

instance, I have repeatedly seen Rangiora tradesmen's carts serving goods about Kaiapoi, and *vice versa*. Also, a number of milk-carts may be seen any morning following each other along the street, each serving an odd customer. It is this system of overlapping and covering unnecessary ground which raises the cost of living. These people who are filling an unnecessary place in the channel of distribution should have their work turned into the channel of production or manufacture. I do not blame them, but those who have allowed the laws to bring about an unproductive class in the community who are raising the cost of living to the many. The last census showed that for the first time the town population is larger than the rural population. This should not be so in a country which depends on the rural industries for its prosperity. "13. What steps should be taken with a view to reducing the cost of the necessities of life?" Consumers might form co-operative stores, which would deal direct with the producer or manufacturer, and thus eliminate the profits of merchants, retailers, and other middlemen. The best definition I can give of co-operation is—the equitable division of profits with worker, capitalist, and consumer concerned in the undertaking. The co-operative store is used as a means of distribution equivalent to the middleman and retailer. The profits of both these unnecessary links are done away with, and returned to the consumers in exact proportion to their expenditure. Thus the members of a co-operative society—and it need only cost 10s. to become a member—are purchasing from the manufacturers and primary producers at wholesale price. One co-operative store in a locality naturally regulates the prices at which other stores sell the same goods, and has the effect of preventing trade monopoly. To effectually use co-operative societies as a means of regulating the cost of living, it is necessary for the members of the society to limit the interest on capital invested to, say, 6 per cent., also the amount of capital invested by each member. Co-operative stores may crush out middlemen, but if it eliminates waste by bringing producer and consumer together, there is plenty of room in this country for the middleman to become a producer and help to create an oversupply of food and clothing. There can be no moral objection to men forming an organization for the purpose of reducing the cost of living through the channel of co-operation. Encouragement and opportunity should be given to married workers to make homes in the rural districts. The more people can be guided into the channel of production the cheaper will be the cost of living, because they will increase the supply of food and clothing. All men cannot at once become settlers or employers: some must go to the rural districts as workers. Few settlers can afford to do more than build a home for themselves. If assistance were given to workers to build homes on the rural lands, they would assist in the great work of producing food and clothing. I believe that many freehold farmers would willingly give sufficient land on which to build a workers' home, and enable him to keep a cow and grow his household products.

5. *The Chairman.*] What is your explanation of your statement that the building of workers' homes has increased the cost of living?—Because it has increased the number of distributors of food and clothing, instead of sending those people to live on the producing-area where they would be producers instead of distributors.

6. Do you consider that a person working in a clothing-factory is a distributor?—If he is engaged in manufacturing he is not, but under certain circumstances he may be simply an extra link in the chain of distribution.

7. Would you say that a tailor was a distributor or a producer?—He is a manufacturer to some extent.

8. *Mr. Macdonald.*] I would like you to amplify your argument that the fact that the unimproved value of land has risen must of necessity send up the price of commodities in the distributing-area?—Yes, because if you have to pay more for your ground-rent you must charge the consumer more to cover the amount of rent.

9. But in the distributing-area the rent is not all the same, and there is an open market?—Yes.

10. I do not think that a man in business in High Street could charge any more for a suit of clothes than a man in Sydenham, where the rent is necessarily lower?—It costs him more to produce the suit of clothes, because he is paying a larger rent, but he can compensate himself with a larger trade.

11. *The Chairman.*] When you were speaking of urban and rural land you made no distinction as to suburban land. In which division did you include suburban land?—The values I have given are for the Central Ward in the City of Christchurch.

12. Not for the suburbs?—No.

13. Is it not within your knowledge that suburban land in Christchurch has risen very much in value?—Most certainly. It has risen in the site-value. Where rural land and urban land will touch is where the site-value and producing-value join.

14. Has the unimproved value of land in Christchurch risen within the last two years, and at the same time caused the land in the suburbs to rise also because it has been cut up to meet the demand for houses and residential sites?—The greater the population in a city the greater will be the value of the land, for the land will be required for building purposes.

15. In your statement with regard to rent, do you mean that the cost of living has increased because a man has not only to pay rent for his own house, but has also to pay rent, so to speak, upon the goods which he purchases?—Yes.

16. In fact, he pays rent on every pound of chops and on every pound of bananas that he buys?—That is the position.

17. *Mr. Hall.*] I take it that you urge that the increased cost of distribution in the towns is passed on to both town and country consumers?—Yes.