

15s. 4d. per ton. This does not include the cost of railway haulage from the mine to port of shipment in the case of those mines (on the West Coast and in North Auckland) which reckon this cost in when fixing their selling-prices.

Of this cost about 7s. 1d., or 46 per cent., was paid directly to manual labour employed in and about the mines.

The cost of producing bituminous coal was about 17s. per ton, the labour cost being nearly 7s. 3d., or about 42 per cent. of the total; of semi-bituminous, 14s. 5d., including a labour-cost of 8s. 2d., or nearly 57 per cent.; of brown coal, 13s. 1d., the labour-charge being 8s., or nearly 60 per cent. of the total cost.

(ii.) The cost of distribution of coal at the time of the inquiry (September to January, 1918-19) is estimated for the chief centres in Chapter III, pages 38, 44, 48, 52, and 54 (see in particular Tables 35, 36, 38, 42, 43, 46, 47, 48, 54-56, 58, 63, 65, and 70, and their immediate context).

The freight-charges vary according to the distances. The costs per ton of retailing the standard household coals were as set forth in Table 88.

Table 88.—*Distributing-costs of Standard House Coals, 1918.*

Centre.	Railage or Freight.	Wholesalers' Gross Profit		Retailers' Gross Profit.	
		s.	d.	s.	d.
Auckland	7 11	6	9	7	9
Wellington	9 7	2	5	15	0
Christchurch (i) ..	15 0	4	6	12	6
„ (ii)	13 6	3	0	11	0
„ (iii)	5 9	5	3	9	0
Dunedin	6 7	..	..	9	0
Invercargill	6 0	..	..	9	6

The gross profits are analysed in the text into their constituent parts—bagging and loading, delivery into yard, yard expenses, delivery to consumer, overhead and other expenses, net profits.

REFERENCE NO. 2. ANY INCREASE IN THE COST OF SUCH PRODUCTION AND DISTRIBUTION SINCE THE COMMENCEMENT OF THE PRESENT WAR, AND THE CAUSES OF SUCH INCREASES.

(i.) *Increase in the Cost of Production of Coal, 1913-14 to 1917-18.*

The average mining-cost per ton increased at every one of the principal mines except at one, where abnormal and increasingly favourable working-conditions ruled. The total cost of production per ton of coal mined at all the mines, giving returns for every year of the period 1913-18 inclusive, increased about 41 per cent., or 4s. 10d. per ton.

Taking into account the cost at all the mines, whether giving returns for all the earlier years of the period or not, the increase in the cost of production was about 31 per cent., or 3s. 7d., a ton. This latter figure underestimates the actual rise in the cost of production of all coal produced over the period.

The cost of mining bituminous coal at all mines giving data for every year increased about 43 per cent., or by 5s. 5d. a ton; at all the mines from which exact particulars were obtained, by 40 per cent., or 4s. 9d.

The corresponding increases in the mining-costs of semi-bituminous coals were 13 per cent. or 1s. 6d. a ton, and 31 per cent. or 3s. 5d. a ton. The mine showing a decrease in the cost during the period was one producing semi-bituminous coal.

The corresponding increases for brown-coal production were 70 per cent., or 8s. 4d. a ton, and 25 per cent. or 2s. 7d. a ton. Certain new brown-coal mines came into operation after the beginning of the period under review.

The analysis of cost of production is shown in Chapter II, pages 24-31 (see Tables 15 to 24 and context).

The increases in the cost of production have been made up of increases in every separate item of cost, and have been caused by rises in the prices of materials and the labour necessary, increased taxation, and diminished output due to a reduction in the number of mine workers, the smaller output increasing the share of standing charges for each ton raised. In the case of a few mines industrial disputes and a slight falling-off in the output per miner have tended to increase cost.

The cost of production per ton due to the wages of manual labour in and about the mines increased at those mines giving returns for every year of the period by 31 per cent., or 1s. 10d. a ton—that is, by an amount equal to 38 per cent. of the increase in the total cost of production. If account be taken of the labour-cost per ton of all coal concerning which exact particulars were given, whether produced at mines giving returns over the whole period or not, the increase in the labour-cost is 20 per cent., or 1s. 2d. a ton, an amount equal to 33 per cent. of the increase in the total cost of production. The increase in the labour-cost of production of all coal mined in New Zealand during 1913-18 may be estimated at a little more than a third of the increase in the total cost of production at the mines.

The changes in the cost of stores and materials per ton of coal raised ranged from a decrease of about 2d. at one mine to an increase of 1s. 8d. at another. The corresponding range for maintenance and renewals was 11d. decrease to 1s. 9½d. increase: for rates and taxes, 2d. decrease (State mine)