

10. Discrimination shown by shipping monopoly in freight-rates between Australia and New Zealand and between ports in New Zealand itself. Typical rates are quoted.

11. Another shipping monopoly has secured control of the Dominion's import trade, and by a system of secret rebates unjustly discriminates against British goods in favour of Continental goods, and thus directly defeats the policy of the Legislature as expressed by the preferential tariff.

12. Although it has been alleged at various times that butter has been "cornered," the Commission found no evidence in support of a systematic exploitation, but a danger exists that under the shelter of the 20-per-cent. Customs tariff speculators may be able to control supplies and inflate prices. At Auckland, butter and egg prices are fixed by merchants below those actually ruling in the market, and are calculated to mislead settlers.

13. Neither flour nor timber has ever been successfully controlled for any length of time, but attempts have been made in both instances to monopolize.

14. Statistics concerning the match industry are quoted. This industry is held by the Commissioners to be a monopoly, a combine, and a trust.

15. Method of dealing with monopolies by legislative action. Amendment of the Commercial Trusts Act suggested.

CHAPTER X.—EFFECT OF TARIFF REDUCTIONS.

Question 6: What has been the effect on prices of the tariff reduction?

1. The period during which tariff reductions have taken place has been one of rising prices.

2. A list of the important tariff remissions is given.

3. Table of comparative numbers given, which shows that in New Zealand prices of articles placed on free list fell considerably during this period of rising prices.

4. Where combinations secure control, prices are prevented from falling.

5. Increase of duties on boots and shoes by the 1907 tariff, also statistics of boot industry. Fraudulent boots and shoes are being sold to public.

6. Estimate of whole number of workers in State-protected industries, and amount of protection afforded to each.

7. Our great primal industries are the real sources of our prosperity, and all people employed outside protected industries bear the burden of this protection.

CHAPTER XI.—EFFECT OF LABOUR LEGISLATION.

Question 9: What effect, if any, has the labour legislation had on the increase in the prices of the commodities of life?

1. Summary of labour legislation is to be found in "New Zealand Labour Laws" (fifth edition) complete to the end of 1908. The Commission has continued the summary to end of 1911.

2. The general effect of this legislation has been improvement in environment of workers. Whether increased efficiency has resulted the evidence does not show, but labour cost of production has increased.

3. Has this extra cost come out of profits, or been passed on to the public? In some instances the former—e.g., coal; in other instances it has stimulated the introduction of better machinery and methods—e.g., boot trade and iron trade.

4. This legislation is unable to affect the prices of our staple commodities which are fixed by the rates ruling in the world-market.

5. But neither prices nor wages can go on rising indefinitely, and a halt would have been called before this had our medium of exchange not been elastic. (Layton, "Introduction to the Study of Prices," Appendix C, quoted.)