

19. *The Chairman.*] Having the tram there adds to the rent?—To Musselburgh there is a two-penny fare. They could get a penny fare to Dunedin South, Ogg's Corner, but land-values in that district do not boom. Musselburgh and St. Kilda are more fashionable quarters, and there is a better class of house there. Ten years ago there were acres and acres of vacant land at those places, whereas now you can hardly find a vacant section.

20. It looks rather damp land to a visitor—St. Kilda?—I live there, and will not live anywhere else as long as I am in Dunedin.

21. *Mr. Veitch.*] There is one point that I would like to clear up with regard to the question of rent. I presume you agree that rents generally have risen in Dunedin?—They have risen, but not to a great extent. Rents have risen, but look at what people are getting for the rents—hot and cold water, drains to sewer, &c.

22. I wanted to know if you could give us a pretty accurate statement with regard to capital invested in property: is there a higher percentage got on capital now than there was ten years ago?—I do not think there is any difference. I do not think that a man who builds a house now can make any more money out of it than he could years ago. He might get about the same rate of interest.

23. You think rent has gone up in proportion to the capital value?—Yes.

24. *Mr. Macdonald.*] The cost of a house includes, first, the cost of the section, and, second, the building of the house?—Yes.

25. Could we get a comparative statement of, say, five or ten years ago of the cost of the land and the cost at the present time, and the same comparison with regard to the building, to see which has risen the most, the cost of material or the cost of the land: which do you think?—The cost of the land, if you go to certain suburbs. At Musselburgh and St. Kilda it is the land.* But take Caversham—values have not altered there; neither have they at Mornington or North-east Valley.

26. Have rents gone up in those places?—No.

27. Has the price of buildings gone up in those places?—No.

28. Because they have not been building?—That is so.

29. Supposing it costs £350 to build a modern five-roomed house?—About £400.

30. Suppose it costs £400 to build a modern five-roomed house at St. Kilda and also the same amount at Mornington?—Yes, a little more at Mornington, on account of carting the material up the hill.

31. The increased rent must be due not only to the rise in the value of the land but also to the rise in the prices of material?—Yes.

32. Which has gone up most—the land or material?—The land.

33. Could you give us any figures in support of that contention—say, before Friday next?—Yes, showing you where land-values have gone up.

34. What rate per cent. do you think house-property is returning?—Generally from 7 to 8 per cent.; 9 per cent. is considered a good return. There are plenty of people who think they are getting more, but they are really not.

35. That is, gross?—Yes.

36. Are you allowing for their being empty, and for depreciation and insurance?—There are plenty of people with a house worth £1,000, let for 25s. They think they are well let, but they are not well let.

37. You think the average would be a return of about 7 and 8 per cent. on the money, or outside up to 9 per cent.?—Yes, 9 per cent. is looked upon as a really good investment.

38. I suppose money is really worth in the market 5½ per cent.?—Yes.

39. *The Chairman.*] You would consider 9 per cent. on house-property a good return?—Yes, 9 per cent. is a very good return. The general run of property will show about 7 per cent. net.

40. *Mr. Veitch.*] Is it a fact that small houses show a better return in proportion?—Yes.

ROBERT WILLIAM WILSON, Grocer, examined on oath. (No. 9.)

1. *The Chairman.*] You are a grocer and tea-dealer, and you have a general knowledge of the grocery business?—Yes, I have been connected with the business for twenty years.

2. Have you any statement that you would like to make to this Commission bearing on the rise in the cost of living?—Yes, I think the framing of the tariffs has a lot to do with putting up the prices in the general-grocery line. I refer to the tariffs that the merchants frame to a large extent. They tie up lines of goods. We can only get these goods through that source. We are barred from buying in the open market.

3. *Mr. Veitch.*] You say tie up lines of goods. Do you mean monopolize them?—Yes, monopolize the lines. It is getting worse every year.

4. *Mr. Fairbairn.*] Can you mention any lines affected by this combination?—Yes, Colman's and Keen's goods, and other English lines.

5. In what sense are you at a disadvantage in regard to Colman's goods?—There is a way of getting them if you are on the list. But they will not put the retailers on the list; and we have to pay the merchants' tariff rates for those goods.

6. Do not some retailers get some Colman's goods direct?—There are a few on the list as wholesale merchants, and yet they are really retail grocers. They are selling in competition with us.

7. *Mr. Veitch.*] Can you not get on the list?—It seems that these people got on the list years ago, and they are still on the list; and the manufacturers will add no more to the list. I think the merchants bring pressure to bear on these people. Anyhow, I have tried to get on the list and get full advantage of the discount and prices, and I cannot manage it.

* Witness later supplied particulars of a property sold during this year for £800. Eight years previously the house cost to build £500, and the section cost £80. To build the same house in 1912 would cost £50 extra. The increase in cost of building equals 10 per cent.; the increase in value of section equals 212·5 per cent.