

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.