The main conclusion in regard to this section of the inquiry is that there has been, during the war period, a considerable increase in the cost of carriage of coal by land and sea, but greater in the latter case. Whilst the railway freight has increased on all routes by 21 per cent., marine freight has risen by amounts bearing different ratios to the original charge when we compare the various routes. These amounts, with the percentage rises in regard to the West Coast and Australian coal traffic of the four chief centres, are set out in the following table. Wherever steamers other than those of the Union Steamship Company were used the freights were higher.

TABLE 36.—ORDINARY SHIPPING FREIGHT PER TON OF COAL.

From	To	1914.	1918.	Increase.
		s. d.	s. d.	Per Cent.
Westport and Greymouth	Wellington	5 7	9 7	72
"	Lyttelton	6 6	10 6	61
"	Dunedin	7 6	11 6	54
Newcastle	Auckland	10 3	16 3	59
"	Wellington and Lyttelton	10 6	16 6	57
"	Dunedin	12 6	18 6	48

The percentage increase in the total transport charges is, of course, less than those in marine freight. In the case of the trade from Newcastle Wharf to Christchurch Railway-station the increase is 44 per cent., and of the carriage between the Denniston Mine, near Westport, and Christchurch Railway-station it is 42 per cent.

2. DISTRIBUTION-COSTS FROM DEALER TO CONSUMER.

(i.) DEFINITION AND CLASSIFICATION OF SUCH COSTS.

The cost of distribution, other than freight and railage from mine to dealer's yard, consists generally of siding and yard rents, wages of hands employed in unloading, weighing, screening, and bagging at sidings or yards, cartage to yard or consumer or both, depreciation on plant, office expenses (clerical, telephone, insurance, rates and taxes, rent of office, &c.), salary of manager (whether owner or not). These costs have been estimated per ton, and in some cases the amounts set down may be accepted as accurate, it having been possible to work them out from the actual records; but in many cases they are estimates formed on the owner's intimate knowledge of his business, which generally comprises more than coal-dealing, the labour and plant used in the coal trade being also constantly used in other lines which bear part of their costs.

The difference in the estimates given in evidence at the same centre is largely explained by the difference in the circumstances of individual businesses. In particular, the cost per ton varies with the amount of trade done, since the standing charges per ton are much less in a large business than in a small one; they vary, too, with the length of the average run for delivery to the consumer. In some estimates also there is no allowance for depreciation or expenses of management, and where the dealer owns his buildings the rent charge, though legitimate, may be omitted. The efficiency and economy of operating a business vary, of course, also with the personality of the manager or owner.

In selecting estimates for the purpose of arriving at our conclusions we have endeavoured to choose those of firms that may be regarded as truly representative of the general conditions of the industry as it is carried on at present.

(ii.) DISTRIBUTION AT AUCKLAND.

(*a.*) *General Features.*—Auckland draws its supplies of coal from the North Auckland, Waikato, West Coast, and Newcastle mines. Since the coal from North Auckland is used mainly for steam purposes, that from the West Coast for steam and gas, and the main portion of the diminishing Newcastle supply is for railway and industrial uses, the household demand is provided for almost exclusively by the Waikato lignite-mines at Huntly, Rotowaro, Pukemiro, and Waipa, at distances ranging from sixty-five to eighty miles from Auckland Railway-station.

The Waikato lignite is the main class of coal handled by the members of the Auckland Coal-dealers' Association and other local coal-dealers. The coal is sold by the mine to the dealers, wholesale or retail, f.o.r. and loose in the trucks at the railage-point, railage being generally paid by the dealers. The mines sell—without prejudice to their regular customers—to any one requiring at least a truck of coal, whether he be a member of a coal-dealers' association or not. The greater part of the coal is sold to a comparatively small number of merchants, who do both wholesale and retail business, supplying both dealers and consumers directly, though there are dealers who buy straight from the mine without any intermediate merchant. The merchants and many of the dealers have sidings and sheds at which the coal is weighed and bagged from the truck, after the removal of the dross (twelve bags to the ton), stacked on platforms, and delivered into carts as required to fulfil orders. The majority of the dealers are in a small way of business, many of them being storekeepers, greengrocers, express-men, &c. They take the coal from the merchants' sheds at the time most convenient to themselves—sometimes to their premises, sometimes direct to their customers.