

4. What we have to consider from the retailers' point of view is what the profits are on the sales in selling for cash, booking, bad debts, and so forth?—Well, of course, our experience in the butter business, Mr. Chairman, is that during the pre-war period prior to 1914 we were selling butter at 1s. 3d. which was costing us 1s. 1d. Of course, discounts were given after that by the retailers to the customers. The custom of the trade carried on in Christchurch was not a net cash business. We gave a discount of 2½ per cent. to our clients off the 1s. 3d., and in some cases up to 5 per cent. for cash. At that period the minimum wage of the assistant was £2 10s. Later in the year 1914 war broke out. A little later the Government fixed the maximum price of butter at 1s. 8d. which cost us 1s. 6d. That was in 1916. The margin of profit there was still 2d. per pound. Wages were on the increase all the time until we got up to June of this year, when butter was raised again, costing us 1s. 7d. and retailing at 1s. 9d. The minimum wages to-day are £4 7s. 6d. a week, showing an increase in the wages of 1914 of 75 per cent., and a lower percentage of profit on that turnover. There is also another factor in regard to the cost of handling, and that is paper and twine. They have increased in price at least 300 per cent. over the price obtaining in 1914. That, of course, goes into the cost of handling. You do not get anything for your paper. The grocers of Christchurch feel that during the strenuous war period they had to take their share of the burden the same as anybody else, and they did not kick against this low margin of profit; but seeing that adjustments are now taking place they think they should be considered—in fact, they think they have a right to be considered with others in regard to the profit when you are fixing the price. I might tell you that in the August number of the *Australian Grocer* the prices of the Australian butter were published. The figures are in the region of 2s. 2d. per pound in bulk, in pats 2s. 3d.; and the price fixed for prints or pats was 2s. 7d. net cash retail, and if booked or delivered ½d. per pound increase, giving them 2s. 8d. per pound on butter booked and delivered. There is another factor also in regard to the shop-assistants: they are working shorter hours and get more holidays. That possibly means an increase of staff. In referring to the wages of the assistant, I desire to say that we do not contend that it is too much. Lord knows it is little enough to-day for a man if he has a family; but something has got to be done to enable us to meet them.

5. What do you consider should be the profit on the sale of butter, assuming that butter is worth 2s. 6d. per pound wholesale?—It should be 4d. per pound; if booked and delivered, 5d. per pound.

6. Before the war the prices were 1s. 1d. and 1s. 3d.: did you consider that a reasonable profit at that time?—Yes. But there is the increased cost of handling it now, and increased wages, and double the profit is not giving you the same revenue as previously.

7. What about bad debts?—That would be one of the costs of handling, and goes into the cost of running a business. In Christchurch to-day our working-expenses on the turnover is about 17 per cent. I think the Wellington grocers are under rather a greater expense than that: they say it is 20 per cent.

8. *Mr. Hawken.*] Do they average that?—Yes.

9. That is, taking the average of the businesses?—Yes, the average of the businesses. Butter is such a large proportion of our turnover—it is one-seventh of our turnover.

10. *The Chairman.*] Do you use any home-made butter at all?—Farm butter?

11. Yes?—Yes.

12. What is the average profit on that?—About 2d. to 3d. per pound. We get different grades. Some of it we have to sell to the pastrycooks at a profit of 1d. per pound.

13. *Mr. Hockly.*] How do you obtain your supplies—weekly, fortnightly, or monthly—from the factory?—From the factory, daily.

14. And it is a class of stock on which you do not lose anything by deterioration?—We do not.

15. Then the capital invested in the business in this particular line is turned over six times every week?—Yes, or at least five.

16. Could you give us any indication as to the average consumption of butter in a family per week?—It all depends on the price. When butter is cheap there is more used than when it is expensive.

17. Would you say that the consumption is 1 lb. per week per head of the population in New Zealand?—I would not think it was as high as that.

18. *The Chairman.*] Whom do you buy from—from the distributor, or direct from the factory?—We buy direct from the factory. There are no distributors in Christchurch.

19. *Mr. Hawken.*] Do you find that the price makes a very considerable difference?—I would not say that. We have not got that far yet to be able to say. Next month might tell us that. Butter has gone up from 1s. 3d. in 1914 to 1s. 9d., but when it reaches the figure which is talked of it will certainly make a material difference. That is my opinion. I cannot speak from past experience because it has never been that high.

TUESDAY, 21ST SEPTEMBER, 1920.

NELLIE EUPHEMIA COAD examined. (No. 4.)

1. *The Chairman.*] Whom do you represent?—I represent the New Zealand Women's National Council.

2. Will you make a statement to the Committee?—Yes. The evidence I have to give to the Committee is on the same lines as the letter which was forwarded by my Council and which has been read to the Committee. My Council is of opinion that butter is a necessity of life. High prices for these necessities often cause demands for higher wages and salaries; they cause industrial disputes and a disturbed frame of mind among the masses of the people. The high value of land, which is said partly to cause the high price of butter, is, after all, a community-created value. For one thing, the Government entered the market on behalf of returned soldiers. The high land-values are not entirely caused by the producer, unless, of course, he has encouraged land speculation: they are due to social causes over which he has little or no control. My Council