

*The Chairman :* The witness said all classes of eggs were included in the calculations.

*Witness :* The export eggs are, of course, all A-grade eggs ; but so far as the production is concerned the ratio of first-, second-, and third-grade eggs cannot be determined, because they are never graded.

*Rev. Mr. Carr.]* They are classified in the market reports ?—Of course, that is a very rough classification.

*Mr. Jones.]* With regard to your statement that the poultry industry is equal to the wheat industry, I would like to know whether you are basing that on the finished product of the egg and the poultry sold ?—I am basing that on the value of the poultry and eggs to the farmer himself. If you add handling charges to that it represents the working-costs.

You refer to the finished product of the egg and the poultry ?—Yes ; that is the price the farmer receives for his eggs on the average, so far as we can judge. The total value of eggs produced in New Zealand amounts to £2,458,000 approximately, and there is about £285,000 worth of poultry sold each year. About 40 per cent. of the total eggs produced are handled in the towns, and that represents a considerable amount to the middleman for his work.

Is not the proper answer in this way : should not the actual price of bread be taken into consideration and not the actual price of wheat, and also should not the total production of pork and bacon in New Zealand be taken into consideration in addition ?—If you like to go to the finished product, that is so ; but it is impossible to do it. I am taking the finished product so far as the farmer is concerned.

*Mr. Jones :* I understood that the witness was taking the value of eggs and poultry. That is the finished product.

*The Chairman :* It is the value to the producer—the farmer—in both cases.

*Mr. Jones :* My point is that it is the finished product just the same as bread, and it is also the finished product as in the case of pork ; therefore the whole story is completely upset.

*The Chairman :* The first thing was that the producers got £2,500,000.

*Mr. Jones :* I am making that point clear, because it is the finished product we are dealing with.

*Witness :* I think they are in different categories once you get to that stage ; the egg being produced as a sealed and finished article, as it were, whereas wheat is only the interim stage in the final product.

*Mr. Jones.]* Would not, therefore, the bread be taken as the value, and not the wheat ?—I do not think so, because when you get into the bread question the greatest proportion of the money represented by bread manufactured is represented by labour and overhead charges, handling-charges, &c. As you know, the wheat really in a 1 lb. loaf of bread represents a very small amount of the cost of the finished product. The price of bread is therefore controlled only to a very small degree by the price of wheat. It is really controlled by the cost of manufacture, handling-charges, and so on.

*Mr. Jones.]* Your estimate was that it cost 10d. per dozen for food to produce eggs ; and what would the average price of eggs in the North Island be ?—The average price to the farmer in the North Island is about 1s. 7d. per dozen.

Food costs one-half of that ?—Yes, the price of wheat represents half of the price of eggs received by the farmer.

Is it fair, then, to take the price of wheat—the raw article—in one case and to take the finished article, in the shape of the egg, in the other case as a comparison with reference to poultry ?—That is the difficulty, sir. The value of wheat as represented by flour is mainly the value of labour, capital, and distribution charges.

That does not answer the question. The question is, Is it fair to take the raw product in the shape of wheat and make a comparison as to what it is worth to New Zealand with the finished product in the shape of the egg ? Must you not take the finished article in both cases ?—If you do, you must make your qualifications.

You make your statements without qualification ?—I was using the farmer as the basis, and I was not going beyond that.

With reference to the selling of poultry, if it is fair to take the poultry sold, is it not fair to add also to the wheat industry all that is produced in pork and other side-lines ?—If you are taking the two as a finished product, yes, certainly. I want you to understand that I am not arguing that the wheat industry is worth any less, or anything of that sort. I am just making a statement as to the relative importance of the products to the farming community.

My point is that it was not relative—

*The Chairman :* That is quite a debatable point. The witness was endeavouring, of course, to show the value of the products to the producers.

WEDNESDAY, 4TH SEPTEMBER, 1929.

Mr. W. G. McDONALD examined. (No. 9.)

*The Chairman.]* You wish to give evidence before this Committee, Mr. McDonald ?—Yes, sir. You were formerly Chairman of the Board of Trade ?—Yes, sir.

On whose behalf do you wish to give evidence ?—On my own behalf. I was associated with the industry from 1916 to 1925.

On the Board of Trade ?—Yes, most of that time, sir.