

throughout New Zealand for the consumer in small quantities to pay at a higher rate, but in Auckland the difference is more marked than in Wellington. The State Mines Department charges the consumer of half-ton lots 1s. extra, of quarter-ton lots 2s. extra, and of sack lots 3s. 8d. extra.

14. Turning now to the question as to whether the coal-merchants were justified in increasing their prices 4s. and 3s. 6d. per ton consequent on a rise by the colliery-proprietors of 2s. 3d. and 1s. 10½d. per ton respectively, we find as follows:—

- (a.) A rise of at least 8d. per ton would have taken place in any event, being 10 per cent. additional railway freight. This charge was borne by the merchants from October to May pending the decision of the company as to whether the wholesale price was to be increased.
- (b.) An all-round increase of wages (and increased cost of sacks) estimated as equivalent to 8d. per ton took place in April of this year.
- (c.) An increased shunting-charge equivalent to 2d. per ton was recently imposed.
- These charges, amounting to 1s. 6d. per ton, are legitimately passed on to the consumer. The increase is therefore made up as follows:—

	Household.		Steam.	
	s.	d.	s.	d.
Rise at mines	2	3	1	10½
Additional freight	0	8	0	8
Increase in cost of sacks and wages	0	8	0	8
Increased shunting-charge	0	2	0	2
Unexplained	0	3	0	1½
	4	0	3	6

15. As stated above, the merchants supply the dealers at 30s. 9d. per ton for house coal, and the dealers sell for cash at the rate of 37s. 6d. for ton lots, 38s. 6d. for half-ton lots, 40s. for quarter-ton lots, and 45s. for sack lots. The sack-lot price seems to be proportionately too high.

16. *Kitchen Coal.*—The object of the colliery-proprietors in placing this grade on the market was to ease the burden of the increased price on the poorer consumer. The best wholesale price is 12s. 7d.—2s. 3d. cheaper than the wholesale price of house coal before the rise. The retail price in ton lots is actually 6d. per ton higher than house coal before the rise. This price defeats the object for which the grade was instituted; and after making every allowance for increased freights and wages, cost of sacks, &c., we are of opinion that the retail price should not exceed the following:—

In ton lots	33s. per ton.
Half-ton lots	17s. = 34s. „
Quarter-ton lots	9s. = 36s. „
In sack lots	3s. 2d. = 38s. „

We have not dealt with the Waipa coal prices, as the head office of the company is in Wellington, and the necessary detailed information is not available in Auckland. The retail prices, however, are the same as the retail prices dealt with above. The other coals that compete in this market from the northern mines and from the West Coast mines of the South Island and Newcastle do not seriously enter into competition with the coals specified for household trade.

As showing the evolution in the price of coal after it leaves the colliery we append the following table, based on the purchaser in each instance buying at best rates:—

House coal in trucks at Huntly, 17s. 1½d. per ton.
House coal supplied to dealers, £1 10s. 9d. per ton.
House coal supplied to consumer, from £1 17s. 6d. to £2 5s. per ton according to quantity bought.

The difference between the first two prices is accounted for as follows:—

	s.	d.
Railage	6	6
10 per cent. additional	0	8
Siding charges, including increased shunting-charge	0	6
Yard charges	2	10¾
Loss on bags	1	3
Depreciation	0	3
Overhead charges	0	7
Bad debts	0	3
	12	10¾
Merchant's profit	0	9
	13	7¾

The difference between the second two prices represents the cost of delivery and the dealer's profit. A sane method of distribution would greatly reduce the ultimate cost to the consumer, and it is to improved methods of distribution in Auckland that we must look for relief, as far as coal is concerned, from the burden of rising prices.

We have, &c.,
W. G. McDONALD
P. HALLY.
J. R. HART.

J. W. Collins, Secretary.

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