

20. But do you not take that into account in fixing the price for the retailer?—We cannot; we never get cash within a reasonable time.

21. *Mr. Veitch.*] As to that tobacco that costs 1s. a pound: at what price would it be retailed at in the shop?—I am not conversant with the retail business, but I think it would be sold at the rate of 1s. 2d. wholesale in bond—that is, roughly, 15 per cent. on the cost of tobacco. We take no notice of the duty.

22. Then you sell it without taking the duty into consideration when you pass it on to the retailer?—Yes.

23. *Mr. Hall.*] Has there been any tobacco of fair quality grown in this country?—Not that I know of.

24. Do you think that the soil and climate in some parts is suitable for growing it?—I could not say—I know nothing about the growing of tobacco.

DAVID REDPATH, Coal-merchant, examined on oath. (No. 52.)

1. *The Chairman.*] How many years have you been acquainted with the coal trade in Christchurch?—Practically all my life. I am now in business here.

2. Could you give us any information as to the prices of coal, say, ten years ago and now?—Yes. The evidence I give of my own knowledge is confined to Newcastle coal: that is the principal household fuel in Christchurch. The price in 1900 delivered to householders was 34s. per ton for Newcastle. That price obtained until about 1908, when it was advanced 1s. on account of the increased price f.o.b. Newcastle—that made it 35s. In May, 1912, the price advanced 2s. per ton delivered; the f.o.b. price Newcastle was the same, but the transport charges were higher all round.

3. Then the advent of the State coal depots made no difference to you?—Absolutely none as far as price is concerned.

4. *Mr. Fairbairn.*] What is the present price of Westport coal?—The same as Newcastle—37s. retail per ton. I cannot give such reliable evidence in regard to Westport as to Newcastle coal. The price in 1900 for Westport, I believe, was 39s.; now it is 37s. per ton. It has fallen in price. When the Westport Coal Company bought out our retail business some two or three years ago the price was reduced to 34s.; that has been raised again to 37s.

5. *The Chairman.*] Do you know of any machinery by which the prices of coal are regulated?—There is a Coal-merchants' Association, but there is nothing binding on the merchants at all.

6. There is an understanding between them?—There may be; I believe there is an understanding. I do not attend the meetings myself. There is a secretary, and I understand the association is registered.

7. They have minutes of proceedings?—That I would not be certain of. I have not been to any of the meetings. Our firm belong to the association, but I have never attended a meeting. I believe minutes of meetings are kept. This association does not rule the prices; it is really for the protection of the trade throughout. A number of things that crop up are discussed, and it really protects the merchants themselves from bad debts and such things. That is really the aim of the association. I think the coal-merchant is a prey to bad debts more than any one. There is a great number of people who go round and play upon the merchants, and this association has helped in that matter.

8. You do not consider that this regulation of prices has perhaps had the effect of keeping up prices when they would have fallen?—Most decidedly not. I think if I could give you an idea of the profits of the retail merchants you would be astonished that they could continue in business, and it is only their hard work which keeps them there.

9. *Mr. Veitch.*] Is there a framed set of rules for the Coal-merchants' Association?—No, not that I am aware of; I do not think so.

10. Is it associated with or federated with any other association outside Christchurch?—No; it is just purely a local concern.

11. Do you know how it is registered—under what Act?—I could not say; it is registered, I believe. Mr. T. W. Reese is secretary, and he could give you the information, no doubt.

12. It does not fix prices in any way whatever?—They are not binding in any way; any one may break the prices; there is no penalty. A man may sell for what price he chooses, but if he did sell under the present prices he could not exist.

13. The penalty would be bankruptcy?—Yes, it would.

14. Then what purpose does the association serve besides giving protection as to bad debts?—I do not know that it has any further objects than that particular aim; that is what it is there for.

15. You have just said that a member may break through the prices without punishment: that indicates that prices are arranged?—The prices are arranged from time to time.

16. But there is no punishment inflicted for breaking them?—Absolutely none; a man may break any of them.

17. Are any merchants not in that association?—10 per cent. to 15 per cent. are not in the association.

18. Assuming they joined, would the association then be able to punish price-breakers?—No.

19. Is there any arrangement between the mine-owners and the merchants?—No.

20. Is there any difficulty in purchasing coal for any merchant outside the association?—None.

21. Can outside merchants buy just as freely?—Absolutely freely; there is no prohibition of any one.

22. *Mr. Hall.*] Can the retailers buy direct from the pits without the purchase being made through the wholesale merchants?—As regards the Newcastle coals, nearly all the pits are represented by agents. We are the agents in Christchurch, for instance. We take the risk of bringing down that coal, arrange tonnage, and so forth, and sell to the retailers by the truck ex ship.