

two or three merchants come together—as a rule, when there is a rise in prices at Home it affects many lines here.

25. Occasionally two or three merchants meet at the suggestion of one?—Yes. If two or three merchants take a lead in increasing prices to correspond with prices at Home the rest of them fall in with it.

26. You would not find any difficulty in getting the others to follow?—The competition is very keen.

27. On these occasions when a few merchants meet at the suggestion of one, what business is transacted at such meetings?—It is simply, as I said, for instance, if there has been a rise in bar iron at Home—a rise of, say, 10s. per ton—it will be necessary for us to raise the price accordingly; and it would be generally understood by the trade that the price would be raised here.

28. Would not the different merchants know of the increase in bar iron separately?—You must take some action in the thing to start it.

29. The merchants meet at the suggestion of one to discuss the position?—They do not necessarily meet. More often than not the communications are made by telephone.

30. *The Chairman.*] Do the merchants meet in this way when bar iron falls 10s.?—We have to regulate our prices according to the Home market.

31. So that they would be as much interested in letting the public have the benefit of a fall of 10s. as in making an advance of 10s.?—They have to be interested, whether they want or not.

32. *Mr. Fairbairn.*] Do you know of the existence of a combination amongst the galvanized-iron hollow-ware makers in New Zealand?—No, I do not know that there is. There may be. I know that the local prices are the same. It does not make any difference which one we buy from; we pay the same price.

33. Do you know that some nine months ago they increased the rates and altered the discounts?—Yes, the prices were raised some time ago.

34. What was the effect of that alteration in prices so far as the consumer was concerned? Take, for instance, the 11 in. buckets: to what extent were they increased in price to the public?—It was not a general increase all round. Some articles were increased more than others. I think probably the increase was about 25 per cent.; but previous to that I think hollow-ware makers were doing very little good at the business.

35. The hollow-ware merchants did not make it—that must be within your knowledge?—Well, I do not know who else could make it.

36. If they shortened discounts from a third to 20 per cent. and increased their rates, it must be obvious that the middlemen got it. At all events, you have no knowledge of such a combination?—I have no knowledge of any combination.

37. But you do know that the prices of hollow-ware have advanced 25 per cent.?—Yes.

38. *The Chairman.*] Is there anything within your knowledge upon which the duty has been taken off an article and where the consumer has not had the benefit of that reduction of duty?—No, I do not think so.

39. Do you sell gunpowder?—To a small extent. There is practically no sale for gunpowder, owing to the cheap price at which ammunition is sold. I think that practically the only importer of gunpowder at the present time is the Colonial Ammunition Company. Formerly cartridges were very much dearer than they are at present, and it paid shooters to reload their own shells.

40. Was not the duty of 6d. on gunpowder taken off by the Government?—Yes.

41. Was that duty retained by the wholesale merchants?—The sale of gunpowder at the present time is practically nil. What powder we have in stock we would be glad to quit at very much less than cost price.

42. *Dr. Hight.*] These meetings of merchants—in so far as they can be called meetings—consist of one or two or three at the most, and not all those engaged in the business; they are not general meetings?—That is so.

ROBERT ALLAN, Managing Director for Skelton, Frostick, and Co., Boot-manufacturers, examined on oath. (No. 50.)

1. *The Chairman.*] You are one of the managing directors of the firm of Skelton, Frostick, and Co.?—Yes, Mr. Frostick is the technical man, and I am the office and financial man; but I know sufficient to give the Commission any information which I think they may require.

2. You have been in Christchurch for some considerable time?—Yes, twenty-five years.

3. There has been during the last twenty years a considerable advance in the price of boots?—Yes. Will you allow me to put the position in my own way? There has been an increase in wages, going back, say, for a period of fifteen years—an increase probably of 25 or 30 per cent. in wages, and in the case of the girls' stitching department probably of 30 per cent. or 40 per cent. But in the interval the whole incidence of manufacturing boots and shoes has been changed. Whereas fifteen or eighteen years ago the work was chiefly done by hand, it is now entirely done by machinery of the most modern and up-to-date type. I think the machinery in operation in New Zealand is now equal to anything in the world. It is not concentrated as it would be in larger centres, and it is spread pretty well all over New Zealand. This increase and the change in the incidence of manufacturing has, I think, equalized the advance in wages. That is a statement that I will stand by. The actual cost of boots per pair is no greater than it was before the wages were raised, so the public as a matter of fact are not paying to-day anything for the increase in wages. But, for all that, there is a very heavy increase in the price of boots, but that increase is not entirely due to the increase in wages, but is entirely due to the enormous increase in the cost of materials. Fifteen or eighteen years ago we paid 9d. for sole-leather; to-day we pay 1s. 2d. to 1s. 3d. per pound. Really, I think it is nearer 1s. 3d. on the average