

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.