

McILRAITH, J., (Litt. D.), Political Economist and School Inspector, Auckland (24/6/12; p. 264)—

Author of "The course of prices in New Zealand"—Definition of term "cost of living"—Considerable rise in general level of prices of commodities—Term "rise in prices" and "value of money" defined—Relation of these terms converse to each other—Movements of general level of prices and agencies which determine their level—The principal factors are volumes of money on one hand, and volume of trade on the other—Illustration given—Effect on rising and falling prices—Factors taken into consideration in estimating "money"—Term "money" defined—Five causes affecting level of prices given—Effect of foreign trade on money-circulation—Inter-relationship of countries in trade—Effect of minted gold—Gold-production in New Zealand—Influences that have increased the velocity of money—Effect is to raise prices—Investigations in United States *re* velocity of circulation—Connection between credit money, metallic money, and paper currency—Amount of gold-reserve in Bank of England—Effect of depleting same—Gold-reserves considered necessary in different countries—Influences affecting velocity of circulation of paper money—Effect of increased production on general level of prices—Net result has been a rise—Present prices ten times as high as a thousand years ago—Relative stock of gold at different periods—Effect of gold "discoveries"—Table of gold-production, 1865 and 1910, and effect on prices—Source of information is United States Mint—Present sources of increased gold-supply—Slow rise in prices most desirable—Cross-examined by Mr. Fairbairn *re* growth of credit system—Cross-examined by Chairman *re* international relation and trade—Effect of creation of large fortunes—Effect of "control" and "monopoly"—Benefits of high prices—To Mr. Veitch *re* effect of high land-values—To Mr. Robertson, effect of maintaining a rich class—Expenditure on luxuries—Standard of living and standard of comfort—New Zealand prosperity table, 1880 to 1911—Rise in value of farm-products—Corrected table showing general level of prices in New Zealand—Table showing volume of consumption per head, marriage, birth, and bankruptcy rates, 1880 to 1912—Connection between farm-products and marriage-rate—Table of volume of liquor consumed per head, 1885 to 1910—Effect of labour-saving machinery—Cost of living in Auckland and Christchurch (personal)—These differences taken into account in wages—Reforms necessary in New Zealand statistics—Limitations of Arbitration Court—Customs tariff and benevolent legislation—Difficulty of setting up flexible scale of wages—Necessity of State encouragement of study of economics—Cost of education less than formerly—Effect of labour legislation on prices nil—Rural depopulation in New Zealand has tended to rise rents, &c.—Education of children in dairying districts—Children tend to be drowsy—Economic effect of child-labour on dairy-farming.

MILLS, W. T., Teacher, Journalist, Political Economist, Wellington (11/7/12; p. 474)—

Human life supported by expenditure of life in production of means of life—All consumers should be producers and *vice versa*—Cost of production greatly reduced—Power to purchase, relation of prices to services, and of volume of gold and credit to volume of business discussed—Privilege in economic sense discussed—Two general forms of privilege are rents and monopolies—Ways in which prices are determined—Effect of competition and monopoly—Effect of imperfect equipment in production, *e.g.*, in boots and bread—Waste involved by unskilled labour—Importance of services rendered by banks—Effect on prices of commissions, profits, and taxes—Community-created values should be appropriated by the State—Private monopoly and not increased gold-supply is explanation for increased prices in certain directions—Remedies suggested are public appropriation of ground-rents and abolition of all taxes—Difficulties involved—Public support of centralized trading is also necessary—Rational method for controlling business—Wasteful methods should not be "protected"—Importance of education and technical training—Reference to American efforts in industrial education—Necessity of State banks and centralized transportation under Government control—Necessity of raising standard of living—Effect on prices of increased gold-supply and monopoly—Wages advanced slowly but may drop suddenly—Profits quoted more flexible than wages—General principle is that in competitive market prices tend to equal cost of production—Cost of production explained and discussed—Ground-rents discussed—Somers's system of land-valuation explained—Real exchange value is exchange of service for service—Unearned increment discussed—Economies due to great trading enterprises—Monopoly means power to exclusively possess and control—Effect of "freezer" has been to raise prices—Economic changes involve international as well as national co-operation.

SEGAR, H. W., Professor of Mathematics and Political Economists, Auckland (26/6/12; p. 303)—

General outline of evidence—Cost of living in New Zealand has increased 20 per cent.—Less than in Canada and the United States—Increase most marked in rent, farm-products, clothing, and fuel—Increased cost of living in other countries quoted—Disagreement with Dr. McIlraith's index numbers—Reasons for disagreement explained—Method of "weighting" has resulted in errors—Omission of certain articles of diet such as milk—Comparative return *re* rents in Auckland, 1896 and 1910—Average increase 51 per cent.—Reference to Labour Department inquiry into cost of living in New Zealand—General agreement with results shown by this inquiry—Table showing estimated increased cost of living in Auckland, 1894 to 1910—Average increase about 24.6 per cent.—Increased cost of clothing about 20 per cent.—High-water mark in rent reached in Auckland in 1912—Impossibility of obtaining perfect index number for commodities in household use—Inquiries *re* cost of living generally limited to working-classes—Relative increase in price of foodstuffs and other commodities discussed—Method of dealing with prices of coal—Increased cost of living *versus* higher standard of living—Effect of monopolies, &c., on prices in New Zealand; also tariff reductions—Rise of price of land due to rise in price of commodities—General effect of high price of land and labour—High cost of labour stimulates use of labour-saving machinery—Increases in farm-land values may be counterbalanced by improved agricultural methods—Relationship of rise in prices and rise in wages discussed—Effect of tariff-reduction—Decrease in cost of production—Effect of tariff-alterations on index numbers—Influence of enhanced land-values on cost of living—Increased cost of living mainly due to great increase in currency as compared with increase in trade—Diagram showing world's gold-supply, 1851 to 1911 (Exhibit No. 11)—Reference to Professor Fisher's volume "The Purchasing-power of Money"—General explanation of credit, currency, &c., and statement *re* world's production of gold—Bank methods and profits—Difficulty of establishing bimetallicism—Community-created value in land—Site-value *versus* gold-value—Increase in prices due to increase in gold-supply and increased credit—Replacement of gold with credit money—Necessity of banking-operations, and source of bankers' profits—Limit of credit—General effects of movement of population—All classes have become wealthier—This makes more labour available for production of luxuries—Possibilities of reducing cost of necessities of life considered—Suggestion *re* compilation of Government index numbers and encouragement of study of economics and statistics.

WILSON, F. P., Lecturer on Economics, Wellington (5/7/12; p. 407)—

Definition of "cost of living"—Rise in price of agricultural produce—New Zealand index numbers compared with other countries—Pastoral products, index numbers show considerable rise—Index numbers quoted also for beverages and foodstuffs—Combined index numbers quoted—*Re* rents and absence of proper data—Results obtained from personal investigations 1894-5 and 1911—Rent increased approximately 30 to 35 per cent.—Return *re* commodities in general use from Year-book—Comparison of retail and wholesale prices (McIlraith)—Table given—Wages—Increased earnings of males and females in New Zealand industries—Index numbers quoted—Information *re* adult workers inconclusive owing fault of statistical records—Rise in wages greater than rise in wholesale prices and about equal to the rise in retail prices—Cause of high prices classified—Economists' views—Gold-production from beginning of nineteenth century—Effect on prices—Velocity of circulation—Depends on habits of people and distribution