

Table 61 shows the increases in the retail cash price of house coal per ton at Dunedin, 1914 and 1918, detailing the amount of increase due to each cause.

TABLE 61.—INCREASE IN RETAIL CASH PRICE OF HOUSE COAL PER TON AT DUNEDIN, 1914–18, SHOWING AMOUNT OF INCREASE DUE TO EACH COST.

Kind of Coal.	Railage.	Increase Per Cent.	Per Cent. of Total Increase.	Mine-price Increase.	Increase Per Cent.	Per Cent. of Total Increase.	Retailers' Charges. Increase.	Increase Per Cent.	Per Cent. of Total Increase.	Total Increase.
	s. d.			s. d.			s. d.			s. d.
Kaitangata ..	1 2	21	9	10 10	60	80	1 6	20	11	13 6
Taratu ..	1 2	21	12	6 10	49	73	1 6	20	15	9 6
Waronui ..	0 11	21	9	5 7	36	53	4 0	53	38	10 6
Lignites ..	0 5	21	6	5 3	44	70	1 10	24	24	7 6
Westport ..	4 0	53½	23	11 6	40	66	2 0	29	11	17 6
	(freight)			(including 6d. railage)						
Newcastle ..	7 0	61	41	..	..	..	..	..	..	17 0

The increase in the mining-cost is responsible for by far the greater part of the increase in the retail price in Dunedin. Retailers have been responsible for about a quarter of the rise, except in the case of Waronui coal, which has borne an extra share of retailers' increased costs.

The prime cost to retailers of the different coals has therefore increased—Kaitangata by 12s., Taratu by 8s., Waronui by 6s. 6d., lignites by 5s. 8d., Westport by 15s. 6d. These increased costs they have sought to recoup by raising the price of each coal by at least as much, but the costs of their own businesses, besides the prime cost of the coal, have increased. These increases have been most in the case of labour, sacks, horse-feed, harness, and wheelwright repairs. The wages of yardmen have increased 13s. 3d. per week, and the hours have diminished by four per week, equivalent to an increase in cost of 5s. 9d., making a total real increase of 19s. a week in the labour-cost. The wages of carters have increased at least 12s. a week. There is no evidence that increased efficiency has accompanied the rise in labour-cost. Employers complain that the men are doing less work although getting more money. It is estimated that the wages increase is equivalent to from 10d. to 1s. a ton on the average over all coals traded in; and the increased cost of bags, horse-feed, shoeing, harness, repairs to carts and harness, probably accounts for another 1s. a ton.

(c.) *Costs.*—The estimates of the cost of handling given us varied, but a margin of about 9s. between the prime cost and the retail price is required before a net profit emerges beyond the dealer's own wages or salary and his depreciation charges. Cartage to the yard may be put at 1s. 6d. a ton; depreciation, including sacks, 1s. 6d.; office expenses, rents, rates, taxes, 1s.; loading and delivering, 4s. 6d.—a total of at least 8s. 6d. The smaller dealers estimate filling and cartage to yard at 3s.; yard labour, sacks, and office expenses at 3s.; and delivery and depreciation at 5s.: a total of 11s.

(d.) *Profits.*—The actual margins or gross profits were as follows:—

TABLE 62.

—				Kaitangata.	Taratu.	Waronui.	Lignite.	Westport.
				s. d.	s. d.	s. d.	s. d.	s. d.
1914 .. .. .	..	..	..	7 6	7 6	7 6	7 6	7 0
1918 .. .. .	..	..	..	9 0	7 6	7 6	8 10	9 0
Increase .. .. .	..	..	..	1 6	..	..	1 4	2 0

In the case of Taratu and Waronui no truck lots have been available during the 1918 shortage, thus increasing the cost of the coal to the retailer by 1s., and preventing a rise in his gross profit.

The actual increase in retailer's costs as estimated for smaller dealers amounts to:—

				s. d.
Filling and cartage to yard .. .. .	..	..	..	0 6 per ton.
Office, yard labour, sacks, &c. .. .. .	..	..	..	1 0 „
Delivery to consumer and depreciation .. .. .	..	..	..	1 0 „
Total .. .. .	..	..	..	2 6 „

The dealers maintain that to obtain a profit they should charge 2s. or 3s. a ton more than the ruling prices, and it is certain that the particular part of the increase in retail price due to dealers' own costs is less in Dunedin than in any other large centre. Several businesses have been taken over by other firms in Dunedin during the past two or three years, the main reason being that the owners were losing on their trade through the shortage of supplies. A business with a turnover of several thousand tons reported a net profit of only £6 for the last year.

(e.) *Suggestions for improvement* and several complaints made to us at Dunedin are dealt with in Chapter VIII, section 3.