H.—18. xxxiv

In order to show the difficulty of comparing wholesale and retail prices over a period your Commission would quote the observations of Mr. Hooker on the above table:—

I have ventured to make a comparison between the wholesale prices of food in the country, as ascertained above, and these retail prices, although, of course, the comparison is largely vitiated by the commodities not being really the same, nor weighted in the same manner. Very little reliance can accordingly be placed upon the result. A priori, we should expect the curve of retail prices to be, upon the whole, distinctly smoother than that of wholesale prices; and this is apparently the case at New York, whereas the British series show very little difference between the two. The figures suggest that the retail index-number has risen somewhat more than the wholesale in recent years in this country, which is contrary to theoretical anticipation: this conclusion is quite illusory, and merely due to the selection of the standard. In the United States the retail curve is much the smoother, not falling so low as the wholesale in 1896–97, and lagging behind in 1907. Moreover, the different plan on which the wholesale and retail index numbers have been formed is quite sufficient to account for very considerable variations. All that can safely be said here is, I think, that since 1895 retail prices of food have risen as much as wholesale in this country, but that in the United States they appear to have lagged behind (until 1907).

Reverting now to the French wholesale and retail prices, quoted in the "Salaires et cût de l'existence," these show an index number for eight articles of food (bread or flour, butter, cheese, potatoes, rice, oil for food, wine, sugar—the absence of meat is noticeable), plus coal and lighting-oil, first at import values (wholesale prices); secondly, contract prices paid by the "Assistance publique" and, thirdly, the prices charged by two economats (that is, co-operative associations of employees of two railway companies) to their members, these last being retail prices at Paris, all octroi paid. These three sets thus represent three stages in the sale of goods. The number of commodities is extremely small, and the data thus apply to but a fraction of the provisions usually purchased by a family; still, the unexpected conclusion is reached that while import values have risen 20 per cent. since the average of 1895-1904, the other prices have scarcely risen at all. This is only another example of the difficulty of drawing conclusions, and is, I suspect, attributable to reductions in octroi or Customs duties on certain articles, such as wine and sugar. As instancing the enormous differences that may arise—when dealing with a few articles only-I also reproduce two columns from the same work of the Ministère du Travail showing the "normal" annual expenditure on food of a workman's family of four persons at Paris. Only thirteen articles are taken (bread, meat, fresh vegetables, potatoes, haricots, sugar, milk, butter, cheese, rice, fruits, wine, coffee), and these are weighted according to an estimated ideal rate of consumption based upon medical research. It will be seen that the food index number (base 1895-1904) is much lower, reaching in 1910 only 96. If, however, two articles—sugar and wine—are excluded, the index number of the remaining eleven articles shows a rise to 114 in 1910. The latter curve shows a much more reasonable resemblance to wholesale prices. Such considerations as these convey a vivid idea of the difficulty of arriving at a true estimate of the change in the cost of living.

Though materials for a proper comparison are not available, the results arrived at in Chapter I, compared with the trend in retail prices abroad as shown in the last table, suggest that the retail prices of food have moved in New Zealand at a slower rate than in other countries, except France and perhaps England.

13. Mr. F. P. Wilson submitted a comparative table showing retail prices for a single year, which is set out below, with the addition of the figures for the United States of America.

Table 24.—Prices in England and Wales, Germany, and France in October, 1905 from "Board of Trade Labour Gazette," March, 1909 (p. 75)—compared with those of New Zealand, 1911 (from "New Zealand Year-book," 1911).

| <u></u> | United States of America, 1909. | "New Zealand Year- book," 1911. | England and Wales, 1905. | Germany, 1905. | France, 1905. | England, 100. | | | | |
|-------------------------|--|---|--|--|--------------------------|--------------------------------------|--------------------------|----------|---------|---------------------------------|
| | | | | | | New Zealand (Welling- ton). | England and Wales. | Germany. | France. | United States of America. |
| • | s. d. | s. d. | s. d. | s. d. | s. d. | | | | | |
| Rent (four rooms) | 9 4. | 14 6 | 5 0* | $5 \frac{1}{2}*$ | 3 11* | 290 | 100 | 102.5 | 78 | 207 |
| Sugar, per pound | 0 27 | 0 21* | 0 2 | $0 \ 2\frac{3}{8}$ * | $0 \ 2\frac{7}{8}$ * | 112.5 | 100 | 119 | 144 | 144 |
| Butter, per pound | $14\frac{3}{4}$ | 1 1* | 1 14 | $1 \frac{17}{8}$ | $1 - 0\frac{1}{2}$ | 99 | 100 | 105 | 94 | 126 |
| Potatoes, per 7 lb | $0 6\frac{1}{2}$ | 0 6 | 0 3 | $0 2\frac{5}{8}$ | 0 3 | 200 | 100 | 88 | 100 | 233 |
| Flour, per 7 lb | $1 0\frac{1}{2}$ | 0 8 | 0 9 | 1 05 | $1 1\frac{3}{4}$ | 88 | 100 | 140 | 153 | 139 |
| Bread, per 4 lb | 0 11 | 0 7 | 0 5 | † | $0 	ext{ } 5\frac{3}{4}$ | 140 | 100 | | 115 | 223 |
| Milk, per quart | $0 	ext{ } 4\frac{1}{2}$ | $0 \ 3\frac{1}{2}$ | $0 3\frac{1}{2}$ | $0 	ext{ } 2\frac{5}{8}$ | $0 	ext{ } 2\frac{1}{2}$ | 100 | 100 | 75 | 71 | 129 |
| Beef, per pound | 0 7 | 0 5 | $ \begin{cases} 0 & 8\frac{1}{2} \\ 0 & 5\frac{1}{2} \end{cases} $ | | $0.7\frac{3}{8}$ | 71 | 100 | 122 | 109 | 104 |
| Mutton, per lb | $0 7\frac{1}{4}$ | 0 43 | $ \begin{cases} 0 & 8\frac{1}{4} \\ 0 & 4\frac{1}{2} \end{cases} $ | $\begin{array}{cccccccccccccccccccccccccccccccccccc$ | 0 83 | 74 | 100 | 137 | 131 | 116 |
| Pork, per pound | $0 6\frac{1}{2}$ | 0 6 | 0 8 |) 0 9 7 | $0.9\frac{1}{4}$ | 75 | 100 | 123 | 116 | 81 |
| Coal, per hundredweight | · · · - | 2 0 | 0 103 | $1 \frac{13}{8}$ | $16\frac{1}{4}$ | 223 | 100 | 124 | 170 | |
| Kerosene, per gallon | | 1 0 | $0 7\frac{1}{2}$ | $0.10\frac{1}{8}$ | $1 \ 2\frac{\hat{1}}{8}$ | 160 | 100 | 135 | 188 | |

* Mean.

Retail prices.

† Little white used.

‡ English.

 \S Colonial.