

increased since 1914 approximately as follows: Merino, 10½d. to 20½d. per pound = 95 per cent.; half-bred, 10¾d. to 20¼d. per pound = 88 per cent.; crossbred, 7¾d. to 13¾d. per pound = 88 per cent.

It is well known that local mills are able to buy wool at valuations made under the Imperial Government requisition (plus ½d. per pound to cover valuation and brokers' charges), and that such valuations were to be arrived at on a basis of a 55-per-cent. advance on 1913-14 prices. These basic prices (1913-14) were agreed upon as follows:—

Description of Wool.	Ranges of Values per Pound, according to Quality.			
	d.	to	d.	
Superior merino combings	12	to	14½	
Medium to good merino	9¾	„	11½	
Inferior merino	8½	„	9½	
Superior half-bred	12	„	14	
Medium to good half-bred	9¾	„	12	
Inferior half-bred	9	„	10	
Superior crossbred	10½	„	12	
Medium to good crossbred	9	„	11	
Inferior crossbred	7¾	„	9	
Lincoln and Leicester	8¾	„	10½	
Lambs', good	11	„	13	
Lambs', medium	9	„	10¾	

In view of these facts it might be thought that an error has been made in stating that wool-prices have advanced during the war period by more than the above-mentioned 55 per cent. Figures supplied by the Department of Imperial Government Supplies indicate, however, that prices have in fact been increasing each year, and that prices for the 1918-19 season were considerably more than 55 per cent. higher than pre-war values.

The *average* values for the basic season 1913-14 are, of course, not known by the Department, but the average prices *paid by local woollen-mills* for the 1916-17, 1917-18, and 1918-19 seasons for wool (other than freezing companies' *slipe* wool) were: 1916-17, 13·88d.; 1917-18, 15·67d.; 1918-19, 16·38d.

Presuming that the average price in 1916-17 was, as agreed upon, 55 per cent. above the average for 1913-14, the average price as paid by local manufacturers was, for the 1918-19 season, 83 per cent. above the figure for 1913-14. Further than this, as already mentioned, during the war period the local mills have been required to pay, in order to cover brokers' and valuation charges, ½d. per pound on all wool bought. This charge was previously borne by the vendor.

It may be contended that the higher average prices paid by the woollen-mills in recent years have been the result of their selection of better-class wools. While this is no doubt to some extent correct, the fact remains that to produce the class of woollen goods now being manufactured the mills must pay increased prices.

Generally, however, it can be shown that even quality for quality the price of New Zealand wool has advanced in recent years beyond the nominal values determined under the requisition agreement made in 1916 between the Imperial Government and the producers of this raw material.

The Department of Imperial Government Supplies has calculated the average prices for *all* greasy wool produced and valued in New Zealand for the seasons 1916-17, 1917-18, and 1918-19. These average prices are as follows: 1916-17 season, 14·74d. per pound; 1917-18 season, 14·95d. per pound; 1918-19 season, 15·25d. per pound.

If the 1916-17 prices were 55 per cent. above the pre-war prices, the 1918-19 prices for the whole of New Zealand's production were 60 per cent. higher than before the war.

Unfortunately the figures for the 1919-20 season are not yet available, but it is anticipated that a still further increase will be revealed both in respect of prices of wool bought by local woollen-mills and prices for the whole production of the Dominion.

There is accordingly conclusive evidence to show that wool-prices have advanced in recent years notwithstanding the nominal fixation of prices under the Imperial Government requisition. The extent of this advance so far as the 1919-20 prices are concerned cannot be accurately determined, but may be accepted, quality for quality, at approximately 75 per cent.

Operatives' Wages.—Operatives' wages represent in the mill cost of most samples approximately 30 per cent., the figure varying from 14 to 46 according to the nature of the goods in question. In addition to operatives' wages there must be considered the salaries and wages of managers, foremen, &c. These salaries and "non-productive" wages (so-called) amount to approximately 5 per cent. of the cost of manufacture. The wages of adult males prior to the war were—for the majority of such workers in woollen-mills—1s. per hour. The rate for these workers is now 1s. 8d. per hour. Other adult male workers have received since 1914 an increase in wages from 1s. 1d. to 1s. 9d. per hour; 1s. 1½d. to 1s. 9d.; 1s. 2d. to 1s. 9d.; and 1s. 3d. to 1s. 10d. The average percentage war increase in the wages of adult male workers has accordingly been approximately 65 per cent.

The wages of adult female workers have been increased from 6·87d. per hour in 1914 to 10·50d. per hour in 1920. This represents an increase of 52·84 per cent. Largely as a result of scarcity of labour the wages of junior female workers have been increased to a much greater extent.

Although it is impossible accurately to determine over the mills as a whole the increase in labour costs in relation to output, the evidence available shows that this increase has been not less than 60 per cent.

Dye Materials.—Prior to the war period dyes represented only a small proportion of the cost of production, and although the prices of these materials have advanced to an enormous extent, and the proportion of cost has generally been more than doubled, this proportion of the total cost now stands at approximately only 5 per cent. In the case of a number of samples of goods dyes represent an even smaller proportion of the total cost of production.

Other Materials.—The balance of the prime costs of production may be grouped under the above heading.