of the factory, or the labour end at all.

56. You have a union of workers?—Yes, certainly.

57. *Mr. Veitch.*] With regard to the extra profit charged now upon imported goods, which we have fixed at 20 per cent., was it not?—No statement was made about that.

Mr. Veitch: I thought so.

Mr. Fairbairn: No, I think there was some little confusion over that.

Witness: I was saying that, in conjunction with the using of the merchants as a means of distribution, we had tried to distribute the goods to the retailers, and it cost us about 20 per cent. The question did not arise in connection with the imported article.

58. *Mr. Veitch.*] I got the impression on my mind that an arrangement existed with the Merchants' Association and you that they would charge higher profits on imported goods than hitherto?—Certainly not. There is not a hardware merchant in New Zealand but who is free to land the English article if he likes at any price; as a fact, they are doing it at Auckland and Wellington to-day, and selling up against us. You will find more English galvanized hollow-ware there than Dominion-made articles.

59. *Mr. Hall.*] I understand you to state that when you were fighting the other manufacturers the prices were reduced, and the amount of the output was then increased?—Yes, considerably.

60. Would this extra output allow you to turn out the goods at a greater profit?—Well, if I dropped my price to-day it would simply mean that the hardware people would think it was a chance for them to make a little, and they would buy up a big stock.

61. But if you ran your factory continuously you could reduce your cost very much?—The more we can turn out with the same plant and the same charges the better. The galvanizing-pots are going from New Year's Eve to New Year's Eve—they are never out; and if we could keep them going twenty-four hours in the day our costs would be reduced by half perhaps for expense in the way of wear-and-tear and general up-keep.

62. Then you think prices could be reduced and the increased output would still leave a profit?—Certainly the prices could be decreased—not just now though—if we were working at a bigger pressure; at any rate, it would do away with the chance of a probable rise later on. There will have to be a rise on account of the exceptionally high tone of the metal-markets at Home just now.

63. *Mr. Fairbairn.*] This arrangement or combination that was entered into between the merchants and yourselves twelve months ago has only been in existence that time: prior to that your hollow-ware was sold openly?—Not openly; there was always an allowance for the merchants.

64. What was that allowance?—It was a difference of working out on the sheet—round about 15 per cent.

65. Is it not within your knowledge that a certain firm has been selling your hollow-ware at an advance of $2\frac{1}{2}$ per cent. for the last ten years?—I have not heard of it.

66. Have you any knowledge of its existence for any time?—Yes.

67. How could you say that there has been a profit of 10 to 15 per cent. if you knew the distributing-charge was $2\frac{1}{2}$ per cent. in this case?—That is a very small portion of the trade.

68. Does it not occur to you that your action in refusing supplies to that firm is simply boycotting?—It made such a disturbance in the trade to have that $2\frac{1}{2}$ -per-cent. arrangement. The particular firm who were prepared to accept $2\frac{1}{2}$ per cent. were only one customer amongst many. It would have inflicted a very great hardship to have forced every hardware firm on to that basis. The firm which used to buy from us and sell at $2\frac{1}{2}$ per cent. could not keep going at that rate.

69. Did you ever suggest that to that firm?—No, the firm suggested it to me.

70. Suggested what?—They made a suggestion like this: would it not be advantageous, or something to that effect, if we were to work together, and—

71. And they would guarantee your output?—Yes.

72. And still handle on $2\frac{1}{2}$ per cent. basis?—Yes, something of the sort. Also, we wanted to know what our prices were going to be if there was such an arrangement, and we were informed that our prices would have to be the set price that other manufacturers were doing the line at.

73. Naturally. Well?—That would, of course, have meant that had our firm made any arrangement like that we were up against a combination of manufacturers, and I have an idea that if so there would have been no more of the firm to-day.

74. I can quite understand that there has possibly been an element of force in this matter?—I do not think so.

75. Does not that last statement of yours suggest it?—No, we have gone into the matter quite openly.

HENRY OAKLEY, General Hollow-ware Manufacturer, Tinsmith, Gas-plumber, &c. (of the firm of Taylor and Oakley, Christchurch), examined on oath. (No. 87.)

1. *The Chairman.*] Do you do wholesale or retail work?—Mostly wholesale, but just a little retail in certain lines.

2. What is the rate of pay for your journeymen?—10s. 8d. a day; and for the quality and quantity of work it is the highest paid trade in New Zealand to-day.

3. Has it arrived at that point through several rises of late years?—Yes, it has been gradually rising; every time they have gone to the Court they have got a rise, and for this the masters are to blame, for not having any combination. Had we amalgamated as the men have done they would not have got this rise. The wage is quite unfair for the work; we do not require skilled men, and yet our minimum wage is 10s. 8d. for men or youths who do not need to serve their time. A labourer off the street would do the work equally well. The wage is an unfair one.

4. *Mr. Fairbairn.*] What is the classification?—Tinsmiths and sheet-metal workers.

5. *The Chairman.*] How many men does your firm employ?—Fifty or sixty, and sometimes seventy to eighty.

6. It varies with the season somewhat?—Yes, and the amount of sanitary work, plumbing, gasfitting, &c.

7. Some of your men are highly skilled?—Oh, yes, we have got highly skilled men, for which, of course, we have to pay more wages.

8. *Mr. Fairbairn.*] Have you any statement showing increases in hollow-ware trade?—Yes, this shows it to some extent. In the tinware the increase for the last few years has been pretty considerable. This return was shown to us in Wellington by Mr. Laurenson, but, as we pointed out to him, the increase is largely brought about by the dairy industry and the making of canisters—tea and biscuit tins; otherwise the growth in the hardware trade is not so great as some years ago. I have had a very large experience in this trade—have been in it for thirty-seven years. Sheet-iron articles were made at first, and then came galvanized-iron ware, and formerly we received better prices than now. These prices enabled us to save money, but of late years we have been losing that money.

9. Can you give us any information as to the number of men employed in the galvanized hollow-ware trade; this list is not classified [list handed to Chairman by witness]?—I could work it out perhaps, but that return does not show it. I want to point out that the increase in the number does not apply to the tinware trade in domestic articles: the increase is not in that at all—in that line it is less than it was: the increase is in the dairying and canister and biscuit-tin making.

10. *The Chairman.*] You do not make those articles?—Yes, sir, we do—canisters and tea-tins.

11. So that really one branch of your business has increased very much?—No, sir; the manufacturers of the biscuits—all the larger ones—make their own canisters. Aulsebrook and Co. do so, and so do Edmonds, baking-powder people, and others; and these manufacturers are exempt from the Arbitration Court award, and can get their boys and workers to fill in time making the canisters, and do it much more cheaply. They are not tied by the award, and can work the boys at any price they like.

12. Has the general price of hollow-ware increased during the last few years?—Yes, sir, a little; galvanized hollow-ware has.

13. We are inquiring into the cost of living, and the cost of hollow-ware being raised would increase the cost of living?—Certainly; but although there are only three or four manufacturers, there was very keen competition brought about through the unfair tactics of some of the merchants; some of them acted fairly, and some very unfairly. For instance, if our traveller were down in Dunedin, it was reported to him that the people there could buy hollow-ware at, say, 7½ per cent. better than our prices, or perhaps it would be said that Taylor and Oakley's prices were better than somebody else's. If I were told that some one else was selling lower, I told my traveller to go 5 per cent. cheaper than anybody else. The consequence was we were selling at a loss; we were actually paying people to come and take our light buckets away. The Dunedin people brought this state of affairs about, and then we combined, not to form a "trust," but to make an arrangement whereby this unfair competition was eliminated, and we manufacturers could no longer be exploited by the merchants saying one man's stuff was to be had lower. We were compelled in our own interest to take up the stand that we would not sell lower than a certain price. Article for article, we are cheaper now than the imported hollow-ware. I have seen samples taken to the dust-pit in Wellington, and others to be repaired, that were a disgrace to the colony to import. I have seen pictures of factories at Home where girls are working at these great machines, girls who are specialists at the work, and they get 2½d. to 3d. per dozen for the work according to the quality. That same article for labour in New Zealand costs 5s. per dozen. Of course, there is a very large output from these Home factories, and the machines are very large. We have some very good machines here, but it would not pay us to install such machinery as those. To work our machines we have to pay a man 10s. 8d. per day. We used to have a machinist at 9s.—a carter would do the work—and yet I have to pay him 10s. 8d. now. We did try girls on machines, but I do not think it is proper work for a girl; I think a girl can find other duties far more suitable.

14. *Mr. Hall.*] These are light buckets you are referring to?—Yes.

15. How much can these girls earn at the rates you mentioned?—They earn about 10s. to 12s. per week, and they seem satisfied with that. They are experts, and these factories supply the world. That would be the outside wage they earn, so far as I can learn. I saw the printed list giving the rates at 2½d. and 3d. per dozen.

16. *The Chairman.*] If the girls were "used up" in the business it would prove they were unfit for survival?—I suppose so.

17. *Mr. Hall.*] What city is that in?—I think it was Birmingham.

18. How many buckets do your men turn out per day?—It depends on the kind of bucket—a man does not do the work right through. A man would average, say, two or three dozen a day of some kind.

19. *Mr. Fairbairn.*] With the aid of the machine?—Yes, of course; he has to put on the handles and hoops.

20. That is not the finished bucket?—Yes, that is completely finished. Three dozen per day would represent one man's time—that is, of course, without galvanizing.

21. Prior to this arrangement the price for an 11 in. bucket was 10s., less 10 per cent. and 2½ per cent.?—Yes.

22. That reduced the cost to 8s. 9d.?—I suppose so; I have not figured it out.

23. Now, for the same bucket with the arrangement so entered into you increased the list rate to 15s. 9d.?—Yes.

24. And to large buyers you gave one-third off and 5 per cent. and 2½ per cent.?—Yes.

25. That reduces the cost, approximately, to 9s. 9d.?—I dare say that is right.

26. The price to the small man by this operation is 20 per cent. off 15s. 9d.; that reduces the prices to 12s. 7d., less 2½ per cent., or 12s. 3d. You are therefore guaranteeing a profit of about 26 per cent. to the distributor of these buckets. If it were a question of the manufacturer getting the increased cost it would be a different matter?—We had to raise our prices; we were compelled to do that.

27. In addition you also guarantee a profit to the wholesale distributor of 26 per cent.?—I do not think it pans out so much as that.

28. That 11 in. bucket was sold to the public at 1s. prior to the alteration?—Yes.

29. Now it cannot be sold at less than 1s. 3d.?—Yes, that is so.

30. And the bulk of that extra profit goes into the hands of the distributor?—That may be so, but we could not possibly do without the distributor; we tried it that way, but it would not work out. We cannot send a traveller out profitably with one line—he must have several lines; and it suits the ironmonger to handle our buckets as one of his lines, and he pushes them—he can afford to do so. If he was getting nothing out of it he would cut out the line, and rightly so, and then we would have to send our own travellers, and it would cost us more to do so.

31. Yet you have heard that a particular firm has been doing that on $2\frac{1}{2}$ per cent.?—Yes, I heard that. The firm that will do that—I do not know how they are going to live; I think there is bankruptcy before them. You cannot run a business on $2\frac{1}{2}$ per cent., in my opinion.

32. Still, we are dealing with facts?—Well, I do not think it is fair for a man to work on that basis. We cannot run our business on a $2\frac{1}{2}$ per cent. basis; we would go to the wall if we tried. There must be means of paying rents and taxes, and rates, and wear-and-tear; we cannot do it on a 5 per cent. basis.

33. *Mr. Macdonald.*] But you are in the hands of the Merchants' Association?—No, sir, I think not; I do not see why.

34. But your statements show it?—We are to this extent: that we wish them to sell our goods.

35. They practically dictate terms to you?—No, they do not dictate terms to me or any other manufacturer. If I did not want to sell them I would not do it. They might suggest a certain thing, and if I fall in with their views I would agree to it, for our mutual benefit. We find it better to deal with the merchants and have the use of their travellers. Of course, unless a man is going to get a certain amount of remuneration for it he is not going to send out travellers of his own.

36. *Mr. Robertson.*] What is the date of the last award made in your trade?—Early this year.

37. And the rates?—10s. 8d. for journeymen, and for galvanizers 11s.—the old rate; 10s. 8d. for machinists.

38. You said there had been a very large increase in the output due to the dairying industry, &c.?—Yes, dairying, and making of canisters and tea-tins; but no increase in the domestic goods which we principally manufacture.

39. The rate of wages applies to the men engaged in the manufacture of dairying-utensils, &c.?—Yes, but not tea-tins and canisters.

40. That has created a scarcity in your trade for tinsmiths?—They were scarce for some time, but lately we have shortened hours. We can do a forty-seven-hour week and are working on a forty-four-hour week, so as to enable us to keep all the hands on. We have hands who have been working for us for twenty years, and I would be very sorry to get rid of them; they are good servants and well satisfied with their job.

41. The result of the last award is that more men have been attracted to the industry?—I could not say that. I know that occasionally now we have men calling for work—several lately have called on me wanting work; and some two years ago we could not get men, although we advertised in the *Dunedin*, *Wellington*, and *Auckland* papers.

42. Do you not think the scarcity of labour at that time caused a rise in wages?—Yes, it has something to do with it. But the Court was prejudiced when it came here—the case was already settled in *Dunedin* before they heard us at all; and had the masters had a conference the men would never have got those rates. 10s. 8d. a day is a fair wage for a skilled tradesmen, but not for a labourer, and a labourer could do this work; and where goods are brought into keen competition with foreign articles, then the thing is unfair.

43. The scarcity of men would probably have fixed the rate before you went to the Court?—Yes. We paid good men 11s. per day before; but we wanted hollow-ware workers to attend to the machine, and a man out of the street could do that; it does not want a skilled worker. In a week's time any man could do the work we want; but the Court would not listen to that, and they awarded 10s. 8d. all round.

WILLIAM HERBERT HAGGER, Officer in Charge, Labour Department, Christchurch, examined on oath. (No. 88.)

1. *The Chairman.*] Can you tell us anything about the farm labourers' accommodation in this district?—I have inspected some, but most of it has been inspected by other Inspectors. We inspect only when we receive reports that the accommodation is insufficient, or unsatisfactory, or bad.

2. Have you found that to be the case on your visits?—In years gone by I did visit a large number of stations in Canterbury and other districts, and I found in many instances that the accommodation was insufficient and unsatisfactory. I have not inspected any stations for the last three or four years.

3. The accommodation you found to be insanitary as well as inconvenient?—Yes, all sorts of things that should not be so I found; the unsatisfactoriness was principally in the shearers' accommodation.

4. And as to the farm-labourers' accommodation?—I have made some inspections under that Act, and in some instances I have found the accommodation very, very bad.

5. Were they cheerful places?—You could hardly form an idea from the description how bad they were; we took one man before the Court and compelled him to provide better accommodation.

6. On the other hand, you only inspected when complaints were made, and on many farms you believe there is sufficiently good accommodation?—Oh, I think so.

7. Your experience is exceptional, as it were?—The secretary of the Farm Labourers' Union makes periodical visits to the various districts, and gets information from the farm-workers as to their accommodation, and he then reports to us any cases where there is need of attention; so that most cases brought under our notice were of bad accommodation.

8. You would hardly be impartial then, because your experience is with bad cases generally?—Yes.

9. You move about the country a good deal, I suppose. If country workers were guaranteed (1) good accommodation, and for married men, separate homes, (2) good pay, and (3) regular occupation all the year round, do you not think there are a great many men in town who would

go into the country?—Yes, especially those not in constant employment. I think casual labourers would jump at the opportunity of getting these conditions.

10. Do you think they should be offered employment under any other conditions?—No.

11. You would not expect a married man to go into the country with a chance of a three or four days' job, and not knowing where the other work was to come from?—No, certainly not.

12. *Mr. Hall.*] Would these town men be competent to do the work—to stack and plough and drive a reaping-machine? The untrained man is at a disadvantage on a farm as in a factory?—But a willing man on a farm can very soon learn how to do the work.

13. *Mr. Fairbairn.*] We had some evidence from Mr. Kennedy yesterday as to accommodation [evidence read]: have you met anything like that?—In most cases there is insufficient air-space as laid down by the Act—that is, there is not the 240 cubic feet per man. This especially applies to threshing-mill owners. That is the worst accommodation we come across. They have travelling-wagons, accommodation on wheels, and in many instances there is no provision made for a dining-room. In wet weather the men have to get their meals out in the wet, or wherever they can. I have come across some very, very serious cases—cases where the men had only tents provided, and the tents blew down during the night, and the men's clothes and blankets got wet, and they have been compelled to stand up all night in the cookhouse, or under stacks. Of course, that has been when there has been a storm. They frequently move from place to place late at night, and they have the difficulty of pitching their tents and providing accommodation in the dark.

14. *Mr. Hall.*] Are those men employed by the owners of threshing-mills?—Oh, yes; I was merely giving the conditions of country work.

15. How long will the threshing-mill be on the farm?—It depends on the weather.

16. In an ordinary way a small farmer would get through his threshing in a few days?—Yes, that is the difficulty; they are always shifting.

17. Then they are not employed by the farmers?—Oh, no, they are not farmers' men, but they are provided for under the Accommodation Act.

18. *Mr. Robertson.*] Speaking from your experience, would you consider that the conditions described by Mr. Kennedy were at all improbable?—No, I have seen some very bad places, so I would not like to give that opinion.

19. *The Chairman.*] Are you aware that when the Shearers' Accommodation Act was first put into operation we found that shearers had to sleep in places that had been fowlhouses and pigsties?—Yes, I came across cases of that sort. We had a case where a farm labourer was engaged for employment, and was asked to sleep with a child in the house; and then he asked to be moved, and was put to sleep outside in a shed, but in the night he found it was full of vermin. There was a door to the shed, but no window. He found it was really a fowlhouse. We immediately demanded that improvements should be made. The owner came in and "raised Cain" with us. Mr. Lomas, head of the Department, was in the office at the time, and I cross-examined the man as to the accommodation, and he admitted that he had kept fowls there; but he thought there should not be much vermin, because he had spread two tins of insect-powder about.

20. *Mr. Robertson.*] In regard to farmers securing men: sometimes a farmer might apply to your Department for a man, and you send one out, and he finds after travelling a long distance—perhaps spending his last money to do it—that the place is filled: have you seen much of that kind of thing?—Not so much now as formerly.

21. Would that be a factor in inducing men to live in the town?—Yes, it might affect the case.

22. Is not this overlapping of registry-offices a factor?—I have not found that so in my experience.

23. What effect has the labour legislation had on the increase in the prices of the commodities of life, in your opinion?—Well, I only got this notice a short time ago, and that is such a big question that I do not feel prepared to go into it now.

JOHN SCOTT MYERS, Market-gardener, Marshland, examined on oath. (No. 89.)

Witness stated he had had twenty-five years' experience.

1. *The Chairman.*] Have you any statement to make?—Yes, Mr. Chairman. The first question in the cost of living is the cost of land. Land has gone up in our district 75 per cent. in twenty-five years—the settlement was started in Marshland twenty-five years ago. At first land was £37 per acre; now you could not buy an acre for £100.

2. Is that a fair sample as to land in that locality?—Yes, and that is five miles from the centre of the city. The land there is in small farms of some 15 acres mostly; it has been mostly market-gardening done there, but the people cannot make it pay. Next, with regard to the charge that labour has gone up 50 per cent. Now, twenty-nine years ago I was a ploughman, getting 22s. 6d. and found, and then I married and went with my wife on a station as married couple for £80 per year; then we came to Marshland and bought a section (on terms), and have been growing vegetables for twenty-five years.

3. *Mr. Fairbairn.*] What did you pay for the land then?—I bought it on terms at £37 per acre, and got about 6½ acres.

4. *The Chairman.*] What would a married couple get now?—About £90 per year; most of them no more than £80. Then for twenty-five years I have been growing vegetables. Vegetables used to fetch more—once I got £60 from 1 acre for cabbages, which I sold at an average of about 1s. 6d. to 2s. per dozen.

5. What are they worth now?—I sold seventeen dozen recently for a total of 4s. 6d.—lovely cabbages they were: that was about a week ago. This was at auction. Another line of cabbages sold by the same firm of auctioneers weighed 85 lb. for twelve cabbages, and the prices

were: 1s. 1d. per dozen, for three dozen, 1s. per dozen for five dozen, and for two dozen only 10d. per dozen, and another five dozen at 8d. per dozen, and these weighed 85 lb. to the dozen.

6. *The Chairman.*] Would you be surprised if I said I had seen cauliflowers sold for 6d. per sack, and then retailed at 6d. each, and 3d. given for a sackful of cabbages?—It would be quite correct. I have worse lists of prices than that.

7. *Mr. Fairbairn.*] These prices are delivered in store in Christchurch?—Yes, in the sale-yard, as we call it. We growers have to take them there. There is another line of cabbages which I got 2s. 2d. for—2s. 2d. for the whole ten dozen, not per dozen—and they were splendid cabbages.

The Chairman: And the auctioneer charges 10 per cent.

Witness: Well, I shall put in these returns showing the prices I have had as a grower [lists of cabbage-sales put in]. Then with regard to peas: there is no use growing anything when the market is overstocked. I make a practice of growing peas late in the season. I grew the peas shown in these returns when peas were selling at 1s. 6d. per peck, and my returns were—Six sugarbagfuls of peas, $3\frac{1}{2}$ pecks to the bag: One bag for 3s., one bag fetched 3s., one fetched 2s. 10d., one fetched 2s. 8d., and one 2s. 9d.; they were marketed on the 22nd March. I happened to have left behind three bags, so on the Saturday morning I brought them in to the same market, and then these same peas on the 23rd March fetched—one bag 1s. 8d., one bag 1s. 7d., one bag 1s. 2d. I had to provide the bags and pay the auctioneer's commission, and at the time peas were selling for 1s. 6d. per peck. That is not the worst part of it. That is a time when peas were scarce. At Christmas-time peas were only 4d. and 3d.—thousands of pecks were sold at that rate; the shop price at the same time was 8d., 9d., and sometimes 1s. per peck. In all cases we had to deliver the peas in Christchurch for those prices. Then, with regard to apples and other fruit: I saw a gentleman stated he could buy apples in the markets at 1d. per pound. I sold all my orchard (over $\frac{1}{2}$ acre) at 1d. per pound.

8. Would that be pudding-apples or eating-apples?—Oh, good apples. I used to pick my apples and sell them in the street. I had a little reserve at the corner of a street, and hoped to show people the necessity of having produce-markets established. [Lists put in showing returns from this stand.] I made a practice of being there at 10 o'clock every Saturday, and left at 4 p.m., and I took the whole of my produce there and sold it in that way; but I found that the working-class did not get my goods, but the farming class, who came there in traps and bought them up. Most of the working-people wanted the stuff carried for them. Well, I have been brought up on the principle that if people were too lazy to carry their food they were too lazy to eat it.

9. Then the returns to growers, you think, are not sufficient?—No, we have to work hard, and I would defy any man to grow cabbages, and cut them and bring them into the city, and earn 1s. per hour at it.

10. Is there any ring of buyers keeping the people from bidding?—I know it has been so. I was asked only last week to put the vegetables in big heaps—that was, of course, so that the big buyers would buy them.

11. Have you a fruit-market in Christchurch?—Only the auctioneers' markets.

12. *Mr. Hall.*] If private individuals were buying at these markets, do the shopkeepers run them up?—I do not say they run them up. But I will tell you an instance to which I want to draw public attention. I was at an auction sale when they were selling peaches for 1½d. per pound*—good local-grown eating-peaches—and the buyer took between thirty and forty cases of a certain brand, and when I criticized that man's action through the newspaper he was not man enough to come up to the mark.

13. *The Chairman.*] Do buyers buy cases at a low rate for subsequent sale?—Yes, the buyer takes one, and all the other cases are marked down to him. But I say it is impossible to get fruit cheap under the present system. This very man as a retail fruiterer pays £5 per week rent for his shop, and his frontage is 12 ft., and he pays £40 per year to the City Council for rates, and has to find gas, and labour, and so on. It is impossible for the people to get cheap fruit like that. Further, this system of selling is not required. Fruit and vegetables do not require to be in fancy shops; they should be in a public market. We have here a Market Reserve, which in this very Provincial Chamber Mr. Godley gave to the people of Christchurch, and it is now taken away from us. In that very market you could buy fish and fruit thirty years ago cheaper than now.

14. And the revenues of that reserve are devoted to some other purpose, I suppose?—There are no revenues from it; only the Queen's statue stands there. But that is only one instance I gave of shop-rent. I know another fruiterer who pays £3 per week for a little shop it takes you all your time to turn round in—a Chinaman's shop in Cashel Street. These shops cannot sell fruit and vegetables cheaply. For a bag of potatoes at 10s. the auctioneer gets 1s., the man who hawks them gets 2s. or 3s.; so there is at least 3s. or 4s. taken out of that amount quite unnecessarily. That is one of the greatest drawbacks about the business.

15. You think there is too much distribution?—It is simple waste, sir. There are thousands of tons of vegetables that should come into this city and do not, because it does not pay to bring them in. I hold that this City Council should be compelled to give us a public market. I interviewed the Council with a representation of the Trades and Labour Council, but the City Council said they could not start the market because they could not compel the people to bring in the goods. They want no compelling. I gave the Council a list of every man in Marshland, except one, and they were all willing to take in produce. The reason why the City Council will

* Mr. Myers wished to make the following correction: He should have said that the peaches referred to in his evidence as selling at 1½d. per pound at auction were sold at 1½d. per lb., and at the time were being retailed in the shops at 5d. per lb.

not give the people public markets is that many of them are personally interested in one way and another. And so they let the fruit be mauled and hauled about before it reaches the consumer. I could shock the Commission if I told them how some of our produce is grown—grown on the worst refuse of this city. Scores of acres of vegetables are grown in this way, and the Chinamen carry it round to the people. Next take the milk-supply: I hold that the City Council should have charge of this. Milk is taken to the city now at 8d. per gallon. There are forty dairies in our district, and the people have to leave their farms at 4 a.m., and come seven miles with the milk. If the Council undertook that work the milkmen would each supply a certain district, and that only, going from door to door. I wanted to put my boy in the milk trade, so I know what are the facts. I wanted to buy a milk-round for him of 20 gallons a day, and was asked £40 cash for the goodwill.

16. *Mr. Fairbairn.*] What is the retail price of milk?—1s. per gallon in summer, and 1s. 4d. in winter. There is no milk-factory in our district; one started a few years ago, but it did not work well.

17. *Mr. Macdonald.*] Are you going to buy this milk-round for your son?—No, I objected to pay for goodwill at the rate of £2 per gallon; the boy would be selling milk for twelve months and getting nothing for it.

18. What price do the retailers pay for any milk they buy?—9d. to the farmers in winter and 8d. in summer. The milk is not supplied from door to door by the farmers; they bring it into the city to the milk-depots, and then the milkman goes and buys it again, and it is thus handled again by another party, and they each get their profit.

19. What months is it 8d. and what months 9d.?—In May, June, July, and August it is 9d., and for the other eight months it is 8d.

20. *Mr. Hall.*] Does it ever go below 8d.?—Oh, yes, sometimes it does; they do not always get 8d. for it.

21. Do these wholesale people turn their surplus into a butter-factory?—No, all the milk comes to the city; we have a great number of dairies in Marshland, but it all comes in for city use.

22. Have these farmers got to make a contract to supply a certain quantity?—Yes, in some cases for a certain quantity of milk, and at a certain hour of the day. If they are short, they have to buy to supply the contract quantity.

23. *The Chairman.*] Have you anything else to say?—Yes; there is this question of coupons. I have been married for over twenty-eight years, and I have never allowed coupons to come into my place, but my wife has been agitating for them. Now, I find here a coupon [coupon handed to Commission] which came from a half-pound of tea, and the first prize, according to it, is five guineas, the second prize four guineas, and the third prize three guineas. That means, so a dealer told me, that for every pound of tea the buyer pays 3d. extra.

24. *Mr. Veitch.*] You mean there is 9d. worth of tea and 3d. worth of raffle?—Yes, I have that on the best authority. I do not know the exact weight of tea in these packages—I have never weighed them.

25. *The Chairman.*] This seems to me to be a gamble; if the first prize was a clock, or something else, it would be another matter; but with money-prizes it is gambling?—But this coupon system is bad even in the value of the goods for prizes: things are bought for, say, 5s. and reckoned to be of a value of 15s. or 16s. for coupon purposes.

26. And your suggestion is that this method makes things dearer, and so affects the cost of living?—Yes, makes poor people pay when there is no occasion for it. With regard to the list of my market returns: these are exact returns, wet days and fine days, and they include the goods bought by housekeepers, and those bought by what I call the “parasites” to sell again at a dearer rate.

27. *Mr. Hall.*] I am not clear on one point: supposing a lady went to the market to buy some fruit or vegetables, would she have a reasonable chance of getting them?—Well, no, although the Act is passed to give her a chance. There is a ring there, and yet there is not a ring. The aim and object is to keep her out, and that is done in different ways. The buyers would, say, buy up the whole line she wanted some of, and so keep her out, and make her buy through them. I gave an instance of how that was done with the peaches.

28. One man buys for the crowd, and they are knocked down to him, is that the way?—Not always.

29. If forty cases were put up and one man said “I’ll take twenty cases,” would the rest of the fruit be again put up to auction?—The man would take the lot, as I mentioned.

30. Has the first bidder that privilege?—They give those parties the privilege every time.

31. You do not quite understand me?—Well, I went to get a case of oranges, and asked the price, and was told 4s.; I got fifteen dozen oranges for 4s.

32. Supposing there are forty cases put up, and the first man says he will take twenty, and another dealer says he will take twenty, does the second buyer of twenty cases get them at the same price?—Yes, they are knocked down to the man; he takes the whole line.

33. But, supposing a man takes only part of a line, would the auctioneer put the rest up?—He would put them up again if only half were taken, say, but none of the buyers would bid higher.

WILLIAM ARTHUR D’ORRIDENT, Fisherman, recently Captain of Steam-trawler “Mullogh,” and Owner of Fishing-boat, examined on oath. (No. 90.)

Witness stated he had seventeen years’ experience in different parts of New Zealand.

1. *The Chairman.*] Will you tell us the conditions of the trade?—I want to tell you that, in regard to the different towns I have been in, and especially in regard to Christchurch. At the present time you have to send your fish to the markets—from Timaru, Oamaru, and elsewhere it

comes to Christchurch. It is practically a private market, and the sale as far as possible is restricted to the few people who go into the market. The general public, to all intents and purposes, cannot buy fish there. If fish becomes plentiful, buyers will, nevertheless, take only a small quantity, and the rest of the fish is supposed to be sent to the destructor. I myself several times in the last three years have had returns of this. I have sent three barrels of groper from Timaru: one barrel was sold for 10s., and the other two were supposed to be sent to the destructor.

2. Is there any belief that the auctioneers themselves put these fish into the frozen stores?—That is what I want to know; but we do not know what becomes of the fish.

3. Were these fish you mention perfectly good?—Yes; there was not a suggestion that the fish were not fit to sell. I caught it one morning, and it was railed through to Christchurch and sold the next day.

4. Who decides what fish is fit to freeze and what fit for the destructor?—The auctioneer uses his judgment.

5. Will they not freeze for the fisherman according to instructions?—At that time there were always excuses made. I know the auctioneers used to buy a lot of fish themselves and put it into the freezer, and it is a question whether some of the fish supposed to be destroyed did not really go to the freezer. I mention one case: Three years ago last September I was in the market, and there was not a groper to be seen; it had been bad weather on the coast. Yet a man in Timaru had fifty cases in his own name frozen, and the auctioneer would not bring them up to the market.

6. *Mr. Fairbairn.*] Why not?—Because he did not want to encourage the men to freeze on their own account. It was a privately owned lot of fish.

7. Have you documents to prove that?—I can substantiate it by naming the man in Timaru who had the fish, and the auctioneer as well. [Name handed to Commission; Commission decided to summon fisherman.]*

8. *The Chairman.*] Is there anything else you wish to tell the Commission?—Yes; I will go back to last week. Last week there was barracouta sold in this market for 4s. per dozen. They were bought by the auctioneer, smoked at a cost of about 1s. per dozen, and then sold back to the hawkers at 8s. per dozen.

9. Is that an extraordinary transaction?—Oh, no. I know that the auctioneers buy a lot of fish; they send it to customers in the country.

10. *Mr. Fairbairn.*] Are the public not permitted to buy?—I suppose a man could go in and bid, but I doubt if he would get the fish knocked down to him.

11. Are they not sold in suitable quantities for the public?—No, they are generally too large for a private man to buy. A fish auctioneer is not licensed, and practically he is a free lance; as far as I can see, he is not bound even to return account sales or anything else. He does not come under the Auctioneers Act, so that he is absolutely a free lance. In Dunedin up to a little before twelve months ago the auctioneers there gave no returns for the fish at all. Instead of getting a detailed statement, as you get here or in Wellington, you would simply get a report of Monday, say, three barrels, Tuesday four, Wednesday five, and so on. Besides this, you have to use the auctioneer's barrels and pay 2d. per barrel, and simply put in a tag to show to whom it belongs. If I sent an outsider to that market to see what my fish brings he could not tell. The seller does not even give you a return of your own fish. The fish are turned out, the auctioneer takes off the ticket, puts it in his pocket, and then afterwards in the office he writes on the ticket what he likes as the price the fish brought—say the average amount. We claim that we should have the returns of our own fish. The average rate for the Dunedin market was under 1d. per pound at one time. Then the fishermen formed an association (they cannot form a union), and they limited the quantity sent in, so that they should not get down to the ridiculous prices they did.

12. That is, according to the Commercial Trusts Act they could not form a union?—No—the Arbitration Act. One of the heads of the Labour Department told me that.

The Chairman. That is correct: the men use their own boats, and are neither employers nor employees.

Witness. But if there are two men in the boat the skipper gets no more than the other men. The boat takes 4s. in the pound, and the rest is divided evenly between the two men. Really we are pieceworkers, to my idea. If we could form a union, the scheme I had was to force the dealers to sell fish with a sliding scale—when it was 1d. to us it should be retailed to the public at, say, 2½d. To show how the market is at times I mention this: For five months (three years ago) in Timaru the average return was ¾d. per pound net.

13. What about the expenses?—That is clear of expenses. Of course, the freight is heavy from Timaru. And these fish are never sold at less than 3d., mostly at 4d., per pound retail.

14. *Mr. Fairbairn.*] What is the freight from Timaru?—I think it is 24s. per ton; from Oamaru, 32s. 8d. per ton; and 38s. from Port Chalmers.

15. And you only got ¾d. per pound?—Yes.

16. The freight is only about ¼d. per pound?—Yes; but it had to come out of that ¾d.

17. Supposing the freight cost 1d. per pound, there is still a leakage of 2d. per pound before it reaches the consumer. It is in the cost of distribution that this leakage takes place?—Yes, that is the point. Most people will only buy a certain quantity of fish. If you get a glut, say a hundred barrels of groper, you would probably see a good part of that sent to the destructor. The dealers only buy a certain quantity, and they will not reduce the price to the public. Then, in regard to the fluctuations in the quantity of fish brought into the market, there is this trouble: anybody can come into the trade so long as they have enough money to buy a boat. In four years there have been in Timaru six farmers, one ex-policeman, one hotelkeeper, and one school-teacher who have got boats. These men go into the trade for a little while. In fine weather they go out and catch a big load, and down comes the price to us all. When it is bad weather they are no good—they have not the necessary experience.

* The fisherman named had left Timaru some months before and could not be traced.

18. You spoke of 3d. per pound net return: was that exceptional?—No, that was for five months—that was the average. Things were so bad I left Timaru and went to Oamaru. There the price the fishmongers were giving was 1d. up to 12 lb., and 1s. apiece for groper over that weight. Thus, if the fish was 9 lb. they would give 9d. for it, and if it weighed 60 lb. they would give 1s. for it. They gave the bigger price for the smaller fish.

19. Are they not better fish?—No. The best groper of the lot weighs about 20 lb.; any way, they sell the fish at a uniform price of 3d. per pound. In Wellington all the fish is sold direct to the fishmonger, and sometimes he sells it cheap to get rid of it. It is a standing price there, in a way, for us.

20. *Mr. Fairbairn.*] But is fish cheap in Wellington?—I think it is cheaper there than in Christchurch.

21. *The Chairman.*] You have never heard of the shores being white with fish, thrown in to keep up the price?—I have known shoals come in and you can catch thousands, and sometimes the Italians keep on fishing until the price has come down to 2d. per bundle instead of 6d. In Wellington the principal part of the trade is in Italians' hands. At Warehou Bay there was once a few English people, but now they are all Italians.

22. Do they not sell all their fish to Fernandos?—He takes the bigger quantity; but the men fish for all the firms in Wellington. The trouble in Wellington is that the fish are made into bundles: a fish caught in a 7½ in. net is a "bundle," perhaps; a moki is a bundle. The fish might range from 24 lb. to 2 lb. in weight. A fish of 24 lb. is one "bundle," but if the fish is less than 6 lb. in weight then you have to make up the bundle. A schnapper bundle is supposed to be 8 lb., but a fish of 20 lb. is still one "bundle"; but if below the 8 lb. then you have to put in two or three fish to make up the bundle to at least that weight, and so the dealer reaps the benefit, and the fisherman gets nothing extra for the big fish.

23. What about Christchurch?—Well, I consider that the auctioneer should be forced to sell fish to the general public, and should not be allowed to buy fish himself under any circumstances. If the auctioneer can buy fish, it is not to his advantage to get the biggest price. When fish are scarce we get correct returns, but when fish are plentiful no one can tell what the fish are fetching. Then, the auctioneers should be forced to sell by weight, instead of in twos and threes. Then the fisherman would know what he was getting.

24. And the auctioneer should not be allowed to deal?—That is so. Then, if the Government would give the fisherman a certificate it would be a good thing. Instead of every Tom, Dick, and Harry going into the trade, before a man could take charge of a fishing-boat he would have to serve so-long in a fishing-boat, and be capable of handling it. Then we would get a better class of fishermen.

25. Would that not create a close corporation?—I do not think there would be any fear of that. I know two butchers who bought a boat in Oamaru. It was not safe for the rest of us to be in the harbour when those two butchers came in; they had no idea how to manage a boat. I think the masters of all boats should be certified. If a man wants to take charge of a trawler he has to go to sea and get another certificate. I want to see a universal ticket covering all fishing-boats. A trawler might come here financed by a syndicate—this is quite possible in Lyttelton. It would employ ten men. She would do more than ten boats employing twenty men. In time she would knock out the boats; and yet if one of those twenty men got a chance of taking charge of the trawler he could not do so; and once the small boats were knocked out the trawler could put up the price of fish how he liked. At present there is a great deal of waste of fish. The fish in most of the grounds are getting further and further away, and a lot of outsiders coming into the trade and catching big quantities are destroying fish-beds that in years to come would still be left to the regular fishermen, and the beds would propagate if properly treated. In all the fishing-grounds, even at the Chatham Islands, the fish are getting scarce. If we had only regular fishermen in the trade they would come to know the exact quantity of fish required, and they would not catch any more than that quantity, and then there would be no fish destroyed. It is no good to anybody catching fish and sending them to the destructor. I now put in returns from Wellington. This is the biggest price I ever had in the trade [returns of Wellington fish-sales put in] in seventeen years—four ships. The prices were 3½d. per pound, 2½d. per pound, and 2¼d. per pound; and the charges for freight were 100 per cent. dearer than I could have got the freights for myself. The figures are given on the accounts.

26. *Mr. Fairbairn.*] What do the fishermen get for flounders?—The twelve months I was master of the "Mullogh" the average price would be 3s. to 4s. per dozen. The flounders we caught were big ones, averaging 15 lb. to the dozen, and the average price would be 3s. to 4s. per dozen.

27. What would a flounder weighing this 1½ lb. measure?—He is a big fish: he would measure nearly 1 ft. long, and would be sold at 1s. to 1s. 6d. retail.

28. *The Chairman.*] Have you anything else to say?—I think in the interests of the trade, right through New Zealand, the fishermen should be given greater facilities for getting the stuff to market. At the present time they will only take the fish from south by one train—the first express. We had a deputation to Mr. Millar, Minister of Railways, to get the Oamaru fish sent by the second express, as was done with the Timaru fish. Instead of that, he knocked off the Timaru fish from the second express. To catch the first express we have to have our fish on the beach by 9 a.m. This gives us no time at all to fish.

29. *Mr. Hall.*] If any private individual went into the market to bid, would they have a reasonable chance of buying?—I do not think they would, myself. Three years ago I was in Feron's market, and there were some fish left after the day's sale—twenty or thirty groper, slightly stale, but perfectly right to eat that day. A young man came in, and was told they were 1s. each. He gave 1s. to old Mr. Feron and got the fish; and young Feron said to his father, "What did

you let him have that fish for?" Old Mr. Feron said, "He is one of our buyers; he buys fish regularly from us." Young Feron said, "If you let a man have one fish like that we shall have the whole town in."

30. Do the buyers run up the prices if they see there are private buyers there?—I have heard of it; I have not seen it myself. I want to give another instance, about crayfish. In September, three years ago, I came up with eleven sacks from the Peninsula. I sent eight sacks to the market; there were thirty-two sacks in the market—an average of thirty sacks for four days at the time. As far as I could make out, two of my sacks were sold, and for the whole eight sacks I got 11s. clear. Really, I think two sacks were sold at 10s. each, and in each of those sacks there would be about three dozen fair-sized, saleable at 1s. and upwards. My net return was 11s.

31. How many auctioneers are there here?—Really there is only one—that is, Mr. Newman, who has bought out Feron.

32. Why is it the fish-auctioneers are not on the same footing as other auctioneers?—Because they deal in perishable products. If I catch fish and send it to the auctioneer he can sell it without a license, but if you bought the fish from me first and then sent it to the auctioneer he would need a license.

ROOKWOOD COMFORT BISHOP, Secretary of the Christchurch Gas, Coal, and Coke Company (Limited), examined on oath. (No. 91.)

1. *The Chairman.*] How long has your company been established?—Since 1864.

2. Has the company steadily grown in business?—It has, sir.

3. Have you got any balance for the last year?—No, I have not; I did not bring that.

4. Could you give us a rough idea of the size of the company—about how many shareholders?—Oh, yes; approximately there are about 350 shareholders.

5. And the capital of the company?—The capital is now £200,000, paid up in £5 shares.

6. That capital was increased some time ago?—I have been taking out the figures for the last ten years. During the last ten years we have called up £80,000 from the shareholders—that is, direct cash from them—and borrowed £25,000 on debentures. All that money has been spent in improvements and extensions.

7. What was the rate of dividend last year?—10 per cent. on the face value of the shares.

8. On what the shareholders paid for them?—Not on what it has cost the shareholders to obtain them. They were at a premium in the market.

9. *Mr. Macdonald.*] That is the usual way?—Yes.

10. *The Chairman.*] What was the reserve last year?—I think it was £5,000 to depreciation and reserve. They are put together.

11. Have you any figures to show the comparison of gaslight with the cost of electric light?—I can only attempt to speak of our own industry; I do not think it would be fair for me to criticize one in competition with us. I have prepared a few figures in case I might be asked for these. These show that ten years ago lighting-gas was 16 per cent. dearer than it is now, and power-gas (we make a differential rate) was 25 per cent. dearer. During the same period our average wages have increased per man by 25·16 per cent. It is an average from 5 per cent. to 30 per cent. in the different lines.

12. *Mr. Fairbairn.*] What relation has that to the increased cost of production?—The cost of gas has decreased.

13. The cost to the company. You do not suggest that has added 25 per cent. to the increased cost of producing gas? What relation has it to the cost of production?—That would require a very close analysis to see how far it affects the whole question of production.

14. When you speak of an increase in the cost of wages of 25 per cent, any one reading it carelessly might suppose that the cost of production had been increased by that percentage. We want to get at the exact added cost of production by increased labour-charges: that 25 per cent. might only mean 1 per cent. increase in cost of production?—Those are the total wages paid. Had they not increased the gas could have been sold considerably cheaper.

15. Can you get the analysis I ask for, telling me the amount of the cost of production that is due to wages?—I am afraid I cannot get that for you. I know the amount of wages paid last year was £30,790 14s. 6d.

16. And the total amount of gas sold?—About three hundred million feet.

17. And the value?—I cannot give you that.

18. What is the average price per million feet?—There are two distinct prices.

19. I know. You could not analyse the two into lighting and power, so-much for each?—I could not do that for you.

20. What is the approximate turnover in sales, in money?—I have not that here. I thought the Commission would go into the question of price to the public, not of manufacture—simply lighting and fuel to the public. I did not expect the inquiry to take this turn.

21. Could you give us the information I have asked for? You could give us the total sales for twelve months and the total expenses; and you say there is a 25-per-cent. increase in wages, or, roughly, about £6,000. I would like to know what relation that has to the price of production?—It would be approximately £6,000, divided into 300,000,000.

22. What are you selling lighting-gas at?—5s. 9d., and 4s. for power: those are the net prices.

23. What are the relative proportions of the gas-light to power?—I could not tell you.

24. Do you think it would be difficult to send in a statement telling us how many million feet is for gas for light and how many million feet for power?—I might be able to obtain that.

25. Does the wages bill include salaries?—No, that is operation wages—the men's wages, not the salaries; it is for manufacture and distribution. It has nothing to do with the office staff; there are no salaries in the amount.

26. *The Chairman.*] Can you tell us the price of gas relatively to cost in Christchurch, Wellington, and Auckland?—I am not aware of the prices elsewhere except by hearsay evidence.

27. But you know the prices surely?—I believe at Auckland the price is about 4s. 6d., and in Wellington about 5s. 5d., but I have no direct knowledge. I think it better for you to get that information direct at Wellington and Auckland.

28. *Mr. Macdonald.*] What price do you get for your coke?—From 22s. 6d. to 30s., according to the quantities.

29. I suppose you have a ready sale for it here?—We have had a fairly ready sale. We have induced the dealers to take the matter up. I may say that as an economical fuel I do not think coke is appreciated as much as it should be; I speak from personal experience as well as from a business point of view. Coke fires require a little more attention, but there is no better and more economical fuel, especially when burnt with a little small coal, and with free draught.

30. What price do you get for tar?—We have been getting recently 4½d. to 6d.; it has increased this year. Previously we had contracts with the City Council running as low as 3d. per gallon.

31. Taking an average of ten years, what is the price?—We had difficulty in selling tar at one time, and I established a foreign market for it, and was exporting it at 2d. per gallon.

32. Tar has advanced in price mainly because you have a local market for municipal purposes?—And we began distilling it at one time, but the extension of suburban localities hardened the price of tar.

33. Are there any other by-products?—We manufacture anhydrous ammonia for freezing purposes.

34. With a steady sale?—We have established a record. There is not much in the business. The fact is, the accumulation of what is termed ammoniacal liquor became somewhat of a menace to us. We could not store it, and up to a few years ago, by diluting it with plenty of artesian water we were allowed to use the drainage system to get rid of it. Eventually the Drainage Board called upon us to abate a "nuisance." So we put up expensive machinery to treat it, and we have established a record in New Zealand for the very finest quality of anhydrous ammonia, and it is being supplied to and used by all the freezing companies and to shipping companies, to the partial displacement of the imported article. We cannot manufacture sufficient for the Dominion requirements. It has answered our purpose to make it, but I doubt if we should have gone into the business if we were not compelled to get rid of the nuisance, as I explained.

35. What about sulphate of ammonia?—We do not touch that.

36. What are you paying for coal?—I am not permitted to disclose the contract prices. I may say that coal has advanced, roughly, from 1s. to 1s. 6d. per ton during these last eighteen years. It is Westport or Newcastle that we are using.

37. What is the average production of gas per ton of coal?—That I am not permitted to disclose.

38. I do not see why not?—Perhaps not, but I am not allowed to disclose it.

39. What retorts are you using?—All horizontal.

40. This annual consumption of three hundred millions does not account for all the gas made: what is the percentage of loss?—That has been rather high this last two or three years.

41. Will you tell me what is the percentage of loss?—No, I do not think I will. I do not see that that can affect the question. As to these details of manufacture I prefer to consult my board before I disclose anything. Some of you gentlemen have been executive officers under other people, and you will quite understand my position. I prefer that you should write for any further details of this description, and I shall be glad to submit the correspondence to my directors.

42. How do you provide for your extensions of mains?—Entirely out of capital—absolutely. That is why we have had to call up £105,000 in the last ten years.

43. I understand that although £105,000 has been called up, out of capital, there has been a certain amount of reserve or bonus distributed: is that so?—I give it an unqualified denial. There has been no bonus and no distribution during the last ten years. Every shilling expended on mains has been provided out of capital.

44. I am not denying your right to add to your capital, Mr. Bishop. But I have seen something similar to this stated in the papers?—I have seen a good many things in the papers. Our capital account is absolutely clean; all our works, all our mains, all our meters, and everything in connection with that has been paid for by cash provided by the shareholders.

45. I am quite willing to admit that; naturally it was the shareholders' cash; but I was inquiring into the method of its obtainment?—It was called up out of their pockets.

46. There has been a certain amount of reserve distributed among the shareholders?—Many years ago.

47. On two or three occasions, at any rate?—Twice, but many years ago.

48. Is that included in your capital of £200,000?—No.

49. Is not that part of your capital?—No, nothing whatever to do with it.

50. At the time your distributed you called up your capital: was not one amount equivalent to the other?—No. It was from two different sets of people. When we distributed the £20,000 many years ago that was distributed direct to the shareholders, and they were invited to take up new shares. This was threshed out before a special Committee of the House, at which I appeared, and I explained the whole procedure. The same people who provided the capital were not those who got the dividend. Many of the shareholders did not take up a share, although some did.

51. Was the amount you distributed in that way equivalent to the issue of the new capital?—It was the same amount, but to different people.

52. And that also took place on the second occasion—the same amounts in both cases?—Yes, the same thing happened.

53. You hold that they were different people?—You are going back twenty-five years now, which is outside your scope.

Mr. Macdonald: That has a bearing on the price of gas as sold now.

Witness: There are one or two figures as to what an average workman's or tradesman's cottage consumes. This is the average consumption per house per year, from houses taken haphazard, four- and five-roomed cottages, in Sydenham, St. Albans, Linwood; the average is 10½d. per house per week for thirty houses: that is for last year. This is for light, for cookers, gas-irons, &c.

54. *Mr. Fairbairn.*] Can you give us that for ten years ago, too?—I will try to do so. I also take the workers' dwellings, which we supply, and the average is 1'2s. per week—say, 1½d. more. [Returns put in.]

55. *The Chairman.*] You publish a balance-sheet every year, I suppose?—Our balance-sheets are distributed to the shareholders; we do not publish them.

56. You would have no objection, though, to our having, say, balance-sheets for the last three years?—I shall ask my directors, and I have no doubt they would let you have these.*

57. Thank you. Do you not think gas is very dear here?—I think the gas here is the most economical supply in the Dominion. We supply free all mantles for the upkeep of burners, and plants of all kinds are maintained; for that alone we have a staff of forty men and boys. We distributed during last year a hundred thousand mantles free, and the total cost of that to us is four or five thousand a year. We do that so as to give the public the fullest benefit of the gas.

58. *Mr. Macdonald.*] Some companies give away their stoves, and still only charge 2s. 6d. a thousand?—Not in New Zealand.

59. And I know of municipalities that cannot get rid of their coke at all in New Zealand even at 6s. per ton, or even less, and yet they supply gas to the consumers, on an annual consumption of 25 millions, for 4s. 2d.?—I am very much surprised to hear that about the coke.

60. I am not speaking at random. I am chairman of a Municipal Gas Committee which reduced the cost of gas to 4s. 2d.?—I have never heard of it.

61. And we cannot get rid of our coke at all—that at Westport?—Oh, well, there is no sea carriage.

62. That will not make the difference between the 300 million and 25 million feet?—You are right alongside your coal.

Mr. Macdonald: That does not account for it.

63. *The Chairman.*] Do you not think it would be better to reduce the price of gas and charge for the mantles—do you not think it makes things look rather hard for your company, if they charge by the method they do?—You may think so, but, on the other hand, we have followed this practice for the last nine or ten years, and we find it gives such satisfaction to the consumers that the value of this satisfaction is considerably more than the 2d. or 3d. it costs us.

64. But it makes your gas look unequal in the comparative table of rates?—It may do so. It is really all a question of wages, and the satisfaction to the consumers is so great that we are welcomed in the houses, and all the consumers are our friends; and it is our pride as well as our pleasure and our business to see that they are getting the best attention, and we are always proud to see the place clean and bright, and the consumers also realize that they are getting the fullest value possible from us.

65. *Mr. Macdonald.*] In 1904 you submitted a statement to the Christchurch City Council. You said that your capital expenditure was about £172,000?—I could not say from memory.

66. It has increased to £200,000 at present?—You are speaking of what we have expended altogether. I am speaking of the capital called up. In addition to our capital we have got a heavy impost as well that we owe in addition to the debentures.

67. *Mr. Robertson.*] Can you tell us the capital expended to date?—Not from memory. These details I am not prepared for.

68. Your output of gas in 1904 was 167 millions, and now it has increased to 300 millions, and the last reduction in price was in 1895: is that so?—I think so.

69. And you could not give us your capital expenditure to date?—No.

70. *Mr. Fairbairn.*] Your last reduction was in 1895: is that so?—Somewhere about that. [Witness, on referring to records, said there had been a reduction from 7s. 6d. per hundred to the present prices—5s. 9d. for light and from 6s. 8d. to 4s. for power. The reductions were made in 1888, 1890, 1897, 1898, 1900, 1909.]

71. Between 1900 and 1909 what was the reduction?—From 6s. 8d. to 5s. 9d. for light, and for power from 5s. to 4s.

72. But you said that in ten years the price of gas was reduced 16 per cent?—No, I said it was 16 per cent. dearer ten years ago.

73. What was the price in 1901?—6s. 3d.

74. Then, ten years ago, the difference is 10 per cent.?—I see.

75. Are the meters for light and for power kept separate?—Yes, up to a certain power or above a certain power.

76. And below that it is charged at a uniform rate?—The little hot-air engines go on the usual service.

77. What is the limit?—½ horse-power.

78. But in consumption, I mean?—There is no limit after ½ horse-power; I cannot give you anything further than that.

* These balance-sheets have since been supplied to the Commission.

JOHN AVIS PANNETT, Farmer, and Chairman of Directors of the Farmers' Co-operative Association, Christchurch, examined on oath. (No. 92.)

1. *The Chairman.*] Where is your farm?—I farmed in Canterbury nearly all my life, but I have a sheep-farm in Otago. I live in Christchurch.

2. Have you noticed a considerable rise in the cost of necessities of life, as they come through your association?—No. Speaking from inquiries made of the heads of the various departments, on the whole there has been very little increase in the cost during the last fifteen years. In clothing there has been an appreciation in some lines, say, of 10 to 15 per cent.; in other lines there has been a decrease; on the whole we take it that there has been very little increase.

3. On what class of clothing has there been an increase, and on what a decrease: have woollens and cottons increased, for instance?—I am not in a position to say on what classes the decrease has been. I am acquainted more with the general management of the business. In boots, I understand, there has been no great difference.

4. Do you sell men's heavy boots, or more ladies' boots?—Quite an all-round stock; but we do not keep quite as high a class of light stock as some retailers keep.

5. *Mr. Veitch.*] Have the prices of men's boots increased most, or the ladies'?—I think, on the whole, there has been very little increase in the cost during the last fifteen years. There has been a great demand for a better class of boot, and the artisan and farming classes want a more expensive class of clothing, too.

6. Is it possible that the fact that we have complaints as to the cost of things having greatly increased—boots and clothing, for instance—is due not to increase in the values, but to excessive rents of shops and other distributing-charges? Is that the explanation?—I do not know that an explanation is required of any great increase; there will be a difference, of course. We claim that by the aid of good management and co-operation we do our business probably at a less cost than the smaller shops; but I was not aware there was much variation in the prices now as compared with some years ago.

7. If the rise in the ordinary shops has been much, and the rise in co-operative shops has been little, that is an argument in favour of co-operation, you would contend?—Yes; but I am not aware there is such a great difference in the good shops. We endeavour to sell at a moderate profit, and use our influence in that direction. I do not think either we or most of the other businesses are making inordinate profits.

8. I do not say so. I was trying to find out the explanation of the varying statements made here?—Well, I think probably my evidence in connection with the farming industry will be more useful. I am not very well acquainted with the retail prices.

9. *Mr. Fairbairn.*] Would you care to make a statement to the Commission from the farmer's point of view?—Yes. I notice you are inquiring into what extent the price of land has contributed to the rise in the price of commodities. I do not think it has increased the price of commodities except to a slight extent. The main reason for this is that the price of our farm-produce is regulated by the price in the markets of the world; the local consumption is only a small factor. The higher price of commodities, and the more stable conditions, have made farming more profitable, and there are other factors in this: a much better system of farming obtains now than fifteen years ago. We have artificial manures largely used, we have improved implements for cultivation, and these increase the yield. The reduced rates of interest are also an important factor. But during the last ten years there has been the greatest rise in the price of land, and money has been at about the same rate. The improved methods of farming and the exportation of commodities have enabled farmers to accumulate money, however, and the price of land has gone up in consequence. The question of the increased cost of farm labour is thought by some to have increased the price of the produce. I do not think that is so, because our prices are regulated by the Home markets. The farmer cannot get any more for his produce whether labour is cheap or dear. Nor do I think the proximity to the towns adds greatly to the value of land for farming purposes, now that we have railway facilities. It does for milk, potatoes, &c., for local use, but these are small things, comparatively speaking.

10. *Mr. Hall.*] Your association has a very large turnover?—Yes.

11. Was it started by the farmers?—Yes.

12. And do you purchase the farmers' produce from them?—Some; in most cases we prefer to export and sell for them.

13. All kinds of farmers' produce?—Yes.

14. Do you think this method has reduced the cost of distribution on the things you are buying for them?—Yes.

15. Lowered the prices?—Yes.

16. Is labour more difficult to get for farming than it was ten years ago?—Yes, it is much more scarce than ten years ago.

17. Is that calculated to induce farmers to go into grazing?—Yes, it is an important factor in that respect; for the last ten or twelve years, at any rate, it has had a marked effect on farming throughout this Island—the comparative scarcity of labour.

18. *Mr. Veitch.*] Have you any suggestions to offer for the purpose of getting over this shortage of labour?—One very important one is the question of accommodation for farm hands—not the single man; he is well provided for. But if there were more cottages for married men I think that would be a help, and it would prevent many young men drifting away to the towns. At the same time I do not think that is a sufficient remedy. The scarcity is accounted for by the increased area brought under cultivation, and such large numbers of farm hands taking up land on their own account, and there are not the men in the country.

19. What is the remedy, then?—Immigration is the chief remedy, now, I think. At the same time, better accommodation would be helpful. It is remarkable to me that farmers do not recognize that more generally, and provide cottages for their hands.

20. *Mr. Robertson.*] You think by co-operation you have decreased the cost of various articles: are those benefits confined to your shareholders?—No; but I think that by our policy of demanding only moderate profits we have benefited the whole of the public.

21. You sell on commission for the farmers and indent for them?—Yes.

22. Could you give us an idea of how many shareholders there are in your association?—I do not remember exactly—something over six thousand.

23. *Mr. Hall.*] Most of them are farmers, I suppose?—I think the larger proportion would be farmers; but we have a large number of town shareholders who hold enough shares to get credit with the association.

24. *Mr. Robertson.*] What is the total issue of shares to date?—I do not like to quote that without the figures before me. I know our turnover last year was slightly under three millions in all departments. That includes the commission business as well, and we have a large auction business in live and dead stock.

25. What dividend was paid last year?—6 per cent., with a bonus of 4 per cent.

EDWARD THOMAS WOODFORD MACLAURIN, Customs Officer, Christchurch, examined on oath.
(No. 93.)

1. *Mr. Fairbairn.*] We wanted information from you about the duties on various goods—some witnesses have rather vague ideas about the tariff. First, what are the duties on slippers?—On British slippers invoiced at 1s. 9d. per pair the duty would be 15 per cent. *ad valorem*, and at 6d. per pair about 9½d. The free list is—shoes, 0's to 6's; boots, 0's to 6's, with 10 per cent. preferential. There is 1s. 6d. on men's boots above 5's, and below 5's 1s.; women's 1s., and girls' and boys' 6d.

2. And all these fixed rates are subject to a duty of 15 per cent. and the whole to a duty of 50 per cent. preferential?—Yes, half on all round.

3. Would the duty on £30 of felt have been £9?—No, it could not have been more than £6 12s. under the present tariff. Most felts are free of duty; good felts are free if cut up within six months under Customs supervision, or it can be imported cut up, free.

4. In connection with the manufacture of candles: the duty is 1½d.?—Yes.

5. And wax 1d. per pound. Has there been any remission?—No; candles used to be a different rate. Paraffin is reduced now.

6. The duty is 1½d. on candles?—Yes, 1½d. per pound duty and half on for preferential; and paraffin wax 1d., and stearine ¾d. In 1907 the duty was paraffin wax 1½d. and stearine 1d.

7. Which is mostly used in connection with the manufacture of candles?—Paraffin wax is much more used, I think.

8. What would the average candlemaker pay in the way of duty per pound—an average of ¾d.?—I should say so. There is a good deal more wax than stearine used.

9. Then they only get protection to the tune of ½d. per pound?—I think so, yes.

SATURDAY, 15TH JUNE, 1912.

CHRISTOPHER EDWARD HAMPTON, Flour-salesman, examined on oath. (No. 94.)

1. *The Chairman.*] You are a flour-salesman, Mr. Hampton?—Yes.

2. You were traveller for the Flour-millers' Association at one time?—For the Christchurch branch of the association.

3. Was there any understanding, to your knowledge, that the millers of Christchurch should only deal with certain parties?—No.

4. There was a free market to any one who chose to buy wholesale from the association?—Yes.

5. What was the reason for the existence of the association?—I do not know of my own knowledge.

6. Were complaints made at any time by persons with whom you did business to the effect that there was any restraint of trade through the association?—No, not to me.

7. *Mr. Robertson.*] Had you a definite area over which to travel?—Yes, what we call the Christchurch district, which extended from Rangitata up to Kaikoura.

8. And, of course, no other traveller for the associated mills would work in the same area?—Not while I was their representative.

9. Were there travellers representing any other mills working in the same area?—Yes, representing the millers who are operating outside the association.

10. Were you travelling in the flour business before the association was formed?—No; I had no experience of the flour business prior to the association's time.

11. *Mr. Hall.*] While you were with the Millers' Association was there any arrangement to restrict the output of the mills?—I believe not.

12. How long were you with them?—I left them at the end of November last. I was with them for eight or nine years.

13. Do you know whether any such arrangement was made when the Millers' Association was first formed?—No; I was not with them at the commencement.

14. *The Chairman.*] Do you think that the price charged for bread was a fair retail price considering the cost of the flour?—My opinion is that, as a general rule, the bakers do not get enough for their bread in comparison with the price they pay for the flour—that is to say, bakers, as a rule, work on very small profits.

15. If it was possible to trace the price of a sack of wheat from the time it was handed to the miller to the time that it is delivered as bread, where would the majority of the profits made in the business come in?—I could not say.

HEDLEY VICKERS FREE, Draper, examined on oath. (No. 95.)

1. *The Chairman.*] You are a draper, and represent the firm of Strange and Co., Christchurch?—Yes.

2. You have been in the drapery business for some time?—In Christchurch for twenty-four or twenty-five years.

3. Is it to your knowledge that the price of drapery as a whole has increased during the last twenty years?—As a whole, I should say not.

4. Has it increased during the last ten years?—In sections it has increased.

5. In regard to those sections, are they mostly in articles of luxury or in articles of necessity that the price has risen?—I should say, decidedly, articles of luxury.

6. Are those articles of luxury more purchased by all classes than formerly?—Decidedly so.

7. There has been an increase, then, in luxuries in the cost of living?—I should say so.

8. Is there any sort of combination or ring in the drapery trade?—Not to my knowledge.

9. It is an absolutely open and free market to any draper to buy of any wholesale importer they choose?—Absolutely, as far as I know.

10. Would you consider that the general turnover which drapers have nowadays, and the more costly things which people buy, have a large effect on the cost of living as a whole?—Yes, it would in this way: the standard of living is so much higher. I mean this: that where ten, fifteen, or twenty years ago the average man would go into a place and probably buy a ready-made suit, they want tailor-made now.

11. Would the same remark hold with regard to women: that whereas twenty years ago they made their own dresses, now they insist on made dresses?—No, not to the same extent. There is a great deal more sold of ready-made costumes. The style of dresses varies with the fashions.

12. Then the men are more at fault than the women with regard to luxuries?—Women go in for luxuries that men do not. Furs have increased considerably, due to the scarcity of the product itself.

13. The women insist on wearing good furs now?—Yes.

14. *Mr. Robertson.*] Do you mean that the amount of men's ready-made clothing has decreased?—No; I should say that the amount of tailor-made clothing has increased.

15. You say that there is more tailor-made clothing worn by men now in proportion to ready-made clothing than previously?—Yes.

16. *Dr. Hight.*] Has it been in the articles made to order that prices have increased most?—Certainly.

17. What is that due to?—The higher rate of wages paid.

18. You say that the articles of luxury that you have in mind are purchased by all classes?—Yes.

19. Have you noticed any fluctuations in prices due to alterations in the tariff?—I cannot say that I have noticed it, but it would naturally follow.

20. What would be the effect of an increased duty?—There are certain facts to be taken into consideration in costing them. If there was no tariff that would not be taken into consideration.

21. The net result to the public would be?—If there was no tariff the public would gain.

22. If there was an increase in the tariff?—It would go to the consumer.

23. And a decrease in the tariff would have the opposite effect?—Certainly.

24. Which form of textile has increased most in price?—Woollens, I should say.

25. And then?—The price, of course, fluctuates with the market, according to the supply. It is governed by the law of supply and demand.

26. What has been the increase in the price of woollens, say over the last ten years—what percentage increase?—I have not really given that much thought. I should say, probably 10 per cent. It might be a little more.

27. Have there been any influences at work locally which ought to have brought down the price of clothing and drapery generally if other things had remained the same?—No. I should say the tendency has been to increase the cost. For instance, wool is higher than it was some years ago, and the increased price must revert back to whoever is using it.

28. The average size of businesses has increased?—Yes, but in proportion to everything else: rents, rates, and expenses have increased. I do not know that on the turnover they are making any more profit than they were. There is no more being charged in proportion on the stuff—if anything, I think it is less.

29. You mean that general expenses have increased in proportion to the increasing size?—Certainly.

30. *The Chairman.*] Have the wages of shop-assistants increased much of late years?—I should say the wages are higher all round. Of course, there is no fixed arrangement by which a man is paid; a man is paid according to his ability. A good man can always command a good salary in the drapery trade as well as in other trades. Some men can never make good drapers however long they may be at the business, but they can always find a place.

31. Have you got a minimum wage for shop-assistants?—No.

32. No union?—No.

33. *Mr. Fairbairn.*] What particular branch of drapery has decreased during the last twenty years?—I could not say what particular branch.

34. You said that drapery as a whole has not increased in twenty years, and later you said that some lines have advanced 10 per cent., and other things have decreased. There must be some corresponding decrease to account for the original statement?—There are articles used now that were not used twenty years ago.

35. Has there been a distinct advance in certain materials: this question has a close relation to the cost of living?—I am sorry that I cannot give you a direct answer. If people will be satisfied with certain requirements they can do so at the same cost as ten or fifteen years ago.

36. You spoke of an increase in the cost of manufacturing. To what extent has that added to the cost of a garment?—Tailoring wages, I should say, have gone up from 10 to 15 per cent.

37. That would not affect the garment?—It would affect the consumer.

38. To what extent?—If wages go up 10 per cent. that is put on to the cost of the garment.

39. Would it add 10 per cent. to the cost of the garment?—I think it would add more than 10 per cent. If you put 10 per cent. on to the cost before you put your profit on, you must to the cost.

40. Wages does not represent the whole of the increased cost of the garment. I want to find out what an advance of 10 per cent. in wages would have on the price of the garment—what addition it would be: would it mean 2 per cent. increase to the cost?—I do not think it would amount to 2 per cent. I think it might increase the cost of an article from 1 per cent. to 2 per cent. There is no doubt it would increase the cost.

41. It would not increase it by 10 per cent.?—Oh, no.

42. Ten per cent. increase in wages, you think, would probably increase the cost of a garment from 1 per cent. to 2 per cent.?—Yes.

43. *Mr. Hall.*] Have there been any reductions of duty on certain lines during the last ten years?—Yes; I believe that certain articles which formerly bore a duty are now coming in free.

44. Were the reductions in duty accompanied by a reduction in price to the purchaser?—It would in the ordinary course of events. There are certain factors to be taken into consideration in costing articles. There is the original cost of the article, plus freight, insurance, duty (if any), and other charges in connection with putting the goods into the retail warehouse. These totalled will give the cost, and the percentage of profit must be added to that to get the retail price.

45. *The Chairman.*] Do I understand that the competition amongst the drapers would ensure the reduction going to the consumer?—Yes.

46. If there was any restriction in competition the consumer would not get the advantage?—If there was any ring among the employers that might be so.

47. *Mr. Hall.*] In cases where there has been a reduction in duties have you had an increased cost of distribution in other ways, such as increased rents and rates, which have neutralized the effect of the reduction in the duty?—That is a question I could not answer offhand. Two years ago the duty was taken off cotton, say to the extent of $2\frac{1}{2}$ per cent., and cotton went down to the consumer. The man who can buy the best can sell the best.

48. Is there much credit given in the retail business?—Yes.

49. Do you think the giving of credit leads to people spending more than they otherwise would, and buying the higher-class of goods you refer to?—I suppose it does. I suppose there is no question about that. If a person's credit was stopped he would have to wait until he got the cash before he could buy.

50. *Dr. Hight.*] In connection with your remarks in regard to tariff reduction or in regard to the imposition of a tariff, what you mean is that there are a thousand-and-one causes which operate to fix prices, and if any one of these changes there may also be changes in other directions, or in the opposite direction?—Yes, which might counterbalance it. You could not trace it.

51. *Mr. Fairbairn.*] Can you tell us anything about the time-payment system: have you had any experience of it?—We do not deal in time payments. If people go in for time payments, they have to pay for it.

52. Can you tell us what it means to the buyers?—I could not say; I have never practised it.

53. *Mr. Veitch.*] In comparison with ten years ago, have you any great difficulty in getting accounts paid, or do you do all cash business?—We do not do all cash business.

54. How are accounts met—better or worse than ten or twenty years ago?—I do not like to answer that question straight. Accounts are now met very well: there are very few bad debts. That largely depends on the way in which the business is conducted. If firms like to protect themselves they will get very few bad debts.

55. In the matter of the distribution of goods after they are landed in New Zealand, do you think there is any increase in the cost in that direction: from the wholesale purchaser to the consumer, do you think there is any increase or decrease in the cost?—I should say there is an increase.

56. How would you account for that—is it in labour?—It must be in labour.

57. Any increase in rents?—Not that would affect the distribution, I think.

58. The increased rent would have to be charged in some way in the line of profit?—I do not see how that would affect the distribution.

59. The rent of the building the goods are stored in: surely that is part of the cost of the distribution of the goods? However, you think it is principally due to labour?—Yes, labour is the only thing I can think of.

60. Could you give us an illustration of how the Customs taxation affects the sale of goods? We will take, for example, £100 worth of goods *ad valorem*: what would be, say, a 10 per cent. duty on that: how would the profits be charged by the wholesale men?—I have not had any experience of wholesale business.

61. Do you know how it works out in the retail business?—Exactly as I have already stated. There are certain factors to be taken into consideration in costing an article, and when these are put together the percentage of profit is added to the whole.

62. You must charge not only a profit on the cost of the goods, but also on the cost of the taxation?—Yes, before your stuff comes into your warehouse you must pay duty. Probably you may have to hold that stock for six or twelve months before you sell it. You must pay interest on the money lying idle.

63. The consumer really pays the taxation and two profits on the taxation—the wholesaler's profit and the retailer's profit on the amount of the taxation?—Yes, I suppose it would work out in that way.

RICHARD EVANS, Farmer, Kaiapoi, examined on oath. (No. 96.)

1. *The Chairman.*] You are a farmer, Mr. Evans?—Yes, chiefly a farmer, but my home is in Kaiapoi. I have lived there for forty years, and have a farm forty miles further up country.

2. Has the land-value of your farm increased very much during the last twenty years?—In 1882 I bought a farm within fourteen miles of Christchurch, and I have never been able to see my money back—that is, in selling it. The selling-value has not advanced in that class of land. It is heavy clay land.

3. But, being within fourteen miles of Christchurch, has it not some value for residential sites?—No. There is no doubt we gave too much for that class of land in 1882.

4. Would you mind telling us what the buying-price was when you bought it?—£24 an acre at public auction.

5. *Mr. Fairbairn.*] Is there any considerable quantity of that land which was bought at the same period?—There were 1,700 acres of that land sold at public auction in 1882, and I am the only man that is on the land now that had it then.

6. *The Chairman.*] Have the others made profits and sold out?—I am sorry to tell you that most of them have lost their money.

7. Do you think as a general thing that that is the rule in regard to land at or near Christchurch?—No; it is not the general rule in regard to land: as to alluvial-deposit land it is not so.

8. Generally land, so far as you know in Canterbury, has advanced considerably in value?—The increased value of land sixty miles up north has increased in value at least 50 per cent. during the last twelve years.

9. To what do you attribute that increase in value—to the population in Christchurch and this district increasing, and to the demand for land becoming greater?—During the last ten or twelve years it has been the freezing industry that has given confidence to agriculturists to cultivate their land to the best advantage.

10. *Mr. Fairbairn.*] You consider that the freezer is an important factor in reference to land-values?—Yes, both butter and lambs.

11. *The Chairman.*] Would you consider that the rise in the price of land generally has had an effect on the cost of living?—It cannot possibly, because it is the London market which rules the price of produce.

12. Yes, but to the consumer in New Zealand—is it more on account of the London market?—I am speaking from the point of view of the country. I know absolutely that the things we get from the store—butter, sugar, tea, and other things—they have made no advance. I have been looking up my accounts for the last twenty years, and I cannot see any appreciable difference. A man pays more for his butter now at the farm.

13. And for mutton?—We sell mutton in the country for 3d. per pound to the men—that is, on the farm at Waikari.

14. Is it your opinion that the produce which the farmer sends into town gets a fair chance of selling according to the value of the produce? We have had evidence about the price received from auctioneers for farm-produce: for instance, apples sell in town at 4d. and 6d. per pound retail?—It seems a tremendous difference—the price in the shop-windows and what the grower receives. I think it is the cost of distribution that does it.

15. Of course, included in the cost of distribution would be the rents of the retail shops?—Yes. If I want anything I go to the auctioneers and buy it.

16. *Mr. Fairbairn.*] Does that apply to fish?—I do not deal in fish.

17. *The Chairman.*] Do you think it a fair thing that the auctioneer should deal in the same line in which he auctions?—I certainly should not send my goods to him if he were a dealer.

18. Would it not be a temptation to him to pay you a small price and then deal in the matter himself?—I do not think human nature has got so low as that.

19. *Mr. Veitch.*] Do you think the rise in the price of land is in any way due to the booming of sales by land agents' advertisements, and competition amongst speculators and land agents generally?—The quantity of good land in New Zealand is so limited that when men are looking for land it is bound to raise the price of it. When the early settlers came here they were prepared to go back and clear the land for themselves. The men of the rising generation are not prepared to go back and clear the land as we did thirty or forty years ago: therefore it means that there is a big competition for the cleared land. There are good chances for men to take up land in the back districts of Taranaki at £2 an acre to-day—that is, if they are prepared to go out further.

20. Then there is not such a scarcity of land as there is of good improved land?—Yes, that is what I mean.

21. *Mr. Hall.*] The land you bought in 1882 you paid rather too high a price for?—Yes.

22. Do you think that the prices of farm land are getting too high? If there is a fall in butter and wool on the London market, do you think land is liable to fall in value here?—There are numbers of people buying land who will have a difficulty in getting through if butter-fat came down to 8d. or 9d. per pound.

23. Do you think they would lose money on the land?—I think it would take them all their time to live.

24. How do our prices of land compare with the prices of land in other countries?—Our climate is so much in our favour that my honest opinion is that the price of land is not going to be less in New Zealand.

25. Has the unimproved value—the taxing-value—of the land you bought in 1882 increased?—No, the unimproved value has not gone up since then.

26. Is there fruit going to waste in the country because of the cost of sending it to market?—We do so little in fruit that I cannot say.

27. Do you think there would be a bigger output of butter and grain if there was a larger supply of labour in country districts?—The last season has been a late and harassing harvest. We were short of labour all over Canterbury. I know one farmer who was offering 9s. for eight hours work a day, and he could not use his threshing-machine because he could not get men. That was at Ashley.

28. You are of opinion that if there was more labour farmers would be encouraged to grow wheat?—Farmers will not put in a quantity of wheat simply because they do not know what may occur in reference to labour.

29. They are talking about putting in less wheat next year?—Yes, simply because of the difficulty of harvesting.

30. Complaints have been made in reference to inferior accommodation?—The accommodation has been very much improved compared with what it was years ago. The accommodation is under Government supervision.

31. Could a married man get a house for himself and family in the district where you say there has been a shortage of labour?—Yes, there are a lot of empty houses in the country.

32. The shortage of labour is all over the country?—Yes. In the case of married men the difficulty in sparsely populated districts is the education of the children: that is the trouble. We cannot bring the farms to the township. We must bring the schools to the townships, of course, but many children have three or four miles to walk, and the difficulty is with the schools.

33. Do you think the system of transporting the children by wagons would be of use?—It would assist, without doubt: it would meet the difficulty to some extent. With regard to the cause of the shortage of labour, a statement has been made about the men going on the land on their own account. This year four of my men, to their credit, have gone on farms of their own. The shortage is due to the working-men starting on their own account.

34. *The Chairman.*] Not your worst men?—I do not want to say anything against any one here.

35. *Mr. Hall.*] You will have a difficulty in replacing them?—Oh, I get on fairly with labour, but I have had to teach other men to do their work, and we farmers assist one another; there are several localities in which farmers would not have been able to get in their harvest if they had not helped one another.

36. *Mr. Fairbairn.*] You say there is less wheat grown this year?—There will be, and there was last year.

37. In consequence of want of labour?—Yes.

38. Is there no other factor, such as uncertainty of market, and climatic conditions, that has influenced the position?—I am sure not. When we are getting 3s. for wheat there is no crop that brings in a more sure cheque.

39. It is a paying proposition at 3s. per bushel?—Yes, we consider that is very good, if we can get 3s. over the cost of threshing.

40. *The Chairman.*] You say there is a shortage in the cropping-area last year?—Yes.

41. Does not the want of labour apply to the growing of oats as much as to wheat?—Yes, but we do not generally grow oats in Canterbury as a commercial commodity; we grow it for our own use.

42. There is a Government report that the increase in the cropping-land of oats is equivalent to the decrease of cropping-land of wheat?—Yes.

43. That would not be in Canterbury perhaps?—Not so much in Canterbury.

44. *Mr. Hall.*] You think the change is not due to the fact that oats is a more remunerative crop than wheat?—No; but we were very short of oats last year, owing to the dry season previously; farmers generally keep a lot of oats on hand, and they had run very low.

45. Is there any dairying done in your district?—Yes, in Kaiapoi.

46. Would there be more dairying if there were more labour?—It is just up as far as it can go with the present supply of labour, and then we have the milking-machines: that does away with the need for a good deal of labour.

47. *Dr. Hight.*] Do you think the rise in the price of land is due to the great rise in the price in the world's markets of the products of the land during the last fifteen years?—It has enabled us to send our products away. But meat is cheaper in London to-day than it was twenty years ago, but meat is dearer in New Zealand simply because of the frozen-meat trade—because we have been able to send our meat to London. It is absolutely the introduction of freezing that has been the foundation of this country, in my opinion.

48. Then the price of land and the cost of living have gone up together?—The cost of living has not gone up in Canterbury. I maintain it has not, but we live in a different style to what we did. Take this suit I am wearing; perhaps it is not a very respectable-looking suit, but I have paid just the same for these clothes for the last twenty years.

49. If we could get a list of the things used by the average person twenty years ago, you think the total amount for the same things would be the same now?—Yes, just about the same. Butter is dearer, but bread and sugar and tea and all groceries are no dearer than they were twenty years ago; in fact, they are cheaper. Meat is dearer, because of the cost of distribution.

50. Do you not think that some of the increase in the price of land is due to the feeling that the good times we have had the last fifteen years will continue indefinitely?—Yes.

51. People do not strike averages over the last twenty years?—No, they are so very anxious to get a bit of land; they think their fortune is made if they can get it, and they run one over the other to get it.

52. Is there not an increased risk of losing the crops where the farmers assist one another to harvest—if one man is assisting his neighbour his own crop may be spoilt?—Oh, yes, there is an increased risk.

53. *Mr. Robertson.*] Would not the broken weather last harvest account for the difficulty of securing labour to some extent?—Oh, yes, but we have not enough labour to go on with always, and most of us pay men by the week.

54. What do they earn in the threshing-mills?—The owner of the threshing-mill that worked for me told me the men earned £3 7s. 6d. per week after paying for their food. They are paid by the thousand bushels. That would be for a man with a short and sharp season—that was eleven weeks.

55. But why are there deputations of unemployed if the men can earn £3 7s. 6d. in the country?—Well, I do not like to tell you my opinion. The fact is there is more amusement in the town, and in the country our work is our amusement.

56. What were the average hours worked by these men?—They work from daylight to dark. We lost some days through wet, and they would not work then. We lost two days and half a day another time.

57. *Mr. Fairbairn.*] And yet it averaged out £3 7s. 6d.?—Yes, so the owner told me.

58. *Mr. Robertson.*] What days do threshing-men lose on the average?—I cannot tell you; I only know what Thornly (the owner of the mill) told me in this case that the men averaged. I know what the farmer loses on the average: the men work four days and a half with the teams, on the average, per week.

59. *The Chairman.*] This £3 7s. 6d. per week you give as what Mr. Thornly told you?—Yes. But I know of days when the men have threshed from daylight to dark and earned £1 6s.

60. *Mr. Hall.*] How many hours would they work?—In February they started at 6 a.m. and worked till 8 p.m.

61. How many hours out of that for meals—say an hour for breakfast?—Oh, no; they get three meals in that time, but I do not think that absorbs more than an hour and a half altogether.

62. *Mr. Fairbairn.*] So that they are actually working twelve hours and a half per day?—Yes—that is, at the mills in the early part of the season, when the days are longer. When the days get shorter they do not work so long, but they do not make so much money.

63. *Dr. Hight.*] Would these men find employment in the district when the threshing was done—employment for the rest of the year?—Well, a number of these men go shearing in the shearing season; they have a regular round of work. They go shearing, and then threshing, and perhaps dig potatoes, and in the winter they go fencing, and doing things like that.

64. They get a fair amount of work during the year?—Yes.

65. *Mr. Veitch.*] Do they move about from place to place to get that employment?—Oh, yes; very often they come from the West Coast, some from the public works, and some of the best men are living on the small farms and do this work to assist themselves. At this time of the year a good many men are employed crutching sheep.

66. Do any number of these men live in the cities?—Yes, a good many of them come from the cities—just come out to make a cheque.

67. *Mr. Hall.*] With regard to accommodation: how do the threshing-machines get their accommodation?—There is an award of the Court that they should find their own accommodation.

68. The owner of the machine?—No, the men themselves.

69. If the accommodation is insufficient, then it is the men's own fault?—Yes; it is really tents they use generally.

70. *Mr. Veitch.*] If they are employed so-many hours they cannot pitch their tents?—The waterman pitches the tents; in ordinary times he has not enough work to do.

71. *Mr. Hall.*] Do they bring a cook with them?—Oh, yes—on the co-operative principle. The machine-owner finds the galley and the coal, and so on.

72. Do you think the cost of living to the worker in the country has gone up?—Of my own knowledge, I know that the houses in the townships are not so dear—the same class of house—within 25 per cent. as twenty years ago.

73. Rents in the townships have gone down?—For the same class of house they have gone down.

74. Is that due to the quality of the house?—I know four cottages built twenty-five years ago—four rooms and a scullery, and washhouse with boiler. They were let twenty-five years ago for 7s. per week; to-day those same cottages, twenty-five years old, are let for 6s. per week. That was in the Kaiapoi Township.

75. *Mr. Hall.*] Have the necessities of life risen during the last twenty years?—I cannot see where they have risen; the only extra price is in butter, and many men in the country keep their own cow. The men inclined that way can keep a cow.

76. *Mr. Veitch.*] Does this scarcity of labour apply to men permanently employed: is it just the casual labour for harvest that is scarce?—The permanent hands as well. I can quite understand that with the casual man there is a difficulty; he is not satisfied with the conditions of living in the country.

77. You mean the permanency of the employment offering?—I have ten hands, and they are all in permanent employment; three of the men are married and seven single.

78. And there is good accommodation for the married men?—I have houses for them.

79. You spoke of a man who had eighteen days' work at 9s. per day and could not get men to do it?—Yes, that was at Rangiora; he could not take out his machine.

80. Assuming that married men went into the country to take on such work as this, what employment would they find to fill up the rest of their time?—There would be fence-cutting and a lot of work. But the difficulty about the threshing-machine is that it is threshing here to-day and four miles away to-morrow and three miles away the next day, and so on, as a general thing. The men must take the accommodation and the life as it is.

81. Then the married man has to keep up two homes?—Yes; but if he is willing to work right on a farm, and can get a suitable place, he would not have to keep two homes. A lot of married men on the farms have the wife and children kept too. That is another class of work.

82. *Mr. Hall.*] Under Mr. Sedgwick's scheme would the boys have a reasonable chance of getting on the farms permanently?—Well, I happened to meet one lad this morning—I did not know him, and he said a schoolmaster brought him to me some three years ago, and I recommended him to a farmer. He never did any farm-work before, and is getting 25s. and found now, and he was a very unlikely lad three years ago. He is about twenty-three years of age.

83. Would boys of that character have a reasonable chance of saving up enough money to start farms for themselves if they were thrifty and industrious?—Yes, in ten years, if his object in life was to make a home for himself and stop on a farm.

84. Do you think there would be any serious risk of these boys drifting into the cities?—From reports I have had from others—I have had none of these boys myself—they say, on the whole, that the boys are a success. If I wanted a boy I would risk taking one of them. There is one thing I want to make clear: a statement has been made here that we work our ploughmen fourteen hours.

The Chairman: No, I do not think so.

Mr. Hall: Mr. Kennedy said that.

The Chairman: He said the period covered was fourteen hours.

Witness: We only work our men eight hours per day, besides looking after the horses.

85. *Mr. Hall.*] How long would it take to do the work he would have to do after he finishes ploughing?—My men work six horses, and it takes an hour every morning to get ready for breakfast and see to their horses—that is, from the time they get up.

86. *Mr. Fairbairn.*] That would be, say, half an hour with the horses and half an hour for the rest?—It takes an hour altogether—say twenty-five minutes dressing and the balance for the horses. They are decent men, and quick.

87. When he finished ploughing what does he do—just feeds the horses and grooms them?—Absolutely nothing else. We are supposed to be in the paddock at 7.30, leave off at 11.30 for lunch, have an hour and a half off, and knock off at 5 p.m. We do not do more than that. Then the men come in and have dinner at 6 o'clock.

88. Are there some days in the week when you do not work on account of weather?—We cannot work horses all this week, for instance; once we only worked one day in two months with the horses.

89. What did the men do?—Clean out the stables and the wool-shed, and little things of that sort.

90. Cut up chaff?—No; the chaff is cut by machinery. We pay so-much a ton for that.

91. Then the men sit idle on wet days?—The work is the same as a man in town—he can only sweep out his backyard, and so on.

92. They work four days and a half per week?—That is the average; my diary will show that. I do not say the men stop all the time in the whare playing cards, but they cannot do much. We never send the men out to get wet.

93. *Mr. Robertson.*] You spoke about the facilities for taking up land at the present time, and referred to some land £2 per acre in the North Island: where was that land?—Between Gisborne and Opotiki. There is a tremendous lot of land there—some Government land and some Maori land.

94. *Mr. Veitch.*] Was that knowledge obtained from a personal visit, Mr. Evans?—No. I have one of my men up there, and I understood from him that there is any amount of land there, only it is far back.

95. Do all the farmers work their ploughmen the hours you have given?—Yes. If a man has not a good place he has no occasion to stop; there are any amount of good places open for him; he can go from one to another. On the small farm a man does a bit of milking. I was speaking in reference to growing sheep and grain. If a man is out of a job, or does not like the one he has, there are ten others he can go to.

96. That seems to cover the single man, but what about the married man?—The single men can save and get on a bit of freehold farm for themselves.

THOMAS BROWN, Managing Director of T. Brown (Limited), Coal-dealers, examined on oath.
(No. 97.)

1. *The Chairman.*] Will you tell us why coal has risen in price?—That is easily explained. There is an increase in wages, and the men do less for the wages they get; there is more wages and less work.

2. *Mr. Fairbairn.*] Has coal advanced in price?—Yes, it has advanced, and the chief reason is the cost of labour. I will give you an instance: Fifteen years ago six trucks of coal (about thirty-six tons) were discharged per day in the sidings at 7s. to 8s. per day. This was considered a fair day's work, and it included building the coal walls; it was done by contract.

3. What did it cost per truck?—That was the cost of discharging these trucks. To-day not more than four trucks are discharged, at a cost of 9s. per day. That is a comparative table of costs. Ten to fifteen years ago a man would deliver 8 or 9 tons of bagged coal, whereas not more than 6 tons are delivered now.

4. *The Chairman.*] Over the same distances?—Under the same conditions.

5. *Mr. Hall.*] What periods are you referring to?—That is within fifteen years. The cost of draught horses has also gone up, so I am told; we do not buy them ourselves—our carting is done by contract.

6. *Mr. Fairbairn.*] To what extent has your coal advanced in ten years?—I have not been in it for ten years—only for three years.

7. What has been the effect in that time?—The evidence given by Mr. Redpath expresses my own views; I can confirm what he says.

8. The impression I had is that coal had not advanced, except lignite?—Oh, no, all the coal has advanced in comparison with ten years ago. Twenty years ago I was connected with the retail business, and, as far as I can remember, Newcastle cost us about the same as to-day—within 1s. per ton of to-day's price. The cost to import is just the same, but it has come down since then and gone up again. The price here is regulated according to the price charged in Newcastle, and the price to-day to us is about the same as twenty years ago.

9. Mr. Joachim's evidence is to the effect that coal has been reduced in ten years nearly 20 per cent.?—Yes, that is Westport coal.

10. And you say that Newcastle coal has increased in price?—Yes. I think the full particulars are given by Mr. Redpath.

11. In spite of the fact that wages have increased, the price has only increased 3s. per ton?—Yes; but the cost of freight and handling and all that sort of thing has gone up. The cost of freight is raised, and the cost of discharging. Before the maritime strike of 1890 there was a contract at so-much per ton. Three men would put up 18 tons per hour. After the big strike four men at a basket put up 15 tons, and now four men put up 12½ tons per hour. To be correct, I would say that up to the end of April it was four men doing 12½ tons, and I understand now it is five men to 12½ tons.

12. *Mr. Veitch.*] Is there any difference in the wharf accommodation?—No, it is just exactly the same.

13. But the amount of business on the wharf might have increased considerably?—I do not think so. That does not affect the question: it is the shortage of trucks that affects the discharging.

14. Yes, that is the point. If the men are to be continually disturbed by shunting-engines, of course they cannot give the same average result, although they might be working harder?—I am taking a fair average for weeks and weeks, and under practically the same conditions as they were twenty years ago.

15. Even if you took the average for weeks and weeks, speaking generally, there is far more work done on the wharves than twenty years ago?—Yes.

16. Naturally, then, the men would be more interrupted in their work?—There are no more stoppages for shunting than there were twenty years ago.

17. Which wharf is that on?—On any of them; I am speaking of Lyttelton.

18. If the business has increased in Lyttelton does it not necessarily follow that there would be more interruptions?—Oh, no, it does not. There are far less interruptions, because you get longer strings of trucks. If you have a big lot to discharge you will get a bigger string than if only a smaller lot of coal.

19. But if they are short of trucks they cannot give you long strings?—That does not stop them discharging.

20. What do the men discharge into?—Into trucks. In Wellington it is both trucks and carts; but you cannot take Wellington as a fair average: there they might have to wait for carts for a while. In Lyttelton the coal is not discharged into carts, but into trucks.

21. If there were shortage of trucks, would not the men be interrupted and the average be less?—I am talking about the work, not about the stoppage. I am taking men working straight through the day.

22. Supposing an engine comes along, and interrupts for fifteen minutes, the amount would not be the same?—That has been so all along; I do not suppose it is as great a trouble as formerly. I think the conditions are exactly the same; I do not think what you suggest will make the slightest difference. In any case, you have no interruption in discharging at the hulks.

23. I should say not. Is there a decrease in discharging at the hulks?—Yes, on the same principle, as far as I know.

24. Are all the conditions in the hulks the same as they used to be?—Yes, just the same; the labourers are not doing the same amount of work per hour as they used to, and the pay is higher.

25. I do not know anything about the conditions in the hulks, so I will leave that. You spoke of six trucks ten years ago discharged at a cost of 7s. to 8s. per day?—That is, discharged into the yards.

26. Yes; and now four trucks, you say, cost 9s. per day?—Yes.

27. Is that 9s. per day per man?—That is for the discharging of it.

28. You are aware that the carrying-capacity of the trucks in the Railway Department has increased?—We are talking of 6-ton trucks, L wagons. The L wagons are just the same size as they were.

29. The carrying-capacity of the L wagons has been increased?—No, they are just 6-ton; there are some trucks in the North Island which carry 12 tons, and some more; but we always reckon 6 tons to the truck.

30. How did you come at this estimate?—The trucks are exactly the same.

31. Is that a guess? Do you get all 6-ton trucks with your coal?—Oh, no, some about 11 tons—the LA wagons; but here I have estimated on 6-ton trucks all through.

32. Is this comparison taken from exactly the same place?—Yes, from the same place.

33. Discharging from the same siding on to the same stack?—Oh, under the same conditions.

34. Do you stack the coal as before?—Yes, the conditions are exactly the same. It is only three years since I took over this business, and I am going on information I received before I took over the yard, as compared with what it is now. The business has increased.

35. Then the conditions cannot be exactly the same—you are handling a larger quantity of stuff?—Well, it is replenished all the oftener, and the conditions are the same.

36. The conditions are not the same: you have a stack on which you are constantly throwing coal on top, and the men would be throwing higher?—We are not. The yard under ordinary circumstances takes in a few hundred tons of coal at a time, and the walls are built up a certain height; the conditions of stacking the coal are exactly the same as fifteen years ago.

37. *Mr. Fairbairn.*] The costs you gave, from 7s. and 8s. to 9s. per day, means 2d. per ton extra cost?—Yes, but that is one of the increases.

38. *The Chairman.*] I have had correspondence sent in complaining of short weights delivered: can you explain the method of delivery?—We have a machine, and there is a scoop in the end of it; that is tested by the Inspector of Weights and Measures; and the coal is put into this, and is regulated by twelve sacks to the ton, and when the scoop touches a certain weight it is tipped into the bag.

39. How often is the machine inspected?—Just on the usual tour of inspection.

40. Once in two or three years?—More than that.

41. Where does the complaint lie as to shortage?—I have not had experience of that in our yard. I know we can never turn out the quantity of coal that goes into it; we allow 2½ per cent. for depreciation. None of our coal is under cover. Some New Zealand coal depreciates very much by this, but not Newcastle. Bituminous coal from the West Coast does not suffer very much, but all lignite does.

42. *Mr. Robertson.*] How does the delivery of coal compare with former years?—It is much higher now; the cost of labour is greater. We have a regular rate for carting, and that has been raised so-much per ton. We deliver by contract, not with our own horses. We have to pay our contractors more, because they have to pay the drivers more; recently there was one rise, and now there is a further one, and the drivers have got a higher rate.

43. Who does the contracting?—Any of the carting contractors here.

44. We have evidence from Mr. Smith that the present rates for carrying are less than they were twenty-two years ago?—They are higher than they were last year, and the year before, I know that. We are paying higher rates.

45. You said that fifteen years ago there were 8 or 9 tons bagged a day, and now 6 tons: did that involve delivery?—I suppose it would. This estimate is just what I got from a former manager; that is how I know we used to get 8 or 9 tons bagged under the same condition.

46. And your explanation is that the men do less work?—They do not do the work they did fifteen years ago.

47. You cannot account for the difference on any other basis?—They do not work as hard, and they get more wages.

48. How much have the wages increased in fifteen years?—I could not exactly say.

49. Do you pay by piecework?—The men do not do as much work as they used—the men on weekly wages; we have no men on piecework.

50. Because the men are getting higher wages they do not need to work so hard?—Yes; that is what I say. But I am not referring to the men in the yard: I am referring to the men working on the wharves.

51. In regard to the bagging of coal, how would that apply?—It would not apply at all; it is all weekly wages.

52. Therefore the difference in the wages could not possibly account for less work being done?—Oh, no.

53. And yet you find the same experience as on the wharves?—Yes, exactly the same, or to a certain extent the same.

54. Could you give us an idea of the weekly wages compared with those of fifteen years ago?—I would have to find that out; I cannot give it to you myself. I personally do not have very much to do with the matter; my manager has all these things at his finger-ends.

55. Then your manager supplied you with this information you have given us?—Oh, yes, that is so; I am not in the yards constantly.

56. *The Chairman.*] Then it is all hearsay evidence?—Yes.

57. *Mr. Veitch.*] Instead of a ton, do you sell half a ton oftener?—I believe we do.

58. How does that compare with your experience ten or fifteen years ago?—I do not think people buy in smaller lots now, but I could not say exactly. It is not once in a "blue moon" I look up that sort of thing. I have all New Zealand to look after, and each man has his own department in the business. I am just the managing director, and have the wholesale department to look after.

MONDAY, 17TH JUNE, 1912.

FRANCIS FREDERICK JOLLY, Manager of Furniture Warehouse, examined on oath. (No. 98.)

1. *The Chairman.*] You appear as manager for A. J. White (Limited), furniture warehousemen?—Yes.

2. You have not been in this country long?—No, only since the beginning of November.

3. Do the prices of furniture in this country average about the same as they do in Australia?—So far as my experience goes, they are distinctly lower in New Zealand.

4. Is it not a fact that in Australia they have to compete with Chinese workers?—My experience has been only in Adelaide. The effects of Chinese competition there have been practically nil. So far as Sydney is concerned I cannot say anything.

5. Are you acquainted with the system of time payment? Does your firm deliver goods on the time-payment system?—Yes.

6. Could you tell us what difference there would be between the amount paid by a buyer who gets furniture on time payment and that paid by the cash purchaser?—Yes. In an ordinary

way the goods are sold at a price which allows for a cash discount. In the case of time payments interest at the rate of 5 per cent. is added to the ordinary price. There is no further addition.

7. How does that 5 per cent. take effect?—I do not work the interest out, but I think I can tell you how it is done. The interest is actually charged on the actual amount outstanding—that is to say, three months' interest is charged on the amount due at three months, and six months' at six months, and so on.

8. Are there many people who avail themselves of these systems of time payment?—Proportionately, no, so far as our business is concerned.

9. What happens if after three months they fail to make the time payment?—Nothing; the thing is not pushed. Sometimes no payments are made for two or three due dates; then their attention is called to it, and if there is still no payment they are told that they must make some payment within a certain date. The thing is dealt with on very broad, liberal lines, and only as a very last extremity is anything taken out of the house.

10. When it is taken back, are the goods sold at auction? And what is due is that taken from the amount received?—Goods have been taken back only in one case within my experience: nothing had been paid at all. Through an oversight on the part of the salesman supplying the goods no cash was taken at the time of delivery. It was simply a case of a deliberate attempt to get the goods for nothing.

11. What is your experience as to others doing business in this way? It is said that in London very often, in cases of time payment for furniture, if the payments are not promptly made the goods are seized: you have no knowledge of such a practice?—I have no knowledge of such a system either here or in South Australia.

12. *Mr. Fairbairn.*] When furniture is sold on time payment, do you take a bailment over that furniture as a usual procedure?—I cannot say that is the usual procedure.*

13. Not as far as your firm is concerned?—Certainly not.

14. In regard to computation of interest, in the case of an ordinary cash sale which would be subject to the ordinary cash discount, supposing a man bought £50 worth of furniture and the final payment was due in twelve months, you would add 5 per cent. to the cost of his goods?—I am not absolutely certain on this point. This has been the course of procedure in my old firm in Adelaide for years past: that a cash discount is allowed off the first deposit. I may state that in Adelaide I served with one firm there for twenty-odd years.

15. Could you tell us about that?—In the warehouse very little time-payment business was done, but if a customer required goods to the extent of, say, £100, and paid a £20 deposit, a cash discount would be taken off the £20. Then interest would be computed from the beginning of the fourth month. There would be three months' credit free of interest given on the outstanding balance, and the interest was computed month by month at a fixed rate. That was the method adopted by the leading furniture business in South Australia.

16. *Mr. Leadley.*] Have you noticed the class of people who avail themselves of this system?—I am hardly in a position to say, because, as I say, I have come in touch with it very little.

17. And therefore you would not be able to tell us whether there is a tendency to extravagance in purchasing furniture?—One can tell that pretty well by the general class of furniture that is going out, and undoubtedly the average wage-earner who is furnishing now is furnishing far better than the average wage-earner in South Australia did even ten years ago. There is a higher standard of living.

18. *Mr. Robertson.*] That higher standard, I suppose, applies to practically all classes who buy furniture?—No, I would not say that; I would say that the rich sheep-farmer to-day is not spending any more in his home than he did fifteen years ago. I would say that the average professional man is spending but little more than he did previously.

19. Of course, your experience in regard to that relates more to South Australia than here?—Yes, but I think it is undoubtedly the same here as there. The income of the average professional man is not much in excess of what it was in those times, and he is not spending much more now. The income of the average mechanic is higher than it was, and he is spending, in my opinion, rather more than that additional proportion. I think that that is undoubtedly so.

20. In regard to the difference in cost between furniture got on the time-payment system and on the cash system, you say there is a cash discount on ordinary prices: what does that amount to?—5 per cent. is the cash discount allowed by A. J. White (Limited).

21. Is it 5 per cent. on the ordinary price—that is, a difference of 10 per cent. between cash and time payment?—Of course, one is interest on the outstanding amounts.

22. Will it work out at more than 10 per cent., the difference in price?—No.

23. Could you give us any idea of the actual difference it works out at? How much more does it cost by time payments than it does by cash payments? You charge that 5 per cent.: you alter the rate of interest according to the amount outstanding every three months: is that the position?—The interest charged upon the amount actually outstanding is at the rate of 5 per cent.

24. And is that adjusted every three months according to the amount outstanding at the time?—That I am hardly prepared to say without reference to the office.

25. How are the payments made—every month?—According to the convenience of the buyer.

26. Do you do a fairly large trade with the working-class in furniture?—Not as big as we would like, and I suppose we cannot say we do a big proportion of the trade with the average mechanic.

27. Would you say that the time-payment system is a small proportion of the business of your firm?—Yes.

*I find on reference that bailments are generally, but not always, taken over goods supplied on time payments.—F.F.J.

28. *Dr. Hight.*] What is your general impression of the difference between the prices of the ordinary necessities of life here and in Adelaide?—Speaking from my own home experience, I would say that generally the cost of housekeeping is higher here than in Adelaide.

29. *Mr. Veitch.*] As to the difference in the cost of living here and in Adelaide, could you give us an idea of what the percentage is?—I do not think I am overstating it when I say that I think it is 10 per cent. higher here.

30. *Mr. Hall.*] On what particular classes of goods do you find the cost of living here higher than in Adelaide—rent, or food, or what?—I would include groceries and fuel. I do not think there would be very much difference in rents. I would also include clothing, and meat, I should say, is a little higher than in Adelaide. Fish may be a little higher in Adelaide.

HIRAM HUNTER, Representative of the Canterbury Drivers' Union, examined on oath. (No. 99.)

1. *The Chairman.*] You represent the Canterbury Drivers' Union, and also the Drivers' Federation of New Zealand?—Yes.

2. The drivers are working under an award?—Yes; the drivers in Canterbury have an award which is similar to the drivers' award in every other centre in New Zealand except Wellington. Under that award drivers have to work forty-seven hours and a half, exclusive of the time required for necessary attendance upon the horses. In addition to that, in Christchurch they have to give fifteen minutes morning and evening driving-time. In some cases, such as with timber-merchants, the stables are a mile and a half away, and the men have to leave the stables and be at their place of work at 9 a.m., so that the time occupied by the men at the stables must be in the men's own time. The wage is £2 4s. for one-horse drivers, £2 8s. for two or more horses. If a man is driving even four or six horses he is only entitled to £2 8s. under the award.

3. Is that a considerable rise on what the men were getting ten years ago?—It is 2s. a week better than they were getting ten years ago. The first award was obtained in 1902, just ten years ago. Prior to that the average wage, I should say, would be 6s. a day for one-horse drivers: that would be in 1900. I was acting as a driver in 1900, and that was the amount I received—6s. per day.

4. Could you give us any idea of what percentage of drivers are working above the minimum wage?—A very small percentage. Generally speaking, the minimum wage is made the standard. There is one other point I would like to deal with, and that is with reference to the hours of work. I told you that the drivers worked forty-seven hours and a half, exclusive of the necessary attendance on the horses, and they also put in three hours a week driving-time, which brings their hours of work up to fifty hours and a half. The attendance on the horses worked out on an average would make the average weekly working-hours sixty-five, which makes an average of 8d. per hour. In stables in the centre of the city, where there is a man kept to feed the horses the first thing in the morning, that is generally done by him. When a man sleeps on the premises, or lives handy, he goes along at a quarter to 6 and feeds the horses for the first time; the other drivers do not come along till from 7 to 7.30 a.m. The average time thus put in by each driver is ten hours and a half per week: that is my experience. I worked for one of the big firms, and had to put in this additional ten hours and a half. That obtains in the most favourable cases, where a man is kept to feed the horses the first thing in the morning; but where there is no man handy to feed the horses early the hours of the drivers are necessarily longer, as they have to start earlier in the morning and they are later in coming back at night. A man who is handy to the stable can feed the horses and go home to breakfast; but if he lives some distance from the stables he has to eat his breakfast before he goes there.

5. Is it your experience that the rise in wages of 2s. has met the rise in the cost of living which has taken place during the last ten years?—No, I do not think so.

6. Do you know on what items the cost has risen most?—When the drivers got an increase of wages in the first instance the wages were fixed for one-horse and for two-horse drivers, with 4s. difference between the two. The cost of a lorry in Christchurch was raised by 6d. per hour—from 2s. to 2s. 6d. So that meant that the men got 2s. in one case, and 4s. in the other; and the employer got 24s. a week. Again, when the bakers' carters in 1908 got a rise of 2s. a week, the price of bread went up $\frac{1}{2}$ d., which meant that the driver delivering 240 large loaves a day earned 10s. per day extra for the employer, to meet the increase of the driver's wages of 2s. per week. Then again, in 1908, when the drivers got their 2s. a week increase, the price of a pantechinon per hour was raised to 4s. an hour. Last time, December, 1908, the Canterbury drivers got an increase of 2s. a week, and the employers immediately put their heads together and increased the price by 1s. an hour—that is, 5s. per hour now.

7. Have you any knowledge of any combination or common understanding?—Yes; I had an illustration of that. I was at one time a driver myself for one of the firms in Christchurch. There was keen competition in the trade, and to my great surprise I saw three or four of the principal competitors in a gig together. My look was a pretty expressive one when passing them. I said to one of them afterwards, "We have been successful in driving the three of you together into one camp!" and the employer said, "Yes, we had to meet and come to an arrangement, and put on the price, because the drivers have got an increase of wages."

8. But that increase was not passed on at the exact equivalent to the rise in wages?—It seems to me that the increase of wages received by the men is used as an excuse in many cases to put up the price.

9. Is it within your knowledge that during these years the efficiency of drivers has fallen?—No.

10. They are still as good men as ever they were?—I find that the drivers in the city are largely recruited from the country. Men go into the country and work on stations, and when

they want to get married they cannot get married and stop in the country and keep their occupations there, so they come to town.

11. Is there any accommodation provided for married men in the country?—No, they do not want married men there. I was working on a station in my single days, in North Canterbury, and I was shown two small cottages which had been put up on that station. One man had gone to the trouble in an out-of-the-way part of the station to build a sod house of two rooms. He fenced in a plot of ground, and made a nice garden. He thought he would be allowed to get married and keep his wife there, but immediately his employer found out that he was going to get married he got rid of him, and said, "I will keep no married men about the place." That is the general experience on sheep-stations, unless the station-owner wants the services of the wife for household duties as well as the services of her husband.

12. Does the same remark apply to the case of farmers?—Yes, I think that large farmers who employ a number of men adopt the same practice.

13. They would rather have single men?—Yes; of course, they put a large number of single men into a very small room. I have seen sixteen men sleep in a room 16 ft. by 14 ft., and there were three tiers of bunks, and the ventilation was very poor indeed. I left one situation in North Canterbury because of the unhealthy accommodation. I purchased a tent and pitched my tent down in a gully, and lived there at one place; the accommodation was so bad in the men's hut.

14. *Mr. Leadley.*] Where was this?—That was at Stoneyhurst, Sir George Clifford's station.

15. That is, where the sixteen men were put to sleep in a hut 16 ft. by 14 ft.?—Yes, that was Stoneyhurst.

16. What experience have you had during recent years: you are referring to what occurred many years ago?—My experience is not very recent, because I found when I wanted to get married and settle down I had to leave the country and come into town.

17. How long since?—Fourteen years ago.

18. Your personal knowledge is limited to fourteen years ago?—Yes.

19. You have no definite personal knowledge of more recent conditions?—No. Any information which I have gained since has been given to me by men who have worked on stations and who have come to live in town.

20. *Mr. Robertson.*] In your experience as secretary of the Drivers' Union do you find that men driving in town are largely recruited from the country?—Yes.

21. That obtains at the present time?—Yes, they are coming in still.

22. And that is how you account for it?—Yes.

23. *Mr. Leadley.*] Are the bulk of the drivers in town married men?—Yes.

24. *Mr. Robertson.*] You believe that it is owing to the want of facilities in the country for taking up houses and for educating children that men are not content to stay there?—Yes; I am satisfied that if the large farmers and station-owners would afford facilities for the men to get married and settle down, and get a small piece of land for a garden, and make themselves comfortable, they would rather be there than in town. Of course, there would have to be provision made for getting the children to school, and that sort of thing. There is no comparison between living in the town and in the country. I know that nine out of every ten men would rather be in the country.

25. Some evidence has been given before the Commission with reference to the delivery of coal in bags: is that work usually done by members of your union?—Yes; I am secretary of the Timber and Coal-yard Employees' Union.

26. In your experience, the drivers to-day do just as much work as they did ten or fifteen years ago?—My experience has led me to believe that here, as in other lines of industry, workers have been speeded up.

27. There is no loss of efficiency so far as they are concerned?—I am quite satisfied that the drivers connected with the coal-yards, as well as other drivers, have to work harder now than they did ten or fifteen years ago.

28. Do you find that motor vehicles are displacing horses in the removal of goods to any great extent?—Yes, in the delivery of the lighter class of goods. I think that Ballantyne and Co. have seven or eight motor vehicles, and the D.I.C. also have motor vehicles.

29. Could you not give us any idea of the comparative cost of delivery between the motor vehicle and the horse vehicle?—No, I could not. Ballantyne and Co. were the first to adopt the motor vehicle, and they have not gone back to horse vehicles. That would lead one to believe that it is cheaper or more efficient.

30. We have had evidence that it is not cheaper so far as the delivery of goods is concerned, but it is also used as an advertisement for the firm?—Yes, that might have something to do with it.

31. *Dr. Hight.*] These motors are not used for the delivery of goods wholesale—they are used in the retail trade?—There is only one vehicle used in the wholesale trade, and that is a motor-wagon kept by the Christchurch Brick and Tile Company for delivering bricks, tiles, &c.

32. The New Zealand Express Company does not use motors?—They have one which they recently purchased for delivering goods from warehouses.

33. As to the increase of wages granted in 1908, how was the increase gained—was it by an award?—Yes, an award of the Arbitration Court.

34. The prices charged by the employers were increased after the wages were increased under the award?—Yes, a month or two subsequently.

35. There were no other conditions that would account for this rise in prices, as far as you know?—A statement made by the employers at the time led us to believe that that was the direct incentive—that the wages had been increased and therefore the prices would have to be put up.

36. *Mr. Hall.*] Do you think that if any of these men who have been displaced by the use of motors were given better facilities and better house accommodation in country districts they would go into the country?—Yes.

37. Have many men who have been displaced learnt to drive motors?—Yes; I think a majority of the motor-drivers were formerly horse-drivers. The experience gained in driving horses is valuable to the driver of the motor vehicle.

38. Do you think that a large number of the men in the cities would like to go to the country if better houses were provided for them, and if there were educational advantages for their children?—Yes, provided they had sufficient land around their homes to enable them to put in their spare time on their land.

39. What would you consider to be a fair amount of land to give them?—They would want sufficient to keep a cow and a horse and to grow vegetables—say 10 acres as a minimum of good land.

40. Say if they had 5 acres, and were allowed to graze a horse and cow, would that do?—I have found that the grazing of cows and horses upon the employer's land is not satisfactory. It makes the worker feel that he is under a compliment to him.

41. You think that if the worker got 10 acres round his home in the country he would be willing to go into the country to live?—Yes.

42. *Mr. Veitch.*] Do you know anything about the working-conditions on the Lyttelton wharf in respect to carting done from the ship's side, and in the coal trade?—Very little. At Lyttelton the stuff goes into the trucks, and is brought on by train to Christchurch.

43. We had evidence the other day that the men who are now working there do not get through the amount of work they did a few years ago. You know nothing of the waterside workers' affairs?—No.

44. With regard to the casual labourers in the town, do you think that the condition of the casual labourer now is as good as it was fifteen years ago?—I think it is very much about the same. I think there has been very little improvement, if any, because we know that the prices of commodities have increased, and wages have not increased commensurate with the increased cost of provisions. I have had a lot of experience in connection with the buying and selling of dairy-produce. We used to purchase dairy butter at from 5d. to 7d. per pound in the summer, and from 7d. to 10d. in the winter months.

45. But dairy butter would not compare well with the present high-class factory butter?—Yes, the butter we got then was equal to, or would be preferred to, the best factory butter at the present time.

46. Have you anything further you would like to say to the Commission with reference to the increase in the cost of living?—There has been a large increase in dairy-produce, and also in the price of bacon. Fifteen years ago bacon was at 6½d. a pound, and similar bacon is now 11d. a pound.

47. *Mr. Leadley.*] You referred to the want of proper accommodation for certain workers in the country. How did they manage to jam all the bunks to accommodate sixteen men in three tiers in a hut 16 ft. by 14 ft.?—Yes, there were sixteen bunks in the room. I noticed the other day that it was stated in evidence that drivers only worked seven hours with stable-attendance. I may state that a man was dismissed in Christchurch because he did not turn up at the stables at 4.30 a.m. and go three miles out in the country and bring the horses in. The result was he lost his billet. In many cases this has happened. I went out to Halswell one morning early because I heard that all was not going well there. One of the Inspectors of Awards accompanied me. We met some teams of the Halswell Quarry Company on the road about four miles from Christchurch. They had travelled that distance by twenty minutes to 7 o'clock in the morning. They had to get up in the dark at 4 o'clock in the morning and get the horses in from the paddocks, and they got to the stables between 5 and 6 o'clock. They had to feed and water the horses in the evening on their return from work, and put them back in the paddocks. In many cases drivers have to start very early in the morning, and have to take their breakfasts before they go to work, and they have to eat their dinners while they are travelling on the drays. They have no dinner-hour; the horses are feeding when they are loading.

48. *Mr. Robertson.*] In regard to house-rent, do you find that the workers you have most to do with generally demand a better kind of house than workers did ten years ago?—The trouble is at the present time that drivers cannot get the sort of houses they want.

49. A witness stated that he had lived in a house for twenty-two years near the stables and paid 12s. a week for it, and that his men refused the house at 8s. a week?—There would be a special reason for the men refusing. If the men lived handy to the stables they are always liable to be called upon to do extra work if anything crops up. If any vehicle is wanted suddenly at night or on Sunday, if a driver happens to live near the stable the employer calls upon him to do the work.

50. The same witness also stated that the men refused an offer of a plot of land for grazing a cow and a horse at a rental, together with a cottage, of 6s. a week?—The same thing would apply, only in another way. A driver taking that cottage would be expected to keep his eye on a number of horses in the paddocks near the house he was living in. To live in that cottage would have meant his having to come into town, a good four miles, in all weathers to his work. It is not the best road in the world. I know the road referred to.

51. *The Chairman.*] Was it not a fact that the man living there had to milk the cow and bring the milk into town for the proprietor?—I could not say. I may mention that another increase in charges has been made on account of the drivers' wages being increased: that is with reference to the supply of metal. I am a member of the City Council, and we found that when tenders were put in for this year's supply of metal each company had raised the price by 6d. per yard on account of a probable increase in wages. The tenders were accepted about a month ago

—6d. a yard all-round increase. I do not think the men have yet received the increase in wages. One of the companies tendering made their tender contingent on the increase, but the other two fixed the increased price definitely. The quarry-owners are S. P. Andrews, J. E. Garland, the Halswell Quarry Company, and Smart and Sons (but they do only a small quantity).

52. *Mr. Fairbairn.*] You think there is a combination among the quarry-owners?—Undoubtedly.

53. Do they preserve a uniform price?—Yes.

54. *Mr. Leadley.*] Are these companies not under contract with the City Council to supply metal?—Yes.

55. And the contracts have expired recently?—Yes, they have fresh contracts for the ensuing year, and the prices were increased.

56. With the contingency of a prospective increase?—Oh, the rise has been paid.

57. It is actually being paid now to the men?—Yes, the tenders have been accepted.

58. *Mr. Veitch.*] Evidence has been brought before this Commission to the effect that the workers dress much more extravagantly in the matter of boots and other clothing than they did a few years ago. Do you think there is anything in that at all?—No, I do not.

59. You have never seen a man navvying in dancing-pumps?—No; they go in, generally speaking, for actual necessities.

60. Do you think they are getting enough wages to enable them to dress more luxuriously than before?—No; I think they are practically in the same position as far as that goes as they were fifteen years ago, so far as dress is concerned. I attended a conference of employers three years and a half ago, and put the question as to what the worker was to do in his old age if in his prime he got only £2 2s. or £2 4s. per week, and the employers' answer was that he could go to the Old Men's Home or get the old-age pension.

HENRY OWEN GILL, Draper, Sydenham, Christchurch, examined on oath. (No. 100.)

1. *The Chairman.*] How long have you been in business in this district?—About twelve years.

2. Has there been a great increase in the price of drapery during the last ten years?—There is a considerable increase as far as value goes—that is, value for value.

3. That is to say, there is a better class of drapery used than twelve years ago?—No; I think the cheaper class is more catered for; the cheaper class is being more demanded and made.

4. And they buy larger quantities than of the dearer drapery?—Yes.

5. Do you think the workers are able to live in greater comfort now by means of that?—Yes, perhaps so.

6. Is that due to the higher prosperity?—I believe they get more for their money, although what they buy is not of the same value.

7. *Mr. Fairbairn.*] Is your business confined to Sydenham?—Yes; that is a working-man's district.

8. *Dr. Hight.*] And you find that the goods demanded are not of such high quality?—Yes; I think people are satisfied to take poorer quality. They are not so keen after quality as they are getting their requirements in the way of quantity.

9. *The Chairman.*] Can you tell us anything about the rise in the cost of living, if there is such a rise?—No, I think not.

10. Has the rent of your business premises gone up?—Rents have gone up considerably down our end of the town. Personally, we have never paid rent.

11. Would that necessarily add to the cost of the clothing you sell?—Yes.

12. *Mr. Robertson.*] Would the general expenses of running a business have increased?—Yes, to a certain extent.

13. In what way—in wages?—Yes; better wages are paid now, and higher rates prevail.

14. The fittings of the shop have improved a good deal?—Yes, with the growth of time you have to improve your premises all the time.

15. You have no knowledge of any understanding or combination among the wholesale suppliers of drapery to limit any particular person?—No, sir; there is a wholesale association, but several of the wholesale houses are not in it; so if we want an article we can go outside the association.

16. You have an absolutely free market?—Yes.

17. *Dr. Hight.*] Have advertising rates increased in Christchurch during the last twelve years?—I cannot answer that; my experience does not go back so far as that.

FRANCIS HENRY STEEL, Master Butcher (Retail Shop), examined on oath. (No. 101.)

1. *The Chairman.*] Have you been many years in the business?—I have been thirty-nine years and eight months in one shop. I started there when I was thirteen years of age.

2. You have a large retail business?—A fair-sized one.

3. You deliver a good long distance?—All over Christchurch.

4. Has the cost of meat sold by retail risen much in the last twenty years?—I do not think it has risen this last twenty years—not since the freezing started.

5. Have you noticed any rise in the cost of delivering, such as increase of drivers' wages?—Of course, wages have gone up.

6. Have any other expenses risen?—Horses are just about the same; feed varies a bit—it depends on the crop. Some years it is dear, others not, according to the weather-conditions and the crops we get in.

7. Where do you buy your feed?—I grow enough for myself; but I have only a little bit of land. I think the feed is just about the same as previously. I do not grow sheep or beef.

8. So the frozen-meat industry does not affect you much?—It regulates the prices at the yards; the Home price regulates the price here.

9. Regulates the markets here altogether, you mean?—Yes. If the price goes up at Home it goes up here.

10. Do you export at all?—No.

11. Do you find that the competition of those who are able to export and sell locally affects you by severe competition?—No.

12. *Mr. Leadley.*] I think you are misunderstanding the Chairman's questions: he is speaking of meat, not feed?—Oh, I see; we do not grow anything in the way of meat.

13. Where do you buy?—Addington markets.

14. You said the local prices were governed by the Home prices?—To a certain extent.

15. That does not apply to beef?—No.

16. Nor to pork?—No, just to sheep—to lamb and mutton. The other prices generally keep about the same.

17. You do a very high-class trade?—Yes.

18. There is a large quantity of mutton sold in the yards that is not exportable standard?—Yes, that is right. There is 11s. difference perhaps in the different qualities per head. A fortnight ago I bought a line of wethers at 23s.—477 of them. You can get ewes at 12s. or 13s.

19. *Mr. Hall.*] At what dead-weight?—About 48's and 50's.

20. And the ones you paid 23s. for?—That would be wethers, about 70's and 80's.

21. *Mr. Fairbairn.*] Are those too heavy for freezing?—They freeze them nowadays; but they do not like them if they can get lighter weights.

22. *Mr. Hall.*] And the ewes would be what weights?—About 50's or 55's, at 12s.: it depends on the sorts what is the price; the heavier weights are a bit more.

23. *Mr. Leadley.*] Have you ever worked out the cost per pound of meat sold for killing and cutting?—We kill at the abattoirs; this month my bill there was £62 for one month.

24. How much a pound is that?— $\frac{1}{4}$ d. per pound; it would be all that.

25. How much is the killing?—About 1s. per sheep.

26. They average 48 lb. ?—But they charge the same for lambs as for sheep. Bullocks cost 10s. at the abattoirs.

27. Is there much difference in the cost of killing at the abattoirs and doing it yourself?—Yes. One man and a boy might do my killing—say £5 per week for wages, or £20 per month. The inspection was £19 this month, and the bill was £62 total.

28. Then, practically, the institution of abattoirs has increased the cost of killing the meat 400 per cent. ?—I know it costs that much more—what I have told you.

29. And you pass that on?—Oh, yes, we have to.

30. Do you confine yourself to fresh meat?—Yes, absolutely fresh meat.

31. What about bacon?—We do not sell bacon.

32. Can you give us an idea of the cost per pound in the expenses of running your shop?—I have never worked it out.

33. Would it be $\frac{1}{4}$ d. per pound?—Oh, yes; it would run out to that.

34. More than that?—About that.

35. On all the meat handled?—Perhaps so.

36. Could you furnish us with a detailed list of your prices over the counter?—I could hand it in later.

The Chairman: Thank you, we shall be glad if you will do so.

37. *Mr. Robertson.*] Is there a retail butchers' association?—Yes.

38. What are the purposes of that association?—To regulate the abattoir matters, and to insure cattle when they were condemned.

39. Not to regulate prices?—We never regulate prices; we never have done. I will tell you why not: a man buying ewes and a man buying wethers pays $1\frac{1}{4}$ d. or $1\frac{1}{4}$ d. per pound difference of price; so it would be impossible to regulate the prices. Between cows and steers there might be the same difference. A cow of 800 lb might fetch £6; a bullock of the same weight might fetch £11 10s. The meat is retailed at varying prices in consequence. The butchers have to do that. A man might coin money if he bought inferior meat and sold at a set price. There are variations in the price charged by the butchers according to the quality handled.

40. Has the cost of distribution in the shops increased much in the last ten years?—No, I do not think so, in the last ten years; I think we have been under an award that time. I have two carts. Before the awards came in the wages were not quite so high.

41. When did the awards come into force?—About 1900, I think, speaking from memory.

42. Has there been no alteration in wages practically since then?—Not since then.

43. And the increase in wages has caused an increase in the cost of meat?—Oh, a bit of an increase.

44. You said you could not work out the cost of distribution per pound?—Not very well.

45. You spoke about the increased cost of slaughtering at the abattoirs. Did you allow anything for the capital cost of your own slaughterhouse, &c.?—No, I did not allow anything for that; you might add on another £4 per week for that. That would bring the total up to, say, £30 per month.

46. And you did not include anything for inspection?—No. I think the inspection on an average costs me £200 a year. Some months it is more than others.

47. Your present bill for slaughtering is how much?—About £36 to £40 per month for slaughtering, and the inspection goes on top of that.

48. The actual difference so far as slaughtering is concerned is not very great?—It is a little.

49. You said something about the increase being 400 per cent. to Mr. Leadley?—I did not say that; I never opened my mouth to that. I do not want you to take Mr. Leadley's evidence for mine. He said that. I told you to deduct the figures I gave. I was being asked about the feed.

50. So the principal increase would be due to inspection?—Yes, that is correct, and the killing is a bit more. If I had a man killing in my own slaughtering-yard he could do other things as well. Sometimes these slaughtermen are done at dinner-time; perhaps they do not put in the amount of time they ought sometimes; and I know that sometimes they are busy and sometimes they are not. One man engaged for me to kill could do other jobs as well.

51. Still, you reckon it cost £30 in the old way, and now perhaps £30 to £40?—It costs me about £300 or £400 a year. There is £200 inspection to start with; it would cost me now £150 a year on the average for killing, not counting inspection.

52. That would be £150 on a turnover of what?—About eighty bullocks a month, and about eight or nine hundred sheep.

53. *Dr. Hight.*] Do you think there has been any rise in the price of mutton during the last ten years—say a rise of 1d. per pound?—No, I do not think so; it has not varied much since the freezing started, not the retail prices.

54. How much would you allow for delivery charges?—We charge ½d. per pound for delivering.

55. And what is your opinion as to the connection existing between the price of meat and the price of land?—I know the price of land has gone up lately, this last few years.

56. Has the price obtained for meat had anything to do with causing that increase in the price of land?—I do not know, I am sure; the dairying might have had something to do with it.

57. *Mr. Fairbairn.*] We have had evidence to the effect that the abattoir charges for killing are 1s. for sheep and 7s. for cattle, and you say 10s. for cattle?—Oh, yes; since the City Council has taken it on they have reduced the price to 7s. instead of 10s.—I forgot that.

58. Is the inspection included in that?—It is included in those prices.

59. Then it means that the sheep sold in the Addington yard are taken to the abattoirs, killed there, and delivered into the retail shops in Christchurch at a cost of 1s. for sheep, and 7s. for cattle?—Yes, that is right. The Council took over the killing a few months ago and reduced the charge of 10s. to 7s.; but the sheep are still the same.

60. *The Chairman.*] How did you arrive at the cost of inspection being £200?—I know it is.

61. What is the Inspector's salary?—I do not know.

62. If the cost to you is £200, and he inspects for other butchers, the Inspector must have a gorgeous salary?—Well my inspection was £19 in the one month. It is 3d. for sheep, 1s. per head for cattle, 6d. for calves, and 6d. for pigs up to a certain weight. I have not the scale here.

63. That is included in the killing-charge?—Oh, no; for cattle it is 1s. for inspection, 3s. 6d. for killing, and 2s. 6d. for delivery per head—total, 7s.; and for sheep and lambs it is 4½d. for killing, 3d. for inspection, and 4½d. for delivery—total, 1s.

64. Anyhow, the inclusive charge is 1s. for sheep and lambs and 7s. for cattle?—Yes, that is for the lot delivered to the shop.

65. And you say the charge for your inspection is £200?—So it is.

66. And that is included in the killing-charge of £62 you gave?—My bill for inspection and killing was £62-odd—that is, about £700 a year for both killing and inspection; the inspection costs £200 alone, and the other £500 is for killing, &c.

67. *Mr. Leadley.*] Do you do the biggest trade in Christchurch?—I do not think so.

68. How many butchers do a similar amount?—I do not know anything about other people's business.

69. Speaking from your general knowledge of what a man buys at the saleyards, are there any other butchers with as big a trade as yours?—I do not know what other people buy; I mind my own business, and let them look after theirs. I do not know what any man kills, or buys. The Council could tell you what every man kills at the abattoirs.

70. Is there a retail butchers' association?—Yes.

71. Do they control prices?—No, never have done; they exist for the insurance matters.

72. You kill eighty bullocks a month?—Yes.

73. And the total amount you pay to the abattoirs is?—This month it was £62.

74. *Mr. Hall.*] About what is beef selling at?—Good cattle are running about 28s. to 30s.

75. Have you a condemned stock insurance fund?—Yes.

76. Do the farmers contribute to that?—Yes. On bullocks there is very little condemned, and they pay 9d. per head.

77. And do the butchers pay a similar amount?—Yes.

78. Do you get any compensation for the cattle from the Government?—Yes, they give 1d. per pound.

79. *Mr. Veitch.*] In this matter of 1s. for sheep and 7s. for bullocks, the inspection is included?—Yes, included for the sheep and for the bullocks too.

FREDERICK WILLIAMS, Master Baker, examined on oath. (No. 102.)

1. *The Chairman.*] Have you a large output from your bakery?—A fair trade.

2. About how many loaves can one of your men deliver on an average per day?—The ordinary cart would do from 120 to 140 loaves.

3. Have you found of late years that the men deliver fewer loaves with the same hours of work?—Of course, the hours have been shortened; yes, I should say they deliver fewer loaves even considering the shortening of the hours.

4. To what do you attribute that? Is that because the delivery goes further, or are the men inefficient?—I suppose they do less for both reasons.

5. Is the pay the same as it was ten years ago?—I think it is a little increased.

6. Then they do less work for more money?—Yes, I think so.

7. Have you any other ground than just "thinking" so?—No, I do not cater much for the delivery part of the trade.

8. You sell most of your bread over the counter?—Yes.

9. Could you tell us about how many loaves of bread could be made from a 200 lb. bag of New Zealand flour?—Sixty-eight.

10. And about how many from a bag of Adelaide flour?—About three or four quarters more—three or four large loaves more.

11. Has the price of bread increased much during the last ten years?—Yes, it has.

12. How much during the last ten years?—I should think the cash price over the counter is fully $\frac{1}{2}$ d. per 2 lb. loaf extra, and on delivered bread it is almost 1d. extra on the 4 lb. loaf.

13. What has caused that increase: is it a rise in the cost of wheat or the milling?—Everything we use has gone up, barring flour.

14. What are the principal things you use?—Potatoes. Wood is much dearer for fuel.

15. Does your wood come from a longer distance?—I believe they have to keep going back further for it.

16. That would be a legitimate rise in the price of fuel?—Oh, yes. And potatoes are much dearer than they used to be.

17. *Mr. Robertson.*] You say you do not do much delivery of bread?—Not very much.

18. Do you keep any carts on the road?—Yes, one on the road constantly.

19. But the average deliveries are 120 to 140 per day?—Yes.

20. Do you make a difference in price between bread delivered and bread sold over the counter?—Yes.

21. What is the difference in the retail price?—From 1d. to $1\frac{1}{2}$ d.

22. What do you charge for bread delivered?— $6\frac{1}{2}$ d. for 4 lb. loaf.

23. And over the counter?—5d. for large loaf and 3d. for small.

24. And you give credit with the delivered bread?—Yes.

25. And you cover the whole lot with that $1\frac{1}{2}$ d. per loaf?—Yes.

26. Do you make many bad debts?—No, we do not.

27. You say there is a difference in the cost by delivery in the last ten years?—Yes.

28. Have wages been the principal difference?—Yes, wages principally.

29. What is about the average wage paid a driver of a cart now?—£2 6s. per week.

30. And can you give us any idea what is the percentage of increase in, say, ten years?—No, I could not say; perhaps the carters then might have been under age; it might have been a youth on the cart.

31. You may still employ youths?—Yes; but we do not do so. There is nothing in the award to prevent our doing so.

32. A cart can deliver about 140 loaves, that works out at 17s. 6d. per day, and you pay £2 6s. per week to the driver?—Yes.

33. And hours worked are forty-seven and a half per week?—I think that is right.

34. And there is attendance to horses over and above that?—Yes.

35. You would not suggest that £2 6s. is too high a wage?—No, it is not.

36. What is the cost of delivering a loaf?—It is a good $1\frac{1}{2}$ d.

37. And then you allow another $\frac{1}{2}$ d.—the delivery is $1\frac{1}{2}$ d. extra?—All bread delivered is not $6\frac{1}{2}$ d.; that is about the top price for delivery.

38. You have a differential price?—Yes.

39. On what basis?—It varies; you could get bread delivered for 6d.

40. On what principle do you base the difference in the charges?—It just is so.

41. Is it more within certain areas?—No.

42. A different quality of bread?—There are various things governing it.

43. It depends a good deal on who the customer is?—You are apt to try and get as much as you can, you see.

44. *The Chairman.*] You are not the first, Mr. Williams, who has tried that?—No, I suppose not, sir.

45. *Mr. Robertson.*] You think the actual cost is about $1\frac{1}{2}$ d.?—Yes, that is the cost of delivering bread; there are two horses and the cart and the wages as well, and there is horse-feed and repairs to cart and harness, &c.

46. Have you a master bakers' association in Christchurch?—Yes.

47. What is the purpose of that?—I am not a member, so I cannot say.

48. Is there any means adopted by the Master Bakers' Association to regulate the price of bread?—No, there is not.

49. There is no price-list issued by the association?—There is a price-list made now and again by the association; but any one can please themselves what they charge.

50. Any one in the association?—Oh, yes.

51. But I suppose those prices are pretty well the ruling prices?—I would not say so; they can please themselves.

52. There are no penalties attached?—No, none whatever.

53. *Dr. Hight.*] Bread was increased $\frac{1}{2}$ d. per loaf about 1908, was it not?—Yes.

54. What was the cause of that?—The wages and the shorter hours.

55. Of bakers or drivers?—Of bakers.
56. The wages of bakers were advanced about that time?—About twelve years ago they were advanced.
57. But I am speaking now of 1908: were they increased then?—No, they were about the same then.
58. But the bread advanced $\frac{1}{2}$ d. per loaf?—Yes.
59. Did the wages of the drivers of the carts advance at that time?—I could not say.
60. You do not remember the cause of that increase of $\frac{1}{2}$ d. per loaf?—The costs of more things have gone up.
61. *The Chairman.*] You do not know at all how the agreement to raise the price of bread $\frac{1}{2}$ d. per loaf was brought about?—There was no agreement.
62. Was it done by telepathy among individuals?—Just among individuals.
63. Do you not think that one reason for your men seeming more efficient years ago was that you were able to work the men longer hours?—Yes, the men could deliver more bread; they had longer time to do it.
64. Might not that be one of the reasons for your thinking they do not get through as much work now?—No, they do not get through as much.
65. *Mr. Fairbairn.*] What percentage of potatoes is used in the manufacture of bread?—The cost would be about 10s. potatoes to the ton of flour.
66. What proportion by weight to the bag of flour?—About 8 lb.
67. Do you use maize or cornflour?—No.
68. I understood you to say originally that over the counter it was a cash price, and the other price you gave was a delivery credit price?—Yes.
69. There was a margin for credit and bad debts, and so on?—Yes.
70. *Mr. Hall.*] Was there any advance in flour about 1908 when you advanced your bread?—No, it was about as cheap then as before.
71. What do they generally weigh the bread into the oven?—2 lb. 3 oz. for the small loaf, and 4 lb. 6 oz. for the large loaf.
72. Do you weigh over the counter when you deliver to the customer?—No, not unless they ask for it.
73. Nor from the carts?—Only if they ask for it.
74. Is there much fancy bread sold?—A fair percentage. But every loaf has to go by weight, fancy bread as well.
75. *Mr. Veitch.*] Do you do no credit in the shop as well?—Very little.
76. More credit in the cart than in the shop?—Yes.
77. Do you know if the Master Bakers' Association has any arrangement with the Flour-millers' Association?—No, there is none.
78. Have you ever had any pressure brought to bear upon you to join the Master Bakers' Association?—No, I have not.
79. Ever been asked to join it?—No, I do not think so.
80. In the matter of the delivery of bread, is it not a fact that the city area has extended during the last few years?—Yes.
81. And there is a good deal of overlapping in the matter of delivery?—Oh, yes, it is dreadful.
82. Your cart would go a long way to one customer, and another cart to another customer next door?—Oh, yes; it is not delivering bread—it is driving round the country.
83. That has a great deal to do with the increased cost of delivery?—Oh, yes, it may be so.
84. If all your customers were lined up in one street it would cost you very much less?—Oh, yes, of course it would.
85. Do you think a municipal bakery or some complete organization of the baking business would result in economy in that way?—Yes, it would undoubtedly.
86. Have you ever come in contact with the Flour-millers' Association?—Yes.
87. In any sense to your detriment?—I had some bother years ago; that would be eight or nine years ago, I suppose.
88. Were they bringing pressure to bear upon you in some way?—Yes.
89. Were there any free mills at that time?—I do not think there were; they were all in the association.
90. So that you were compelled to buy from the association?—Yes; but they would not sell.
91. There were no other sources of supply available here?—No.
92. How did they treat you?—Pretty badly.
93. *The Chairman.*] Will you tell us about it, please?—Well, I was a member of the Bakers' Association then, and I wanted a price to sell over the counter. People came in, put their money down and took the bread away. The Bakers' Association wanted me to charge these people as much as if I delivered that loaf of bread three miles and gave three months' credit. I would not do it, and then they got pressure to bear with the millers, and stopped my supplies of flour. Of course, that is a long while ago.
94. It was altered by free mills daring to be set up outside the association?—No; I think it was against the law of the land to boycott us in this way.
95. *Mr. Leadley.*] What did you do then?—I got flour from Manitoba and Sydney, and anywhere I could.
96. Did that continue long?—A year.
97. Did they decline to supply you for a year?—Yes.

98. Could you not have got flour from other parts of New Zealand ?—I got some from an outside mill in Auckland—the Northern Flour-mill ; they were not in the combine. But that cost 15s. to get down here. Then I got the Manitoba flour from Sydney.

99. *Mr. Hall.*] Do I understand that this pressure was put upon you at the instance of the Bakers' Association ?—Yes.

100. They pressed the millers to stop your supplies ?—Yes.

101. It did not emanate from the millers themselves ?—No.

102. *Mr. Robertson.*] And that continued for about a year ?—Yes.

103. How was the boycott removed ?—They found it was against the law of the land to boycott a man.

104. *The Chairman.*] Against what law ?—I do not know.

105. *Mr. Leadley.*] Was the Commercial Trusts Act brought into existence in the meantime ?—I do not think so.

106. *Mr. Robertson.*] At that time it was quite possible for the Bakers' Association acting in conjunction with the Millers' Association to exercise pressure on a man in regulating the prices ?—It was then.

107. And now it is not ?—No ; I have had no bother with the Millers' Association since.

108. Nor with the Bakers' Association ?—No.

FREDERICK BLAKEWAY, Fruiterer, examined on oath. (No. 103.)

1. *The Chairman.*] Have you been long in the business ?—No ; just a little over three years.

2. Do you find the prices of fruit have increased during that time ?—They are just about the same ; they vary a little. It depends upon how much imported fruit is coming in ; there might be a glut in the market, and then the price goes down ; but taking it right round it varies very little.

3. Do the public get the benefit of a glut ?—Oh, yes. Oranges were a glut in the market a fortnight ago, and we have been selling them at twenty a shilling. The public have got the benefit of that ; that is just one instance.

4. Have you seen anything in the newspapers about the discrepancy between the price for the grower's produce and what it is sold for to the public ?—No.

5. Do you think the price to the growers is a fair one ?—That is a subject I have not gone into.

6. How do you buy ?—In the public market.

7. You know of no ring amongst the buyers not to bid on certain lines ?—There is absolutely no ring at all. The highest bidder gets the produce.

8. The highest of those who bid ?—We are all bidding one against the other.

9. Have you found rents and rates gone up and the expenses of your business increased ?—They are about the same as they were three years ago ; I pay no wages, I employ nobody but my wife for running the business.

10. *Mr. Veitch.*] Most of your business is done over the counter ?—Yes.

11. No delivery ?—No.

12. Is there any association of fruiterers ?—I believe so, although I am not a member of it.

13. Ever had any pressure brought upon you to join ?—No, I have never been asked to join.

14. *Mr. Hall.*] Are you a grower as well ?—My father is a grower ; I am not.

15. If any city people went into the auctions would they be able to buy ?—Yes ; it is open to anybody to buy.

16. *Mr. Fairbairn.*] Are the lots at public auction suitable for the public to buy ?—Oh, yes, you can buy from one case up to any number ; you can take one case or the lot.

17. Can you tell us anything about vegetables ?—I do not handle them.

18. Are they sold at public auction ?—Yes ; the same as fruit. You can take one dozen cabbages or the whole lot offering.

19. The minimum is a dozen cabbages ?—Yes ; you cannot buy less than one dozen cabbages.

20. *Dr. Hight.*] Were you in the fruit business before coming to Christchurch ?—No.

21. *Mr. Robertson.*] You say the bidding is perfectly free and open ?—Yes.

22. Is there any custom of the retailers getting together and buying up all the fruit, and dividing it afterwards amongst themselves ?—Not at all. There are such a lot of private buyers you could not get them all to agree with you ; they would not all stand together.

23. We had evidence the other day that at Christmas peas sold at auction at 3d. to 4d. and retailed at 8d. to 1s. per peck : can you throw any light on that ?—I do not go in for peas myself. I could not say if that was right ; but I do not think I have ever seen peas selling at that price. I should think that auction price was too low to be correct.

24. *Mr. Leadley.*] Are there any Chinese shops in Christchurch ?—Yes.

25. Have they brought down the price of fruit ?—Yes, they have cut us down in price to a certain extent ; but they have not done us so much harm as the hawkers on the street.

26. They pay a license, do they not ?—Not for selling fruit, only for driving the cart.

27. The City Council issues the license ?—Yes.

28. Are there many hawkers ?—Oh, yes ; half a dozen at least, I should say.

29. Not a very large number for a city like this, is it ?—They do a terrible lot of harm ; they pay no rent, and can afford to sell cheap.

30. More harm than the Chinamen ?—Yes. They pay no rents or rates or taxes ; if they had to pay these, they would not be able to sell the stuff at the price they do.

31. You think hawkers should not be allowed in the fruit trade ?—I do not think it is a fair thing at all ; they pay no rents or rates or taxes, and they use the public streets.

32. *Mr. Hall.*] When the lots are put up to auction, they tell the buyers they can take one case or twenty cases?—Yes.

33. Are the other nineteen cases put up to auction when one is sold?—Oh, yes.

34. Are the growers in this centre complaining that the prices they get for fruit are too low?—Yes, I have heard my father say he is not getting a fair price for his stuff.

35. What would be the lowest got for apples during last season?—It would run about 4s. per case on the average.

36. What would the case cost?—They have gone up in price; they are 7½d. or 8d. now.

37. What would be the cartage or railage?—It all depends where he is sending the stuff to; to Dunedin he has to pay railage, but he has his own carts and horses for here, and some of my brothers do the driving.

38. If sent by rail it would cost 1s. per case for cartage and railage?—It would not pay us to send by rail; we are too far from the railway for that.

39. Persons not able to drive to the city would have to pay 1s. per case?—Local fruit on the rails goes for 6d. per case, and then it has to be carted.

40. And that has to come out of the 4s.?—Yes.

41. *Mr. Fairbairn.*] What weight of apples is in a case?—The average weight would be 36 lb.

42. *Mr. Hall.*] Have you heard of any selling lower than 4s. in times of glut?—Oh, yes; I have seen in an auction cases go for 1s. 6d. and 2s.; that was one week recently.

43. This season?—Yes. The next week they might go for 6s.; I think 4s. is a fair average price.

44. Has there been any glut of plums?—Yes.

45. What would they fetch?—There was not a very big crop this year; they went at from 2s. to 6s.

46. What is the weight?—20 lb. to 24 lb. to the case.

47. If they got 2s. and paid freight there would be nothing left?—Practically nothing left at all to the grower when the charges were taken off.

48. *The Chairman.*] Does the auctioneer charge 10 per cent. commission?—Yes; but at other times there might be very few plums in the market, and they might fetch a big price; the grower might get 2s. one week and 6s. the next.

GEORGE SCOTT, General Engineer and Rangemaker (of Scott Bros., Limited), examined on oath.
(No. 104.)

1. *The Chairman.*] Have you had a long experience in Christchurch?—Forty years.

2. Has there been any increase in the cost of the articles you have made in the last twenty years?—No, there has been very little alteration in the sale price, although they have cost a little more to manufacture.

3. Has there been any great rise in the cost of labour during that time?—Yes, from 20 to 25 per cent.

4. But the improvement in modes of manufacture has enabled you to sell at about the same prices?—Yes; we have gone to a great deal of expense in getting up patterns and in putting in labour-saving machinery.

5. Do you consider that, with the shorter hours and the better pay, the men's efficiency is as good as it used to be?—Oh, yes, I think so, with the men I have. There seems to be a general understanding that the men are not so good; but though the casual men are not so good, I think our own permanent men are quite as good as they were twenty or thirty years ago.

6. Is it your experience that the cost of living has increased?—We are living in a different style from that of twenty years ago.

7. You think that relates to all classes?—Oh, I think so; I think there is no doubt about that, and a good job too.

8. You think it is a good thing?—I do.

9. It is an ambition greatly to be encouraged to make a man live under better conditions?—Yes, certainly.

10. *Dr. Hight.*] You have had the benefit of protection, have you not, in the making of ranges?—Yes.

11. Can you tell us something about the effect of that?—When we first commenced making ranges about thirty-five years ago, the range then was being retailed by the ironmongers at £8 10s.—a 3 ft. range. We commenced making them and brought down the price to £7 10s., because we had the opposition of the ironmongers, who were very much against us. We put some very good designs on the market, and gradually got the trade, and then cutting commenced. Ranges came down from £8 10s. till at one time we were selling 3 ft. ranges for £3 10s. This went on for some years. Labour went up, and material went up, and expenses went up. We were doing all retail trade at that time—no wholesale trade. We then got into a larger way of manufacture, and prices went up from £3 10s. to £4, off which we now have to give a merchant's discount and a builder's discount. We get no more for the stove—in fact, we are getting less than when we did the retail trade, because of these discounts. To-day that 3 ft. stove is sold for £4 in Christchurch and all over New Zealand.

12. What was it sold for twenty years ago?—Fifteen years ago we were selling the stove at £3 10s.

13. What year was it you were selling at £8 10s.?—Thirty-five years ago. Then we had protection which gave us the market, and we endeavoured to get something suitable for the market, and better than were being imported. We gradually got the market, and to-day ours is a very flourishing industry, and there are very few stoves imported.

14. *Mr. Fairbairn.*] Could you do without protection now?—Yes; I am not afraid of competition now. I do not want the protection removed, because we should again, no doubt, have the merchants

cutting in ; but the article has come down to £4 to-day, and they could not land them of equal quality at that price.

15. *The Chairman.*] You did not think that protection gave you a monopoly so that you could increase your price ?—No ; it did not give us the opportunity of increasing the prices, but it gave us the market. The price gradually came down by competition. A year or two afterwards, two or three manufacturers sprang into existence. One of my own men left and started manufacturing. That levelled the price down to a fair thing.

16. *Dr. Hight.*] You say there is a rise in the cost of labour of 20 to 25 per cent. ?—Yes.

17. And you are able to sell at the same price, because you have improved your equipment ?—Oh, yes, our equipment is much improved.

18. Would that have come about without the increased rise in wages ?—No, I do not think so. I can give you an illustration. When labour is cheap there is not the same effort to save labour. I was going through a shop in England once—Brown and Green's, stovemakers—and I called attention to the way in which the men were working—the old-fashioned style of moulding instead of the block-plate system. The manager said it would not pay to install that because labour was so cheap—it did not pay, he said, to go to the expense of new patterns. I gave him an illustration of an oven front which a man at 9s. a day and boy could do at the rate of nine per day ; but when put on the plate an inferior workman could do fifteen per day. That was for a 3 ft. stove. A set of patterns might cost £250, but the interest is not much on that outlay, and we save in the labour.

19. *Mr. Robertson.*] You say there is a perfectly free and open market in the manufacture of ranges ?—Yes, they are all free ; there is still cutting to-day.

20. About how many men do you employ in this particular branch ?—I could not say—about sixty or seventy in this particular line ; possibly eighty in the moulding and fitting shop.

21. Are there other firms of manufacturers in Christchurch besides yours ?—Oh, yes.

22. Can you give us any idea as to the rise in the cost of material in the last fifteen years—coal and metal and iron ?—It has gone up about 15 per cent. for metal ; coal and coke have gone up about 20 per cent.

23. You use a good deal of coke ?—Oh, yes.

24. There has been a very large increase in the output ?—Oh, yes ; it is the increase in the output that has enabled us to spend the money on the patterns ; that is the cause of our going in for the wholesale trade.

25. Do you sell direct to the public and to the wholesalers as well ?—The bulk of our trade is done with the general public. We have a warehouse in Auckland, where 95 per cent. of the business is with the public.

26. Do you send many of these ranges outside Christchurch ?—Oh, yes.

27. What is the proportion of your business done outside ?—Auckland is a very good centre for us, and Wellington too. Not half of our trade is done in Christchurch ; about one-third is done in Christchurch, I should say.

28. You do not retail direct to the purchasers in Wellington and Auckland ?—Oh, yes, that is just what we are doing in Auckland ; we sell direct to the builders in Wellington. We have a warehouse in Auckland and sell direct to the public there, but in Wellington we have no warehouse.

29. *Mr. Leadley.*] Is rangemaking a leading feature of your business ?—Yes.

30. The leading feature ?—Not *the* leading feature ; we do a large engineering trade generally.

31. Do you export beyond the Dominion ?—I could if we had a canal here and intercolonial free-trade. I could employ a thousand hands then ; but not under present conditions.

32. Is it not a fact that in the earlier days the class of range was more suitable for the existing conditions of the people ?—No, I do not think so ; it was a Remington range made then, and now we are still making the Remington range, and the self-contained or Scotch range. They are a better finished article, the colonial article, than the English, and the people will have them.

33. *The Chairman.*] You have never heard of any combination of merchants or others who are trying to "corner" the rangemaking business ?—No, there has been no such attempt.

34. *Mr. Leadley.*] I notice you have a large display of baths in your establishment ?—They are imported, unfortunately.

35. Do you make colonial ovens ?—No, we have never gone into that—the portable range is wiping them out.

36. *Mr. Hall.*] What is the retail price of a 3 ft. range ?—£4 is the retail price.

37. And what was the retail price ten years ago ?—About fifteen years ago we were doing the same range, and there was very heavy cutting, and they came down to £3 10s. ; but the whole discount we were giving then was 2s. 6d. to the builder. We charged for cartage then. To-day we charge £4 delivered, and then it was £3 10s. not delivered.

38. *Dr. Hight.*] You think in consequence of your improved plant you could compete with English firms even without a duty ?—Yes, I think so ; but we do not want the duty removed.

39. Do you consider you could turn them out at about the same cost as the Englishman ?—Our men can fit up three ranges a day, so you will understand they will have a difficulty in competing with us. Putting the range into a packing-case in England would cost about as much as our fitting it into position here ; and then there are freight charges and breakages.

40. You have natural protection ?—Yes. Our wages have gone up, and that without the men being brought before the Court, from 9s. to 10s. ; but we can still compete.

41. *The Chairman.*] Is there anything else you would like to say, Mr. Scott ?—I am interested in the Atlas Biscuit Factory, and a statement was made last week that pressure had been brought to bear by us to refuse supplies to one man. I am the proprietor of the Atlas Biscuit Factory, and my traveller

called my attention to the fact that this man was doing a lot of cutting. In this business a good many bad debts are made, owing to the fact that merely a few pounds is necessary to enable anybody to start a biscuit and confectionery shop, and when a man starts cutting in this way we regard it as dangerous. As a business man I considered I was justified in stopping this man's credit.

42. *Mr. Fairbairn.*] Is there any arrangement to charge one set of prices in Wellington and another set outside Wellington—is there any arrangement with Hudson's, and Aulsebrook, and Atlas Company, and some others?—There was an association started some two or three years ago in which prices for the different centres were fixed up on a number of lines. Take the rich rice biscuit and the water and the lunch, and there were two or three others for which prices were arranged; but they had a free hand on everything else.

43. Is it a fact that the discounts allowed for Wellington town were lower than the discounts allowed outside Wellington some distance?—I am not aware of that; I think, if anything, the discounts would be larger outside Wellington.

44. Why was that done?—I do not know; I really do not know much about the association; I was not in it very much. I was a member, but I have ceased to be one eighteen months or more.

45. But within the last eighteen months there have been no tariff prices for biscuits or confectionery?—No; they are selling at all sorts of prices—some give 10 per cent., some 15 per cent., some 25 per cent.; that has been so ever since the association was formed—they were giving all sorts of discounts.

46. The information I have had is this: that biscuits in Wellington town were subject to 15 per cent.; outside Wellington to 25 per cent. That means actually a difference of £10 in £75, or over 13 per cent., against the Wellington grocer, and in favour, say, of the Wanganui grocer?—I could not say positively; Wellington has been a free place, and everybody has been selling at ruinous prices; the same applies to Auckland.

47. But this was a matter of arrangement before the association was broken up: done by mutual arrangement?—I am not sure of the facts; I am not aware of any common understanding. I would give it to you if I had it, Mr. Fairbairn.

48. Oh, yes, Mr. Scott, I understand that: I merely wanted to probe this matter?—Well, I am in doubt about the facts; that is what I mean.

49. *Mr. Hall.*] You consider that this man whose supplies you stopped was not doing a safe business?—I will give you the figures confidentially. [Account handed to Commission]. I was sure he could not make a living at the prices he was selling at, and there was no reasonable chance of anybody doing it at those rates.

50. *Mr. Robertson.*] Who drew your attention to this first?—My travellers; they are supposed to report such things.

WILLIAM STEVEN ATKINSON, representing H. Atkinson and Co., Furniture Warehousemen, examined on oath. (No. 105.)

1. *The Chairman.*] Have you had much experience in the furniture business in Christchurch?—Practically all my life.

2. Is the trade increasing?—Yes, certainly.

3. Do you make a superior style of article compared with what you did ten years ago?—No, I cannot say we do.

4. Do you find that the workers demand a better style of article than they did some years ago?—Yes, certainly.

5. And have they greater demands as to the quantity as well as quality—have they more furniture in their houses?—Yes, certainly.

6. Do you ascribe that to the higher wages?—No; I think it is due to the new system of being able to get the stuff under credit or on time payment.

7. Does your firm do a great deal of the time-payment system?—None whatever.

8. Are you acquainted with that system?—I am not.

9. Have you any idea how much it adds to the cost?—From observation, I should say nearly 20 per cent.

10. How do you arrive at that percentage? Supposing cash were paid, could the customer get that discount?—People who do both kinds of business certainly give a discount.

11. Would that be 20 per cent. off?—I mentioned 20 per cent. because we are doing a cash business, and are in a position to sell very low; we charge a rock-bottom price, where other places have to charge a very large increase on account of the time-payment system—they have to employ collectors, and have everything necessary in connection with that system.

12. You think your cash prices are 20 per cent. below the time-payment prices?—On an average, perhaps not; but there are articles that are that much below.

13. Such articles as would generally be taken on the time payment?—Yes.

14. Do you sell luxurious furniture?—We do not cater for the high-class furniture—more for the average.

15. Did you ever hear of some instalments being paid, and then the whole furniture seized because the payments were not kept up?—Only from hearsay. Generally the stuff is brought back to the shop in cases of default, and subsequently the people take it on again.

16. Without any deduction for the amounts paid already?—That I could not answer to.

17. There are accusations that when the payments are not all completed the broker comes in and seizes the lot?—It is generally understood that it is so.

18. Can you give any reason for the rise in the prices of certain articles?—One reason is very noticeable: timber for furniture has very much increased—in some timbers equal to 57½ per cent. in twelve years.

19. Has labour gone up too?—Yes; in upholstering it has increased 22½ per cent.

20. What about joinery?—We do not touch that. In furniture I should say about 7½ per cent. is the increase in wages—that is, taking one man's wages who was working for us twelve years ago; the increase taking the two together would be 16½ per cent. on the article. Looking over old accounts I find that match-lining in 1900 was 10s. per 100, and in 1912 it was 15s. 9d. (this is prices as sold by the timber-merchant); that is 57½ per cent. on this red-pine. T. and G. flooring, red-pine was 13s. 6d. in 1900 and 21s. 6d. in 1912, equal to 57½ per cent. increase. Figured rimu, dressed, in 1900 was 12s., and in 1912 22s. 6d., which is equal to 87½ per cent. increase in twelve years.

21. *Dr. Hight.*] Was the price unusually low in 1900?—It has been gradually rising. In 1890 it was 9s. 6d. Taking other materials, I find that flax-tow for upholstering and bedding in 1893 was £2 10s. per ton (large quantities were being burnt to get rid of it); now we buy at £12 10s., which is 500 per cent. increase. New Zealand flax-tow is the refuse which is taken from the hemp for rope-making after the flax has been scutched. It is the short ends left over, and it is used for stuffing, &c. Kapoc is another instance of increase—about 40 per cent. in ten years. Cane for wicker furniture has increased, roughly, by 30 per cent. in about eight years since the Japanese war. Galvanized hollow-ware has increased 39 per cent. in some lines.

22. *Mr. Fairbairn.*] Do you sell much hollow-ware?—Not a great lot; but these increases are from lists published before and after the last two years.

23. Since the hollow-ware combination came into existence?—Yes; that 39 per cent. is since the combination came into existence.

24. *Mr. Hall.*] To what particular lines are you referring?—To cheap buckets—a light, cheap bucket.

25. That is, the cost to you has increased 39 per cent.?—Yes. Then, linoleums and floor-coverings of the cheaper class have increased 12½ per cent. on the English cost; that is owing to a fixed price with the manufacturers—they all quote alike. That is one of the chief reasons for the increase.

26. *The Chairman.*] Is there any kind of understanding in the furniture trade, either the whole-sale or the retail?—None whatever amongst retailers—that is, as far as I know.

27. And except in the hollow-ware you do not know of any in the wholesalers?—In linoleums and floor-coverings there is an understanding in the wholesale trade as well.

28. *Mr. Fairbairn.*] Are they “scaled”?—They are, as far as I know; they are a set price.

29. Any particular makers?—I do not think so—just a certain quality is a certain price.

30. Can you tell us about the time-payment system and the kind of goods sold?—The customers get a better class of furniture than they could buy for cash.

31. Supposing you sold an article at 40s. cash, what would it be sold for on the time-payment system?—I cannot go into that. I do not know the system exactly. I know there is a certain deposit, and then 1s. 7d. per week under some of the schemes. The newspapers publish the deposits and payments on certain furniture.

32. But they will not show the difference between the cash price and the time-payment price?—But then the goods change so much from one shop to another; approximately, I should say, 20 per cent. extra is paid on time-payment goods.

33. *Dr. Hight.*] But you do not do this class of business yourself?—No, we do not.

GEORGE SHEAT, Farmer, Dunsandel, President of North Canterbury Branch of the Farmers' Union, examined on oath. (No. 106.)

1. *The Chairman.*] How long have you been farming?—Thirty years.

2. In pretty well the same locality?—It is the same land, except that I have increased my holdings.

3. Has the price of land gone up considerably in the last twenty years?—In some instances 300 per cent. Land I bought for £1 is to-day valued at £4 10s.—which is 450 per cent.; other land I bought for £1 16s.—speaking from memory—is valued at £3.

4. Has the price of the adjoining properties gone up in like proportion?—Yes; the Government has everywhere raised the values of land; the land-valuer does that. You see, they have to, to enable the Government to borrow millions on it.

5. You think this land-valuation is a deep-laid plot to enable the Government to borrow money?—No, it is a necessity: they have to show an asset to the financier at the other end if they want to borrow. I sat in conjunction with Mr. Day, S.M., and Mr. H. W. Bishop, S.M., as joint assessors for two districts—North Rakaia and Ellesmere; and all through I found the valuations had been raised from £10 to £15 per acre in some instances, and down to £5 on lighter land. A number of people objected, but the difficulty is, the valuation must be taken, according to the Act, on the selling-price of contiguous properties; the consequence is that unless a man is prepared to sacrifice his land he has to take the valuation in very many instances, and we as a Land Court cannot help him, because contiguous properties have been sold at similar prices. The average value of land has gone up everywhere.

6. Would that make the cost of food grown on that land dearer?—Not the slightest; it is the London markets which regulate the price of what we get off our farms. It does not matter if I give £60 or £1 for my farm per acre, when my lamb gets to the London market it will fetch the same in either case. From my own books I have compiled some information to bring before the Commission, covering the last two years. My output of lambs averaged me for the year 1911 13s. 0½d., less charges, which left me 12s. 4d. net. This year from the same land I average 15s. 10d. net. The reason of that is the change in the London market. Last year lambs averaged 12s. 6d. to 14s.; this year 14s. 3d. to 20s. 3d. in Addington. That shows that the London market and not the land-value is the determining factor. Supply and demand regulates the price of lamb, wool, wheat, &c. My wheat this

year was sold when the market was in rather a fluctuating state—I was in early with it, and I sold at 3s. 4½d.; last year I got 3s. 1d. Since then other people have not got a much better price than I did, although they held on, when you take off percentage of loss for vermin, &c. It is the London market which regulates the prices of the produce of our farms.

7. You are speaking of wool, meat, and wheat now: what about other things, such as potatoes, fowls, eggs, &c.? Supposing one man had a farm worth £100 per acre, would he not have to charge more than the man with land worth only £10 per acre?—He would not get it unless there was a shortage in the local market; he would be ruled by supply and demand.

8. So is everybody?—I mean, we do not regulate the prices, but the prices regulate us. The value of land to-day has been regulated by the fact that we can grow so much more on it. The refrigerator is responsible for the high price of land.

9. Not land speculation?—I will admit there is a speculative value in land, and that there are gentlemen who speculate in it. Being a farmer of some thirty years standing, I am sometimes asked by solicitors to value property for money-lending purposes. On one occasion I valued a property, and recommended the solicitors not to lend more than two-thirds of £7 10s.—the value for farming purposes of that land. Yet that land has been sold for £12 10s.—in fact, it has been turned over in a deal three or four times. That shows the speculative value land sometimes has. But that is not a factor in its production. It will only produce on the basis I stated: £7 10s. per acre or 5s. 6d. to 5s. 9d. rent.

10. Has there been any rise or fall in the London market which would justify a 300-per-cent. rise in your farm: you said it has risen 300 per cent. did you not?—One piece of it.

11. You would not consider there has been any rise in the staple products to justify that?—Well, I sold lambs at the time I bought my farm for 9s., and topped the market; to-day I get 20s. 3d.

12. That would be rather more than 100 per cent.?—Yes. In those days we did not work our land as we do now. By intense cultivation and by the knowledge which science has given us the land now produces more; hence land rises in value. Land is worth what it will produce. For valuation purposes, we say if land will produce one sheep to the acre it is worth, approximately, £5 or £5 10s., and so on proportionately. It may be that for speculative purposes higher prices are given, but that is the only safe margin to buy at—£5 10s. per acre per sheep. The cost of wool has not varied a great deal. Here again we are governed by the London prices. Our local markets may come in for some classes of wool, owing to the demand for finer wools; but merinos are going to be a thing of the past, owing to the cutting-up of the land and the back country going in for lambs. Heavy wools such as English Leicesters and heavy crossbreeds required for the Continental and other markets will govern the prices. There has been a depreciation in the wool-market. I took 4½d. for wool one year—that would be nine or ten years ago, speaking from memory. The same class of wool last year fetched 6½d. in Christchurch wool-sales. Again the London market was the factor. That was only for one class of wool.

13. *Mr. Veitch.*] You say that the Government has pushed up the land-values?—Yes.

14. In order to have something to mortgage in borrowing the money—some security to put behind the borrowed money?—Yes.

15. What reasons have you for saying that?—Only the general reason that the valuer goes round and values our property and tells us that he is going to put up the value to that amount; and we can assume no other object than that he wants an asset. There is no object in doing this except to get extra taxation and extra assets. They do not take into consideration the productiveness of my property: they simply say it is worth what contiguous land is worth. Some land came under the notice of the Land Board on which I sit, and I said it was not worth the money—the land would not produce that value. Mr. Bishop said that we had only to consider what the contiguous land-sales were. The valuator simply takes these land-sales round about, and puts up the values. What for? Because the Government want more land-tax.

16. How do you know that?—We assume that is so, because the Government puts up the taxation at once.

17. You said there was an appeal made against a valuation, and the man had to accept the valuation, you said, because he did not want to “sacrifice” his land: what do you mean by that?—A gentleman came into Court, and said his land was not worth the valuation; but the Court held that because he had bought a property over the road for his son, and had given a like value for it, the man’s own land must be worth the same; so that if he sustained the appeal he would have to sacrifice his own farm. The man really bought the land for his son to have him near, so that his advice and counsel might be available, and so that the same teams and plant could work the two farms; he therefore gave £7 or £8 per acre more than the land was worth, for family reasons. He would have had to sacrifice his own farm to have got the appeal, and so it had to go.

18. Does not that merely mean that the valuation was not above what the land was worth?—It is above its producing-value. I have known land in Ellesmere produce £10 per acre more by auction than its producing-value.

19. Are you asserting that the Government is placing a valuation on the land greater than its worth?—More than its producing-value, yes.

20. More than it is worth? Are they valuing the land higher than they should?—It depends on what you call its value; there is a fictitious value and a real value—the producing-value.

21. Surely the producing-value would vary in the hands of a first-class farmer with plenty of capital, and a poor farmer?—Yes.

22. Then you would have to value the farmers as well as the land?—Yes.

23. Is the land valued at more than it is really worth?—Yes, from a producing point of view in many instances it is. I know a farm at Brookside valued at £37 to £40 per acre; as a practical farmer I would not take it over at £35; but the owner keeps on because it is the home of a lifetime:

he would rather stay than sacrifice it and shift at his time of life. To give another illustration: I bought a farm for £18 per acre; my son bought a piece the other side of the road for £22 10s. per acre. They valued the man over a wire fence between the two of us £35 per acre; and the lands were all of the same quality.

24. Was there any protest made?—Yes.

25. What was the reason given?—Well, the unfortunate position was that the owner was away in South Otago, and did not get the citation, and judgment went by default; he wrote about it, and eventually a concession was made, I think. In that instance I think the valuation was £10 above the value of the land.

26. Is that the case all through the country? Is the land valued at a higher rate than it ought to be?—It is valued in many instances quite beyond its selling-value. I know a case that occurred in North Rakaia, where a piece of river-bed was valued at £3 10s. I would not value it at 10s. We let that man out at £2 eventually. That was an instance of land valued above its value.

27. Are the valuations higher generally than the prices that are being given for the land?—That land was never sold in its natural life for the amount of money.

28. But speaking all through, would you say that all the land in Canterbury that you are personally acquainted with is valued higher than the prices at which it can be bought and sold?—Oh, no; certainly I would not say that. I say there are many instances.

29. Does not that seem to show that this buying of the land is putting up the prices, not the Government valuers at all? This is a very important matter. If it is a fact that the valuers are plundering the farmers it is a very serious thing, and it is time it was investigated. What instructions are given to the valuers?—I do not know what their instructions are; but we assume that they have to put up the valuations. By the Act the value has to be on the contiguous sales. That simply means that if one man is fool enough, for family reasons, to give more than the land is worth, the whole district is penalized. I asked Mr. Bishop, Are we as a Board to penalize the whole Ellesmere district for this kind of thing? Because one man drowns himself in the Rakaia, are we to invite the whole population to drown themselves likewise? I say the land should be valued on its producing-value. You should associate with the valuator a local man who knows the producing-value of the land. He should go through the district with the valuator, and thus we would have a fair and equitable valuation.

30. Would not that have the effect of penalizing the good farmer who raised the producing-value of his land, and allow the poor farmer to escape taxation?—No; the local man knows the quality of the land. I know what the land is like in my district, for instance, and if a farmer is not farming it properly I know that, and I would put the land at what I knew to be its producing-value.

31. What about city land?—I do not know anything about city properties.

32. *Mr. Hall.*] Is it not a fact that in England land is valued upon its rental value?—I do not know the system at all.

33. When did you buy your land?—Twenty or twenty-three years ago, I think.

34. That was the land you bought at £1 per acre?—Yes; and it had been bought previously from the Government for £2—that was in the early days. It was absolutely open and waste when I got it; I had to fence it myself.

35. In connection with this rise from £1 to £3 10s.: you effected considerable improvements?—Yes; fenced it and brought it into cultivation.

36. And it is only worth £2 10s. more per acre now?—Yes; it is not worth it to-day from the producing point of view.

37. If you had taken into account the £2 10s. extra, would it pay you to buy—that is, buy now at £3 10s.?—I am a strong believer that there is no such thing as unearned increment—we farmers earn the lot of it; every ounce of it comes out of our sinew and bone, and we have to put in all we get out. The man who does not put it in does not get it out: he is the incompetent farmer.

38. You have expended more than £2 10s. in labour?—I believe I have. That land was tussock land, and my neighbours said I was a fool to buy it. Latterly, as I got stronger financially, I have worked it better; and my sons grew up, and we all worked together, and employed labour besides. You cannot estimate what you put into a farm: we work all hours; there is no eight-hour business about us.

39. You have worked for twenty years on this farm, and it is only worth £2 10s. per acre more than you gave for it?—Yes, that is the valuation of it.

40. What are you doing with it now?—It is sheep country.

41. Do you manure it?—We use 1 cwt. to 1½ cwt. with all rape and turnips we put in—always; the man who does not goes to the wall.

42. Is there any complaint that the unimproved values are put too high?—They do not allow for improvements. The assessor offers so-much, and you have to take it; he does not take into consideration the cost of the improvement. I know a man who went into Court, and said he had put up a sod fence in boggy country, and dug a ditch, and it cost 20s. per chain, and yet the assessor allowed very little for it. The assessor makes the offer, and we have to take it or leave it. Farmers have a great aversion to going into Court about such matters; I have known men put in their claims, come to the door of the Court, and then walk away.

43. What was allowed for this sod fencing you speak of?—About 8s. or 10s.; if you get half what a fence cost you, you are lucky. They do not count what they cannot see, such as drain-pipes. I have a farm I bought at £18 per acre for 120 acres; in three years the valuator came along and said it was worth £25 per acre; I do not get any more money, but I have to pay more tax, because my land has been bumped up £7 per acre.

44. It is customary to make allowance for unexhausted manures in England: do you know anything about that system?—No, I never heard of it.

45. If they underestimate the improvements, does that increase the taxable value?—Certainly it does.

46. Several people who have been here have stated that there is a shortage of labour in country districts: is that so?—That is so at the present time throughout the whole Dominion. In Canterbury particularly we have a shortage of labour. Recently the Mayor told me he had a number of men on his books wanting work. This was at the Farmers' Conference. We said we could find them work. There were fourteen or sixteen applications, I think. I told the Mayor to send me two men at 7s. per day if they were good men, but he need not send wasters. I told him, if he had a married man, there was a house in the township to be had at 6s. a week, and I would guarantee two months' employment at 7s. per day straight off. I have not one man in my employ from that source.

47. Would there be any prospect of his getting more than two months' work?—Yes, there is not a man out of employment in Dunsandel; there is not a man available. My potatoes are rotting in the ground because there is not labour available to dig them.

48. A number of witnesses have stated that in consequence of this shortage they could not do cropping: do you think that is likely?—Take my potatoes, for example: last year off 5 acres I got 55 tons of potatoes; this year I have not dug a bag except for the use of the house, and the bulk of them are not worth digging now. This has been an exceptionally wet year, and the water has been lying on these tubers, and so they will be a total loss. I shall not grow potatoes while there is such a shortage of labour, except what I can deal with myself. There has never been a man come to me for a job this last twelve months except one man, and I put him on at once.

49. *Mr. Fairbairn.*] Do you consider that lands in Canterbury are valued beyond their producing value?—Yes, in very many instances.

50. To what extent?—That particular farm I instanced, I would say its producing-value was £33 to £34, as against £37 10.—its valuation.

51. Ten per cent., roughly speaking. If the rate of interest went up what would be the effect on the capital value?—When it goes up we do the best we can, and take so-much less for our toil, and work all the harder. We have to hold on.

52. Does it not mean that land must depreciate?—It has a tightening effect when the rate of interest goes up, and it stops this speculative business that is going on. I deplore that as much as anybody. That is the reason for the fictitious land-values.

53. Would you say that the low price of money as compared with twenty years ago has enhanced the value of the lands in Canterbury?—When you can get money cheaply, and can see your way to pay interest at all on it, naturally you give so much more for the land; that is a natural corollary.

54. To what extent have water-races added to the value of the light land?—Oh, considerably. Take that land that I bought for £1—the sheep had to go to Rakaia for a drink. When we could produce sheep and fatten them on the land, and get 17s. 6d. to 20s. for them per head, of course, that added to the value of the land.

55. There are three factors, then—freezing, low rates of interest, and increased productivity—which have added to the value of land, and the water-races as well?—Yes, they have all added to the value; there is not the slightest doubt about that.

56. *Dr. Hight.*] If a man gives £20 as against £15 for land, the main reason is because he gets a higher price for his produce in the world's markets?—Yes, that is the main reason. A man buys on the margin of what he can make out of his land; that is why he can take £20 land with butter at 1s. 5d. instead of 3½d. to 6d., as we used to get. We get 1s. net from the creamery for our butter, without any bother to the women. Therefore, a man buys the land and produces so-much more butter, so-much more wool, so-much more wheat; it is a speculative business, this farming. We buy in faith of what the market will be; if we could see ahead perhaps we would all sell out. I am buying oats and wheat, and do not know what the price will be next year, and every farmer is ruled in the same way. So that in reply to you I say it is really a question of speculation. He gives the £20 because the prices at that time are buoyant, and that rules the value of the land the world over—what you can get out of it.

57. Then the higher prices of articles of food and other things produced on the farm, the high local prices along with the high prices of land, are really the result of the high prices generally throughout the world?—I think so. I do not think the local conditions have much to do with the matter. Lambs and sheep are ruled by the London market; beef to a lesser extent. Pigs, bacon, and pork are abnormally high. I saw pigs go in Leeston for 85s. per head, 160 lb. to 180 lb.; and I have seen some pigs sold for 35s. It is a question of supply and demand. Ham-and-eggs is on every hotel table in New Zealand; the local needs control that. Last week the same pig, say 150 lb. to 160 lb., fetched 52s. to 60s.—that was, on its legs, according to the weight, finished, as sold in the market. Porkers always fetch a higher price—up to 6d. per pound, and sometimes as high as 7d.—on their feet. The market fluctuates; sometimes it is 4d. and sometimes 7d.

58. What benefit to the farmers, if any, is the £1 per ton duty on flour?—It enables us to grow wheat. If we did not have some protective duty, I do not believe we would grow any wheat at all. I had the doubtful honour of sitting on the Conciliation Board which collected evidence in the Canterbury farm labourers' dispute, and I got a return from all the wheat-growers in Canterbury, and found that the average cost of growing wheat was 3s. 1d.; only one gentleman can grow it for less, and he had a particularly rich piece of land.

59. What rate of profit was allowed?—5 per cent. on the cost of the respective holdings, and allowing for the actual work of putting and taking out the crop it cost 3s. 1d. per bushel to put it on the trucks. In many instances farmers were selling at 3s. 3d. to 3s. 5d.

60. You think that the method of assessing the value for taxation purposes is not satisfactory to the farmers?—No. A petition is being put through the Farmers' Union in the Dominion asking the

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'Orriant, 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'Orridant. 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'Orridant 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 and 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 their 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.
	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 no 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 us 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, &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 2½d. 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.
			Rate.	Amount				
Boots, men's—	s. d.	s. d.		s. d.	s. d.	s. d.	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.
1907.	s. d. s. d.	s. d. s. d.	s. d. s. d.	s. d. s. d.	s. d. s. d.
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.
1903.	s. d.	s. d. s. d.	s. d. s. d.	s. d. s. d.	s. d. s. d.
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 2¼d. 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?—11½d. 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 ½ 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, 1½d. per pound; mutton, 1½d. (lambs over 42 lb. at mutton rates); beef, 1d.; pork, 1½d.: 1st June to 30th November—Lamb, 1½ 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, Re- pairs, &c., per Cow.*	Actual Share drawn by Owners (Three-fifths).	Actual Share drawn by Milkers (Two-fifths).
	s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
1902-3 ..	0 8½	5 12 2	1 7 0.4	0 5 1.1	0 1 8.2	272 14 2	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 11½	7 2 5.13	0 8 8.94	0 19 2.24	0 4 2.61	259 3 10	172 15 10
Bal. ..	0 9¾						
1906-7—							
Aug. ..	0 10½	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 12¾	9 13 8	1 0 10.95	1 1 10.78	0 6 5.56	379 10 5	253 0 4
Bal. ..	0 10¾						
1910-11							
Aug. ..	0 11¾	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.
	s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
1909-10 ..	0 10.4	8 17 6.86	0 12 5.33	1 4 9.33	0 1 10.5	343 5 8	177 17 11
1910-11—							
Aug. ..	0 11 $\frac{3}{4}$	7 15 11.15	1 8 0.65	0 17 3.4	0 1 3.2	417 5 1	222 14 7
Bal. ..	0 10 $\frac{3}{4}$						
Another Herd.							
1909-10 ..	0 10.4	7 4 10.87	Reared none	2 2 2.57	0 12 9.52	331 5 10	174 3 7
1910-11—							
Aug. ..	0 10 $\frac{3}{4}$	8 9 10.4	0 19 9.2	2 0 3.5	0 7 1	565 16 5	303 12 1
Bal. ..	0 10 $\frac{3}{4}$						

* 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 1s. 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 1s. 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 is 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.

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 necessities 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 necessities, 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 necessities 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 necessities 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 necessities, 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 necessities 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 necessities 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	£ 50,984	£ 112,475
Clothing ..	69	2,947	£507,125	25 % <i>ad val.</i>	126,781	209,984	336,765	163,459	169,652	335,495
Boots ..	74	2,272	£619,873	British, 22½ % Foreign, 33½ %	139,455	71,987	211,462	168,382	197,593	119,570
								505,147		
								105,721		
								317,163		
					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 necessities 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 Ponsonby, 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. Hall.*] 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 Papatoetoe.

54. The Commission will be glad to hear if?—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 that 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	2½ per cent. from 1865 to 1870, an increase of 5 per cent.	..	.. 34 per cent. below.
„ 15	„ 1870 to 1875, a decrease of 13	„	.. 44
„ 11	„ 1875 to 1880. Stationary	„	.. 44
„ 12½	„ 1880 to 1885, a decrease of 7 per cent.	„	.. 48
„ 12½	„ 1885 to 1890, an increase of 8	„	.. 44
„ 4	„ 1890 to 1895, „ 33	„	.. 25
„ 6½	„ 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 necessities of life, those necessities 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 necessities?—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 necessities, and a fall either in volume or in the price of necessities would occur.

146. If it fell off in volume, of course, the price would rise?—Not necessarily; these necessities 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 necessities.

147. So in that way it is possible that the fall in the price of necessities 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 necessities 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 necessities. 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 necessities.

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 necessities 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 necessities 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:—

Prosperity⁷ 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 10¾d. 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 3¾ 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

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 to 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 necessities 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 satisfying 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-rent 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-rent, 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 over-building 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 necessities 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, 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. Do 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

living 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.									
Sample rents	£	s.	d.	£	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	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	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	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	Sundry other foods ..	0	3	6½	0	3	8
Bread	0	1	9½	0	2	2½	Clothing	0	6	10	0	8	2½
Meat	0	3	11	0	4	7½	Fuel and light	0	3	0	0	3	1
Vegetables ..	0	1	1½	0	2	5½	Groceries other than food	0	2	1	0	2	2
Milk	0	2	0½	0	2	4½							
Butter and cheese	0	2	0½	0	2	8½	Total.. ..	1	16	7½	2	5	7½
Sugar	0	1	0½	0	1	0½	Miscellaneous				0	13	5½
Tea and coffee ..	0	1	3	0	1	1							
							Total, with miscellaneous				£2	19	1

An increase (excluding miscellaneous items) of 24·6 per cent. This accounts for 77 per cent. of the expenditure. If we exclude "miscellaneous," and "clothing," we get a total of £1 9s. 9½d. in the first column, and £1 17s. 5d. in the second, showing an increase of 25·7 per cent. If we take the total, excluding only "miscellaneous," the increase is from £1 16s. 7½d. to £2 5s. 7½d., an increase of 24·6 per cent. The 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. Coughy, of the firm of Smith and Coughy, 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 necessities 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 necessities 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 counter-acting 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 necessities 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 $8\frac{1}{2}$ 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. McIlraith 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, $3\frac{1}{4}$ tons, $3\frac{1}{2}$ tons, $3\frac{3}{4}$ 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 $4\frac{1}{2}$ tons; the average in 1912 is $3\frac{1}{2}$ 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 $4\frac{1}{2}$ tons, and now it is $3\frac{1}{2}$ 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.
Sirloin of beef	d. 7	d. 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 carcase 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 carcase 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 3½d. 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 many 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 necessities they could not otherwise get; leaving out the jewelleries, the things bought are necessities. 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.

* Depends on cut.

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 necessities.

19. Is the rise attributable to rise in necessities, or attributable to luxuries and recreations?—I think the increase is chiefly on the necessities—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 $7\frac{1}{2}$ 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 schnapper.

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 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 tarified?—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 tarified "groceries only" bought from the Merchants' Association?—Yes, matches are tarified. 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 tarified; 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 tarified 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 tarified.
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 then 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 subpœna, 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 necessities 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

From Farmers' Advocate.

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†

Took out what follows from files lately.

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 4½	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 4½	..	..
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 necessities 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 necessities in food, bread, 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, necessities 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:—

Decreases.

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.		Sheep,
				£	s.	Average Price.
				Per 100 lb.		
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			5

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		6
25	2 10 0	..	..	..	5	2 10 0		2
35	2 10 0	..	..	..	9	0 17 6		9
46	2 8 0	..	..	..	12	2 10 0		3
63	2 14 0	..	..	..	23	2 18 7		2
92	2 10 0	..	..	..	67	2 15 0		2
93	2 16 0	..	..	..	76	2 16 0		6
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 inefficients 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 inefficients. 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.
 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.

Plaids, any brand:—		List A.		s. d.	
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 vests, 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 6½d. 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 tarified?—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 tarified for wholesale trade. Kerosene was tarified 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.

To Messrs. Brewer, Fulton, and Co., Wellington.

Yours respectfully,
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 $\frac{1}{4}$ 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 $\frac{3}{4}$ 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 $\frac{1}{2}$ d. 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. d.	Per Pound. d.	1911.	Per Pound. d.	Per Pound. d.
April 1 ..	11-12	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. d.	Per Pound. d.	1911.	Per Pound. d.	Per Pound. d.
Sept. 22	12·7	12	Dec. 29	12·9	12
Oct. 5	12·7	12	1912.		
„ 19	12·9	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. d.	Per Pound. d.	1912.	Per Pound. d.	Per Pound. d.
Mar. 1	12·8	13	May 1	11·92	13
„ 5	13	13·5	June 2	12·42	13
April 1	12·5	13	„ 29	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. 136s. 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 13½d. 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 $\frac{1}{2}$ 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 7½ 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 ¹ / ₃	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.			
									New Zealand (Wellington).	England and Wales.	Germany.	France.
	s.	d.	s.	d.	s.	d.	s.	d.				
Rent (four rooms) ..	14	6	5	0*	5	1½*	3	11*	290	100	102·5	78
Sugar, per pound ..	0	2¼*	0	2	0	2¾*	0	2¾*	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	2¾	0	3	200	100	88	100
Flour, per 7 lb. ..	0	8	0	9	1	0½	1	1¼	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 8½† 0 5½§ 0 5½§ }		0	8½	0	7¾	71	100	122	109
Mutton, per pound ..	0	4¾	{ 0 8½† 0 4½§ 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	10¾	1	1¾	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 necessities 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 $\frac{3}{8}$ 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.
<i>Ham, Bacon, Fish, and Honey.</i>								
50	£ s. d. 1 2 11	d. 0·12	s. d. 2 8	d. 0·14	£ s. d. 0 17 5	d. 0·09	s. d. 2 3	d. 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 8 0	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
<i>Eggs (1 dozen 1½ lb.).</i>								
50	1 6 10	0·14	3 3	0·17	1 2 11	0·12	2 8	0·14
100	2 1 6	0·22	5 1	0·27	1 13 7	0·18	4 2	0·22
125	2 5 8	0·24	5 7	0·30	1 16 9	0·20	4 8	0·25
175	2 12 4	0·28	6 6	0·35	2 1 9	0·22	5 1	0·27
200	2 15 6	0·30	6 6	0·35	2 3 10	0·23	5 1	0·27
250	3 1 9	0·33	7 5	0·40	2 8 0	0·26	5 7	0·30
300	3 6 3	0·36	7 11	0·42	2 12 2	0·28	6 6	0·35
400	3 14 7	0·40	8 9	0·47	3 0 6	0·32	7 5	0·40

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, &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			$\frac{3}{4}$ d. per gallon	$\frac{1}{2}$ d. per gallon.
11 to 21			1d. "	$\frac{3}{4}$ d. "
21 to 31			1d. "	1d. "
Each additional 30			$\frac{1}{4}$ d. "	$\frac{1}{4}$ d. "

<i>Meat, Fresh and Frozen.</i>								
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 railgale 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 33½ 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 necessities 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 necessities 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 necessities 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 necessities 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 necessities 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	
Cost of joinery from the factory (including material and labour)	35	0	0	188	0	0	8.9	47.84
Labour: Carpenters and Joiners (about 50 per cent. of value of all timber)	63	0	0				16.04	
Bricklayer's material	15	0	0	23	0	0	3.81	5.85
„ labour	8	0	0				2.04	
Drainlayer's material	13	0	0	20	10	0	3.30	5.22
„ labour	7	10	0				1.92	
Plumber's material	37	0	0	58	0	0	9.41	14.76
„ labour	21	0	0				5.35	
Painter and paperhanger's material	18	0	0	33	0	0	4.58	8.40
„ labour	15	0	0				3.82	
General ironmongery (including roofing-iron)				37	0	0	9.41	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
Total cost				£393	0	0	100.00	100.00

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—we 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 rabbiters 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 ring, 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 vegetable-man 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* said 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 conflict 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 desirous 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 2½d. 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. Holl.*] 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 engineroom, 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 11½d. 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 4½d. 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 ½d. 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. 5¼d. 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-cut 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,

“Messrs. Fairbairn, Wright, and Co., Christchurch.”

“F. MEADOWCROFT,

“New Zealand Manager.

“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,

“Messrs. Fairbairn, Wright, and Co., Christchurch.”

“New Zealand Manager.

“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 : 1½ per cent. bonus on £10 and upwards during the year ; 2½ per cent. bonus on £25 and upwards during the year ; 3½ 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 : ½ lb. tins, 11d. ; ¼ 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 tariffed 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 tariffed 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 tarified 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 Rotorua 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 Endean 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 wharehou. 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 principal, 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 FRENGLEY, 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 tarified 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 tarified 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 tarified 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 1½d. 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 1½d.

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 ½d., 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 2½d. 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 ¾d. more for wax.

9. When you gave the quotation of 2½d. was that for high-grade wax?—No, 122 melting-point. The prices have recently advanced, and the price for lower grade now is 2¾d., 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:—

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

Steam coal:—

							s.	d.
In trucks at foot of incline—								
1891-1900 ..	..	..	..	..	..	..	7	2.25
1901-1910 ..	..	..	..	..	..	..	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 ½-ton.	Per ¼-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 ½-ton.	Per ¼-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

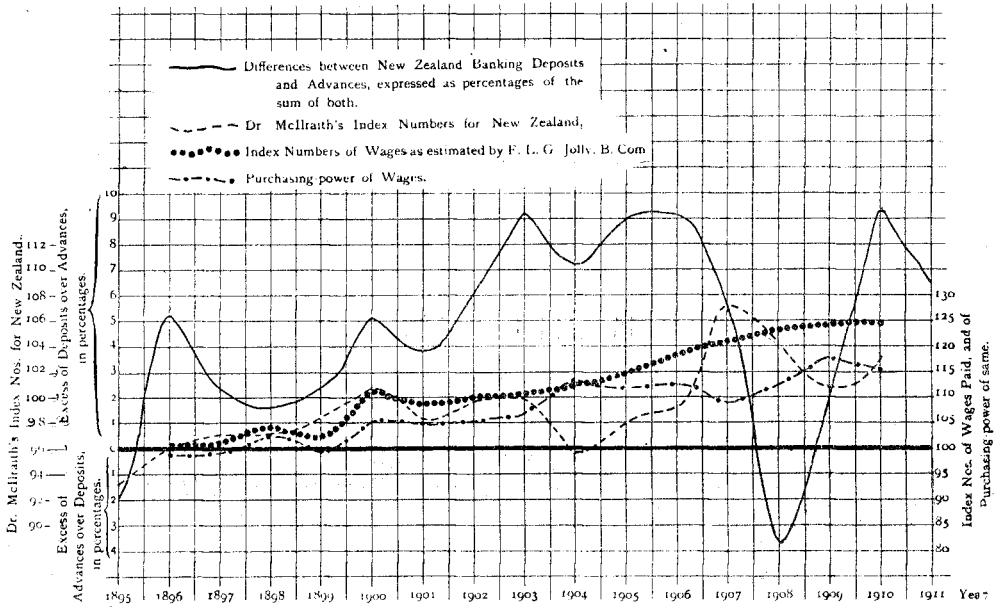
4th June, 1912.

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

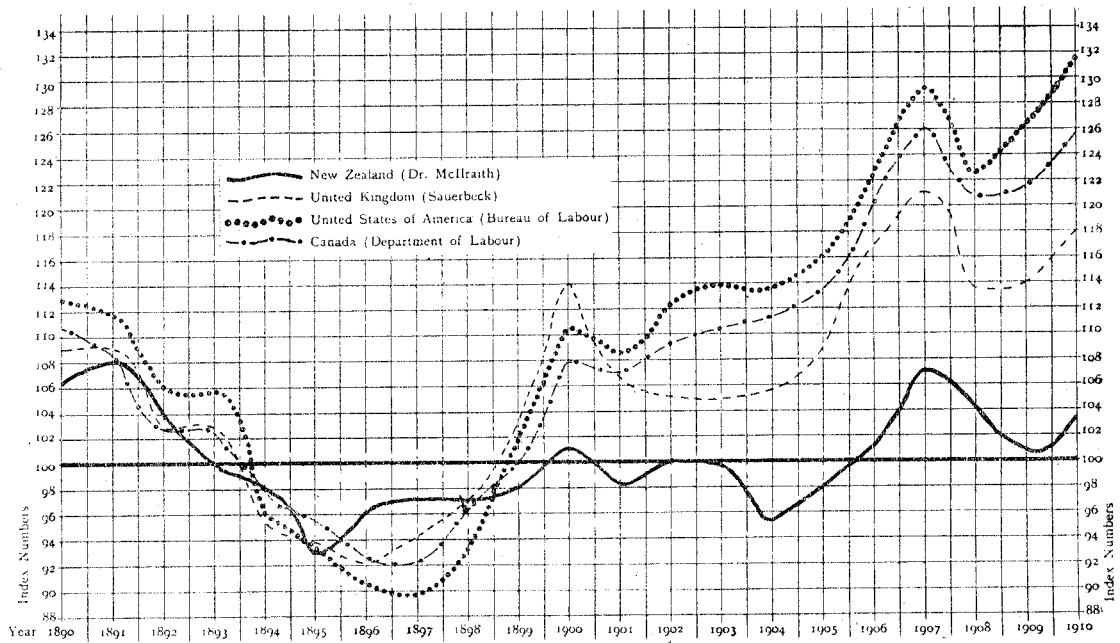
+ Excess of deposits over advances.

- Excess of advances over deposits.

EXHIBIT No. 4.

(See page 198.)

B

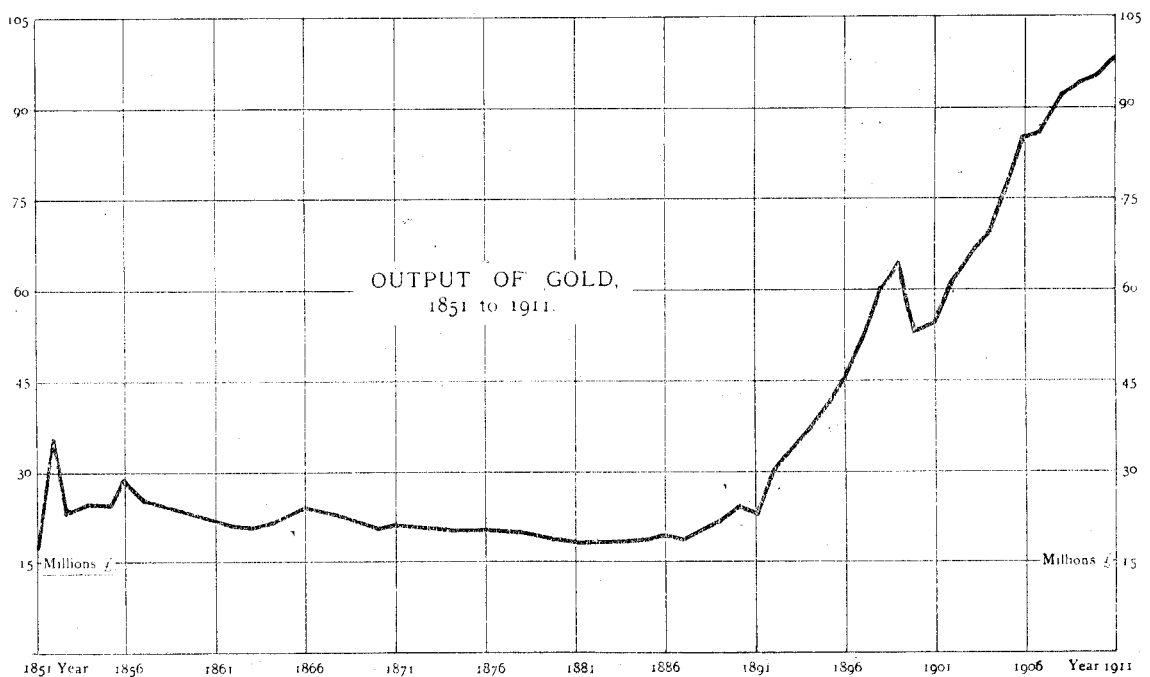


[Graph prepared by F. L. G. Jolly, B.Com.]

EXHIBIT No. 5.

(See page 310.)

C



[Graph prepared by Prof. Segar (Auckland).]

EXHIBIT No. 6—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 February, 1912.</i>								
Apples (dessert)	1½d. to 1¾d. per lb.	3½d. to 1½d. per lb.	1d. per lb.	2½d. to 2½d. per lb.	3d. per lb.	6d. to 3d. per lb. ...	3d. per lb. ...	4d. per lb.
" (cooking)	1½d. to 1¾d. per lb.	1½d. to 1½d. per lb.	1d. per lb.	2½d. to 2½d. per lb.	2d. per lb.	2½d. to 2d. per lb. ...	...	3d. per lb.
Pears	3d. to ¾d. per lb. ...	2½d. to 1½d. per lb.	2d. per lb.	2½d. to 2½d. per lb.	4d. to 1½d. per lb.	6d. to 3d. per lb. ...	4d. per lb. ...	6d. to 4d. per lb.
Grapes	...	1s. to 6d. per lb. ...	1s. per lb.	1s. 3d. to 1½d. per lb.	...	1s. 6d. to 1s. per lb.	1s. 9d. per lb.	1s. 6d. to 1s. 3d. per lb.
Peaches	2½d. to 2½d. per lb.	3d. to 1½d. per lb. ...	2½d. per lb.	5d. to 1½d. per lb.	8d. per doz.	6d. to 3d. per lb. ...	4d. per lb. ...	8d. to 3d. per lb.
Apricots	3½d. to 3d. per lb.	4½d. to 2½d. per lb.	2½d. per lb.	4d. to 1½d. per lb.	6d. per lb.	6d. to 4d. per lb. ...	4d. per lb. ...	6d. to 3d. per lb.
Plums (English)	2½d. to 1½d. per lb.	2½d. to 1½d. per lb.	1½d. per lb.	2½d. to 1½d. per lb.	3d. per lb.	6d. to 3d. per lb. ...	4d. per lb. ...	6d. to 2d. per lb.
" (Japanese)	1½d. to ¾d. per lb. ...	2½d. to 1½d. per lb.	1½d. per lb.	2½d. to 2d. per lb.	1½d. per lb.	6d. to 3d. per lb. ...	4d. per lb. ...	6d. to 2d. per lb.
Greengages	...	2½d. to 2½d. per lb.	...	3d. per lb.	...	6d. to 4d. per lb. ...	...	4d. per lb.
Cherries	...	5½d. to 3½d. per lb.	6d. per lb.	5d. per lb.	...	1s. 6d. to 9d. per lb.	9d. per lb. ...	1s. 6d. to 9d. per lb.
Raspberries	...	...	...	...	...	8d. to 6d. per lb. ...	6d. per lb. ...	6d. per lb.
Strawberries	...	5½d. to 3½d. per lb.	24s. per case	...	...	1s. 6d. to 8d. per lb.	1s. 3d. per lb.	2s. 3d. to 1s. per lb.
Lemons	8d. to 6½d. per doz.	5½d. to 3½d. per doz.	6d. per lb.	...	8d. per doz.	1s. 6d. to 1s. per doz.	1s. per doz.	1s. per doz.
Tomatoes	...	1½d. to ¾d. per lb. ...	...	10d. to 7d. per lb.	...	6d. to 4d. per lb. ...	9d. per lb. ...	1s. to 9d. per lb.
	...	...	...	(hothouse), 4d. to 2d. per lb. (outside)	...	...	...	(hothouse), 6d. to 3d. per lb. (outside).
Cape gooseberries	...	5d. to 4d. per lb. ...	...	...	...	6d. per lb.	...	...
Persimmons	...	...	...	...	...	...	...	...
Passion-fruit	...	...	...	...	...	8d. to 4d. per doz.	...	...
Pineapples	...	...	...	...	...	1s. 6d. to 6d. each	...	...
Nectarines	2½d. to 2½d. per lb.	2½d. to 1½d. per lb.	2½d. per lb.	2½d. to 2½d. per lb.	4d. per lb.	6d. to 4d. per lb. ...	4d. per lb. ...	6d. to 4d. per lb.
Bananas	...	...	...	...	...	8d. to 3d. per doz.	...	7d. per doz.
Oranges	...	...	...	...	...	1s. 6d. to 8d. per doz.	...	1s. to 6d. per doz.
Walnuts	...	9½d. to 6d. per lb. ...	...	...	...	...	...	...
Potatoes (good)	...	4s. 6d. to 3s. per cwt.	...	...	...	12s. to 8s. per cwt.	...	...
" (medium)	...	...	...	...	...	...	...	...
Onions (prime)	...	1½d. to ¾d. per lb. ...	...	...	...	1½d. 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.
<i>Month of March, 1912.</i>								
Apples (dessert)	1 $\frac{1}{2}$ d. to 1 $\frac{3}{4}$ d. per lb.	2 $\frac{1}{2}$ d. to 1 $\frac{3}{4}$ 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 $\frac{1}{2}$ d. to 1 $\frac{1}{2}$ d. per lb.	1 $\frac{1}{2}$ 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.	..
Grapes	..	10d. to 4d. per lb.	9d. per lb.	9d. to 6d. per lb.	..	1s. 8d. to 1s. 6d. per lb.	1s. per lb.	1s. to 8d. per lb.
Peaches	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.	2d. per lb.	5d. to 1 $\frac{1}{2}$ d. per lb.	6d. per doz.	6d. to 2d. per lb.	4d. per lb.	6d. to 2d. per lb.
Apricots	3 $\frac{1}{2}$ d. to 2 $\frac{1}{2}$ d.	3 $\frac{1}{2}$ 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.
Plums (English)	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.
" (Japanese)	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.
Greengages	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.	..	2 $\frac{1}{2}$ d. to 2d. per lb.	..	6d. to 4d. per lb.	..	4d. per lb.
Cherries	..	..	..	5d. per lb.	..	1s. 6d. to 9d. per lb.	..	6d. per lb.
Raspberries	..	..	..	..	..	8d. to 6d. per lb.	..	..
Strawberries	..	..	..	..	..	1s. 6d. to 1s. per lb.	..	..
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.	..	..	4d. to 2d. per lb.	3d. per lb.	..
Cape gooseberries	..	5 $\frac{1}{2}$ d. to 4 $\frac{1}{2}$ d. per lb.	..	..	..	6d. per lb.	..	..
Persimmons	..	4s. per box	..	..	..	..	..	..
Passion-fruit	..	6s. 6d. to 6s. per half case	..	..	..	8d. to 6d. per doz.	..	..
Pineapples	..	2 $\frac{1}{2}$ 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 $\frac{1}{2}$ d. to 3 $\frac{1}{2}$ d. per lb.	..	..	..	12s. to 8s. per cwt.	..	..
Potatoes (good)	..	..	..	..	..	1 $\frac{1}{2}$ d. to 1d. per lb.	..	..
" (medium)	..	..	..	..	..	..	..	..
Onions (prime)	..	..	..	..	..	..	..	..

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 April, 1912.</i>								
Apples (dessert)	2 $\frac{7}{10}$ d. to 1 $\frac{3}{4}$ d. per lb.	2 $\frac{1}{10}$ d. to 1 $\frac{7}{10}$ d. per lb.	1 $\frac{3}{4}$ d. per lb.	..	3d. per lb.	6d. to 3d. per lb. ..	3d. per lb. ..	..
" (cooking)	1 $\frac{7}{10}$ d. to 1 $\frac{1}{2}$ d. per lb.	1 $\frac{1}{2}$ d. to 1 $\frac{1}{10}$ d. per lb.	1 $\frac{1}{2}$ d. per lb.	..	2d. per lb.	3d. to 2d. per lb. ..	..	..
Pears ..	1 $\frac{2}{10}$ d. to 1 $\frac{1}{10}$ d. per lb.	3d. to 1 $\frac{7}{10}$ d. per lb.	$\frac{3}{4}$ d. per lb.	..	3d. to 2d. per lb.	6d. to 3d. per lb. ..	4d. per lb. ..	..
Grapes ..	..	..	1s. per lb.	8 $\frac{1}{2}$ d. per lb.	..	..	1s. 6d. per lb.	1s. per lb.
Lemons ..	9 $\frac{3}{4}$ d. to 8 $\frac{3}{4}$ d. per doz.	7 $\frac{3}{4}$ d. to 4 $\frac{2}{5}$ d. per doz.	27s. per case	..	1s. per doz.	1s. 6d. to 1s. per doz.	1s. per doz.	..
Tomatoes ..	..	3d. to 1d. per lb. ..	2d. per lb.	7d. to 6d. per lb.	..	4d. to 2d. per lb. ..	4d. per lb. ..	10d. to 8d. $\frac{1}{2}$ per lb.
Cape gooseberries	..	5d. to 3 $\frac{1}{2}$ d. per lb. ..	..	(hothouse)	..	..	..	6d. per lb.
Persimmons	..	4s. per box	..	4d. per lb.	..	6d. per lb.	..	..
Passion-fruit	..	5s. to 2s. per box ..	..	..	..	6d. per lb.	..	..
Walnuts ..	..	7d. to 6 $\frac{1}{2}$ d. per lb. ..	..	..	..	8d. to 6d. per doz.	..	..
Pineapples ..	..	..	..	..	..	..	..	..
Nectarines ..	..	..	..	..	..	1s. 6d. to 6d. each..	..	..
Apricots ..	..	..	..	3d. to 2 $\frac{1}{2}$ d. per lb.	..	6d. to 4d. per lb. ..	4d. per lb. ..	4d. per lb.
Potatoes (good)	..	..	..	3d. to 2 $\frac{1}{4}$ d. per lb.	..	6d. per lb.	5d. per lb. ..	5d. to 3d. per lb.
Potatoes (medium)	..	..	..	..	..	12s. to 8s. per cwt.	..	..
Onions (prime)	..	..	..	..	..	..	..	..
Peaches ..	..	2 $\frac{7}{10}$ d. to $\frac{4}{10}$ d. per lb.	..	..	1s. per doz.	1 $\frac{1}{2}$ d. to 1d. per lb. ..	..	..
Plums (English)	4 $\frac{1}{2}$ d. to 1 $\frac{1}{10}$ d. per lb.	3 $\frac{1}{10}$ d. to 1 $\frac{7}{10}$ d. per lb.	2d. per lb.	4 $\frac{1}{2}$ d. to 2d. per lb.	3d. per lb.	6d. to 3d. per lb. ..	4d. per lb. ..	6d. to 3d. per lb.
" (Japanese)	1 $\frac{1}{2}$ d. to 1 $\frac{1}{10}$ d. per lb.	3d. to 1 $\frac{1}{10}$ d. per lb.	..	2 $\frac{1}{4}$ d. to 1 $\frac{3}{4}$ d. per lb.	..	4d. to 2d. per lb. ..	3 $\frac{1}{2}$ d. per lb. ..	4d. to 2d. per lb.
Greengages ..	..	3d. to 1 $\frac{3}{10}$ d. per lb.	..	3 $\frac{3}{4}$ d. to 3 $\frac{1}{4}$ d. per lb.	..	4d. to 2d. per lb. ..	3 $\frac{1}{2}$ d. per lb. ..	6d. to 4d. per lb.
Raspberries ..	..	..	..	..	..	6d. to 4d. per lb. ..	..	..
Strawberries	..	..	..	1s. 2 $\frac{1}{2}$ d. per lb.	..	8d. to 6d. per lb. ..	..	1s. 3d. per lb.
Bananas ..	..	..	..	..	..	1s. 4d. per lb. ..	..	..
Oranges ..	..	..	..	..	..	8d. to 3d. per lb. ..	..	..
Cherries ..	..	..	..	..	..	1s. to 8d. per doz. ..	..	..

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 May, 1912.</i>							
Apples (dessert)	2½d. to 1½d. per lb.	3d. to 1½d. per lb.	1½d. per lb.	2½d. per lb.	3d. per lb.	6d. to 3d. per lb.	3½d. per lb.	4d. per lb.
" (cooking)	1½d. to 1½d. per lb.	1½d. to 1½d. per lb.	1½d. per lb.	1½d. per lb.	2d. per lb.	3d. to 2d. per lb.	3½d. 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.
Grapes	..	..	..	..	..	1s. 6d. per lb.	..	2s. 6d. to 6d. per lb.
Lemons	11½d. to 10½d. per doz.	1s. to 6½d. per doz.	..	2s. 3d. to 4d. per lb.	1s. 6d. per doz.	1s. 6d. to 1s. per doz.	1s. per doz.	..
Tomatoes	..	..	..	..	..	6d. to 3d. per lb.	..	..
Cape gooseberries	..	..	..	..	..	6d. per lb.	..	..
Persimmons	..	..	..	..	..	6d. per lb.	..	..
Passion-fruit	..	5s. 3d. to 2s. 6d. per box	..	..	..	6d. to 4d. per doz.	..	..
Walnuts	..	7d. to 4d. per lb.	..	..	..	1s. per lb.	..	..
Pineapples	..	..	..	..	..	1s. 6d. to 6d. each	..	..
Peaches	..	..	..	4½d. to 2d. per lb.	..	..	..	6d. to 4d. per lb.
Apricots	..	..	..	3d. to 2½d. per lb.	..	..	..	6d. to 4d. per lb.
Potatoes (good)	..	7s. to 5s. per cwt.	..	..	..	12s. to 8s. per cwt.	..	..
" (medium)	..	..	..	..	..	..	..	..
Onions (prime)	..	1½d. to 5½d. per lb.	..	..	..	1½d. to 1d. per lb.	..	..
Oranges	..	..	..	..	..	18 to 16 for 1s.	..	..
Bananas	..	..	..	..	..	8d. to 3d. per doz.	..	..
Peanuts (roasted)	..	..	..	..	..	6d. per lb.	..	..
" (unroasted)	..	..	..	..	..	4d. 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.
<i>Month of June, 1912.</i>								
Apples (dessert)	22d. to 27d. per lb.	27d. to 1½d. per lb.	2d. per lb.	2½d. per lb.	4d. to 3d. per lb.	6d. to 3d. per lb.	3½d. per lb.	4d. per lb.
" (cooking)	1½d. to 1¾d. per lb.	1¾d. to 1½d. per lb.	2d. per lb.	1½d. per lb.	3d. to 2½d. per lb.	3d. to 2d. per lb.	3½d. per lb.	2½d. per lb.
Pears	27d. 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	..	3½d. 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. 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 In- crease in Total Population at 41·8 %.	1906.
1	Persons engaged in the production or manufacture of necessities of life	159,730	226,456	238,851
1A	Persons engaged in the distribution of necessities 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	Per Case. 4/3 to 6/5	Per Case. 6/3 to 9/1	Per Case. 5/ to 6/6	Per Case. 10/3 to 15/6	Per Case. 5/10 to 7/4	Per Case. 10/ to 11/6	Per Pound. 2/1½ to 2/5	Per Case. 8/ to 11/11	Per Half-case. ..	Per Half-case. ..	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/ " 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*	..	..	8/9 " 15/2	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	14/8 " 19/2	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	7/3 " 7/6	..	4/8 " 10/5	15/ " 18/	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	5/6 " 6/5	5/6 " 6/11	6½d. " 10d.	6/9 " 9/3	2/3 " 4/	1/10 " 4/4	5/ to 12/
April, 1912	4/ " 4/11	4/9 " 9/3	3/5 to 5/	5/8 " 9/6	9/2 " 5/11	5/3 " 8/2	6½d. " 1/3	4/6 " 10/6	1/6 " 2/3	2/10 " 4/8	..
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.
	Per Crate.	Per Half-case.	Per Cwt.	Per Cwt.	Per Sack.	Per Cwt.	Per Sack.	Per Sack.	Per Sack.	Per Sack.	Per Sack.
July, 1911	..	..	5/3 to 6/3	..	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	18/	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	19/ to 22/6	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/	17/3 " 23/	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	9/ " 14/	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/	5/8 " 7/9	2/ " 2/6	8/2 " 9/3	3/11 " 8/2	4/3 " 7/9	5/5 " 7/2	5/ " 5/	..
Jan., 1912	16/ " 30/	4/ " 7/2	..	5/2 " 6/6	..	6/8 " 7/6	4/ " 7/2	5/9 " 8/5	7/2 " 9/3	5/ to 6/3	..
Feb., 1912	..	1/6 " 2/11	..	3/8 " 7/10	..	5/2 " 5/9	3/6 " 5/8	5/3 " 8/6	4/5 " 6/5	4/ " 5/	3/9 to 5/
Mar., 1912	..	1/5 " 2/2	..	..	1/8 to 2/	5/ " 7/6	8d. " 2/2	2/3 " 3/11	2/ " 2/6	2/3 " 3/3	3/2 " 4/2
April, 1912	..	1/10 " 3/3	3/ " 4/	..	1/ " 1/6	5/ " 6/11	1/ " 2/6	4/ " 8/6	2/2 " 2/7	2/10 " 3/10	2/6 " 4/
May, 1912	..	2/8 " 5/4	4/5 " 4/10	..	1/5 " 2/	4/8 " 5/2	1/2 " 2/1	5/5 " 8/8	2/2 " 2/9	2/2 " 3/	2/6 " 4/2
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	6	6	0 6
Bread, 4 lb. loaf	0	6	0	6	0 0½
Beef, per pound	0	3½	0	4	0 0½
Mutton, per pound	0	3½	0	3	0 0¼
Veal, per pound	0	4	0	4	..
Pork, per pound	0	5	0	6	0 1
Lamb, per pound		6d.	0	6	0 1
Butter, fresh, per pound		10d.		11½d.	0 1½
„ salt, per pound	0	8	0	7	0 1
Cheese, colonial, per pound	0	6	0	6	..
„ imported, per pound	0	10	1	4	0 4½
Milk, per quart.	0	3	0	3	..
Potatoes, per hundredweight, retail	6	0	6	6	..
Onions, per pound	0	0½	0	1	0 1¼
Carrots, per dozen bunches	1	0	1	0	3d. decrease.
Turnips, per dozen bunches	1	6	1	0	3d. „
Cabbages, per dozen	1	0	1	0	0 11
Bacon, per pound	0	6½	0	8½	0 3
Ham, per pound	0	9	0	9½	0 1¼
Tea, per pound.	2	0	1	6	Decrease.
Coffee, per pound	1	6	1	6	..
Sugar, per pound	0	3	0	2½	Decrease.
Rice, per pound		3d.	0	2	„
Salt, per pound.	0	1		1d.	„
Candles, per pound	0	7	0	7	„
Coal, per ton	34	0	32	0	5 „
Soap, per hundredweight	15	0	21	0	5 0
Geese, per pair	5	0	7	0	1 0
Ducks, per pair.	3	6	5	0	2 3
Fowls, per pair	2	6	3	0	1 1½
Turkeys, per head	3	0	6	0	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/ „ 2/	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. 1 6 and s. d. 1 9	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. 1 3 and s. d. 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
	93	4	0
Labour applied to return freight	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, &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, per 100 lb.	Cow Beef, per 100 lb.	Wethers, per lb.	Ewes. 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 $\frac{1}{4}$	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 $\frac{1}{4}$	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
Total				£3,859,371
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)				
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	10,389	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.

* 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 overestimate 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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