LIST OF PRICES AND PERCENTAGE INCREASES.

	1914. £ s. d.	1920. £ s. d.	Increace. Per Cent
Cows (per head)	8 10 0	20 0 0	135·3
Milk-cans, 20-gallon	1 10 0	3 15 0	150·0
Fertilizers (per ton)	6 11 8	13 16 8	110·0
Benzine (per case)	0 16 0	1 18 0	137·5
Casual labour (per hour)	0 1 0	0 2 6	150·0
Labour and upkeep (per week)	2 7 0	3 18 0	66·0
Interest on land	5 8 0	9 0 0	66·0
Milk-wagons	47 10 0	82 15 0	74·2
Separators	..	..	60·0
Grass-seeds	..	..	94·4
Pollard (per 200 lb.)	0 14 6	1 4 0	65·5
Calf-foods (per 100 lb.)	1 0 0	1 12 0	60·0
Fencing-wire	10 0 0	55 0 0	450·0
Galvanized ir n	18 0 0	70 0 0	288·8
Cement (per bag)	0 3 6	0 7 9	121·4
Boilers	40 10 0	80 0 0	97·5
Milking-machines, four-cow plant	233 5 0	250 0 0	7·2
Railway freight on Br 50 miles	0 10 2	1 4 5	140·0
Estimated cost producing 1 lb. fat from cow yielding 180 lb. fat	16·5d.	28·2d.	71·0
Payment for 1 lb. fat, 1914–15, from butter-factories	13·5d.	19·4d.	43·7
Loss on producing 1 lb. fat	3·0d.	8·8d.	193·3

7. *Mr. McCombs.*] The land was increasing in price in spite of the farmer's losses?—Yes. Land and labour increased. The explanation is that the average dairy-farmer is not an accountant; and I have been convinced for years that if you put an accountant on the books, or if the farm records were kept, it would be shown that the cost of production to the farmers would be greater than their income.

8. *Right Hon. Mr. Massey.*] That is, counting the labour of the man's family?—Yes, and counting interest on all the money invested.

9. *Mr. J. R. Hamilton.*] In many cases they would not be getting interest and would have to strike off the labour?—Yes. If they charge up the interest first they do not get the current rates for labour, and if they charge up the labour they do not get the current rates for interest.

10. *Mr. Powdrell.*] But is it not a fact that when a man has been on a farm for two years he finds he has not got the profit he expected when he counts his labour—he finds there is not so much in it, and he sells out?—Yes.

11. In other words, if he invested his money at interest and went out to work at the current rate of pay he would be better off at the end of the year?—Yes.

12. *Right Hon. Mr. Massey.*] It simply means this in many cases: that the man is not getting sufficient or a fair rate of interest on his own capital which he has invested, and his family are not getting the average rate of wages for the work they do in connection with the production of dairy-produce?—That is exactly the position. Following out those figures I have given, you see the increase in the cost of production for those two years, 1914–15 and 1919–20, is 69·7 per cent., and the increase in the price of butterfat received from the factories is 43·7 per cent.

13. *The Chairman.*] Can you say whether in your experience you find that the herd or the cow is improving in quality on the farms in the matter of the production of butterfat?—I believe we are improving, but it is difficult to get figures based on the total cows in the country to always bear that out. It depends on the class of season on which the figures are based. As a result of the figures which we got out for the 1918–19 season, the average cow did not produce up to 160 lb. of butterfat.

14. With the advent of the milking-machine, do you think from your experience that the farmer is getting as much as he would be if milking by hand, taking into consideration the fact that the cost of milking by hand is greater—would the use of the milking-machine compensate him?—I have not got definite figures to prove that.

15. *Mr. McCombs.*] According to your statement the butter only contained 81½ per cent. of butterfat. I understood the law provided that there should be only 16 per cent. of moisture?—There is the salt and the curd which makes up the difference.

16. *Mr. Powdrell.*] It is true that while a man may be making a loss of 3d. with a poor herd, or the first year of starting, his neighbour who has a herd which is getting 40 lb. or 50 lb. more fat per cow would be making a profit?—Yes.

17. So that we must take into consideration the difference in the production of the herds in arriving at the cost of production per pound?—Yes.

18. *Mr. Poland.*] Is it not a fact that in order to get this herd which would produce the 40 lb. or 50 lb. extra of butterfat it is necessary for the farmer year after year to cull out from his herd those cows that are not producing a reasonable amount of butterfat?—Yes, it takes time.

19. And there is a lot attached to it?—Yes, very often. That is one point brought out in connection with some of the balance-sheets Mr. Stone was referring to. Those statements came to me, and I was struck with the fact that where those people had indicated the price at which they bought the land some years ago there has been no increase in the capital value due to improvements they have put on the land in the meantime.

DAVID KERLE HABERFIELD examined. (No. 3.)

1. *The Chairman.*] Are you representing by resolution or by agreement the retailers of Christchurch, or do you come independently?—I am the president of the Master Grocers' Association.

2. Have they had a meeting to consider the matter of the price of butter?—Several.

3. And have they arrived at any conclusion?—Yes.