

price of butter and who would not have the compensating balance of the Arbitration Court award. I would like here to state at the outset that the Canterbury Trades Council, consisting as it does mainly if not solely of men and women engaged in the secondary industries, does not for a moment pose as an authority in regard to the dairying industry or in regard to land-values.

3. We do not want that—it is the consumers' point of view we want?—When there is the question of a rise in such an important article as butter, then we do think we have a viewpoint to place before the Committee.

4. *Mr. Powdrell.*] What trades does your Council represent?—The Canterbury Trades and Labour Council consists of the representatives of practically all the organized industries—the employees. We are decidedly of the opinion that in dealing with this particular question of the dairying industry and the proposed rise in the price of butter, we have got to look at it not from any narrow class point of view, but from the national point of view. We wish to draw your attention to the fact that in the past the community, through their members of Parliament, have fostered and encouraged and strengthened the dairying industry in this country. Those engaged in the industry have been provided with experts and assisted in regard to grading; the Government has imported and bred suitable stock; they have been assisted financially by the Government both in the securing of cold storage and the acquiring of refrigerating plant, and the acquiring of space in refrigerating-steamers. All those things have been done out of the general finances of the community to assist the dairying industry, and to make it possible for them to take advantage of the Home market by being able to land their butter on the market in a marketable condition. We contend that it is due to the operations of the country and not to the action of the dairy-farmers that they are in that position to-day. If that is so, then we say that famine prices have no right to rule here. If there is a famine in Europe there is no legitimate reason for charging famine prices to the working class or to the community here in New Zealand. Then there are other things that might be taken into consideration by the Government. Probably you may say we place too much importance on them, but we do consider that the gambling that is taking place in land is a very important factor, and one which should be taken into consideration by this Committee. I was looking through the latest Abstract of Statistics, and I notice that in 1918–19 the number of mortgages registered in regard to the amount over those lifted was something like £10,000,000, but in 1919–20 the amount of the mortgages registered over and above those discharged amounted to £30,000,000. Now, we are not practical land experts or dairy experts, but there is something there which we think this Committee might take into its serious consideration and see what can be done. This is the way we consider it: that the farmer has been placed in such a position that he can pay (taking that £30,000,000 at 6 per cent. in the form of rent or interest) a matter of £1,800,000 more in interest than he was doing before. I am merely suggesting to the Committee the points of view which strike us. I do not say we can eliminate them, but we do think they are important matters. Then there is another factor, the land agents, who do not add, in our opinion, anything at all to the value of the land, but who add considerably to its cost, and that is added to its cost before the farmer can say whether the farm is going to pay him, and he says the land must declare interest of so-much. We say you must take into consideration the operations of the land agents. We have in Christchurch—and I suppose Christchurch might be taken as a good criterion of the whole of New Zealand—something like 110 land agencies. We could safely say they employ on an average five hands each, which makes over five hundred individuals with something like one hundred motor-cars between them. What are they doing to add to the true value of the land?

5. *The Chairman.*] They are not all engaged in land?—No, land and houses.

6. No, they have other work?—I am referring to the house and land agencies alone who are solely engaged in the business or spend a large amount of time in it. We would like you to take into consideration the extra cost loaded on to the land on which interest has to be paid before the farmer considers his work is paying him. We also believe that these men are a danger in more respects than one, and that it is a very serious proposition. Supposing butter rises to 2s. 9d. per pound, immediately your land-values go up. The land agents will get busy amongst the farmers and say, "Now is your time to sell; the produce of your farm will bring you in such an amount which will give you interest on far more money invested in the land, and why not sell out?" Then he goes to a likely purchaser to sell the farm and tries to bring both together, or convinces the probable purchaser of the advisability of settling his son on it. When these deals are carried out the cost of the land has gone up but the value of it has not altered one iota. Take as an illustration land which the first man paid £40 for, and sold for £50. The second tenant takes it in hand, and before he can say whether it is going to pay him he has to strike 6 per cent. on the £50, whereas the man before him had to strike 6 per cent. on £40. Those are factors which should also be taken into consideration; and we are firmly convinced in our opinion that the price of the produce determines the value of the land, not the value of the land determines the price of the produce; that according as the price of the produce goes up or down so the land rises or falls in value. We say that if there is any object for which a country or a nation selects its representatives and places them in Parliament, that object is to look after the health and well-being of the people. We say that if butter-prices go up milk-prices must also go up, and consequently the people who perform the useful service in the country, and who are down at bedrock in the matter of finance, are going to suffer. It is largely the aged and the sick who are going to suffer by the increases, and we say that undoubtedly you should not under any conditions allow the price of butter to go higher than what it is to-day. That is the view held by the Labour people as far as Christchurch is concerned, and that is the main reason why I have been requested to come before this Committee to-day.

7. Have you any suggestion to make to the Committee as to how it is possible to make arrangements to keep the price down?—There is the question of an export tax on butter, and you might utilize the revenue gained from that to equalize the amount short in connection with the price. Then there is the question of a tax on incomes—say, a tax on all incomes over £300 or £350, or a tax on land-values.