

mines, but the legal claims and expenses in connection with the accident do not figure in that year's balance-sheet. The direct monetary loss to the company amounted to £24,875 13s. 3d. This sum was met the following year as under:—

Accident Insurance Fund transferred	...	...	...	£	s.	d.
Reserve Fund transferred	...	...	...	4,811	17	5
Profit and Loss Account	...	...	...	12,500	0	0
				7,563	15	10
				£24,875 13 3		

For the year ending 31st March, 1916, the company's operations resulted in a loss of £6,763 1s. 4d. There were accumulated profits brought forward from the previous year of £3,499 16s. 10d. The company consequently commenced the current year with a debit balance of £3,263 4s. 6d.

The marketable output last year amounted to 201,820 tons, comprising—Household coal, 60,466 tons; steam and kitchen coal, 78,444 tons; slack, 61,981 tons; fireclay, 929 tons. Assuming the output for the current year to be as good as last year, the company on the increased prices will get an additional revenue of 2s. 6d. on 60,466 tons and 2s. on 78,444 tons, less discounts allowed—say, 10 per cent. = £13,863. The recent rise in wages, amounting to 10 per cent., will absorb £7,262 of this amount, and after allowing for the debit balance brought forward there will remain £3,338 to meet the enhanced prices of materials and supplies, increased railway freights on those supplies, and extra taxation. Unfortunately, owing to the serious shortage of labour directly attributable to the demands made on the manhood of the country to maintain the reinforcements at their full strength, the company cannot hope to reach last year's output, and it will only be by careful management that they will avoid further loss.

7. We have dealt with the position of the Taupiri Coal-mines (Limited) because this company commands from 60 to 70 per cent. of the trade, and because the Pukemiro Collieries (Limited) has not been producing coal for a complete year, and in consequence the figures supplied us by the latter company are merely estimates. As far as can be ascertained from this company's books, it is evident that had the price of coal not been advanced the company would not be in a position to declare a dividend at the end of its first year of actual coal-production. It has been in existence six years, and has spent £50,000 during that period in developing its property, and the shareholders naturally expect some return on their investment after this lapse of time.

8. Before passing to a consideration of retail prices we wish to draw attention to the fact that the Taupiri Coal-mines (Limited) are prepared to supply coal to any member of the public in truck lots at the same rates as it supplies truck lots to any coal dealer or merchant.

9. *Prices to Dealers.*—The following show the net prices charged by the merchants to coal-dealers, both before and after the rise:—

	1st August, 1914.	22nd May, 1916.	Increase.
	s. d.	s. d.	s. d.
House coal	27 6	30 9	3 3
Steam coal	24 0	26 9	2 9

10. *Retail Prices.*—The retail coal trade in Auckland is in the hands of the Coal-dealers' Association, which comprises approximately 170 dealers. Any *bona fide* seller of coal may become a member of the association on the payment of 5s. per annum, even although coal-selling is not his exclusive business. Before prices are increased the association meets and fixes the price at which dealers shall sell to the public, and, although no tangible compulsion is applied to force members to sell at the price so fixed, they are "in honour bound," as one witness expressed it, "to sell at the arranged price"; but any consumer (or combination of consumers) who has storage capacity sufficient to hold a truck of coal—viz., 7 tons, approximately—can buy in truck lots from the Taupiri Coal-mines (Limited) on the same terms as the coal-dealers.

11. The following table shows the cash retail prices (delivered) of the grades dealt with before and after the rise:—

	1st August, 1914.	22nd May, 1916.	Increase.
	Per Ton.	Per Ton.	Per Ton.
House coal—	s. d.	s. d.	s. d.
Ton lots	33 6	37 6	4 0
Half-ton lots	17 3 34 6	19 3 38 6	4 0
Quarter-ton lots	9 0 36 0	10 0 40 0	4 0
Sack lots	3 4 40 0	3 9 45 0	5 0
Steam coal—			
Ton lots	30 6	34 0	3 6
Half-ton lots	15 9 31 6	17 6 35 0	3 6
Quarter-ton lots	8 6 34 0	9 6 38 0	4 0
Sack lots	3 0 36 0	3 6 42 0	6 0
Kitchen coal—	August, 1914.	26th May, 1916.	
Ton lots	(Not on market)	34 0	...
Half-ton lots	..	17 6 35 0	...
Quarter-ton lots	..	9 6 38 0	...
Sack lots	..	3 6 42 0	...

12. The coal-merchants sell to the coal-dealers at 30s. 9d. per ton, and both merchants and dealers sell to the public for cash at the prices stated above.

13. "Are the retail prices reasonable?" A comparison of the above tables shows that, while the company's price increased 2s. 3d. and 1s. 10½d. per ton for house coal and steam coal respectively, the coal merchants and dealers increased the retail prices by 4s. and 3s. 6d. respectively for ton and half-ton lots, and larger increases for quarter-ton and sack lots. The consumer who buys in sack lots—presumably the poorer classes of the community—is hit hardest by the increase, as in the case of house coal he pays at a rate equivalent to an increase of 5s. per ton, and in the case of steam coal at a rate equivalent to an increase of 6s. per ton. It is customary