

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.