

(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.