

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