

CHAPTER VI.

THE COST OF LIVING OF COAL-MINE WORKERS.

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1. PRELIMINARY REMARKS.

THE real cost of living of a class of people may be defined as the sum of the exertions and sacrifices necessary to maintain the members of that class at a certain standard of living. This cost is measured and expressed in terms of money, and is usually taken to mean the total sum of expenditure involved in the maintenance of the given standard of existence and efficiency. Every one recognizes that the cost of living so expressed is subject to frequent changes, partly because of the unstable and changing character of the manifold forces that affect the supply of the necessaries and comforts of life and the amount of the total demand for them separately and as a whole, and partly also because of the fact that the supply of money, which measures the real cost, is itself a variable quantity and does not at once adjust itself to the changes in the supply of goods or the total population.

These changes in the cost of living, however, cannot be accurately determined simply by measuring the extent of the alterations in the prices of the goods and services appropriate to the given standard of living. Such a method is faulty—first, because it takes no account of the relative importance of the actual expenditure on each particular commodity and service; and, secondly, because it does not allow for those readjustments in the distribution of the expenditure over all the items that householders make upon the occurrence of any considerable change in the relative prices of commodities.

For the purposes of a trustworthy investigation into the extent of changes in the cost of living of a class there should be available for the period in question accurate records of (i) the nature of goods necessary for the customary economic efficiency and comfort of the class; (ii) the prices at which these goods are bought by the consumers; (iii) the manner in which the total expenditure is made up of the various items, and the proportion which each particular expenditure is of the whole expenditure; and (iv) the constitution of the average family in the class concerned and the data necessary for its reduction to that of the standard family, since, for the purposes of comparison, the consumption of families of persons of both sexes of varying ages must be expressed in a uniform standard unit, which is obtained by expressing the consumption of women and children in terms of that of men according to a scale scientifically determined

The principal method employed to obtain this necessary data is that of workmen's budgets of expenditure, which are collected in great numbers according to a uniform plan. All other methods are properly regarded as subsidiary or complementary to this. In New Zealand, unfortunately, this method has never been applied in such a way as to justify any important practical deductions. The inquiry conducted in 1910–11 by Mr. J. W. Collins, of the Labour Department, was a praiseworthy pioneer attempt which achieved certain suggestive results, but the number of returns sent in was insufficient and from too varied a class to found any practical rules of action upon the generalizations that were skilfully made from them.

It was the intention of the Board to carry out a thorough budget investigation in respect of the very definite class of worker and the particular localities involved in this coal inquiry. It was thought advisable to postpone the actual preparations of the budget-forms and their distribution until the Board had had the opportunity of personally inspecting the mining districts and the living-conditions of their population. It was in the midst of this inspection that the epidemic disorganized for a time the whole of the social life of the community. We felt that budgets collected over a period containing so much that was abnormal and the results of abnormal conditions would be but few and comparatively valueless; and it has been found impossible to arrange for this fundamental inquiry to be begun and completed during the period within which our report should be presented. In our opinion *it ought to be proceeded with at the earliest opportunity*, and a reference to it is included in our recommendations.

2. DATA EMPLOYED.

In the absence of the material provided by an intensive or extensive budget inquiry, we used the data provided in evidence tendered by shopkeepers on the mining-fields and by miners' representatives. This material was comprised mainly of quotations of prices of commodities in 1914 and 1918 used in miners' households. These price statistics were compared wherever possible with those of the Government Statistician for the nearest towns—that is, with those relating to Hamilton and Auckland in regard to the Waikato field, with those of Greymouth in regard to the West Coast, and