

therefore thinks that the whole community should not be penalized on account of these high values, but that it should have some share in the resultant prosperity in the way of cheaper butter—say, at 1s. 9d. or 1s. 10d. per pound. With this end in view we recommend a controlled price and an export tax. We admit the difficulties in the way: first, high prices in the Home market, and the apparent economic right of the producer to reap full benefit therefrom. Against the economic view my Council would place the human side of the situation—i.e., insufficient supplies of butter and milk which the average person will be able to provide for his family at the world's price. Plentiful supplies of these commodities must be within the reach of all if New Zealand is to have a vigorous and healthy population. It is a well-known fact that the first thing necessary for a vigorous population is cheap food, and if prices are high the standard of living must go down even if salaries are raised. Though salaries have been raised (on account of the high prices of food necessities) they have not advanced. Further, the majority of New Zealand people whose butter is on the spot will not understand the force of economic laws which increases prices to those ruling in the world's markets. Second, the importance of getting high values for our exports. Granted; but these high prices in the Home market are not incompatible with lower prices in the local market. They can still be maintained while butter in New Zealand is kept at a much lower figure. Finally, it is often stated that if an export tax is imposed the farmer will not produce. As farming is an important national service, and as producers have always shown themselves patriotic, my Council thinks that this can hardly be. An export tax which keeps butter for the local market at 1s. 9d. or 1s. 10d. should be able to yield to most patriotic farmers a very reasonable profit. Direct supplies between the producer and the consumer, the elimination of the middlemen, would be other means of cheapening butter. In Wellington a Direct Supplies Company sold butter at 1s. 6d. when shops charged 1s. 8d., and now sells it at 1s. 7d. when the shops charge 1s. 9d.

3. Do you know where the Direct Supplies Company you refer to get their supplies from?—No, I do not, but I have bought butter there.

4. Is it a store?—It is a small establishment at the back of some shops on Lambton Quay.

5. Do they only deal in butter?—And eggs, I think.

6. Of course, you know what the factories are receiving—1s. 7½d.?—Yes. I have bought butter at that price.

7. You think from the point of view of your Council that the only remedy is an export tax?—We do not say it is the only remedy.

8. That is one of the main remedies?—That is the one we think best economically.

9. If the price of butter is kept at 1s. 9d. per pound as suggested by you, you still think the farmer should get the full price for his product?—Do you mean the full Home price—the price ruling in the Home market?

10. Yes; or do you suggest he should make a loss? You suggest that he is patriotic?—I do not suggest that he should make a loss at all. I think he should get the Home price for the goods he exports.

11. Have your people taken any action in regard to the price of milk, which has gone up considerably?—It has gone up, but we consider that is partly on account of the price of butterfat going up. There are other considerations in connection with Wellington, but they are too lengthy and I will not go into them.

12. Do you think that, when butter was cheaper, before the war, the consumption was greater by the average family than it is now?—I should think it would be less now, because the tradesmen tell me that when the price goes up they do not sell so much.

13. What do you think a family would use per head, on an average, per week?—I should say a family of three would use about 2 lb., but, of course, it varies. I was told in one case where there is a family of four that they used 4 lb. or 5 lb. a week. Where there are children a great deal more is used, because butter is one of the things that children are supposed to eat.

14. *Mr. Hockley.*] Where children are going to school and taking their lunches, that takes a lot of butter?—Yes.

15. You are taking an interest in this matter, and I have no doubt you have read the statements made by Mr. Singleton and published in the papers last Saturday as to the loss the dairy-farmers were making?—Yes.

16. I suppose you accept his statement as correct?—I cannot say. I noticed one thing: there was a very small number of cases—only twenty-four.

17. Those are not Mr. Singleton's statements?—I have no means of ascertaining. I have to acquiesce in those statements.

18. He is a man of standing in the community, so that anything he says can be accepted, and he declares that even at the high prices that will be ruling in the future the dairy-farmer will not make any more than a reasonable profit, and that at 1s. 9d. per pound he is making a distinct loss. You said in your statement that you think any patriotic farmer would make a reasonable profit at 1s. 9d. in spite of the statements Mr. Singleton has made?—Yes. He based his remarks on the cost of production.

19. You are quite content that the people in England should pay 3s. per pound for their butter so long as the people here get it for 1s. 9d.?—We cannot legislate for the people of England. We are concerned with our own country.

20. You say you have no objection to the farmers getting the full market value for their produce in England, which is 3s., but you think that where the conditions of life are much better that the people should get it for 1s. 9d.?—Yes, because we want to keep our conditions of life better.

21. But your interests are all for the people here and not for the people at Home?—It would be impracticable for us to try and deal with the matter of legislation for England. I am quite willing that the farmers should get the price at Home, but I do not suggest that the people at Home should pay—perhaps the Government might assist.

22. *Mr. McLeod.*] You would advocate, Miss Coad, an export tax on cheese and butter?—Yes. I have not considered the question of cheese at all. It is a thing we would have to deal with separately. I should think you would have to, but cheese is not the necessity of life that butter is. We could do without cheese far more easily than we could do without butter.