and fences ?—(Witness) That is already taken into consideration, and I think, myself, that in the meantime there is no better way of dealing with invisible improvements than the one we have. That provides for an appeal to the Assessment Court, where evidence is given by the objector as to what has been done to the land in years past, and the decision of the Court is given on the weight of the evidence.

It has been pointed out that perhaps two men out of fifty appeal in one district, and that the non-appeal by the other forty-eight is so-much evidence against those two ?—The Court is wrongly used in that way. That is why I suggest an alteration in the Act so that the valuation of the whole district may be within the knowledge of the Court. If a man thinks his neighbour's farm is valued too low, let him come to the Court and say so. The present system of spasmodic objections is objectionable.

Do you suggest that if one man in a district appeals that should automatically bring the valuation of the whole district under review ?—Yes, or without any objection at all, because the others are also interested.

Mr. Begg.] And is not the local body interested: if the land is valued high it suits them, because the revenue will be high, but if the valuations were low it would seriously interfere with the revenue ?——

Mr. Clark: That is so.

DOMINION RUBBER COMPANY.

Mr. Weston: Mr. Chairman, could we deal with the question of depreciation raised by the Dominion Rubber Company ?

Mr. Clark: I would like to point out that that is the result of the alteration in the law exempting income from the land. Before the alterations were made we allowed depreciation of business premises. Now the law provides for 5 per cent.

Mr. Weston: In lieu of any allowance for depreciation ?

Mr. Clark: Yes; and if the law is amended so as to bring in income from the land we shall be able to allow depreciation of premises. We cannot meet that case under the present law.

Mr. Weston: Why did you not give exemption on account of the land there: is it because it is not subject to land-tax ?

Mr. Clark: That is so. There is no land-tax there. I doubt whether they pay income-tax.

Mr. Weston: I should think it would be very small there in the Malay Free States.

Mr. Shirtcliffe: These prople do not tell us what taxation they are paying up there. It seems to me that the hardship, if there is any, must depend upon what taxation they are paying on their property in the Malay Free States.

Mr. Clark: There is some income-tax paid in the Straits Settlements.

Mr. Shirtcliffe: Do they pay land-tax ?

Mr. Clark: No, I do not think so.

Mr. Shirtcliffe: If that estate were here in New Zealand they would pay land-tax ?

Mr. Clark: The company would pay land-tax, and it would get an exemption of 5 per cent.

Mr. Shirtcliffe: Then, probably the freedom from land-tax means a much greater saving to them than this loss of 5 per cent. for depreciation.

Mr. Clark: That would depend upon the amount of income the company made.

Mr. Begg: If they are paying no land-tax there, they would have to pay proportionately more for the land.

Mr. Clark: They would pay more for the land by reason of the fact that there is no land-tax.

Mr. Hunt: Is it only the income that is admitted that they pay on ?

Mr. Clark: No; on the whole of the income.

Mr. Shirtcliffe: What is your view, Mr. Clark ? Do you consider that these people are suffering any hardship, bearing in mind the fact that they do not pay land-tax there ?

Mr. Clark: I think probably the hardship is that the company made a big profit one year, and has made losses ever since.

CHRISTCHURCH, SATURDAY, 3RD MAY, 1924.

GEORGE GOULD examined.

The Chairman.] You are a director of Messrs. Pyne, Gould, and Guinness, Mr. Gould ?—Yes; but I would sooner not appear in that guise. I am a director of various firms, including Pyne, Gould, and Guinness. In giving this evidence I am not speaking as director of Pyne, Gould, and Guinness.

I understand. You wish to put before us some views in connection with the subject-matter of our inquiry ?—I do not propose to give evidence on the general question of income-tax as affecting companies. I propose to address myself to one or two points in connection with land-tax and income-tax as affecting farmers. I think, provided the rate is not excessive, that land-tax is preferable to income-tax for farmers, if only on the grounds of simplicity and cheapness of collection. In assessing farmers' income it is very difficult to separate living-expenses and benefits derived from the farm from working-expenses. I consider that if the principle of graduated land-taxation is adhered to there are some very necessary amendments to the Act required. Section 51, imposing 50 per cent. increase of tax upon unimproved land, is quite unworkable in its present form, except by disregarding it. Section 51 reads as follows: " For the purposes of this section ' unimproved land ' means land on which there are not, on the thirty-first day of March immediately preceding the year