

39. *The Chairman.*] It has not acted in restraint of trade?—That is so. I found that very often we had to fight very hard to get fair terms of trade from the colliery-proprietors, and being combined it gave us strength to get what we could not get as individual firms.

40. Whether it squeezes the colliery-owners or the general public, is it not a combination in restraint of trade?—Outside factors prevent that being done. There are a great many collieries producing coal around Dunedin, and competition is keen amongst the owners themselves, and I think there is very little danger of united action in that way.

41. *Mr. Macdonald.*] Is not the whole object of the association to fix the price of coal by agreement rather than by competition?—That is so.

42. Assuming that this association did not exist, is it not a fact that the retail price of coal to the public would be a good deal lower?—That is rather a difficult question to frame an answer to. It might be that some misguided individual might start out selling coal at a price at which he could not continue, and it would be a question of whether the others would follow suit or give him enough rope to hang himself, figuratively speaking.

43. What is the profit per ton on the retailer's price?—When I was in the trade the difference between the net buying-price and the selling-price was about 7s. 6d. per ton, but out of that 7s. 6d. the dealer had to screen his coal, cart it to his yards, and deliver. The cost of delivering in Dunedin is very high. That amount could be taken as the gross profit on all coals sold in Dunedin.

44. *Mr. Hall.*] If the price was raised would it seriously affect the demand?—I do not think it would. I suppose people would just have to pay up. There is very little wood used here.

45. Is gas used much for cooking?—In summer-time, but we do not notice that it affects our sales to any appreciable extent at other seasons. In a very hot summer the use of gas has affected our coal-sales.

46. How long has this arrangement existed amongst the coal-dealers?—I should think, for fifteen or sixteen years.

47. Prior to that it was open competition?—I could not speak as to that. I have been here about eighteen years, and it has been in existence all that time.

48. Can you tell us the cost per ton at the pit?—No, that does not come before the branch Managers. The General Manager will give that information. There is one point that should be mentioned, and that is the very high harbour dues we pay here as compared with other ports, and which has a bearing on the price of coal. The harbour dues at Dunedin are 3s. a ton, and the Wellington rate is only 1s. a ton. Lyttelton is 8d., Bluff 1s. 6d., Timaru 2s., Oamaru 2s., and Auckland, I think, is 1s. 3d. The Wellington conditions, I take it, are very similar to those of Dunedin. Then, with respect to the West Coast coals, they are charged on the Otago railways a differential rate. We have to pay a higher freight on bituminous coals mined in New Zealand than on brown coals. Clyde is 143 miles from Dunedin, and it would cost, on a minimum of 4 tons, 8s. 2d. a ton for native or brown coal, and for coal mined on the West Coast 10s. 5d. a ton, a difference of 2s. 3d. a ton, although the railway only renders the same service in both cases. The question of the value of the article does not come into consideration in the carrying of produce, and I do not understand why it should do so in the case of coal. The people in the country are really penalized for wanting a better class of coal.

49. Can you suggest a motive for this?—The railway people say it is done in the interest of local collieries: a lower grade of coal.

50. At Clyde?—They have small lignite-pits up there.

51. What is the principal coal used for household purposes in Dunedin?—Brown coal (Green Island and Kaitangata).

52. Does it not mean that if that difference was done away with it would have an affect on the people of Dunedin?—No, it would have no bearing that way, because the mines are so close to Dunedin. It presses very hardly on the people of Central Otago, who want a good coal for the winter.

53. *Mr. Robertson.*] When you were in business what was the price to you of standard coals at the pit-mouth?—I have to depend very largely on my memory for that. I think it would be more satisfactory perhaps if you got the information from some well-established coal-merchant who has the facts at his finger ends.

54. Take 7s. 6d. as the average gross profit per ton; what is the percentage of profit on high-priced coal and, say, on Green Island coal?—Strange to say, the merchant dealers in high-priced coal are on a worse footing than those dealing with the cheaper coals. They seem to have a fixed margin, which to my mind is very unfair. It is unfair to give the same margin on Westport coal costing nearly double that of Green Island. Double the capital is required to deal with the good coals as compared with dealing with the local coals.

WHOLESALE MERCHANTS.

At this stage (11 o'clock a.m.),—

Mr. W. C. MacGregor, barrister and solicitor, appeared before the Commission and said: I appear on behalf of *Mr. H. K. Wilkinson*, who has been summoned to appear before the Commission at 11 o'clock to-day. *Mr. Wilkinson* is one of the general merchants here who have been summoned to appear before this Commission and give evidence on certain questions. They have consulted me with the view of ascertaining whether they are bound to appear in answer to their subpoenas and give evidence. I have advised them that, to the best of my judgment, they are not so bound, and accordingly they do not propose to appear and give evidence. I do not make this statement out of any disrespect to the Commission or yourself, sir, but I simply state that these gentlemen advisedly, under my advice, do not propose to appear in response to the summons sent to them, and I think it right to the Commission that I should appear before you at the time the first witness was summoned to be present—that was, 11 o'clock to-day.

The Chairman: What are the names of the merchants for whom you appear, *Mr. MacGregor*?