

23. How are you going to get over the difficulty when it is just as profitable for the farmer to turn his butterfat into cheese as into butter with the prices they get on the Home markets to-day? If you put an export tax against the farmer on butter, how are you going to prevent the farmer stopping the manufacture of butter altogether and manufacturing cheese?—I should think the remedy would come of itself automatically. If all the farmers stopped producing butter and produced cheese you would have a glut of cheese on the market, and cheese would become cheap and butter go up.

24. If you examined the position you would find that the quantity of cheese retained in this country is infinitesimal as compared with the world's requirements of cheese?—If all the farmers started producing cheese the action would come as a result of that.

25. We know from past experience that the placing of an export tax on a class of produce that can be dealt with and turned into another channel has had that effect. They knock off manufacturing that class and turn their farms to another form of production. I wanted a suggestion from you as to how we could overcome that. If we were going to tax the export of butter, would it not be fair to put the tax on the export of cheese to balance that?—I think so.

26. *Mr. McCombs.*] When they fixed the equalization fund in connection with the export of butter they levied it on butterfat, and that covered the cheese-factories as well as the butter-factories?—Yes.

27. Do you think that an equalization fund levied on all producers who were making war profits, and that which would press lightly, would be the best possible solution?—I said an export tax.

28. Have you had an opportunity of studying the twenty-four cases submitted?—Just from the Press. I read those through carefully.

29. You would not be surprised to learn that the cost of production, taken from the farmers' own statements as to what it costs to produce, ranges from 1s. 1d., 1s. 4d., 1s. 6d., up to 3s. 3d.?—That was on account of the different prices of land, I suppose. The land has gone up through community needs.

30. *Mr. J. R. Hamilton.*] Would you be in favour of giving the people who did the milking as good a wage as the people in the towns?—Yes.

31. How are you going to do it if you put an export tax on butter when they are not getting as good wages now?—They are not getting as good wages. Of course, in the country they can get commodities cheaper for which we have to pay very highly in the towns, and although they may not get so much in money they may be better off for that reason.

32. I suppose you believe in reciprocity?—Yes.

33. Do you not think that if the producers in the country gave the townspeople cheap butter they should give them something back in return?—I think it would eventually act in that way. If the producers met the people in the towns, the townspeople should meet them.

34. What would they give them back?—Perhaps they would ship their butter away without striking.

35. They would ship it away without it costing them 4s. an hour to handle it?—No. If you are going to pay 4s. an hour and raise the butter to an exorbitant degree you are not going to benefit.

36. Do you not think the enormous wages paid are the cause of the high prices?—Other people say that the high prices are the cause of the enormous wages.

37. Do you not think that has got just as much to do with the increased cost of production, or has more to do with it, than anything else?—I think the increased cost of the land has as much to do with it.

38. Seeing that only a small proportion of the people of New Zealand have sold their land or bought land, and that there are hundreds who have never sold their land, the high price of land makes no difference to them?—But they get the high prices for their products.

39. But the high price of land never makes any difference to the man who never sells his land?—But does he not get the benefit in the cost of the products which are higher? He is to get 2s. 10d. per pound for his butter.

40. Yes, but there is extra taxation?—Yes.

41. *Mr. Hawken.*] In what way would the price of land affect the price of butter?—I am going by the statements I have received that the price of land is included in the cost of production—the interest.

42. Is not the price of butter fixed in England?—Yes; but two blacks do not make a white: if it was fixed at a high rate there, there is no reason why it should be fixed at a high rate here.

43. The price of land has nothing to do with the price of butter in England?—No, but we are working on a different basis. No doubt the price of land in England has something to do with the price of butter there.

44. *The Chairman.*] I want to be clear about the answer you gave me in reference to the requirements of butter per head per week. You said a family of three: do you mean a husband, wife, and one child?—No, three adults. The amount varies, and that is a modest estimate.

45. A family of four may consume 4 lb.?—Yes.

46. And what for a family of six?—4 lb. or 5 lb. It all depends on the people.

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CHARLES JOHN BOYD NORWOOD examined. (No. 5.)

1. *The Chairman.*] I understand you are chairman of the Milk Committee of the Wellington City Council?—Yes.

2. The object of the Committee is to get some indication from you as to what the increases in the price of milk have been compared with before the war, and the gradual rise there has been up to the present time?—Yes. I would have been pleased if time had permitted to have got some statement prepared that would be useful. I want to tell you, Mr. Chairman, that the question of the milk-supply for the City of Wellington has been a serious matter indeed quite apart from the prices, and it may become the duty of the Council as well as this Committee to deal with the