

16. *Mr. Hockly.*] In what district is your farm?—At Aorangi Settlement, near Feilding.

17. You put down in your statement cultivation charges, including manure, seeds, and wages, at £4 7s. 6d., which means that you grow practically no artificial feed for the cows?—No, only a little maize.

18. Therefore in that respect you are in a very much better position than a great many other dairy-farmers?—Yes.

19. In the Waikato, where a farmer has to grow winter feed and does not depend on grass for more than four months in the year, his cost of production would be materially higher than yours?—Yes.

20. With regard to wages, what do you base your estimate on—so-much an hour, or so-much per week, or a year?—It is based on share milking.

21. What percentage of the gross returns do your share milkers get?—I am paying the men one-third.

22. But you find the benzine for running the machinery?—Yes, half.

23. Is that one-third of the milk alone or one-third of the milk, calves, and pigs?—In another respect we are placed in a more favourable position, because we are manufacturing casein as well as butterfat. The man has half of any calves after rearing a few heifers for me, and half the skin-money.

24. You stated that you thought the Committee was beating the air in calling evidence of this nature: is that owing to the fact that conditions vary so materially, not only from district to district but also from farm to farm, that the individual experience of particular farmers cannot be of very much benefit to this Committee?—Yes, I think that is so.

25. Would you agree that any statement made by Mr. Singleton, the head of the Dairy Division, who is a practical man, would be of more benefit to the Committee than the evidence and experience of individual farmers?—I would not say it would be, but it may possibly be. I do not think you could get at the cost of production until you had, as I have said, practically demonstrated it on your own account.

26. *Mr. Powdrell.*] In connection with the share milking, do you give the man any proportion of the £27 3s. 7d. for calves?—Yes, half of it.

27. We are interested in your return because you say the cost of production is 1s. 3d. per pound of butterfat. You show that your butterfat at 1s. 10d. works out at £922 18s., and two-fifths to the share milker shows that you paid to them £371 16s.; then you have wages and cultivation charges put down at £228. How do you account for the discrepancy between what you have shown and what you get out of the milk?—I give less than one-third.

28. You have not assessed the Government interest in your land at all—you have only assessed the lessee's interest?—Yes.

29. Do you think that is a fair thing in arriving at the cost of production? If you had land worth £100 an acre to-day and you could sell it at £100 and get 6 per cent. on that value, would you not consider that was the price you should put in the balance-sheet in arriving at the cost of production of butterfat?—That is a question for the Committee to determine. That is how I have reckoned it out.

30. *Mr. J. R. Hamilton.*] You say you think the Government would arrive at a more accurate idea of the cost of production if they had a farm; but, seeing that the conditions vary considerably throughout New Zealand, it would depend upon where that farm was situated?—Yes.

31. In the South Island the value of the land is worth about £35 an acre?—Yes.

32. And in the North Island about £100?—Yes. The whole question resolves itself into this: unless the Government adopt the policy that no produce will go out of New Zealand until a sufficient quantity remains in New Zealand—and they have no justification for singling out one particular product and saying that shall sell at a certain price—it is not necessary to go into the question of production.

33. We have to try and arrive at what is a fair cost of production?—Yes.

34. You admit that your cost of production is a little low as compared with others?—Yes. There is one little error in my statement in regard to wages. The statement was made up in a hurry in reply to a request to me to send in a return. I went through it, and there was less put down for benzine than there should be. If the proper figures were put down the £292 should be a little over £300, making a difference of about £30 more for cost of production than is shown in the statement.

35. The point is that the cost of your production has come out so much lower than that of the average?—The figures I have shown indicate practically the real position. I worked out the cost of production at nearly 1s. 5d. per pound.

36. *Mr. Powdrell.*] That is not allowing for the present value of the land?—Not allowing the full market value, no.

37. *Mr. McCombs.*] Do you wish to put in an amended balance-sheet? If you did, what would be the expenditure then—you have £687 down now?—I have not the exact figures with me now, but I could send them to the Committee.

38. Even with an amended balance-sheet you still make your cost of production 1s. 5d. per pound?—Yes, or a fraction over.

39. We have had lower returns than yours produced before the Committee showing the cost of production at 1s. 1d. and 1s. 4d. in other districts: how would you account for that—because they got their land at a reasonable rate?—I should think so; or it might arise from the fact that some men do not want so much interest on their capital.

40. In your opinion how are the land-values determined—by the price of the produce?—They are determined, in my opinion, by the price of the produce obtained from them in the first place.

41. Then if in the war period high prices were received for produce because of famine conditions obtaining in Europe, do you consider it fair to the consumer in New Zealand that he should have to continue to pay the high prices so that the inflated value of land might continue?—I do not see there is any way out of it under the present conditions while we are depending on the world's market for the sale of our produce.