

be put on the land by pressure of Government help it would have the effect you suggest; but I think the principal thing is the abnormal price of products all over the world, owing to shortage. It is right down at the basis of the commercial system, and always has been, that overproduction creates cutting and underproduction creates profiteering. I do not mean to pick out any particular case when I say "profiteering." It is the careful farmer we find walking about to-day, and he is entitled to it. All of us take advantage of conditions.

38. That opportunity that is given to the man going on the farm with little means is a rightful charge upon the farmer—it is taking a risk?—Yes, absolutely a rightful charge.

39. *Mr. J. R. Hamilton.*] You say that you believe there should be some sort of export tax or some regulation over the whole of the products?—Yes, for the whole of the products.

40. Seeing that that is your opinion, do you not think when the farm-produce goes down below a payable price that he should be entitled to some protection?—Well, I suppose it should cut both ways in a sense, but I think it is a circumstance that will adjust itself in the commercial system. It always does.

41. It will adjust itself when prices go down and people will go out of it, but the farmer has to suffer when the prices go down and the consumer when the prices go up, but the consumer never sings out when the price is so low that the farmer is making nothing out of it?—That is right. If I had a clear mental picture I would be able to give an opinion on it. I see the point you raise, but it has never been present, to my knowledge.

42. If you were farming the same as we have done and came through the period we have come through you would see that any number of farmers have gone through the Court because prices have gone below payable prices. They have struggled for years without making anything, and eventually those who hung on were repaid, while others dropped out. Are you in favour of giving the producer some assistance when prices go down?—I am against any kind of interference with the commercial system. That means, let enterprise go on, and encourage it, because that is going to mean the greatest success in the end. At the same time, we are up against a very difficult situation to-day, and it is for the Committee to go into it very seriously. If I happened to be a member of the Committee, very reluctantly perhaps I should come to the conclusion that it was a proper thing to do to adjust this question so as to make the cost of living here in New Zealand just a little preferable to other parts of the world. It may even recoil to the benefit of the farmer that we should do that.

43. Do you think that the cost of living in New Zealand is cheaper than it is in other parts of the world?—Yes, I do. I have travelled the world and know what the position is. I would be very pleased if the world's eyes were turned on us to-morrow in the light of it being the cheapest and was going to continue the cheapest place to live in. It would be the best advertisement we could have, and you would as a result reap the benefit as farmers.

44. *Mr. Poudrell.*] You say it would be better to have a tax on products. How would it affect wool, even though the farmer is producing at less than the cost of production?—You are bound to come on to a particular point of the exchequer which one is not familiar with. My own impression is that there are certain surpluses held, but if certain markets were open the whole of the wool could be sent out and there would be an enormous demand for it, but the way it is concentrated in the trade to-day puts you in that position. I think it is sound notwithstanding that on wool the tax would be so small that I do not think the farmer would feel it.

45. *Mr. McLeod.*] As I follow your evidence, you believe that if an export tax is decided on it should be spread over all the products of the land?—Yes, absolutely.

46. You know that in the past an attempt to remedy the position has been to charge an amount to the Consolidated Fund?—Yes.

47. You believe that an export tax in the products of the land would be better?—Yes.

48. You will admit that on the average there are larger incomes derived from sources outside land than by those people working. Is there any reason why those people should not be taxed?—They are taxed pretty soundly in other ways.

49. Not in proportion to those on the land?—If there is a specific case you have I should be very pleased to give my opinion upon it.

50. Take, for argument's sake, a concern like the Midland Hotel in this city: it may be a very profitable concern, and might buy butter cheap and sell it to their fancy customers?—They are subject to control by the Board of Trade, which may look into their affairs and say, "You must charge so-much less." I take it that the internal trades dealing with the public are brought under the Board of Trade, and if any one has any complaint to make their affairs can be investigated and brought down to the proper thing.

51. *Mr. J. R. Hamilton.*] You are aware, I suppose, that they can pass their increases on to the general public?—Well, if the Board of Trade fixes the price and does it justly I would rather have no interference of that kind, because really the other fellow has to pay the export tax. It always amounts to that.

52. Will you agree with this: that the farmer cannot pass his increased cost on to anybody?—Well, I do not agree with that—not wholly. The total farming products are merely taxed for that portion in local consumption. I do not know what the proportion of local consumption would be. If the local consumption was two-thirds I may have a different view altogether, but my feeling is that the local consumption in the total exports is a very small fraction.

53. I will give you two different cases: A grocer buys his goods at a certain figure and places 10 or 30 per cent. on them, which is the recognized profit. Are you aware that the farmer is not able to do that—he has to take what the world's market will give him—he cannot put any percentage on?—Yes.

54. He has no means of placing a profit on his goods?—The difficulty with the farmers is the matter of accountancy, so that one can know exactly right through where they stand; but I believe the farmer is entitled to any commission or the conditions of commerce that any other business man is entitled to. I look on him as a business man pure and simple, and would credit to him everything I would credit to any other business man.

55. *Mr. Poudrell.*] Supposing I produced a balance-sheet over fifteen years of what is considered the best farm in the Taranaki Province, showing that with the rise in the value of the land, the farm having been sold six times, the farm did not return an investment of 6 per cent.