76. When selling butter at 8d. per pound the price of land was very much less?—Yes; the land £15 an acre, and cows returned £10 each a year gross; the value of the cow was £5.

77. And if butter went up from 8d. to 1s., that would be reflected in the higher price of the land?—Yes.

78. A man would put the money down and the quantity would be determined by what he could get out of the land?—Yes.

79. *The Chairman.*] It has been suggested to the Committee that the farmers under the present conditions of high prices ruling in the Old Country ought to be patriotic and sell butter at the old price. How would the farmers consider that?—I think the farmer would be quite agreeable providing he could buy all his requirements at the old price too, but we have to pay present prices for everything we want on the farm. Fencing-wire is £75 as against £20. I would be quite willing to go back to 1s. per pound if I could buy all my requirements at the old price.

80. As one connected with a factory, what would you suggest the Governmnt should do to meet the price of butter for the people as a whole so that they could get butter at a reasonable price: would you advocate an export tax?—On butter alone?

81. That is for you to say?—If you put an export tax on butter you would get less.

82. The farmers would all go in for cheese?—Yes, they would have to.

83. Then supposing there was an export tax on butter, cheese, wool, and meat, would you favour that?—To my mind, it is rather a vicious way of putting extra taxation on the farmer. I think to take it out of the Consolidated Fund is a fair thing. It means that the wealthy man in the town would reap the benefit at the expense of the poor man on the land.

84. If butter was sold at the present price of 1s. 9d. for the coming season, and the butter was worth 2s. 10d. to the farmer, have you any idea what that is going to cost the country from the Consolidated Fund? It would cost £1,100,000 for the requirements of the Dominion?—Yes, at least.

85. You think it ought to come out of the Consolidated Fund?—Personally, I think the fairest thing is to put it on the market and let it take its course.

86. You think butter should take its place on the market and the people should pay the price?—Yes.

87. *Mr. Powdrell.*] Free trade in everything you are in favour of?—Yes.

88. *Mr. McCombs.*] If the Government or the Committee thought of providing an equalization fund by a percentage increase on land and income tax, then only those with incomes of over £300 a year would have to contribute. Those with incomes of between £300 and £400 would have to contribute one-fifth of a penny in the pound—a mere bagatelle—and so there would be a varying percentage rise, as we have in our income-tax. If you pursued that policy in regard to land you would get all this money not only from the farmer who exports, but also from the producer and the merchant in a steepening grade from £300 upwards. That would be bringing into the Consolidated Fund a special tax for a special purpose—for the purpose of providing an equalization fund. Supposing the Committee wanted to find an expedient for keeping down the price of butter and had to consider that idea, how would that strike you?—Would it only be used to keep the price of butter down?

89. There would be a special levy of, say, 10 per cent on land-tax and income-tax to be used as an equalization fund for whatever was kept down, butter or anything else, and the producer should get the export price?—Well, I understand that the Consolidated Fund really consisted of contributions from the wealthier class, so would it not come to the same thing?

90. No, you would make a special levy in addition, which would get over the objection of levying on the Consolidated Fund, which also consists of the Customs revenue, which is provided by the whole of the people?—I take it it would be for the whole of the people.

91. Yes, and it would not matter then if the rich man did get his butter at 1s. 9d., he would pay a little more in taxation?—Yes, that is so.

92. Does that commend itself to you?—I had not had time to think that over, and I did not expect that question to be put to me. Personally I do not think it is fair to put any more taxes on the farmer. He has to pay land-tax and income-tax. My taxes have increased over 100 per cent. this last season.

93. *Mr. Hockly.*] Would you agree if that was done that an equalization fund should also be provided to compensate the farmer for extra prices he has to pay for all his commodities?—It seems fair it should be so.

94. *Mr. Powdrell.*] Would you favour the setting-aside of a sum yearly out of the Consolidated Fund to compensate any cases of bankruptcy or loss or hardship to meet the price of butter if a fall takes place in the value of land?—It seems to me it would be justifiable. If the price of produce comes down I do not see how the men who pay high prices for land are going to make both ends meet.

95. The first thing will be that if there is a fall in the price of land the farmer and his family will have to work for nothing?—Yes.

96. *Mr. J. R. Hamilton.*] Do you not think it would be just as fair to put a tax on luxuries, such as beer and other things, as to put it on the land—to put it on picture-shows and the like?—I certainly think so—the farmer has to go without that sort of thing.

97. *Mr. Atmore.*] Mr. Powdrell asked you whether you did not think a fund should be established to prevent farmers going bankrupt. Have you known any farmer going bankrupt in your district during the last five years?—I do not know that I could mention any.

98. You know all the persons farming there?—Yes.

99. You have been there for twenty years?—Yes.

100. How many farmers have gone bankrupt in the last twenty years?—I do not know any who have gone bankrupt, but that is not to say they are particularly well off. They have to make ends meet and cut their coat according to the cloth.

101. You stated that your taxes had doubled?—Yes, the land-tax.

FREDERICK WILLIAM THOMAS examined. (No. 18.)

1. *The Chairman.*] What are you?—A farmer at Rototuna, Hamilton.

2. You are engaged in dairy-farming?—Yes, exclusively.