your farm to-day?—I suppose it is worth £140 an acre. The dairy industry is not a thing that will attract the capitalist, and the majority go on under the capitalist, and you know that in any commercial enterprise it is impossible to make a success of it if you go into it under the capitalist.

43. *Mr. J. R. Hamilton.*] But is it not the successful farmer who has been the means of putting up the value of the other man's land? Because one man does not make a "do" of it, if there are twenty successful men they know that that farm can be made just as successful under good management?—That is a difficult thing to say. A man will say he does very well out of his cows, but I would question that and say to the man, "You do not do very well out of the cows, but do very well out of your family."

44. *Mr. McCombs.*] What is the butterfat return per cow?—In my statement I have put down £782 16s. 4d. for the thirty-three cows, including by-products, casein, &c.

45. Have you not worked out the amount of butterfat per cow?—Yes, 237 lb. per cow.

46. We have had a return from a farmer who got a return of 234 lb. of butterfat per cow. He allowed £50 for depreciation and loss on stock, he took £228 for wages, £27 for farm products used by the family, and after allowing himself 6 per cent. interest on his capital invested he showed the cost of production to be 1s. 3d. per pound, and actually received 1s. 10d.—that is 7d. per pound—after paying wages and allowance for his family, which gave him a profit of £293. In the statement he gave he shows a total return of £735 per annum on butterfat at the rate of 1s. 10d. per pound. He has a farm at Feilding, and paid £10 an acre for it in 1904?—You cannot take that value of land.

47. If the incoming man paid £35 an acre he would have to struggle under the hardship inflicted on the small dairy-farmer by the land speculator and the land-dealer?—To a certain extent; but you must remember that if a man bought land for £10 an acre in 1904 he had to go on the land before there were any paddocks. If he has spent time in improving the farm, surely he is entitled to some consideration for that.

48. Yes, that would appear in the cost of his labour. You seem to have a grievance against somebody who was forcing the farmer to work his family. I put it to you that it is the man who sold his farm at such a rate that he had to work his family is the oppressor?—Would you mind telling me the acreage of that farm?

49. There are 80 acres, and he is milking forty-three cows?—I will give him £100 an acre for that farm to-morrow. For speculation it is worth £140.

50. Then we have another case, and the farmer says the records are accurate and are not estimates. He has only got 170 lb. of butterfat per cow. He charges 6 per cent. on the value of his capital invested, £246; depreciation of stock, £211; cultivation charges, £150; and milking-wages, £480. He then shows that he can make those allowances and then has a profit of £200 on top of that?—There has always been a discrepancy between one farmer and another in averaging his costs. One farmer may sustain more losses than another, and one farmer may have an exceptionally good season. Last season here the autumn growth was splendid, while in another district the farmers may have been burnt up. There is bound to be a big discrepancy between different farmers, but we can only deal with figures. I was asked to give this estimate of the prospective cost of butter, and I will defy any one to dispute the figures I have supplied. In my statement I have allowed for 250 lb. of butterfat per cow, which is a very liberal allowance; 6 per cent. interest on 70 acres of land at £140 per acre, £588; thirty-five cows at £25, £875; two horses, £50; milking plant, £200; farm implements, £100; cart, trap, and harness, £100. That comes to £1,325, and 8 per cent. on that is £106. Then there are rates and insurance, £14; depreciation on milking plant and farm implements at the rate of 10 per cent. on £400, £40; loss of stock, £75; repairs and maintenance, £40; general expenses, £40; and wages of one youth and keep, £134. I have provided for the owner to get 2s. an hour for eight hours, three hours at 3s., and six hours on Sundays at 3s.—£8 8s. per week—which comes to £436 16s., less £100 for house and wood. That gives a total of £1,373 16s. as the expenditure. Then, on the credit side there are thirty-five cows with an average of 250 lb. of butterfat per cow, which is 8,750 lb. at 3s. 1½d. per pound, making a total of £1,373 16s. Of the 3s. 1½d. per pound for butterfat has to come 3d. per pound for by-products, making the cost of production 2s. 10½d.; and that leaves a balance of £6 13s. 4d. as between the receipts and expenditure; and I will defy any person to dispute those figures.

51. *Mr. Powdrell.*] When you purchased your farm did you buy it on terms or pay cash?—I have £2,000 invested with my stock. Another point is that we allow no depreciation on the land. Any one could go over the land, which I consider is the best dairying-land in the Dominion, and you will find that where it is being used year after year the land is going back in production, and will not carry the same amount of stock if a man has not sufficient capital to top-dress. The result is that in a few years that land will carry three, or four, or five cows less; and surely he is entitled to depreciation off his land. I would like the members of the Committee to look at the statement I have prepared and see if there is anything unreasonable put down.

52. You consider that you cannot take a ton of milk out of the herd and off the land without depreciating the land; you contend it does not come out of the herd, and therefore it must come out of the land?—You cannot write cheques every day without putting something in the bank.

53. *Mr. McLeod.*] You are basing you statement on the value of your land at £140 per acre. It is the speculative value of the land which is causing the difficulty and making it difficult for the business to pay. If the land got back to its original value, would not that apply to the city property also?—Yes.

54. It would be as fair to say a Wellington City block should remain at £10 if you are calculating the profit you are making on a business?—Yes. One of the biggest factors is the Government and the land agents with the land changing hands so often.

55. *The Chairman.*] But you would not suggest that a man should be compelled to stay on his farm and not sell it?—No, not at all.

56. Do you suggest that he should sell it at the original price?—No, not at all.

57. You say he is entitled to everything in it?—Yes. Could any gentleman say to-day what we will get for this land in ten or fifteen years hence? It is speculative, the same as in regard to mining shares.