

wasteful marketing methods, and the retention by the Board of the "hidden savings" now distributed amongst the factories supplying the local market, would yield to the Board approximately 1d. per pound on butter locally sold. This would represent a total of about £240,000 per annum at the present level of local consumption. We have elsewhere in this report shown that approximately £288,700 per annum will be required to finance a quality-improvement and tuberculosis-eradication policy, and to provide additional funds for advertising; but that during the initial three years of the tuberculosis-eradication campaign £150,000 of the £288,700 will not be required. The annual yield from savings effected by the proposed local marketing control policy will therefore not only meet all expenses of the Board's operations for some time to come, but enable a reserve to be built up.

We are of the opinion that the utilization in this manner of savings realized by the operations of the Board is justified while butter prices are so low and dairy-farmers are in serious financial difficulties. We recommend, however, that, when and for so long as the London price of butter stands at or above 100s. per hundredweight in New Zealand currency, and the London price of cheese stands at a corresponding level, the incidence of local and export levies should be so adjusted as to return to consumers, in the form of lower prices, the whole or part of the savings effected under the scheme of local marketing control.

310. Local Marketing of Cheese by Board to be deferred :

With regard to control of the local marketing of cheese, it is recommended that action be deferred until the butter rationalization scheme has been established.

311. Consultation in regard to Details of Scheme :

It is realized that many details of the plan of rationalization which has been recommended will have to be worked out by the Dairy-produce Control Board. In this regard it is suggested that advantage be taken by the Board of the advice of those interested in the manufacture and distribution of butter for the local market.

312. Protection of Retail Purchasers from Misleading Descriptions :

We have dealt with the local sales of butter and cheese solely from the point of view of the wholesale trade, for we are satisfied, from a consideration of the evidence submitted to us, that it is unwise to attempt to control the retail trade, either by fixation of prices or by any other means. The methods of trading of different classes of retailers vary so widely that any interference would be fraught with difficulties and would produce inequitable results. We are, however, impressed with the desirability of ensuring that all butter, whether sold by wholesalers or retailers, should be sold according to its class and grade. At present creamery butters are sold under a multiplicity of trade names and descriptions, which do not indicate their grade. Whey butter, when sold in pats, is required by law to have the words "Whey butter" printed on the wrapper, and, when sold from the block, it is required to be designated as whey butter by means of a notice displayed on or beside the block.

Two weaknesses of the law as it stands have been brought to our notice. The first is that purchasers do not know the grade of creamery butter they are purchasing, for there is nothing, in many cases, to indicate the grade. Such terms as "choicest" and "best table" are misleading, and have no reference to grades. Further, the quality of the butter sold in wrappers bearing certain trade names and descriptions varies, and may be at different times of finest, first, or second grade. The second weakness of the law is that in the case of whey butter, as well as of creamery butter, there is nothing to prevent retailers from advertising any cheaply priced butter as, say, "best table-butter." It is well known that many customers write or telephone their orders for groceries, and this method of advertising makes it possible for them to be supplied with butter that they might not have cared to purchase if they had known its class and grade.

We recommend, therefore, that retailers shall be required, in advertising or displaying butter in any way, to state the class (creamery or whey) and grade (finest, first, or second) of the produce.

LOCAL UTILIZATION OF MILK AND MILK-PRODUCTS.

313. Introduction :

The Commission was directed to investigate the methods that might reasonably be adopted for promoting an increased consumption of raw and manufactured dairy-produce, and the economic practicability of the utilization of raw dairy-products for purposes other than the manufacture of butter or cheese.

314. Importance of Milk and Cream as Articles of Diet :

In other parts of this report we deal with alternative uses of milk and the by-products of milk in animal husbandry, and with the possibilities of increasing the consumption of manufactured dairy-products. In this section we propose to discuss means of increasing the consumption of milk and cream in liquid form, and means of increasing the quantity of milk and cream used in the manufacture of certain articles of food.

The opinion held by the great majority of the members of the medical profession is that the *per capita* consumption of milk is too low, especially in the case of children. The average consumption in New Zealand is estimated to be half a pint per day. Most medical authorities consider that an adult should consume a pint and that a child should consume a pint and a half daily. Milk contains proteins and mineral constituents that are of special value in building up and renewing the tissues and