43. About £1,200 worth of buildings?—Yes.
44. On how many acres?—On 62 acres.
45. That is over £20 an acre in improvements for buildings alone?—Yes.
46. Without fencing, draining, or stumping?—Yes.
47. That rise in the value of the land is not wholly profit?—I do not think so.
48. There is some of your labour gone into that land during those years?—There is the whole of my labour.
49. Which you have not been paid for?—No; that is where I consider my labour and savings are, in the value of the land.
50. *Mr. McCombs.*] In the statement you furnished the Committee you show the cost of producing butterfat is 3s. 3d. and the revenue received 1s. 9¾d. You would therefore be losing in the year on the whole of your production 1s. 6d. per pound?—I have not worked it out that way.
51. You have been losing 1s. 6d. per pound during the year on the basis of £100 per acre valuation. How do you expect the man who comes in and pays £100 for the land to make a living?—I myself think the value is too high.
52. Then the value of the land is not worth £100?—I would not like to pay £150 an acre and work it. A man would be making a slave of himself.
53. Then your land is not worth that?—I do not know. It is what you can get for it.
54. You paid £15 an acre?—For some of it, and for the other section I paid £50 an acre.
55. After making all allowance for improvements, you would still be making a profit on the land of £4,000?—That is if I sold it at £100 an acre.
56. If you sold it at the figure on which you base your balance-sheet?—Yes.
57. You tell the Committee that you have a farm showing a loss of 1s. 6d. on every pound of butterfat you produce, and it is based on the valuation you put it down at?—I do not know that that is a question for me to answer.
58. The Committee wants to be convinced of all the items in your balance-sheet, and among the items is 62 acres of land at £100 per acre?—Yes.
59. That relates to the largest item, and interest on that at 6 per cent. is the largest item of expenditure. If you cannot justify the first item in your balance-sheet on the expenditure side, your balance-sheet is not worth much?—If I had a mortgage on it I would have to pay 6 per cent.
60. I am not objecting to the 6 per cent., but to the valuation?—I have put down the Government valuation, and I am entitled to that plus 10 per cent. The butter people are the worst paid of the dairy-farmers in the community. In our district we are up against the Glaxo factory on the one side, and there is a cheese-factory a mile and a half from the butter-factory. Unless the suppliers can get a reasonable price they are determined to supply either the Glaxo factory or the cheese-factory. We find great difficulty in holding our suppliers together in the factory, and I have no hesitation in saying that if the Government continue to restrict the price of butter, butter will get scarcer instead of more plentiful. The Government return for the year 1916 showed there were 17,000 tons of butter exported, and the following year a drop to 11,000 tons. It can be proved that those people went from butter to cheese because it was a better paying proposition, and there has not been the restriction placed on cheese that we have had placed on butter during the last four or five years. In my district there is only one other factory making butter, and when I went there twenty years ago they were all making butter, but have gone into the manufacture of cheese. The factory I am connected with will have to seriously consider going into cheese. If people are going to get 6d. and 9d. per pound more on butterfat for cheese, no one can expect them to supply for butter.
61. *The Chairman.*] The Committee pretty well understand that position?—Yes.
62. *Mr. McCombs.*] Every member of the Committee is exceedingly sympathetic with the butter-producer and wants to see that he gets a fair deal, but the particular point is, is not the butter-producer not getting a fair deal not because of the restriction of price but because of the outrageous price he is expected to pay for land: is not that the whole difficulty?—Yes.
63. Is not that why his wife and children and himself have to slave and grind to make a living?—Yes; and not only that, but the people will turn the butterfat into Glaxo if they can see more money in it.
64. *The Chairman.*] What Mr. McCombs means is that the man who is now going on the land buys it at an enhanced price?—Yes. I know a farm in my own district which changed hands at £150 an acre.
65. *Mr. J. R. Hamilton.*] I suppose you admit that the high price of land has got absolutely nothing to do with the price of butter?—If the growing of meat or wool paid better, naturally the people would go into wool or meat, but of course we have only small holdings.
66. You admit that the price of butter, like wheat, and cheese, and everything else, is regulated by the law of supply and demand on the world's market?—Yes.
67. And that the price of land has nothing to do with the fixing of the price of produce?—There is a world's scarcity of butter.
68. You will admit that probably in three years' time the law of supply and demand will probably make butter unsaleable, and you may have to accept 1s. per pound for it?—Certainly.
69. And the farmer will have to put up with the consequences?—Yes, and I do not think anyone would subsidize us in connection with the loss.
70. Then you will admit that a farmer in making up his profits has to consider them over a number of years, because the fluctuations in prices one year might result in his making a good thing and in another year he may make nothing?—That is so.
71. Therefore the farmer has got to throw his profit over a great number of years in order to arrive at an average of what he is making per year?—Yes.
72. He cannot take any particular year, because the price of produce may be high that year and low the next year?—Yes, and the climatic conditions may materially affect his returns.
73. *Mr. Atmore.*] Does the price of butter or other produce fix the price of land, in your opinion?—I think so. It necessarily must. If a man found that the price of produce dropped, I suppose the price of land would drop, too.
74. The point is that the price of the produce off the land makes the value of the land?—Yes, I think so.
75. And it is not the high price of land that makes the price of the butter high?—No, I think it is the other way about. I have supplied butterfat at 8d. per pound when I started and had to make ends meet.