

after allowing 1s. per hour for the people who worked there, would you still consider that the farmer should reduce the price of his butterfat?—No. If I felt satisfied with that return it would astonish me, and I might change my views entirely.

56. *The Chairman.*] You mentioned that it was your duty to conserve as far as possible the interests of the people over which you had control—that is, in regard to the milk-supply?—Yes.

57. The previous witness who gave evidence suggested that butter should still remain at 1s. 9d. or 1s. 10d. per pound. Do you suggest that some methods should be adopted to enable butter to remain at the price it is, or that the farmer should be paid really what it is worth, assuming that it is worth 2s. 6d., 2s. 8d., or 2s. 10d.?—As I have said before, I think it is entirely wrong to interfere with the commercial system, but the Committee is considering the abnormal conditions existing just now when there is a wave of trouble everywhere, and if I was sitting with you I might reluctantly come to the conclusion that we would have to do something of that kind. You will have figures before you which I have not, to show who will be hurt, and you will be able to judge; but I do think you must take into consideration seriously whether or not the circumstances do not demand that you should tide over the present abnormal conditions by what appears to be unfair in the first place; but you must make it in such a way that the man who supplies the butter does not lose. He is just in the same position as the man who sends his butter oversea and gets the full price for it.

58. Then your suggestion is that he should be recompensed out of the Consolidated Fund?—No, I do not think that is sound. I think an export tax is more sound, and the amount could be earmarked for a special purpose.

Witness subsequently forwarded the following statement:—

Percentage increases as from January, 1919, to August, 1920: Coal, 60 per cent. increase; benzene, 23·33 per cent. increase; general labour, 23 per cent. increase; engine-room staff, 17 per cent. increase; motor-drivers, 9·5 per cent. increase; first assistants, 26 per cent. increase.

The minimum wage paid at the Wellington City Corporation Milk Station is £4 1s. per week, and an allowance of 1 quart of milk per day.

When giving evidence the Chairman questioned me concerning the cost of the treatment of milk in our city station preparatory to its delivery to the public. This treatment, of course, is to assure the removal of the germs, if they exist, of typhoid, scarlet fever, diphtheria, and other more or less contagious diseases of which milk is the common carrier.

For the month of August past the net station charges, as separated from transport and other charges, amount to 0·907d.

JAMES BALLANTYNE MCEWAN examined. (No. 6.)

1. *The Chairman.*] I understand you represent the distributors?—Yes, of Wellington.

2. Are you aware of the object of this Committee?—Yes.

3. Will you make a statement to the Committee dealing with the question of the cost of production of butterfat to the producer, and the cost to the retailer and the consumer?—Yes. I have prepared a statement in connection with the cost of distribution, and it applies particularly to the City of Wellington and suburbs. I am speaking on behalf of the distributors in this city. I propose to read the statement, and then to hand it over to the Committee for future consideration. The statement will deal exclusively with the cost of distribution, but I wish to preface my statement with a few general remarks which I think are of importance. The system of the distribution of butter in Wellington and suburbs—and I believe it also applies to other centres in this country—represents one of the best services in the world for efficiency, economy, and results. The quality of the produce supplied to the consumers in New Zealand, the quality manufactured by our factories, and the equipment of our factories are surpassed in no other part of the world. Our factories to-day are, I believe, better equipped and more expensively equipped than any other factories in the world, not excluding Denmark. Then comes the distributor. He receives his supply from those factories. The service given to the grocer to-day, I think, is very hard to beat, there being a daily, or two-days, or three-days service, as the case may be, according to the conditions, representing a service in which the goods are supplied in the freshest possible condition. The grocers then would, to my mind, finish this chain of links by giving the consumers a first-class service either in the way of daily deliveries or two days, and always with the freshest possible goods, and we all know what that means in connection with butter. During 1916, when the Board of Trade had control of the local butter interests, they made certain investigations and came to certain decisions, which you have heard of, and, in the case of members of Parliament, created quite a political bone of contention. I wish to read the following extract from the Board of Trade report of the 11th October, 1916: "The average cost of preparing the butter from bulk to pounds, including patting, wrappers, collection from railways, deliveries to grocers, booking, travellers' expenses, and bad debts was $\frac{3}{4}$ d. to $\frac{7}{8}$ d. per pound. This margin did not cover railage, which brought the distributing allowance up to 1d. per pound." *Since 1916 the only increase in distributor's margin has been to make price ex store instead of delivered to the retailer. Prior to the recent advance distributors were compelled to make their price ex store instead of delivered to grocers throughout the city and suburbs. "In June, 1920, margin increased to 1 $\frac{1}{4}$ d. per pound. On 16th August railage advanced considerably. (Example, butter ex New Plymouth prior to 16th August cost 0·184d. per pound railage; under new tariff 0·363d., an increase of 0·179d. per pound.) Margin asked for under new contract, 1 $\frac{1}{2}$ d. per pound if distributors are to continue buying at factory-door, or 1 $\frac{1}{4}$ d. per pound delivered Wellington rail. Statement showing increase in distribution costs since 1916: Cartage from rail, 55 per cent.; factory wages, packers and storemen, 45 per cent.; office salaries, 50 per cent.; railage, 140 per cent.; parchment and wrappers, 125 per cent.; second-hand boxes, 100 per cent." These worked out in detail show an approximate increase in the cost of handling every pound of butter sent out from the respective premises of the different distributors. I was recently in Sydney, and I found that under their control system the distributors are allowed 1·27d., or a fraction over 1 $\frac{1}{4}$ d. per pound, for doing the same work as we do, on the basis that the butter is delivered at their nearest

* This is my statement, not an extract.