There is in Auckland no merchant or dealer trading exclusively in coal (with one exception to be specially noticed later on), the coal-trading being regarded as an adjunct to other lines of the whole business. The number of dealers has decreased considerably during the last six years. Dealers compete with one another for the trade of a particular area, there being no block system, and a dealer's cart may travel long distances to fulfil comparatively small orders. The average suburban delivery may be put at one mile and a half. The dealer, of course, arranges his calls in such a way as to economize his time. A man, horse, and cart doing nothing else will deliver from 3 to 4 tons a day in ½-ton lots. It was admitted that labour engaged on this work does less now in a given time than in the past. Coal is carried in bags to the consumers' bins—these often most inconveniently placed—and it is a frequent practice for the bags to remain with the consumer to be collected at the delivery of the next order, which, of course, adds considerably to the expenditure on sacks. The commonest order is for ¼-ton lot. Liberal discount, both for cash and for payment at the end of the month, is allowed purchasers both by merchants and by dealers, but less than a quarter of the consumers avail themselves of the opportunity to get the full concession.

Of the screened coals from the mine the householder has a choice of two sorts—namely, house coal and kitchen coal (or steam coal). The former is the larger in size, being the result of a larger screening-net. During the war period the proportion of kitchen coal in household use has increased considerably. It costs less to produce and distribute the kitchen coal, which is probably more economical to the average householder.

No State coal is placed on the Auckland market.

(*b.*) *Prices.*—Table 37 shows *the changes in the price of household coal at Auckland* during the war period as sold by the Auckland Coal-dealers' Association.

TABLE 37.—SHOWING THE CHANGES IN THE NET RETAIL PRICE OF HOUSEHOLD COALS AT AUCKLAND, 1914–18.

—	1914 to June, 1916.	June, 1916, to July, 1917.	July, 1917, to December, 1917.	December, 1917, to September, 1918.	From October, 1918.
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
House	1 13 6	1 17 6	2 1 6	2 2 3 26 per cent. increase	2 7 6 41·8 per cent. increase.
Kitchen or steam	1 10 6	1 14 9	1 18 0	1 18 9 27 per cent. increase	2 3 6 42·6 per cent. increase.
Reasons for rise..	..	Rise at mine of 2s. 6d. on house and 2s. on kitchen coal, 10 per cent. rail freight; rise of 4s. a week carters' wages, 20 per cent. shed wages	Rise 3s. per ton at mine; increased cost of distribution	Rise 10 per cent. railage	Rise 2s. a ton on house, 1s. 6d. kitchen; 10 per cent. rise shed wages; 6s. a week rise carters' wages, carried since November, 1916; and other increased costs of distribution.

The rise in the retail price of house coal amounted to 8s. 9d. per ton up to September, 1918. Of this rise, increased price at the mine accounted for 5s. 6d., or 63 per cent. of the total increase; increased railage for 1s. 5d., or 16 per cent.; rise in other costs—special to the retail distributor—1s. 10d., or 21 per cent.

For the same period the rise in kitchen coal was 8s. 3d., accounted for by 5s. in mining-cost, or 61 per cent.; 1s. 5d. railage, 17 per cent.; 1s. 10d. in other costs, 22 per cent.

From the 1st October of this year the price of house coal has risen 14s. per ton over the pre-war price; 7s. 6d., or 54 per cent., of this rise is due to increased price at the mine; increased railage accounts for 1s. 5d., or 10 per cent. of the total; other costs 5s. 1d., or 36 per cent. of the total.

Kitchen coal has risen by 13s., of which 6s. 6d., or 50 per cent., is due to the increased price at the mine; 1s. 5d., or 11 per cent., to the increased railage; and 5s. 1d., or 39 per cent., to increases in other costs of distribution.

(*c.*) *Demand and Costs.*—A rise in the price of a commodity may be accounted for by conditions affecting the supply or demand, or both supply and demand. The general conditions affecting the supply and demand of coal have been referred to in Chapter I, section 7 (vi). In the particular case of Auckland coals *there has been a shortage over the war period,* and a shortage in the two senses of that term—on the one hand a contraction of coal-supplies, causing them to fall below the normal level; and on the other hand, at certain seasons, an increase in the demand above the normal level. A mere fall in the output of a coal-mine or in the turnover of a coal-dealer will of itself cause the average cost per ton of producing or dealing in coal to rise, because the fixed charges of the colliery, of the coal-yards, and delivery, &c., are divided up over a smaller tonnage. The price-raising effect of such a fall, which in the case of New Zealand during the last few years has been considerable (see Chapter I, p. 23), has been aggravated by (1) considerable rises in the prices of materials and labour used in production and dealing, and (2) the unusual eagerness of consumers, beset with the fear of a coal-famine, to obtain supplies of coal often in advance of their needs. In connection with the last-mentioned factor it is to be noted that the undoubted increase in the demand of coal for all industrial purposes (including naval and mercantile marine) has reacted unfavourably on the supply of household coal.

Analysis of the costs of dealing in coal, however, suggests that the dealers have not increased the price of house coal beyond the level sufficient to reimburse them for the increased costs of their