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*of Brit. Royal Commission
on Agriculture, 1919*

V. W. Bladen

ROYAL COMMISSION

ON

AGRICULTURE.



MINUTES OF EVIDENCE

(14th October, 1919, to 29th October, 1919).

VOLUME IV.

Presented to Parliament by Command of His Majesty.



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1919.

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ROYAL COMMISSION ON AGRICULTURE.

TERMS OF REFERENCE.

“To enquire into the economic prospects of the agricultural industry in Great Britain, with special reference to the adjustment of a balance between the prices of agricultural commodities, the costs of production, the remuneration of labour, and hours of employment.”

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MR. J. F. DUNCAN.	MR. W. R. SMITH, M.P.
MR. W. EDWARDS.	MR. R. B. WALKER.

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MR. A. GODDARD, C.B.E. } *Joint Secretaries.*
MR. R. S. LANGFORD }

MINUTES OF EVIDENCE

TAKEN BEFORE

THE ROYAL COMMISSION ON AGRICULTURE.

FIFTEENTH DAY.

TUESDAY, OCTOBER 14TH, 1919.

PRESENT.

SIR WILLIAM BARCLAY PEAT (*Chairman*).

DR. C. M. DOUGLAS, C.B.

MR. G. G. REA, C.B.E.

MR. W. ANKER SIMMONS, C.B.E.

MR. HENRY OVERMAN, O.B.E.

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MR. E. H. PARKER.

MR. R. R. ROBBINS.

MR. W. R. SMITH, M.P.

MR. R. B. WALKER.

Mr. JAMES GARDNER, representing the National Farmers' Union (Scotland), called and examined.

12,742. *Chairman*: You have very kindly put in a statement of evidence to be given by you. May I take it as read, for the purposes of our records?—Yes.

12,743. You represent the National Farmers' Union of Scotland and you give evidence on their behalf?—Yes, on their behalf on general policy.

(*Evidence-in-chief handed in by witness.*)

12,744. The National Farmers' Union of Scotland is an organisation in agriculture of recent origin. Started in 1913 in a small way to assist milk producers in the West of Scotland, it has now 137 branches throughout the country and every county in Scotland is represented. The membership is about 14,000 which is more than 50 per cent. of the farmers in Scotland, excluding small holders. Membership is confined to tenant farmers and occupying owners who farm their own land.

12,745. All questions affecting the interests of producers in every department of farming are brought before the Executive and dealt with. In every way possible as far as consistent with equity we assist and protect the interests of our members.

12,746. Owing to the fact that the membership is confined to those only who are in touch with the practical side of farming the Union is in a special manner enabled to advance reliable facts and figures on all questions relating to costs of production, financial return, remuneration of labour and working hours, and the effect of these factors collectively and individually on current prices. There are other factors not so direct in their immediate action in prices, which by reason of their deterrent effect on production do undoubtedly react adversely against a lower scale of prices. These are:—

- (1) Lack of sufficient security of tenure to enable a tenant to develop his holding to its fullest capacity by free use of capital and enterprise.
- (2) The inefficient and high cost of rural transport.
- (3) The more or less derelict condition of the permanent equipment of many farms in drainage, housing, and fencing, and the great difficulty at the present time of getting these put in a proper state of efficiency.
- (4) Waste of food stuffs due to destruction by game, and the consequent discouragement of crop production where such conditions obtain.
- (5) Lack of research into the diseases of plants and animals and the science of plant breeding.

(6) Lack of education in agriculture as a science among the rank and file of agriculturists.

(7) The absence of any definite State policy for agriculture in the future.

12,747. These are some of the principal causes which militate against the proper development of our agriculture, and until they are remedied no great advance can be looked for in home production.

12,748. The National Farmers' Union of Scotland has pressed the Government consistently for years for the removal of these disabilities and it is gratifying to the Executive to see that an honest endeavour is being made by the present Government to remove some of the stumbling blocks. So far, however, the Government has failed to make a pronouncement in favour of Security of Tenure for the efficient agriculturist who pays his rent regularly and farms up to a recognised standard. This is unfortunate and regrettable as thousands of good agriculturists have been compelled to buy or quit their holdings within the last two years owing to the wholesale selling and breaking up of large estates into units—in many cases straining their credit unwisely to purchase their holding rather than leave.

12,749. *Cost of Production*.—In agriculture the cost of producing crops or animals as between one farm and another or more generally between one locality and another varies in a greater degree than in perhaps any other industry in the country, and the returns are generally in inverse ratio, that is to say where the difficulties to be overcome are greatest and the cost consequently highest the returns are generally speaking, smallest. This is why the fixing of a fair price for anything produced on a farm at a flat average rate is rendered so difficult.

12,750. The Executive of the Farmers' Union of Scotland have always gone pretty thoroughly into cost of production since 1915, and it has been interesting to see how, as prices of produce advanced gradually during the war, the cost of production followed closely behind.

12,751. The only item on our Cost Sheets of Production which did not change so generally from 1915 onwards, was the one of rent. All others rapidly increased until the present time, when most items are more than doubled and some are trebled in price.

12,752. As to the Financial Returns, these matters are usually of a private nature among members and rarely discussed; but it must be evident to even the merest tyro in agriculture that with controlled prices fixed at a flat rate those farms or localities where the cost of production was low and the returns good, the profits were bound to be considerable, whereas those localities and holdings where the crop returns were

14 October, 1919.]

MR. JAMES GARDNER.

[Continued.]

meagre and the cost high would show in many cases a financial loss.

12,753. *Wages and Hours of Labour.*—Agricultural wages in Scotland have always been higher than in the Midland and Southern Counties of England, but the great majority of Scottish farmers are agreed that whether owing to the climate or some other cause, the Scottish ploughmen was worth the extra wage. Although wages have nominally more than doubled since 1914, it is certain that the ploughmen's real wage is no greater in purchasing power than the sum he was receiving then. Just as in the case of the farmer whose nominal profit has in many cases been doubled, his real profit or wage remains the same.

12,754. Since that period the Scottish ploughmen, however, has gained an advantage in shorter hours. Throughout Scotland generally, with few exceptions, he now stops work on Saturday at noon, unless at busy seasons during Spring and Harvest. In some districts work in the field is now stopped at 5.30, in the evening instead of six o'clock as formerly.

12,755. The Executive of the National Farmers' Union of Scotland are agreed that so far as is humanly possible every concession in the matter of hours and wages that can be granted to their employees should be given consistent with the efficient execution of the work of the farm. Various alterations of working hours and of wages have been obtained by means of the Voluntary District Wages Conciliation Committees which were set up in Scotland before the Minimum Wages Committees started, and have been arrived at mainly by mutual understanding and good will between the National Farmers' Union of Scotland and the Scottish Farm Servants' Union.

12,756. Under present conditions, however, any considerable reduction is impracticable, as it would involve either systematic overtime or a corresponding increase of staff. This latter would necessarily involve an increase of housing which meantime is impossible. Extra equipment of all kinds would be required and the inevitable result would be a still further serious rise in the cost of production.

12,757. I am Chairman of one of the District Agricultural Wages Committees under the Corn Production Act, 1917, and I know that the tendency is to continue to demand shorter hours and higher wages. In my opinion the industry cannot stand these demands if it is left to struggle on without security of tenure and protection against game, and subject to open foreign competition.

12,758. PRICE, DEPRECIATION AND UPKEEP OF WORK HORSE ON FARM, 1918-19.

Average Price.	Depreciation.	Upkeep.	£ s. d.
(a) Horse £150 Less residual value £25 £125	15%	(b) Shoeing—8 sets per annum at 16s. per set (c) Harness—2 sets (field and road) £25 at 10% depreciation and upkeep ... (d) Feeding—16 lbs. oats per day=17 qrs. and 138 lbs. at 50s.... 17 lbs. hay per day =2 tons 15 cwt. at £8 per ton ... (e) Veterinary attendance—medicines, stable accessories, brushes, combs, rugs, pails, &c., per horse per annum ... (Litter set off against manure.)	18 15 0 6 8 0 2 10 0 43 7 0 22 0 0 2 10 0 £95 10 0

A working horse on the farm works 220 days out of the 365 days.

Cost of one horse per working day, 8s. 8d.

12,759. PRICE, DEPRECIATION, AND UPKEEP OF IMPLEMENTS NECESSARY ON EVERY CROPPING FARM, 1918-1919.

(Say 60 acres for 1 pair horses.)

Potatoes, Turnips, Cabbages, &c.

Article.	Price.	Depreciation.	Upkeep.	Total.
1. Carts (2) ...	Each. £40	5% = £4	5% = £4	£ s. d. 8 0 0
2. Ploughs— (a) Stubble plough.	£8	5% = 8s.	15% = £1 4s.	1 12 0
(b) Drill plough	£8	5% = 8s.	15% = £1 4s.	1 12 0
3. Harrows, 1 set ...	£6	2½% = 3s.	2½% = 3s.	0 6 0
4. Cultivator ...	£20	3½% = 10s.	5% = £1	1 10 0
5. Drill roller ...	£15	2½% = 7s. 6d.	2½% = 7s. 6d.	0 15 0
6. Drill grubber ...	£7	2½% = 3s. 6d.	2½% = 3s. 6d.	0 7 0
7. Potato planter ...	£20	2½% = 10s.	2½% = 10s.	1 0 0
8. Turnip sower ...	£8	2½% = 4s.	2½% = 4s.	0 8 0
9. Horse hoe ...	£6	2½% = 3s.	2½% = 3s.	0 6 0
10. Potato digger ...	£28	2½% = 14s.	2½% = 14s.	1 8 0
				£17 4 0

Note.—For 15 acres under this crop in the four-course rotation the cost per acre for depreciation and upkeep of implements is £1 3s. 0d.

12,760.

Hay.

Article.	Price.	Depreciation.	Upkeep.	Total.
1. Hay seed sower ...	£4 10s.	2½% = 2s. 3d.	2½% = 2s. 3d.	£ s. d. 0 4 6
2. Harrow, 1 set ...	£4	2½% = 2s.	2½% = 2s.	0 4 0
3. Mower ...	£28	2½% = 14s.	2½% = £1 8s.	2 2 0
4. Hay collector ...	£4 10s.	5% = 4s. 6d.	5% = 4s. 6d.	0 9 0
5. Swath turner ...	£24	2½% = 12s.	2½% = 12s.	1 4 0
6. Horse rake ...	£18	2½% = 9s.	2½% = 9s.	0 18 0
7. Rick lifter ...	£15	2½% = 7s. 6d.	2½% = 7s. 6d.	0 15 0
8. Coir, yarn, forks, rakes, &c., for 60 acre farm.	£10	15% = £1 10s.	—	1 10 0
9. Waggon ...	£42	5% = £2 2s.	5% = £2 2s.	4 4 0
				£11 10 6

Note.—For 15 acres under this crop in the four-course rotation the cost per acre for depreciation and upkeep of implements is 15s. 4d.

12,761.

Oats, Barley and Wheat.

Article.	Price.	Depreciation.	Upkeep.	Total.
1. Lea Plough ...	£8	5% = 8s.	15% = £1 4s.	£ s. d. 1 12 0
2. Harrow, 1 set ...	£4	2½% = 2s.	2½% = 2s.	0 4 0
3. Land Roller ...	£14	2½% = 7s.	2½% = 7s.	0 14 0
4. Binder ...	£65	7% = £4 11s.	7% = £4 11s.	9 2 0
5. Waggon ...	£42	5% = £2 2s.	5% = £2 2s.	4 4 0
6. Spades, Picks, Shovels, Graips, Ladders, Stack Covers, &c., for 60-acre farm.	£40	10% = £4	5% = £2	6 0 0
				21 16 0

Note.—For 30 acres under cereals in the four course rotation the cost per acre for depreciation and upkeep of implements is 14s. 6d.

(This concludes the evidence-in-chief.)

14 October, 1919.]

MR. JAMES GARDNER.

[Continued.]

12,762. *Mr. Thos. Henderson*: I see you say that your membership is confined to tenant farmers and occupying owners?—Yes.

12,763. I presume the great majority are tenant farmers?—Yes, the larger number.

12,764. And you represent all the counties in Scotland?—All the counties.

12,765. Might I ask where your greatest number of members are?—Our largest membership is in Ayrshire at the moment. I am subject to correction, but Aberdeenshire and Perthshire also run it very close in membership.

12,766. How about the Lothians?—In the Lothians the farms are larger. There are not the same number of small farms to the area, but we have most of them in the Lothians.

12,767. The proportion of possible members is as great there as elsewhere?—Possibly greater.

12,768. You go on to say there are various factors which are reacting adversely on production; and you give, first of all, the lack of sufficient security of tenure. May I ask if these Clauses are arranged in the order of importance, according to your own ideas?—No; I cannot say that I made any attempt to set them down in the order of importance. I just set them down as they occurred to me as I went along.

12,769. So the prominent place you give to security of tenure is accidental?—More or less.

12,770. Is it, in your opinion, a serious factor in Scotland?—In my opinion it is.

12,771. Could you elucidate that at all?—With regard to this question of security of tenure, I understand this Commission takes into cognisance only the effect it may have, and that you are not prepared to discuss its merits or demerits, seeing that the accredited representatives of the landowners are not present. Is that so, Mr. Chairman?

12,771A. *Chairman*: I think that is the line?—In that case, Mr. Henderson, I can hardly go into the merits or demerits of the question, but in so far as the effect of the want of security of tenure reacts adversely on agriculture, I am prepared to give evidence on that.

12,772. *Mr. Thomas Henderson*: That is all I am asking. I want you to illustrate, if you can, how the lack of security of tenure affects the farmers adversely?

12,772A. *Chairman*: Affects the cost of the production, or otherwise affects the farmer cultivating the land, which, necessarily, affects the costs of production?—To take the question broadly with regard to the United Kingdom, I think that in Scotland we have a better system of tenure than you have in England; that is to say, our leases are for a very much longer period. We have year to year leases but they are very much in the minority. In England here it is principally I understand—although I am merely representing Scotland and should not perhaps refer to England more than incidentally—tenancies from year to year. In Scotland we have from 19 years down to 7 years leases. A great many of them at the present time are 14 years' leases without a break. In Scotland you can lay out your plans better according to the leasehold system; that is to say, you are secure up till the end of your lease, and naturally when a man is laying down a line of procedure in his business, if he has 6 or 8 or 10 years ahead secure, it must be obvious I think to anyone, if he intends to put his best in the place and lay out his capital, he has an assurance that he will have a return on his enterprise and capital in those years, whereas if the tenure is only from year to year he has not that assurance. I do not want to say a single thing adverse to the landowning system. I believe in the landowning system; but I do say that we want a greater measure of security for the man with brains and capital to throw his whole weight into the development of farming in the United Kingdom, and that it cannot be done unless he has some assurance that the capital and enterprise he puts into his business will assuredly return to him in remuneration in some form or other. I should say, Mr. Chairman, I do not for a moment object to the landlords selling their property just now. They are having a good market, and they have had

very bad times very many years. I must say, if I were a landlord at the moment, I should sell myself, if I found myself in the position to do so and that it was the better way out. I do not object at all to sales on the part of the landlord. I think he is doing a very wise thing. But we, in Scotland, and I myself, do think that the system of year to year tenancies is a bad system. I remarked that our system in Scotland is better; yet, even there, we say if the man is to farm best and do his level best on the farm and is by some system allowed to proceed, it would be much better, even in Scotland, while having proper safeguards for the landlord's interest. You must bring me up, Mr. Chairman, if I am trenching on matters that are outwith. I do not want to argue the merits or demerits of the case; but with regard to the return for the man, you cannot expect men with brains and capital to put their whole endeavour into agriculture unless you give them some assurance of a return for a period of years.

12,773. *Mr. Thomas Henderson*: Your case amounts to this, if I followed you correctly, that you prefer the leasehold system to the yearly tenancy?—Yes.

12,774. And you have the leasehold system in Scotland?—Yes.

12,775. Can you suggest any method by which that leasehold system in Scotland could be improved to meet your wishes?—I could, if the Chairman will allow me.

12,776. *Chairman*: Yes, you may certainly answer that question, in fact, answer any question, unless I stop you?—The objection that the leasehold system in Scotland is open to, from the tenants' point of view, at least, and also from the nation's point of view, is that when you come near, perhaps, three or four years from the end of your tenancy, supposing you have been doing the farm well and putting capital into it, you naturally as a business man look forward to the end of the period of your contract, and instead of continuing your efforts, as you have hitherto done, you will begin to reflect on how your interests are going to be affected at the end of the tenancy; and I do not think anyone can blame the average farmer, who is a business man, for withholding his hand from the expenditure of capital towards the last three years of his tenancy. I may say that in a great many cases it is not done. The expenditure is made and the farms are kept up to a very high average; because in the past in Scotland, and I think in England, the landlords have not been insisting on their pound of flesh as an ordinary industrial commercial man would. Had they done so in England and in Scotland the reform of the system would have come about long ago; and I think at the present time when you are considering the future of agriculture, it is only right that you should remember that that type of landlord who would not take advantage of the lease coming to an end, or even a year to year lease in England, is going, and that you will have a type of landowner probably now who will insist on his rights as a commercial proposition. Therefore, in the future you would not have the same consideration, sentimental or otherwise, that has reigned in the past, especially in England, and you will have to make some arrangement whereby this letting down of the cropping of the farm the last two or three years in Scotland, and never getting up in many parts of England, is met. I think it will be well to direct the attention of the country to that question.

12,777. *Mr. Thomas Henderson*: Have you any suggestion to offer as to how that might be prevented?—Yes, I have, but it might take a little time. As a Union we have been at this for four years; and what we have asked for in the last four years has been asked for by the Associated Chambers of Agriculture in May last in England. They asked practically the same thing; that is to say, a proper measure of security of tenure to the tenant farmer as the only remedy, they said, in England for an intolerable situation. Of course that does not apply so much to Scotland. The Associated Chambers of Agriculture also said that not only the matters affecting compensation claims and the determination of tenancies, but also matters affecting rent should come under the consideration of an Arbitration Board, and they

14 October, 1919.]

MR. JAMES GARDNER.

[Continued.]

pointed out county executives as being, they thought, the proper authority, one representative representing the landlord, one representative from the tenant farmer class, with a judicial chairman, who, in their case, would be the County Court Judge. We were very interested to hear a very conservative body of agriculturists like the Associated Chambers of Agriculture putting forward practically our own proposal, and what we had been advocating for years, the only difference being that they advocate a local court in the county. We had not considered it from that point of view. We rather favoured a court having a jurisdiction over a very much wider area, perhaps the whole of Scotland or perhaps groups of counties; and we contemplated that that Arbitration Board would be composed of representatives of the two interests equally with the State represented by a judicial chairman. We contemplated that these men ought to be whole-time men not engaged in business and not subject to local influences, either friendly or otherwise; and that by being at their own work constantly as an Arbitration Board when their opinion was asked for—and only in the absence of agreement between the landlord and the tenant would this Arbitration Board ever be called upon to make any decision—we thought these bodies would be able to do their work much more efficiently by being chosen with a view to being expert in all the matters relating to the decision which would require to be made, and being in the business all the time from day to day they would become so proficient that their decisions would be approximately correct, which you could not expect from a local amateur Court in a County composed of men who were engaged in their own businesses. These are the views which we hold with regard to the local court, the amateur local Arbitration Court, as against a much larger Arbitration Court, covering a very much wider area.

12,778. Then I turn to No. 3 of your Conditions. You refer there to the "more or less derelict condition of the permanent equipment of many farms." Is that a war condition or a pre-war condition?—It is a pre-war condition principally.

12,779. That is due to what—lack of expenditure by the landlord?—It was due principally to what we may vulgarly term the washout of the period of depreciation, when the floods of foreign grain came into this country and put arable farming out. It was principally due to that, I should think.

12,780. There was a subsequent recuperation, was there not?—There was.

12,781. Was no attempt then made to bring up farm equipment to anything like a reasonable standard?—I think the thing would have come about naturally, but not quickly enough to satisfy the national needs. It is certainly improving.

12,782-3. Has the condition been improved, or has it got worse during the war?—That is rather a difficult question. In some quarters, more especially in England here, you must have had a good deal of equipment set up with regard to buildings. You must have had some of your buildings renovated to be able to carry on tillage cultivation. On the other hand, right throughout the country there must have been a great deal of work that has been left undone. I speak from personal experience of my own place. A vast amount of work has been left undone. On the other hand, for the development of tillage there must have been equipment of some kind, so that the one might cancel the other.

12,784. Do you think they would cancel each other?—I am not prepared to say that.

12,785. You have no opinion on that?—No, I have no knowledge to go upon.

12,786. Then in No. 4 you refer to the waste of foodstuffs, due to destruction by game. Have you any suggestion to offer to remedy this?—The National Farmers' Union have always taken a strong position with regard to game. We do not object to the proper development of sport; but we do object in a farming area to crops being destroyed by game, and we have proposed some rather drastic remedial measures for it. At the same time, where it is a game country, we have no objection to the legitimate development of sport.

12,787. What are these remedial measures?—That the farmer who is working an economic proposition

in agriculture must be protected from the ravages of game of whatever sort in his particular spot, wherever he is farming, whether it is his own land or he is paying money for it.

12,788. What are the measures you propose?—They would require to be varied, according to the nature of the country and the nature of the game.

12,789. Quite; but what are they?—They are rather numerous.

12,790. One or two will do?—To take the most extreme case, you have your deer in the North of Scotland. We have many members in the North of Scotland who are in the deer country. At the present time we are not proposing that deer should be slaughtered outright in Scotland; but we do say, if you have deer, they should be confined to the deer forest, and should be fenced around a large or a small area. But if you have men growing crops, large farmers or smallholders working their own proposition, I think it is only fair to ask that they should be protected. The deer problem in the North is quite different from the South winged game problem.

12,791. What would you do with them?—You must remember this is a very thorny subject.

12,792. I know; that is why I want to get information on the subject?—In the matter of winged game, you have the same thing coming up again. The tenant farmer, the smallholder or the occupying owner must be protected from the ravages of game on his crop. If the nation is to get crops, you must protect them effectively. I do not mean to say absolutely.

12,793. I was wondering whether you had any concrete proposals which you were prepared to put forward on behalf of your Union for dealing with this particular Clause?—We had our land policy drafted about nine months ago. I think we had something with regard to game in that.

12,794. Perhaps you can send it in?—Yes.

12,795. Then in No. 6 of § 12,746 you refer to the lack of education in agriculture as a science among the rank and file of agriculturists. To whom precisely do you refer as "agriculturists"—farmers and labourers?—Yes, both.

12,796. Has your Union anything to offer in the way of suggestions by way of policy on that?—We approve of the proposals for education in general, and especially the vocational training in rural districts; and, generally, we approve of the attempt, which I think is being honestly made on the part of the Government, to give our farmers and farm labourers and farm girls a much better knowledge of the technical business of agriculture than they have had hitherto. We approve of all the measures which are being taken in that direction.

12,797. Including the Education of Scotland Act?—Yes; and while farmers are going to suffer in some ways from that Act financially and with regard to the supply of labour, perhaps a greater number of the farmers may see in the future some compensation for the financial expense and loss that they may suffer in getting the education put in force.

12,798. Still, I suppose you would be prepared to agree with me that if you are going to increase the knowledge of agriculture as a science amongst agriculturists, it must be done through the ordinary machinery of the education of Scotland?—So far as the general education is concerned, I should say that is true; but when you come to vocational training in agriculture, I think the general Education Authority, although they may have the power to deal with it and it may be under their command, will have to leave it to departments that are very much better acquainted with the working out of the technical difficulties and the practical work.

12,799. In any case, any extended education of this kind amongst the rank and file must interfere, to some extent, with your supply of labour?—I have already hinted that.

12,800. To come to your last condition, the absence of any definite State policy for agriculture in the future, I am not quite sure, precisely, what you mean by that condition. Do you want a definite State policy, or, if the State left you alone altogether,

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would you call that a definite policy?—If it would say so.

12,801. Have your Union any views upon that particular point? Have they contemplated the possibility of the State saying to the farmer: "You are the masters of your own business; conduct it as you best like, and let the results be yours, whether they be good or bad"?—They have.

12,802. What are your views upon that particular question?—We are quite content to take it on those terms, and give us fair play.

12,803. On the other hand, the possibility is of the State guaranteeing you certain minimum prices for your cereal produce, coupled with what I see you refer to in the next paragraph, that is, the condition that you farm up to a recognised standard. Have you compared the two policies and formed any decision of your own on that matter?—Will you please repeat the question?

12,804. On the one hand you have the policy of leaving you entirely alone and attending to your business on your own lines which suit you best, when the results, of course, will be on your own heads; and, on the other hand, you have the policy of guaranteeing prices for cereal products, coupled with the obligation to farm up to a recognised standard. You might take these two types of policy as representing present tendencies. Has your Union made up its mind which it prefers—being left alone, or carrying on under some measure of State control?—So far as the Union itself is concerned, we have very definite views with regard to any preferential treatment of any other industry outside of agriculture as against agriculture; and when I say that, we are prepared to go forward if the Government say we are to go forward on our own. We, as a Union, are quite prepared to go forward on our own; but we are prepared to fight to the death anything that is unfair in the matter of preferential tariffs, or tariffs on manufactured goods, or anything of that kind. We must have a fair field. Again, with regard to labour, we must have a fair field. We must not have any statutory interference as to hours, for instance. If there is any difficulty between our labour and ourselves, we must settle it amongst ourselves with regard to hours difficulties. We must not have the State interfering with regard to hours. That is another matter in which fair play would come in. If we are going to be put in open competition with the world, we are quite prepared to take up the challenge; but you must leave us a fair field.

12,805. The term "fair field" does not convey much enlightenment to me. What do you mean, exactly, by "fair field"? Do you mean permission to make your own terms with your own employees, or permission to crop a farm as you please and make your own bargain on the markets?—When I answer your question in one sense that we want to farm as we please, I do not mean to put forward the idea that we want to farm in a hurtful manner to the State, or say to use our farm for a rabbit warren, or anything of that kind; but we want to have liberty to map out our own line of farming and alter it without interference if we are put on our own.

12,806. If you are allowed to do that and all State control is removed, you are quite willing to go ahead with your industry?—We are.

12,807. Would you prefer that to a system of guarantees such as you have at present?—So far as the farmers of Scotland are concerned, we take up the position it is not a matter for us of guarantees or no guarantees, but it is entirely a matter for the community.

12,808. Surely your views are a matter of some importance, and we should like to get them. Broadly speaking, which policy do you prefer? Which do you think would be best for the industry?—In the past we have been put largely on our own, to sink or swim. We did not sink. We kept to the surface; at least a number of us. We are prepared to do the same thing again. We in the Union have never considered this question which you are putting to me; but if you want my answer as an individual, I think here in the land of Great Britain we have an asset of the nation, a mine of gold—or not of gold but of wealth—and,

in my opinion, it would be very bad policy not to make the most of that asset.

12,809. But opinions might differ, you will agree, as to what "making the most of it" means. I should like to get your idea of what you mean by making the most of the land of Great Britain?—I am prepared to give you that. As far as I am concerned personally, I think that we must not, as a nation, allow agriculture to go back to its former position; that is to say, it is too great an asset for every man and woman in Britain for it ever to be allowed to wangle along to success or comparative failure. It is too urgent a matter for each man and woman in the British Isles to allow it to drift along under the control of men more or less able and worthy, and men who will trim the ship to keep themselves right. I think that policy is not good.

12,810. Then what do you propose? What is the policy you prefer?—You have mentioned guarantees yourself. That is one method. There are other things mentioned in my *précis*, I think, such as the various matters of research education, a better measure of security of tenure, better transport, and other things of that kind. I think these all ought to be contemplated by anyone who has the future of agriculture in this country in view.

12,811. I do not think you will find many people differ from you with regard to most of these things. I suppose you are aware there is a considerable difference of opinion with regard to the policy of guaranteed prices. If you will confine your attention to that for a minute, I would be glad if you will tell me whether your Union, or you yourself individually, wish the guaranteed price policy to continue, or you wish to be allowed to make the best or worst yourselves of your own industry?—You understand I can only answer for myself on this?

12,812. I would like to have your own individual answer?—Speaking for myself, I am certain that I would not wish to have to turn round about to the position that we were in many years ago. While we survived, it was with a struggle; and I do not think that any body of men, who are trying to do the best as far as ordinary conditions go, should be allowed, in a case of this kind when they are working a national asset especially, to be left to struggle along unaided. Guarantees should be put along with other things. It is only one of the measures that we contemplated—only one among others.

12,813. But it is an essential part of your policy, do you think?—It is essential only if the country wants arable agriculture; it is not essential otherwise.

12,814. To bring the matter to a head, would you care to be put back in the position of 1913?—I would not mind.

12,815. Without guarantees?—I would not mind if you put me back in the same position as 1913. We were rather improving. For seven years before that we were gradually improving. I will admit that I was making a little profit before 1914, and I would quite readily on my own part accept it if you make the conditions altogether the same as the 1914 conditions.

12,816. Of course, as you are aware, it is quite impossible to make the conditions the same. For example, with regard to the prices of your crops, are they likely to go back to those of 1913?—You have experts who differ on that point. Men who are supposed to know differ as widely as the poles.

12,817. I was not aware of it. I thought the experts were of the same opinion except one, who is on the side that prices will remain pretty high for some considerable time?—I do not think any man is in the position to say what the prices will be two or three years hence.

12,818. No; but it is a pretty safe prophecy to say that prices will be considerably higher than in 1913, for instance?—Considerably higher than in 1913, yes.

12,819. As far as that factor goes, the new position now would be better than that of 1913, if you are going back to that?—Much worse.

12,820. So far as that factor is concerned?—No, because your costs have risen so tremendously. Unless

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you make the conditions equivalent all round, you could not put us back to 1913 unless you take all the other factors in the same way.

12,821. Has your cost of production increased in anything like the same ratio to the prices of your produce?—Practically the same.

12,822. So that your rate of profit is not higher than it was in 1913?—In the same ratio; perhaps a little better.

12,823. Then that is to say your position, even on present prices, has improved slightly?—Yes.

12,824. Suppose the control of prices was removed, do you not think there is the possibility, and a strong possibility, of the position still further improving?—I could not answer, nor do I think any man would be safe in answering, that question, because all the figures which have been put forward by experts as to what prices will probably be in a year have been made utterly ridiculous in the event.

12,825. But in what direction?—The upward direction.

12,826. That is my point; that is to say, there is not much ground for fear in any of the figures which have been put forward yet, is there?—That is precisely my fear, that the tendency has been up hitherto, and that when the natural reaction comes—it is the same in everything, and I have never seen it fail—

12,827. What is that?—The swing of the pendulum. You can compare it in thousands of other ways; according to the action and reaction, the flow and the ebb; it is bound to come.

12,828. I do not know if these metaphors will carry us particularly far?—You have to have them in view.

12,829. Quite; but you are bound to admit that things have altered radically since 1913 as far as world production is concerned?—They may alter again.

12,830. They may; but they show no signs of it, as you agree, and, on your own showing, your position is slightly better than it was in 1913, even with present costs of production?—Yes, but at present we are coming nearer the elimination margin.

12,831. Possibly. There is only one more point I wish to ask you, and that is in paragraph 12,755, part of your evidence-in-chief. You say here that voluntary District Wages Committees were set up in Scotland before the Minimum Wages Committees started, and I see you quite pay a compliment to those committees. You think they have done useful work?—Yes.

12,832. Do you think this is a method of negotiation between farmers and their employees that might be extended to any extent?—I think it should be extended right away.

12,833. You have found mutual understanding and goodwill have existed between the two bodies in these matters?—Yes.

12,834. Of course there have been differences of opinion?—There always are.

12,835. But they have been able to get over them?—That is so.

12,836. *Mr. Prosser Jones*: You are a practical farmer yourself, I take it?—Yes.

12,837. What acreage do you till?—500 acres ploughable land; about 540 is on the Ordnance map.

12,838. You say here that you represent over 50 per cent. of the farmers in Scotland?—Yes.

12,839. You tell us that the smallholder is not included in that figure. Is he?—No.

12,840. Is there any reason for excluding him? Is he not allowed to come in?—Yes, he is; but hitherto he has preferred his own Association, of which there are one or two in Scotland. We have a number of men who might be described as, approximately, smallholders, but we have a few of the real smallholders.

12,841. Looking at § 12,746, No. 2, you refer to the inefficiency and high cost of rural transport. Has your Union ever thought out the advantages or disadvantages of road transport as compared with light railways?—We have given the matter some consideration. We have not thought it out perhaps accurately enough to a definite point to make any concrete recommendations; but we have

discussed it time and again and agreed upon the great need there was for reform in the transport system in Great Britain.

12,842. Then coming to the hours of employment, how do they compare with the rest of employment in other industries in your locality?—In the locality that I come from, that is the industrial area of the Clyde, the hours of industrial work are shorter than those in agriculture.

12,843. You refer in your *précis* to the danger of reducing the hours on the farm?—Yes.

12,844. Seeing that the hours in other industries are shorter, are the men likely to be content with longer hours on the farm? Is it not natural that they should try and reduce their hours?—It is very natural; but you must take that statement in my *précis* as referring to the conditions I described; that is to say, the men have got an advance so far as the hours are concerned within the last six months on Saturday afternoon, a half-holiday, and also a half-hour earlier in unyoking at night. When I say there must be no further interference, I am referring to the men having achieved that advance, or improvement, in conditions with regard to hours.

12,845. But still, you will agree they are considerably behind the other industries in their hours and wages?—They are behind them.

12,846. And is it not likely that the tendency will be to leave the farm work and take up with something else?—I do not think so, on the whole.

12,847. What I want to find out is this: whether you are likely to suffer from the want of farm labour owing to conditions in other industries being better?—I do not think so.

12,848. In connection with the cost of horse labour, I think you tell us that the cost of horse labour is £95 10s. 0d. Does that mean the cost for the whole of the year or for the 220 days?—Do you refer to "B," the shoeing?

12,849. I am taking the cost altogether?—These costs under "Depreciation" and "Upkeep" are costs for the 365 days.

12,850. *Mr. Langford*: I do not quite understand your answers with regard to security of tenure. You seem to make a big point in your *précis* of evidence with regard to the lack of security of tenure; and yet you say you do not object to landlords selling their farms at the present moment. You say landlords are doing a wise thing in selling their farms. I think those were the words you used. Whom are they wise to—the tenant farmer? Whom were they benefiting in selling their farms, or estates, at the present time?—Themselves, I should say.

12,851. I want to make that quite clear. They are not benefiting the agricultural industry in selling their farms?—No. I should like to qualify that last answer of mine to a certain extent. If a landlord, by reason of mortgages on his estate, decides to sell rather than hold on, and allows the property to be bought by a man who can develop it and put capital into it, he is certainly doing the industry good by clearing out.

12,852. What class of man is buying the farms in Scotland?—Principally tenant farmers.

12,853. Then it is not the class of man who would develop it by improving the buildings, such as a landowner used to do in the old days; but it is the tenant farmer buying in order to secure the farm to himself, rather than turn out?—Yes, rather than turn out.

12,854. You state that one of the items that have not increased in the cost of production in Scotland is the rent?—That is so.

12,855. Have not rents been increased much in Scotland then?—Not to a very great extent. Where the leases have run out, they have been increased here and there legitimately.

12,856. But the system of tenure in Scotland is very largely leasehold, is it not?—Very largely.

12,857. Therefore your system is an improvement on the system in England, where leases are either very short or there are none at all?—I think so.

12,858. And yet, with an advantage over England in regard to the holding of the farms, you still make a strong point of the want of greater security than

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that which you have under the leasehold system?—I do.

12,859. You would agree with me then that if you have a grievance in Scotland, English farmers have a much greater grievance?—That is for the English farmers themselves to say.

12,860. That really follows, does it not? You say that in Scotland, even with your long leases, as the end of the leases come to within the last three or four years, I think you said there was a tendency on the part of the farmer to let down his farm. I took that to mean that he put less manure upon it than he has been accustomed to do, and he crops it in such a way as to extract the manurial value from the land and leave it in a poorer state than he would regard it right to farm it if he was continuing?—Precisely. I do not mean to say that all the farmers do that, but the temptation is to do that.

12,861. Let me put it in this way. Those who do not do it lose in consequence, if they have to leave the farm?—Yes; if they have to leave the farm they lose.

12,862. Would you agree with me that the present system of compensating farmers for unexhausted manures is inadequate?—Yes, inadequate.

12,863. Therefore the farmer who is generous enough to do full justice to the land by continuing to farm it to the end of the lease in the same way as he did in the earlier part of the lease is doing an injustice to himself?

12,863A. *Chairman*: The witness replied before that that was the case, but that landlords took into consideration that fact and voluntarily made arrangements with their tenants, but he doubted whether the new race of landlords would do so.

12,864. *Mr. Langford*: In stating that the landlords voluntarily enter into an arrangement with the farmer, do you mean by way of giving him compensation that is not provided for in the Act?—In the past, you refer to?

12,864A. Yes?—No, I merely referred to his tenure—that he was not removed from the farm.

12,865. Then he did not suffer if the lease was renewed. That was your point. If he remains, he does not suffer by leaving an amount of fertility in the farm that he would not leave if he were going out?—That is so. If the landlord does not demand a higher rent at the end of his term and he remains on his farm, he does not lose.

12,866. What happens to the man who goes out, and who has maintained the land in a high condition?—Under the Agricultural Holdings Act with regard to Scotland, and I believe also with regard to England, there was a well meant endeavour to give the tenant his own when he left, but it has failed in that respect. It is admitted both by the landlords and tenants, and by everyone who has to do with the administration of the Agricultural Holdings Act, and it has become practically a dead letter. Neither farmers nor landlords care to try to get their rights under the administration of the Act.

12,867. Then the tendency is to lift from the farm the fertility that the farmer has put into it before he gives up the farm?—The tendency is in that direction.

12,868. That is not in the interests of the State, is it?—It is bad.

12,869. And, from the national standpoint, the method of valuing the compensation given needs to be revised?—Yes.

12,870. With regard to game, I thought your answers to Mr. Thomas Henderson were somewhat vague. Would you agree with me that the only system satisfactory to the farmer, and which you would be likely to agree to, would be for the farmer to have the right to kill any kind of game upon his farm?—That is part of our policy.

12,871. I did not understand you to say so?—That is the demand that our Union has made from the Government in our policy at the last election.

12,872. Would your Union favour supporting a Bill in the House of Commons, I mean bringing pressure to bear upon agricultural representatives in the House of Commons, which would secure to the tenant farmer the same right to kill winged game as he now has to kill ground game?—Our Union asked

for that for two successive years in succession, and they have never gone back from it.

12,873. Then that is your view to-day?—That is the Union's view. I had better read the paragraph referring to game laws which we have drawn up nine months ago: "Game Laws.—Occupiers of agricultural holdings should be empowered by law to destroy any form of game on the holdings which do damage to crops or pastures thereon. The present powers with regard to the destruction of deer and ground game should be made permanent." That is part of our policy as a Union.

12,874. To have equal right to destroy any game that may be found on the farmer's holding?—That are destroying the crops on the holding. That is part of the Union's policy.

12,875. There is no distinction between the crops as to destroying. If he were pasturing, it would be the grass destroyed in the same manner as the cereals were destroyed?—You have to be careful there. There are many parts of Scotland where the land is poor and rocky, and where the legitimate development of sport could not be objected to, and is not objected to by us so long as the interests of the occupying owner or tenant are protected legitimately. As I said before, we do not object to the legitimate development of sport in those districts.

12,876. Then is it the desire of the farmer to exclude himself from taking his fair share in that kind of sport?—So far as Scottish farmers are concerned, not many of them share in the sport. There are a number, but the greater number in the arable districts are not sportsmen in the sense that your Englishmen farmers are.

12,877. I have met a good many Scotsmen, and I have always found them real good sportsmen. I want to put this quite clear. You do not want to reserve a sporting right to the landlord that you do not wish to accrue to yourselves as tenant farmers?—On our agricultural holdings where we do grow crops, or pasture sheep and cattle, we do not want our legitimate rights and our financial remuneration to be interfered with or jeopardised by the undue development of sport.

12,878. I was hoping you would be somewhat clearer on that point, and join the National Farmers' Union of England in asking for an equal right to kill all kinds of game that the farmer has upon his own holding?—You did not put it quite that way at first. You did not put the question so pointedly. I think we, as a Union, have gone further even than your English Union in the matter of game. I may say in the matter of getting the present emergency clauses under "D" into operation, our Union took the leading part, and we made ourselves very obnoxious in many directions on this question of game; but I do not dissociate myself from the view of our Union with regard to game. But we want to be very careful, while protecting the tenant in every possible way from the disastrous effects of game, that the legitimate development of sport in those parts of Scotland where it may be legitimately developed will not be interfered with by us. We hold the opinion that if our crops and interests are protected sufficiently, we do not want to interfere.

12,879. Probably the thing is somewhat different in Scotland from what it is in England. You do not suggest that the landlord should have a right to develop sport upon farms he lets to tenant farmers and therefrom receives a rent, and in the case of game develop it to the detriment of the tenant farmer's interest?—Certainly not. We do not want that.

12,880. In answer to Mr. Henderson you said you wanted to go back, or you would be willing to go back, to the 1913 conditions. Did you mean to imply that you wanted free conditions, freedom of contract between yourselves and your men with regard to wages and hours?—Yes.

12,881. Do you think you are ever likely to get to that position?—It is possible.

12,882. I see you make a strong point in the last paragraph but one of your *précis* where you say: "Under present conditions, however, any considerable reduction is impracticable." That is speaking of the reduction of hours. What hours are your men

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in Scotland working now? Are they 50, the same as in England?—Fifty hours throughout the year is the average. It is 50 hours from stable to stable.

12,883. But the same hours operate with regard to the general labourer as the horseman?—With this difference, that the horseman has stable hours in addition to the hours that the ordinary labourer works.

12,884. Then the stableman works actually for more than 50 hours? Yes.

12,885. Then you have an advantage over England in that respect?—I understand we have.

12,886. That is why I could not understand. Do I understand that you are quite prepared to agree to some reduction from those present hours, because you use the words "any considerable"?—You might ask that question again, please?

12,887. Is your Union prepared for any reduction at all, and would they willingly agree to any reduction at all with regard to the hours of labour in Scotland?—Under the 50 hours?

12,888. Yes?—I think not.

12,889. Then why do not you say so, because you give an entirely erroneous impression when you say, "Under present conditions, however, any considerable reduction is impracticable." Would it not be fairer to say "any reduction"?—Any further reduction. I should like to say this, that if hours are to be interfered with in any manner by the Government, we do not want to have that at all. If there is to be any alteration in the hours in the way of any further reduction, it must be a matter of free bargaining on the Conciliation Committee between the men and the masters themselves. There must be no interference by the Government.

12,890. I put it to you that the reduction in hours is a very much more serious matter to the farmer than the wages question?—Very much more serious in agriculture.

12,891. In other words, if you had to submit to a rather higher wage, you would rather submit to that than to a reduction in the present hours? Yes.

12,892. Do you agree with me that it is impossible to industrialise farm hours?—Absolutely.

12,893. Mr. Prosser Jones asked you to admit that the workers in agriculture were behind other industries both as regards hours and wages. Do you admit it?—No.

12,894. Do you agree with me that, taking into consideration inclement weather when farm labourers cannot work, their hours are more favourable than in any other industry?—I should not like to make a pronouncement of that kind as to whether they are more favourable or less favourable. What I do know is that, on the whole, the agricultural worker or farmer in Scotland will compare, on the average, quite well with the average industrial worker.

12,895. I suppose you have to pay them in Scotland if they present themselves for work, whether it is wet or dry?—Yes, we do.

12,896. There is no lost time?—There is no lost time.

12,897. In most other industries where the weather enters into the question at all, if they present themselves or not, if they cannot work they lose the time, but in agriculture they get paid?—That is subject to an exception in the case of women workers on some farms and in connection with casual workers. They only work outside when it is dry, and in many parts of Scotland we do not pay them for wet weather; but they are mostly the wives and daughters of men employed on the farms.

12,898. But under the Corn Production Act, if a man presents himself on the farm for work you are bound to pay him, and in England we do. I do not know whether you do or not in Scotland?—We pay our men whole time, except some of the casual men who come from towns.

12,899. You are aware, of course, that in the building trade, and other trades also, men are frequently shut out in consequence of excessive wet or frost, and that sort of thing? Yes.

12,900. And they lose the time. Unless they can put time upon the time-sheet which they have actually worked, they do not get paid for it?—That is so.

12,901. In that respect the farm labourer, although apparently receiving less per hour for his work, gets his pay regularly, wet or dry, frost or sunshine, and his wages will compare favourably with men in many other industries who are shut out in inclement weather?—That is so.

12,902. With regard to pre-war farming, so far as I understand, you in Scotland would be prepared to go back to those free conditions?—Quite prepared.

12,903. But if you are tied in some respects, you then ask that your commodities shall be sold at such a price as will admit of your having a fair and legitimate profit?—Certainly.

12,904. In other words, if your labour is paid by a statutory wage and a statutory week, inasmuch as that enters largely into the costing production, you ask for some protection with regard to your prices?—Yes.

12,905. *Mr. Lennard*: In your evidence-in-chief you speak of agricultural education. Do you think the need is for more training in agricultural science, or for more demonstration of the effect of applying scientific principles to agriculture?—Both.

12,906. Putting it concretely, do you want better agricultural colleges, or more and better demonstration farms?—In Scotland I think we have three agricultural colleges and a demonstration farm. These agricultural colleges are doing work which could not be excelled; but it has not permeated down to the rank and file of agriculture, unless in a general way through the Press. There is certainly a very great need for lectures and demonstrations in the actual application of the science. There is a very great field in Scotland for that.

12,907. You appreciate, do you, the difference between a college farm which may demonstrate any successful enterprises and at the same time on adjoining plots be exhibiting experiments which, however necessary they may be to the work of agricultural research, may not themselves be financially successful. I suggest to you that perhaps there is a greater need for farms which would simply demonstrate the commercial possibilities of the achieved certainties of science which would be strictly commercial?—Perhaps on a small scale. A proposal such as you suggest on a large scale would not, I think, be economical. I think when an experiment is sufficiently demonstrated to be successful and economic on a college farm, the average farmer in Scotland has not a very great deal of difficulty in getting it put into practice; and, if I understand your question right, a farm such as you suggest would be a commercially run farm but would take into account the latest experiments and their results—those that were most successful—to prove as it were to the farming community that this thing could be done, and done successfully and at a profit, and you would have several farms running in different parts of the country proving this proposition. Is that your suggestion?

12,908. Yes?—So far as the average farmer in Scotland is concerned, I think if you prove your experiment at the college farm, and more especially if you prove it in different parts of the country, you would not require those other demonstration farms to prove the thing commercially. They would get on to it within one or two or three years, if there is any money in it.

12,909. You do not think a conjunction of successful experiments, with costly experiments which may not pay their way, sometimes has the effect of frightening the farmer from adopting practices which really have proved their value to agriculture?—If your suggestion would take into account a new development in agriculture, such as, say, the growing of beetroot which would work in agriculture along with industrial enterprise, I admit the growing of beetroot for sugar in this country, which has been practically untried, and the growing of potatoes for the manufacture of farina and things like that which would very much increase the growing of cereals in

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Scotland, whatever it might do in England, I agree with the running of a farm as a commercial proposition after it had been established to the satisfaction of the Government in conjunction with manufacturers' plant to take it up and show that the farmers could get their products stabilised and also show the industrial community what a valuable asset this business might be, I agree with you up to the hilt in that case that the commercial venture ought to be made.

12,910. Would it not be necessary to have such demonstration farms in various parts of the country?—Yes, I think it would be a wise thing, so long as it was economic. So long as you made it pay, there would be no limit to where you can go.

12,911. I felt very great sympathy with what you said just now about security of tenure; but I would like to know your opinion about two points which seemed to me difficulties. In the first place, do you think that a public body like a Land Court can be trusted to be sufficiently stern to inefficient farmers, and will such a Court have the courage to evict inefficient farmers?—Such a Court as the English Chambers of Agriculture sketched out in their resolution which they sent to the Government might have a difficulty; that is to say, local representatives of the landlords and the farmers and a County Court Judge might have some little difficulty, from sentimental and other reasons, in ejecting a man. You might have difficulties of that kind; but you would not have difficulties of that kind with a Court with a jurisdiction over a larger area. They would be subject to no influences of that kind. There would be no difficulty whatever; and I consider it is a very necessary part of a scheme of that kind that the inefficient farmer, for whatever reason, should generally be laid aside.

12,912. My second difficulty is this. Is there not a danger that security of tenure might tend to stereotype the size of holdings? Suppose, for example, the development of machinery made a much larger farm than is usual at present, the most economic unit of production in agriculture, would not security of tenure make it more difficult to move from a system of small farms to a system of large farms?—I do not see any difficulty myself in that regard. In the better cropping areas I think you must look for the development of machinery, farming on that more intensive system; but there are many parts of the country, especially in Scotland, where that class of farming can never obtain, and I do not think there is much danger of there being difficulty by removing from a small holding to a larger holding in the scheme. I am satisfied there is none, and that is one of the things you do want in agriculture. You want the smallholder, you want the farm of ordinary size, and you want the larger farm. You want steps right up.

12,913. But do you not also require that there should be great facility, either in combining small farms or splitting up large farms according to developments in agricultural practice, or the requirements of changed market conditions?—If your suggestion means, do I agree that large farms in certain cases ought to be taken for breaking up into smaller farms and the process *vice versa* on the other side, I certainly agree. All these things would have to be a matter of public policy and public utility. If it were found in certain districts that the smaller proposition might be very successful, then there should be a breaking up of the farms that were suitable. On the other hand, if it were found that by putting a certain number of holdings together it was a very much better economic proposition, then I agree that that should be done.

12,914. I am not wanting to suggest that a movement, either in the one direction or the other, is at the moment desirable; but supposing changes took place which made alteration in the size of farms a good thing, would the measure of security of tenure which you are advocating hamper the facility with which the change might be carried out?—It ought not; because reasonable security of tenure to the tenant would never imply absolute security of tenure, so that when there are reasons of public utility he could not be moved from that place. He would be subject

to the decision of the Arbitration Board, or any other body that might be constituted for the purpose. He would have to remove and get compensated under an amended Agricultural Holdings Act, or the present Agricultural Holdings Act until it is amended. He would have to get his compensation and remove.

12,915. An important thing in your view is that the Arbitration Court, which would deal with these questions, should have a large district and be composed of experts, and not be subject to local interests of sentiment, and so on?—I am very strongly of that opinion.

12,916. With regard to game, do you agree with me that compensation for damage done, however generous, is no real remedy for the trouble?—Yes, I do agree to that.

12,917. Compensation might save the farmer from financial loss, but it would not make good the loss of foodstuffs to the nation?—That is the point.

12,918. You said just now that you wanted a fair field and, I think you implied, no favour; and you illustrated what you meant by a fair field by speaking of the removal of State interference from agricultural labour in the matter of hours?—Yes.

12,919. I should follow what you say if the State did not interfere with hours of employment in industries other than agriculture; but when the State regulates the hours and the length of the standard day in other industries, it would be giving agriculture rather more than a fair field, would it not, and even a considerable measure of favour if the State left hours in agriculture quite unregulated?—As compared with these other industries, but as compared with fair play it would not. My answer to your question is, that if the State interferes with the regulation of the hours of industrial concerns in this country, it may continue for some time; but unless you can get other competing nations to agree to the same number of hours, they have an unfair advantage over you.

12,920. So that your policy of getting a fair field would involve the removal of the regulation of hours in industries other than agriculture?—Yes.

12,921. Mr. Langford just now raised the question of work during inclement weather. Would you favour an arrangement similar to that which obtains in some quarries in England, that is to say, an arrangement under which the men are sent home and paid half wages for the time when the weather is too bad for work?—I think the present custom, in Scotland at least, has been the result of long years of experience, and I would be very sorry to see that system substituted by any other by which the male worker, that is the regular worker, was not guaranteed his wage for the whole time, because we have so much broken weather that the worker would be at a very considerable disadvantage.

12,922. It would be a considerable disadvantage to him if, his wages remaining what they are, he was only paid half wages instead of whole wages in the bad weather. But if you can afford to pay him the whole wages for bad weather and good weather, you could presumably afford to pay a higher wage for the time when he was at work if you only had to pay half wages while he was away?—That is perfectly true. Theoretically you are quite correct; but in working it out in practice, it would be a nuisance in agriculture because farmers would not at the present time, and would not probably in future, care very much to be timekeepers and bookkeepers. Both the men and the masters prefer simple, direct and clear arrangements that they could understand, without having to sit down and consider them and make out the time at the end of the week, and all that sort of thing.

12,923. May I tell you what is really in my mind? What I have noticed in bad weather is, that the men who are kept on the farm just dawdle about inside a barn watching the weather, and that that dawdling about tends to affect the work done, even when the weather is all right, and if there were a more definite distinction between the time of work and the time when the men are turned off because of the weather, it might tend to promote more efficiency generally?—I cannot say that I agree with you. The men are certainly not working as hard when the weather is wet, but sometimes there is plenty of work inside and other

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times the inside work runs short; but you will admit it is not the man's fault, and, therefore, I think he ought to be paid an overhead wage, and take the rough with the smooth.

12,924. *Mr. Parker*: I think you are of opinion that the lack of security of tenure leads to less capital being employed in agriculture, and so to lesser production?—Yes.

12,925. What is the sort of average capital now employed, per acre, in Scotland?—It varies according to the style of farming which you are working. It may vary at the present time from somewhere about £15 up to £25.

12,926. Do you consider that farms in Scotland are now under-capitalised owing to the want of security of tenure?—The capital is there. As I admitted to Mr. Henderson, the farmers have been doing quite well since the war started; but whether they are investing the capital in the land as they ought to do is another question.

12,927. The capital is there. Is that owing to the increase in prices since 1914?—Yes, there has been a certain amount of prosperity in agriculture in Scotland since 1914.

12,928. The values have risen, and there is more capital in the farms?—I am allowing for that. Over and above that inflation of capital, there has been some extra capital which has come into the business; but whether it is being invested in the farming industry or not is another question. Those who have bought their farms are of course investing it in their business.

12,929. I gathered that you were in favour of the system of landlord and tenant, provided you get the proper security of tenure?—Yes.

12,930. You are of opinion that the co-operation between the landlord and the tenant is good; that is, the landlord finding the land and the tenant finding the farming capital?—Yes, the farming capital; and the landlord finding the permanent equipment.

12,931. You are not an advocate of farmers owning their own land?—I am not.

12,932. You talked of a ladder. In the case of an occupying owner of, say, 100 acres, if he wants to take 200 acres, there is great difficulty, is there not?—Yes.

12,933. It is in the interest of the small man to rent, say, 100 acres, and if he does well on that to be able to take 200 acres?—Yes.

12,934. Whereas if he were an owner he would be tied up with his ownership and perhaps would have to remain a farmer of 100 acres all his life?—Yes.

12,935. There would be no ladder?—That is so.

12,936. I think I gathered, too, that you considered the shorter hours a much more adverse factor than the rate of remuneration?—Up to a limit, yes.

12,937. Do I understand from your evidence-in-chief that the Voluntary District Wages Committee had no difficulty in settling rates of wages?—None.

12,938. It worked very well?—It worked very well.

12,939. And therefore, as far as Scotland is concerned, you would like to continue that system, and not have, I think you call it, the Minimum Wages Committee?—Yes.

12,940. Do you think the Unions are strong enough to make their own bargain for labour?—They do.

12,941. Without the interference of that Committee?—Yes.

12,942. You talk about one of the difficulties being lack of research. I understood, in answer to a question Mr. Lennard asked you, you said that you required more research than could be carried on in agricultural colleges or experimental farms. Do you think the Government ought to undertake research, say, in such things as the fixation of nitrogen from the atmosphere?—Yes, I think in every direction, both in industry and agriculture.

12,943. That is a very important thing, which is now accomplished in Germany, and should be in England, in your opinion?—Yes.

12,944. With regard to the question of research into plants and animals, would you trust that to the Government, or would you think it a good plan for the Government to employ the scientific departments of the Universities?—Are you asking me if the farmers should carry out these research stations and

finance them themselves, or work in conjunction with the Government?

12,945. I had in mind that the Government could help the scientific Departments of the Universities to carry on researches into the diseases of animals and the improvement of seeds. Would you be in favour of the Government helping the scientific departments of the Universities in that direction?—Most decidedly.

12,946. For instance, the Pathological Laboratory might undertake the investigation into such things as infectious abortion, and the Agricultural Department into the improvement of seeds. That is the sort of thing you are advocating, is it?—Yes.

12,947. I want to ask you one or two questions about game. Do you complain of great damage being done by game in Scotland other than by deer?—Yes; we have had piles of evidence from our members in various districts in the last three years which have been before the Board of Agriculture in the first case and put before the Government previous to Mr. Monro's appointment, and since then, of course, the amendments to the Game Laws were partly the result of our efforts and the putting forward of our evidence. We have had evidence later. We have a body of evidence of that kind.

12,948. Is it damage done by rabbits?—In a great number of cases the rabbit was the worst offender.

12,949. Damage done by partridges?—Not to the same extent.

12,950. Any at all?—I have not seen many complaints in from farmers with regard to partridges, if any.

12,951. What about pheasants?—We have had some complaints from certain parts of the country from farmers with regard to pheasants and the rearing of pheasants; and an excessive amount of game of that kind near creeping areas is very bad for the production of arable crops.

12,952. An excessive number of pheasants?—Yes.

12,953. Not pheasants in moderation. You say excessive numbers?—Yes.

12,954. Are you aware that the Board of Agriculture during this year has been investigating which birds are useful and which are not, and has come to the conclusion that the pheasant is a most useful bird? I do not know that I am of the same opinion; but, from experiments, they say so?—Yes.

12,955. With regard to education, you complain of the lack of it in agriculture. Do you mean the education of the farmer himself, or would you extend that education to the labourer?—To both.

12,956. I see you say in your evidence-in-chief that rent has not increased since the war, except in a few cases. Were the rents in Scotland before the war economic?—Yes, more or less.

12,957. They had recovered from the 1879 period?—Yes.

12,958. Can you tell me what expenditure per acre you consider will be necessary to restore the land in Scotland to its pre-war fertility?—There again it is very difficult, because it may vary so much on different farms and different departments of farming. You have, first of all, the cleaning of the land and the keeping of the ditches and that sort of thing in order, and then you have the decrease in fertility of the soil, which is a matter where the money increases at a very much greater rate. They must, necessarily, vary very much in different parts of the country, but it must be considerable.

12,959. If the Scotch farmers have been making considerable profits during the war owing to high prices, a good deal of that will have to go back into the land to restore it to its pre-war fertility?—Those of the farmers who expect to remain on their farms will expend their money and get their farms back into an efficient state I have no doubt.

12,960. Have Scotch farmers come to any conclusion at all as to the nature of the guarantee which would satisfy them and induce them to keep the land under the plough and employ more labour?—Yes, we have discussed that pretty generally; and while we say it is not a matter for the farmer at all to ask for a guarantee, but it is a matter entirely for the community, if the community desires more land under arable culture, we have quite free and specific views

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as to what sort of guarantee should be given—not the actual figure, but the principle.

12,961. What is the principle?—The principle which we discussed, and which the majority of us are agreed upon, is a modified guarantee coming up to rather under if anything the costs of production over a fairly long period, leaving the farmer free play of the market above that. We look upon it from the point of view of some of our occupying members. We have a very large number of them, and they complain of the want of declaration of policy on the part of the Government. They say if the Government say there is to be a guarantee, that there is to be no slump such as happened before, and they would guarantee a modified guarantee under the costs of production, and they want arable farming, we are prepared to put up buildings, to drain the land, and generally provide the permanent equipment of horses, harness, ploughs, carts, wagons, and such like. These members of ours do feel, and feel very keenly, the want of a declaration by the Government as to what line they are going to take.

12,962. Then if the guarantee is to extend over a fairly long period it must, of necessity, be a sliding guarantee, if it is to cover the costs of production which will vary from year to year?—It must necessarily be on a sliding scale principle up or down, because it is not possible for any man alive to tell what the price might be in a year or two. It may be too big, or it may be too little; and, therefore, there must be some adjusting process by which it will be kept as a safeguard.

12,963. It must slide in accordance with the costs of production from year to year. That is your opinion?—That is the principle.

12,964. I think I understood you to say that farmers were satisfied with their position in, I forget whether you said 1913 or 1914?—I said that I was, in answer to Mr. Henderson.

12,965. They were making a fair profit?—I was.

12,966. The agricultural wage was somewhat increasing, though not sufficiently. I mean wages were going up with the better times?—Yes, they were.

12,967. There was a sort of equilibrium established in 1913-14. If the same condition could be produced by some sliding guarantee now, farmers would be satisfied?—Yes, I take it they would.

12,968. What I have in my mind is this. Supposing the chief costs of production in 1914 were ascertained—I do not mean the cost per acre but the cost of labour, the cost of seed, and the cost of manure, etc.—and corresponding prices were now available, there would then be a certain percentage increase on every cost comparing 1914 and the present time. The prices of wheat, barley and oats for 1914 are known, and if those prices were raised by the percentage increase in the chief farming costs now, the resulting figures would give the sums to be guaranteed. Would that guarantee satisfy the farmers? I am afraid it is difficult to follow?—I can follow you quite clearly. I think probably the principle which you outline is as far as you will probably get. Speaking personally, I cannot see a fairer method than the one you have outlined, to apply generally over the country.

12,969. That kind of guarantee would, in your opinion, meet the case?—Yes.

12,970. Mr. Smith: You mention in § 12,746, No. 2, of your *précis* of evidence the inefficiency and high cost of rural transport. Have your Union considered this question with a view to any suggestions as to what would improve the position of the industry?—Being farmers, we naturally cannot be expected to give concrete proposals; but what we do say is this, that in that direction there has been a certain amount of research, if one might put it in that way. There are better methods of transport that are quite well known, and could be provided within a term of two or three years, say; and we say they should be adopted by the Government, and as soon as possible. We do not expect them at once; but we do say that our land here is beside the best market in the world, and we certainly do object to paying, from counties 60, 100, or 200 miles away from the main centres of consumption, more in some cases than a farmer pays who is

living 100 or 200 miles away from the port of embarkation in the Argentine, in order to get his goods to the consuming centre. We say the thing is absolutely ridiculous, and seeing that methods of improvement in that direction are well known and understood by experts on the subject, the Government ought to act in the matter, not hurriedly, but make it a consistent part of their policy to improve the transport of this country to increase and aid home agriculture.

12,971. May I take it what your Association is seeking is a co-ordination and development of the transport service so as to provide as far as possible equal facilities for the carrying of goods for the farmers?—Yes.

12,972. You express no opinion as to the method, whether it is to be by light railways, motor transport, or not?—One might express an opinion, but I am afraid the opinion of a farmer would not be of much avail.

12,973. But you are convinced to-day that it is a real difficulty so far as the farming industry is concerned, that is, the lack of proper transport service?—I do say that the lack of efficient method of transport in this country, which is the best market in the world, with fairly good land and a fairly good climate, is a position that must be remedied at once, if there is anything to be done and home agriculture is to flourish.

12,974. But would you put that at the forefront of any proposals that might be made for assisting agriculture?—I would.

12,975. I notice in your evidence-in-chief, § 12,749, you draw attention to the fact of the variation between the produce of different classes of land. That is what I take it you mean. In answer to a question from Mr. Parker, you stated that your suggestion was a guarantee which should be rather under the cost of production. How would you determine the cost of production? What standard would you take for that purpose?—I think the standard that was referred to by Mr. Parker, that is the 1914 percentages of labour cost, and cost of material, and your on-cost. You find that out pretty accurately in the period of 1913-14. I do not think if you are laying down a proposed guarantee to come under the cost of production, you could get at it in any other possible way than that. I may be mistaken; but, in my opinion, it is the fairest way that I can see at the present moment.

12,976. My concern is as to how you are going to fix a basis which will have general application. You state here: "With controlled prices fixed at a flat rate those farms or localities where the cost of production was low and the returns good, the profits were bound to be considerable, whereas those localities and holdings where the crop returns were meagre and the cost high would show in many cases a financial loss." How are you going to adjust the position as between farms of that character? I mean, the cost of production is not merely what you spend on the land, but it also has a bearing on what you can get from the land?—Certainly.

12,977. How would you fix your standard?—As I suggest in my *précis*, it is a most extraordinarily difficult thing, in fact it is impossible, by saying you fix a flat rate, to make the conditions at all equal. They are bound to be unequal; but at the top end where you have the better return, and therefore the better remuneration, you have the factor of rent coming in and the factor of Income Tax coming in. If there is a Land Court appointed, as I have suggested this morning, it will certainly take it out of that in rent. The man who farms that proposition will have to pay more rent. There is no doubt whatever about that under a fair Court. That is one factor that would equalise the inequality; there are others. The tenant farmer, in my opinion, is merely a contractor between labour and the community. His margin varies, or, in this case, it will be varied for him.

12,978. Then am I to understand that in fixing this standard you would take as your basis the lands with the low yield and adjust the difference by increasing the rents of the more productive land?—Not at all. I am glad you asked me that question. I certainly

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would not do that. I would take it somewhere about the middle; and while admitting quite frankly that it does not at all suit the man with the low production and the high cost per unit, if you are going to remunerate that man, then you are going to set up a very impossible proposition for the community in the event of prices coming back.

12,979. May I suggest to you, if you take a medium figure, that must of necessity give an advantage to the man occupying land which gives the higher yields, and would then make it impossible for the man with the poorer land and the lower yields to continue farming, and, therefore, it is no solution of the difficulty?—In connection with your question there is quite a vast area of land in this country which, under any system of guarantee, or at least with any reasonable system of guarantee, could be kept economically in cultivation. There is a very large area of land, more particularly in England, I think, and in Scotland also, that could not be kept under arable cultivation. On the other hand, if you fix the average that you have just now under the Compulsory Orders, you would be then remunerating and making it possible for the man who is farming to continue, while the man who has been forced to break up his land goes out, if that answers your question.

12,980. Does not that mean that the State has got to determine a particular kind of land upon which it can be considered advantageous to grow corn, or to farm under arable conditions?—Yes; if there is a guarantee of that kind given, the line would require to be drawn, but I think you will find that the Government, or the Executive Committees, do not require to draw the line. The economic situation will settle it.

12,981. Yes; but in fixing the standard for a guarantee, they must have something in their mind in guiding them as to what is a reasonable standard of cost, and, therefore, it seems to me they cannot escape considering that question as to what class of land is to be taken as a standard?—One cannot tell at the moment what developments, under research and under the other advantages I have outlined, there will be, and what effect those might have in the future on land which might, at present, be considered wholly uneconomic. I can imagine any statutory body, or body in authority for limiting or drawing the line with regard to cultivation, requiring to be extremely careful in making any pronouncement as to what land should be cultivated and what land should not.

12,982. Yes; but in considering the question of the guarantee and having regard to the great variation of the productivity of different soils, is not that bound to be a question of difficulty that must arise? If you are going to guarantee the lower yielding soils, then you are going to give an enormous premium to the higher yielding soils?—I said if you guarantee the middle class of land, the lower class of land passes out, and you are able to keep the men who have the middle class of land sufficiently remunerated to carry on, and the lower land you referred to with the high cost per unit passes out. Undoubtedly the man who is farming the better proposition has an advantage over the man who is farming the secondary class of land; but he will pay for it in rent and other things.

12,983. Would you agree that all this shows that the question of guarantees is a very difficult one, and does not solve this question as to the future of agriculture?—I admit it is a most intensely difficult question, and it does not perhaps solve itself just exactly as we would like; but if you take the disadvantages off this imperfect solution and compare them with the disadvantages of no guarantee, the other side is also no use. I think anyone who is acquainted with the whole circumstances would say they would prefer to take the disadvantages of the imperfect solution such as it is.

12,984. Would you agree it would be a better policy to help the industry by improved transport, by scientific research, and things of that description, and then let it work out its own policy, rather than have a system of guarantees?—I would; but, on the other hand, you have to consider the fact that building

equipment, cottages, stables, buildings, drains and ditches are all more or less derelict, even in good cropping country. You have to consider the effect of the present value with regard to all these things. They are more than doubled. The present price of draining land is almost the price of the whole of the land itself in certain parts of Scotland, and fairly good second-class land. How are you going to induce any man who is an occupying owner, or a landowner, merely on the promise in the future of an improvement in transport and all these other things in the dim and distant future, or encourage him to put his money into buildings, cottages and drains which, if the land were turned down to pasture, might not be required? I have gone into this question, and I was against guarantees until a short time ago; but the longer I have studied the question, the more I have come to the conclusion that if this country, for insurance or any other reason, wants a larger acreage under the plough, a modified guarantee such as I am advocating to-day is one of the best solutions. In fact, if you leave it out, you will probably have more permanent pasture than you had in 1913-14 in another two years' time, or when prices begin to come down.

12,985. Is some of this difficulty, such as the bad state of the ditches and the absence of proper drainage, the result of impossibility to do the work during the past five years?—During the past 40 years.

12,986. It is not part of war conditions?—No; the drains and the buildings, cottages and all kinds of general equipment of an arable farm are matters of long standing. As I mentioned in the earlier part of my examination, it is part of the great slide, or wash-out, during the very depressing period of the 'seventies and the 'eighties. I remember the time very well. I came through it, but thousands of farmers went to the wall; and it was not much of a proposition to the landlords who remained for them to go on spending money on drains and keeping up buildings and permanent equipment.

12,987. A lot of this work would be considered landlords' obligations and not farmers' obligations, would it not?—Undoubtedly.

12,988. Do you suggest then that the landlords have not been able to do this work?—In many cases I understand they have been quite unable to do it; and in most cases unless a man had a hobby for improving his land, there was not any reason why he should do it. The whole of British agriculture has been in a congested, stagnant condition—no life in it.

12,989. I do not see any particular reason why a man should purposely allow his own property to depreciate?—Not if it was being turned down to grass. If he could get a quite decent rent for it in grass, and the buildings and equipment for arable cultivation were gradually crumbling, he was practically suffering no loss. His taxation was less. In this country the taxation is on improvements, so that he had less to pay in taxation. He could perhaps let it as a sporting or game proposition. He had a tenant who was thoroughly satisfied and was making money in his way; but his arable equipment, his permanent equipment in drains, buildings and cottages, had gone down. We, as farmers, cannot farm unless we get the permanent equipment. There are districts in Scotland that have not been drained for 40 or 50 years.

12,990. But if this land goes down to grass to the extent that some farmers seem to think is possible, would not that recreate the same problem in another form? I mean, if we get the bulk of the land, or any amount of it, going down to grass and agriculture taking a turn in one particular direction, that is, pasture, would it not create another problem which will be just as bad as the present problem?—What is that problem?

12,991. That we are producing too much of one particular thing in agriculture. I mean if you are grazing for meat, there is a possibility of meat importation just as of corn importation?—I do not think you will require any guarantee for meat. The meat stocks of the world are down, and you can increase the cereal production of the world in two or three years from being a very meagre proposition to being the full production of the world. That will be so in three or four years at the outside if the

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inducements are sufficient; whereas it will take 10 or 12 years to get up the cattle stocks of the world.

12,992. You do not think there is the same difficulty likely to arise by the over-production of meat by too much land being put down to grass?—By no means.

12,993. We have been told that meat production does not pay?—That is probably true at the moment. I have heard the same statement from practical farmers myself whom I had no reason to disbelieve. I myself am not a meat producer, but we have a system of control at present. I merely say to you that the meat production of the world will take 10 or 15 years to get normal to meet the needs. There is very little danger from the farmer's or landlord's point of view in allowing the land to tumble down to grass.

12,994. It seems to me that every branch of agriculture when we take each separately shows a loss, but somehow or other in the aggregate there is a little profit or return on it. It is a little difficult to understand how these things work out?—I disagree entirely, because all my farming friends tell me we could make a profit on grass, and I admit here to-day that we have made a profit during the war. I admitted that we made a profit before the war, and I have admitted that I have made rather a better profit during the war than I made before the war; but one has to take into consideration the fact that that profit has to be divided by two, or whatever factor it is which shows the difference in the value of money.

12,995. Have you any experience in milk production?—None whatever.

12,996. Have your body considered the question of milk production?—Yes; they have, in connection with the whole of the subject.

12,997. Have they any suggestions to make with regard to that whereby the conditions might be improved?—I have heard one or two men asking about cheese as being a stand-by. It is undoubtedly the case that in Scotland we have improved the case for the milk producer by co-operative creameries; that is, buildings worked on co-operative principles by the farmers themselves, where they can send their products to and have the milk cooled. It is not sent on to the city until it is cold. It will keep for a very much longer time then; and during an over-plus production time such as in the months of June, July and August, instead of flooding out the market and having a lot of milk emptied down drains and that kind of thing, that which cannot be taken up by the population is made into other products—butter and cheese—and it has remedied the situation to a very great extent in the West of Scotland, where I come from. It has improved the conditions of the dairy business all round.

12,998. The co-operation in the making of cheese?—The co-operative method of dealing with milk and its by-products.

12,999. I suppose the improvement of the transport would considerably help milk production, would it not, it being a perishable article?—Tremendously.

13,000. In regard to these figures you show us of the cost of a horse, I notice you take only 220 days on which a horse can work. Do you mean actually on the farm, or for all purposes connected with the farm?—For all purposes connected with the farm.

13,001. Do you suggest that on the average there are 93 days or over 13 weeks in the year out of the working days of the year on which you cannot find any use for a horse?—Yes. You asked on the farm, but I should have qualified that by saying about the farm. We have often to have the horses doing what we call unproductive work. We have to find a job for the man and the horse; but a great deal of it is entirely unproductive work.

13,002. Could you give us some idea of what you mean?—You will find in rainy wet weather for perhaps two or three weeks there is nothing to be done, and you send the man away with a single horse perhaps to try and mend the roads. He gets away to a town or village to see if he can get any cinders or ashes to make up the roads. Then perhaps we have a lot of composts, lime and weeds mixed together, which we probably cart out. There is a lot of work of that kind.

13,003. That would be useful work, would it not?—The road work certainly is useful work. As I have told you, I believe in transport right into the field. It is indirectly productive work, but directly it is not productive work. But over and above that, we can make up our 220 days almost without it.

13,004. So that there would be other work done by the horses beyond these 220 days?—Not very much. You have 52 Sundays.

13,005. That means 313 working days?—Then we have 30 days off for holidays. There are 26 days in half-days on Saturday afternoons, and in our district we have two holidays, the hire day and the summer holiday; that is 30 days.

13,006. In making this calculation, do you take your Saturday half-holidays as a half-day only? You do not count Saturday a day for a working day?—We count it a half-day. There are 26 whole days or 52 half-days.

13,007. I could not understand how you could get 93 days out of 313 working days that you could not find work for your horses?—It is almost literally true in our climate, where it is so wet.

13,008. Mr. Walker: You said that drainage and other matters were landlord's work, but you suggested, I think, that a guarantee would enable this work to be done. Would I be right in inferring that in your opinion a guarantee would tend to raise rents?—And rightly tend to raise rents.

13,009. It would raise rents?—I have no doubt of it whatever.

13,010. In reply to Mr. Parker, following up the point which is somewhat material, how much do you think it would cost per acre to restore the land to its pre-war fertility?—That is something like giving a guess at what the price might be a year or two hence, or trying to find the average cost of potatoes in Great Britain, Scotland, or anywhere else. It must be largely based on an assumption, it varies so very greatly in different conditions; but I could very well imagine that it might take for ditching and cleaning of the land alone £4 to £5 an acre, and then you would probably have a decrease in fertility over and above. It might amount to a very large sum, and it might be a trifle. I do not know that it is quite a fair question to ask what is the average rate for a thing like that.

13,011. But placed in the position as it at present exists, you think £4 to £5 the acre?—I was taking a whole average.

13,012. Taking your own farm, for example?—Yes; I do think about £5; at least £5.

13,013. In your *précis* you mention seven different items. There is one I would like to have your views on, and that is co-operation. What are your views on co-operation?—My views on co-operation are that for the smallholders and small farmers co-operation is a necessity to get the most out of it. We find that with the larger farmers at present, they can get practically as good terms from the manufacturers, in fact better terms, than the Co-operative Societies can give their members. We do not put that forward as an argument against co-operation.

13,014. But for the smaller class of farmer, do you think co-operation both in buying and selling would be a good thing? I will put it in that way?—It is essential to the success of small farmers.

13,015. On the question of hours, you have admitted that hours have been reduced?—Yes.

13,016. I think you will admit that there has been an increased production?—Do you mean in my farm or in Scotland?

13,017. Speaking generally; but in view of your own statement that hours have been reduced, I would be quite prepared to take your own locality?—I could not answer for the locality, but I could answer for my own farm.

13,018. Will you do so?—We have not been able to do as much as we did, say, in 1914, or 1915 even.

13,019. Taking the country as a whole, hours have been reduced generally, there is no question; and on the other hand, taking production generally, you would admit that there has been an increased production?—I certainly cannot admit it in regard to my own place; and with regard to agriculture I do not see how that argument can apply to it at all until

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you got your development of agricultural machinery and your other factors coming in.

13,020. So that the Prime Minister, who recently stated that the only industry that showed an increased production was agriculture, was not quite accurate according to your statement?—Not if you weight the evidence. You have to take into consideration the fact that although quite a large number of our men went away, there was a very great influx of outside labour into agriculture and a very much greater area broken up. If you take it on the overhead average, then I say your production was greatly increased. Undoubtedly that is the case. But if you weight the evidence, it does not bear out your suggestion.

13,021. *Dr. Douglas*: You have told us that the equipment of farms in Scotland generally is very inefficient?—I think that in the majority of cases the permanent equipment is more or less inefficient.

13,022. That is not a new state of matters I think, although it has been aggravated by war conditions?—That is so.

13,023. Do you think that is due to the fact that the cost of such improvements did not really secure an adequate rate of interest—that it was not a good investment?—Primarily—in the main, yes.

13,024. You told us, and on very good grounds, that greater security of tenure is desirable—that is to say, greater security as regards the expenditure made by farmers in the cultivation of their land?—Yes.

13,025. How far has your Union considered whether this state of matters could be met by amendments of the Agricultural Holdings Act?—We have discussed that very frequently, and I may say we have arrived at the conclusion that both of these Acts were well-meant and honest endeavours to give the tenant what you say is his due, but we are of opinion that by not including security of tenure is the real reason why these Agricultural Holdings Acts have become ineffective—in that they have failed to secure the tenant in his holding.

13,026. There is a clause designed for that purpose, is there not?—Yes.

13,027. But it does not have its effect?—It has not had the effect it was intended to have.

13,028. Are there any other defects also in these Acts that make them inadequate—for example, the cost of arbitration is very excessive, is it not?—The cost of arbitration is one deterrent against the farmers or the landlords exercising their rights.

13,029. Generally speaking the Acts do require amendment?—They do in two particular respects. Referring to your previous question the main objection in the view of our members to the Act is that it does not compensate the farmer who does really put his brains and capital into the land. It does not compensate him in anything like an adequate measure for continuous good farming over a period of years—what we understand in Scotland by cumulative fertility.

13,030. So that whether there is security of tenure or not the Agricultural Holdings Acts would need amendment?—Decidedly.

13,031. You do not consider that adequate security can be given by any amendment of these Acts?—We have discussed that, and that is our view. Until you incorporate security of tenure any Act that you may pass will never become effective in its operation. It is a very fine point, and if the Chairman would allow me to go into it a little it is the turning point of the whole question of the Agricultural Holdings Act.

13,032. *Chairman*: Certainly?—On the face of it it does bear out the view that if a man goes into a farm and expends his capital upon improving the land and getting it into good order and keeping it in good order up to the day he leaves. If it were possible for him to get all his return it would have a great effect. There is no reason why he should want any more, but in practice in the working out of the Agricultural Holdings Act in the past it has been found that the Act does not give the really good tenant anything approaching to what is really his.

13,033. *Dr. Douglas*: Even if you had security of tenure on some such scheme as you propose, that would still do nothing to mitigate the hardship of the tenant who voluntarily relinquishes his holding?—I understand by that question you mean that the Agricultural

Holdings Act requires amendment still to compensate that man.

13,034. I suggest to you that security of tenure would do nothing to remove the grievance which exists in respect to the heirs of a farmer who dies or a farmer himself who retires from his holding either to go to another farm or through old age or from any other cause?—It does nothing to help him in those directions perhaps, but it does nothing to injure him.

13,035. If security of tenure became universal and did lead to general encouragement of expenditure and the tuning up of cultivation, would the farmer who leaves his farm of his own accord or the heirs of the farmer who dies not have a grievance even greater than they now have, because there would be more at issue? They would have made improvements encouraged by security of tenure, and the value of these improvements would be lost to them just as they are now lost under the Agricultural Holdings Act, but their grievance would be aggravated because there would be more lost if more had been spent in improving the land?—Perhaps your reasoning would be right if you had not the Agricultural Holdings Acts amended in addition as they ought to be.

13,036. If the Agricultural Holdings Acts are incapable of amendment—which is what you suggest—so as to give adequate compensation for improvements, then the tenant who leaves his farm or the heirs of the tenant who dies suffer greater injury in consequence of the greater expenditure the tenant has been induced to make?—I rather fail to see that.

13,037. I am not going to argue the point; I put it to you for your consideration. He will have spent more money upon his farm if the security of his tenure has been achieved?—He will certainly have spent more money upon it, but in the scheme we propose the Arbitration Court in the absence of agreement will determine what is his and what is the landlord's. I fail to see how he can be prejudiced or how the claims of his executors would be prejudiced in any way whatever.

13,038. Because of the imperfections of the Agricultural Holdings Act unless it is capable of amendment?—It is capable of amendment. If you add security of tenure to it you can make it effective.

13,039. If it were capable of adequate amendment would that not reduce the case for a large change in the terms of land tenure?—I fail just to grasp what you mean.

13,040. If it did secure to the farmer a full return for all that he had spent would that not meet his case?—As I said at first, if it were possible that he could get everything that he was entitled to on the day he left his farm he would be no worse off than urban tenants; he could not be said to be unfairly dealt with. But I said that in practice—in the working out of this problem in regard to agriculture—the weakness will be discovered.

13,041. You said, and truly, that the situation has been aggravated and indeed substantially altered by the recent sales of land?—That is so.

13,042. Even in the case of leaseholds?—Yes.

13,043. You think that that has gone far to alter the traditional relations between landlord and tenant?—Yes.

13,044. Which mitigated the strictly economic point of view between them?—Formerly it did.

13,045. Therefore any further tendency to sell land would rather tend to increase that state of matters. If further sales of land take place more people will be brought under the same conditions, and, therefore, that state of things will be further aggravated?—Yes, that follows.

13,046. You have put forward a scheme for a tribunal to fix rent by arbitration. Does your Union hold any view as to the basis on which rents should be valued?—We have not considered that particular point.

13,047. You have not considered, for example, whether the cost of production—the return on the capital laid out—would be an element in the case?—I think I rather suggested in my sketching out of that scheme that that was one of the reasons for the whole-time employment of the men constituting the Court, who must be thoroughly qualified to deal with these points, which are highly contentious and very difficult to arrive at a finding upon.

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13,048. Do you not think that the basis on which they are to decide the valuation of rent is an important question?—I agree.

13,049. Your Union has not considered that question?—We have left that rather to the gentlemen who, if they are ever appointed, will have to deal with that. That is rather above our heads as ordinary farmers.

13,050. You prefer a central tribunal to the arrangement suggested by the English Chambers?—We do.

13,051. Have you taken fully into account the importance of local knowledge in assessing the value of a farm unless you are to proceed on some basis such as the cost of production?—We have; we have taken into consideration the advantages.

13,052. But you think the disadvantages are greater than the advantages?—Yes.

13,053. Still the absence of local knowledge would be a serious impediment to such a tribunal?—It could be overcome by calling witnesses.

13,054. It would involve the calling of witnesses and presumably the employment of counsel also, would it not?—I do not see that that necessarily follows. I am speaking at large without our Union having gone into the scheme detail by detail, but I do not see why even the Court of Arbitration should not work pretty much on the same lines as the Agricultural Holdings Act as it is administered at present. If the landlord and the farmer, the tenant, were agreeable to the employment of a single arbiter mutually appointed by the Court, and if his findings were subject to revision if his proposals were not acceptable to either one party or the other, an appeal could be set up to the Central Court itself. That might economise and simplify the procedure very greatly. I do not see that necessarily that course of procedure should be ruled out in such a scheme. We want to get economy so long as the parties are satisfied.

13,055. But wherever the parties were not satisfied there would be an appeal to the Court?—Necessarily.

13,056. Can you tell us how many holdings not coming under the Small Landholders Act there are in Scotland?—I am not just quite aware of the number at the moment; I daresay you may have the figures yourself.

13,057. Would you accept the suggestion that there are not less than 50,000 of them according to the Board of Agriculture list?—I accept your figure.

13,058. Fifty thousand arbitrations would be a considerable operation if they were all to arbitrate?—It would be if it necessarily followed that they would all go to arbitration, but I think one should take more into consideration the practical effect of what is likely to happen. We think that there will be less litigation if such a Court were established than is the case under the present arrangement.

13,059. That, after all, is only a matter of assumption?—Yes.

13,060. Which is not on the whole borne out by the operations of the Small Landholders Act, is it?—That may be so.

13,061. In your scheme, is the decision of the Court to be binding on both the parties when they differ, as an arbiter's decision would be?—Yes.

13,062. That is to say the tenant would be bound in law to enter upon a lease even if he thought the rent fixed by the Court too high?—Yes, most certainly.*

13,063. Have you heard it stated by owners of land and those who represent them that the effect of legislation of that kind would be to make them unwilling to incur any expenditure on the maintenance of the farms?—I have heard that view put forward.

13,064. Do you think it is sincerely put forward?—I think it is—mistakenly, but sincerely.

13,065. That is their view of what their course of action would be?—Yes.

13,066. That would be rather a serious matter, would it not?—Yes, if it were correct.

13,067. Quite so, but I presume that those concerned in the matter are the best judges as to what they

would do in certain circumstances?—They are entitled to their opinion.

13,068. You think that is a course of action which they really contemplate—that they are sincere in saying that that is what they would do?—I believe they are sincere.

13,069. Apart from their disposition what would their position be? Did you observe the result of the sale of the smallholdings created on, I think, Lord Elibank's estate in Haddingtonshire last year?—No, I cannot say that I have.

13,070. Will you take it from me that in some cases the purchase price was less than 10 years' purchase of the rents?—Yes, I will take it from you.

13,071. The usual value at that time of land in that district—good farming land properly equipped—would be anything from 20 to 25 years' purchase, would it not?—I should say anything from about 18 to 25 years' purchase.

13,072. So that in that particular instance the capital value of the subjects had undergone a serious reduction through their being held on this system?—By being wrongly assessed under the system.

13,073. The purchasers were buying in the open market at what they thought the subjects were worth?—It was an open market, was it?

13,074. Yes?—I misunderstood you altogether. I thought you were referring to a Court, the Board of Agriculture having bought this land arbitrarily.

13,075. No, the proprietor, not desiring to continue holding that property, sold it in the open market, and the accruing price was something under 10 years' purchase. That was the reduction in value which was brought about. I am not putting it forward as a final argument, but there it was. Now I want to take you to this other point: I am sure you are aware that a very large proportion of the land in Scotland is heavily bonded and mortgaged?—Yes.

13,076. If it were all reduced in value by the introduction of a different system to that extent it would be very difficult to retain these mortgages, would it not?—It would be impossible.

13,077. Therefore, apart from what they might desire to do, landowners would be really incapable if this change were made of spending any money at all on improvements unless they had other sources of income?—They are practically incapable, I think, under the mortgage system of spending much money on improvements at present.

13,078. Unless they have other sources of income?—Yes.

13,079. That would be very much aggravated, would it not?—Undoubtedly.

13,080. Would that not bring about of necessity a great increase in the sales of land?—It might do if there were plenty of purchasers.

13,081. There have been plenty of purchasers so far?—Yes, principally among tenant farmers, but I suggest if they had security of tenure under a Court, on the condition that they farmed up to a recognised standard, there would be no desire on the part of the farmers to buy.

13,082. But others, of course, might wish to do so?—Certainly.

13,083. I do not wish to pursue that further. I take it generally that a great many of the details in this scheme, even the figures to be dealt with and so on, and the general consequences of it other than to the occupying farmer, have not been very fully considered by your body?—They have been very fairly considered.

13,084. You have told us of a number of points that have not been considered?—Yes.

13,085. Some of them fairly important points?—Yes, I admit that.

13,086. Now I come to the question of game. I want to ask you whether you do not really think that something much broader than you propose is necessary. You spoke of the necessity for fencing deer forests. I entirely agree, and I think everyone agrees, it is quite a wrong thing that preserved game should be allowed to stray and destroy the crops of

* The witness states that, at the hearing he understood the question to be: "Would the tenant be bound to go on with his lease, suppose he thought the rent too high?" As the question was actually put, however, and as it is set out in the text, his answer is: "No."

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people over a very wide neighbourhood. But is there not more than that in it? Is it not generally agreed that a good deal of land which might be profitably used for other stock is used for deer to the exclusion of other stock?—There is that fact.

13,087. Do you think that needs to be dealt with?—We have that in our policy.

13,088. You did not put that forward. Then with regard to the treatment of game generally, I think you said in answer to a member of the Commission that, except in the wide neighbourhood of the deer forests, the worst offender against food production was the rabbit?—That is so.

13,089. The rabbit has been unprotected from the farmer for about 33 years, has it not?—About that period, I think.

13,090. So that so far as the history of that question can guide us, the mere permission to the farmer to kill and destroy game is not always an adequate safeguard even to him. It has not been so in the case of the rabbit, has it?—It may have been an adequate safeguard to him, but it has not been perhaps an adequate safeguard to his neighbour.

13,091. At all events you will agree it has not been an adequate safeguard to whatever right the community may have as regards food production?—That is so.

13,092. The national interest is not served?—No.

13,093. There are also, I think you are probably aware, cases in which tenant farmers commute that right for a compensation of some kind?—Yes.

13,094. It is a mistaken practice no doubt, but it does happen occasionally?—It does happen.

13,095. Your other case was the case, I think, of the very excessive hand rearing of pheasants?—Yes.

13,096. Would it be possible for the neighbouring farmers to protect themselves adequately by merely killing the pheasants on their crops against a neighbour who had large covers and reared pheasants there if he did not feed them sufficiently to keep his pheasants at home? Would that protect their crops adequately?—Certainly it would devolve upon themselves, but whether the crops would be thoroughly protected or not from the national point of view is not quite so certain.

13,097. Ever the farmer would not be able to protect them sufficiently. It would be rather difficult to kill all the game that came on his crops?—I may give you an example of that. I was speaking to a gentleman on that subject last night. He has a farm on the edge of a hilly country where grouse are very plentiful. His objection is that the grouse never come to his quarter at all, because he has permission to shoot them, but go to his neighbours who cannot shoot them.

13,098. So that it would not be a very adequate safeguard, would it?—Not from that point of view.

13,099. Would it not be really a better safeguard to make it a matter of public administration under the Agricultural County Committees to prevent people from rearing an excessive quantity of game on their ground?—It might be if the constitution of your County Committees were properly representative of the national interest and fairly representative of the other interests.

13,100. Is that not broadly the case now?—Yes, broadly it is the case.

13,101. Has it been reported to you whether the damage from pheasants has been greater or less during the period of the war than it was previously?—We have not been much troubled with the evidence lately of damage from pheasants; it has been mostly from grouse; but there is no doubt at all that it exists. Shooting during the course of the war, when so many of our owners and sportsmen have been engaged in deadly warfare, has not been pursued very much.

13,102. My general information is that there has been a good deal more trouble during the war than there previously had been, in spite of the fact that there was no hand rearing going on?—You must remember, as regards this question of game, that I have no game at all on my farm and I am not acquainted with the question from the practical point of view at all.

13,103. I thought as Chairman you would know what kind of complaints had been brought before your Union?—Yes, we have complaints coming in at pretty regular intervals.

13,104. Now I want to take you to another point. You speak of education. You are familiar, no doubt, with the work of the West of Scotland College?—I am more or less familiar with it.

13,105. I suppose you agree that, so far as the education of farmers is concerned, the best work is that which is done by the County Extension Lecturers?—So far as the farmers are concerned.

13,106. That is to say, they get access to the farmer who cannot himself go to college?—Yes, in a sense that is so, but whether he gets the proper scientific foundation for his work is open to question by that method as compared with the method of going to the college direct.

13,107. Yes, but the number who can go to college is extremely small, is it not—it is an expensive matter?—That is so.

13,108. Are you familiar with any of the demonstration areas in which demonstrations are given of a whole rotation and the expense of manuring, and the varieties of seeds, and so on?—More or less.

13,109. Do you regard that as a valuable method of instruction?—Very.

13,110. With respect to the work of the County Lecturers and also to the demonstration areas I think you know it is the practice of the colleges to give whatever kind of teaching and demonstration is appropriate to the local character of the industry?—That is so.

13,111. That is to say, it would be useless to have a great apparatus for teaching dairying in East Lothian where there is none, and so on?—Precisely.

13,112. You agree that that is the proper course to pursue—that naturally whatever teaching is given should be teaching in the industry as it is practised locally?—Yes.

13,113. If you are dealing with a grass pastoral county, even if there were an opinion that it ought to be cultivated to a greater extent, it would still not be possible for the college to interest people engaged in the ordinary farming of that locality in problems of cultivation and cropping, would it?—Undoubtedly, that is so.

13,114. The people would say, "Teach us what we are really doing"?—Yes.

13,115. My point is this: Although education, as you have said, is of the utmost importance it would not do much to change the character of the industry in a particular locality?—To alter the system of farming in a locality which had long practised that system would require very clear demonstration.

13,116. Speaking generally, the people of a locality would say they wanted to be taught to improve the method of farming that they were at the moment engaged in?—Yes, that is the likeliest avenue of progress.

13,117. So that really education would not be a determining element in converting land from grass to arable cultivation. In a grass county the education and demonstrations would be on pastoral subjects?—That is so; but these people read about the experiments that are carried on in other parts of the country, and I think teaching would fail if the teacher in the pastoral county where the land might also be suitable for arable cultivation under a new set of conditions failed to call attention to that fact—if he left out of sight the possible development of arable cultivation in that district.

13,118. I think you will agree it would be very difficult to begin to interest the people in one locality in lectures really intended to improve the work of those who are engaged in a different form of the industry. People would not come to the lectures in point of fact, would they, to the same extent? They would want to hear about the things they were themselves doing, would they not?—They would go to hear that lecturer on their own business, but if they took note of the experiments that were going on in other parts of the country, it would certainly have a tendency to keep their minds open as to an alternative method of farming.

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13,119. Yes, it would have that tendency, but I suggest to you it would not be a very strong factor in bringing about a change in the system of agriculture carried on in the locality?—You are referring to the system of sending lecturers on a special kind of agriculture?

13,120. I mean from the point of view of converting a pastoral district to arable cultivation. Education would not play a very large part in that, because it is directed necessarily to the thing the people are themselves doing?—That is so.

13,121. You say quite accurately that farmers in Scotland are quite prepared to be let alone if they are let alone altogether?—Yes.

13,122. So far as their interests are concerned?—Yes.

13,123. Do you think it is likely that they will be let alone?—It is possible.

13,124. I mean, for example, do you think, as a probability to be reckoned upon, that the policy of fixing a minimum wage in agriculture will be departed from?—I am rather afraid that it will not.

13,125. Even if it were, that policy for the moment has not had really any operative effect in Scotland, has it?—None.

13,126. Wages are standing and have stood all through at a very much higher level than anyone has proposed as a minimum?—That is so.

13,127. So far the industry has been able almost easily to bear the increase of wages?—Yes.

13,128. The same conditions, apart from State interference altogether, will tend to fix agricultural wages as have been fixing them up to now, will they not?—You might repeat that question.

13,129. The wages of agriculture will always, by competition, be kept in some relation to the wages of industry generally?—Yes, by open competition.

13,130. Do you not think that that will be even more the case than it has been hitherto—that farm servants have learnt to look at the wages paid in other occupations? They have been brought during the war into contact with men engaged in other occupations, and do you not think they will have more regard in the future to what is going on in other industries than they have had in the past?—Undoubtedly.

13,131. So that you cannot really contemplate a fall in agricultural wages unless a similar fall were to obtain in industry generally?—That is so, unless perhaps in places far away from the industrial areas.

13,132. Yes, but even so the tendency will be to level things up a good deal, will it not?—That is so.

13,133. If prices were to fall sharply as you anticipate, or at all events as some of your members anticipate, in the next few years it will be impossible to pay these wages and keep cultivation going, will it not? If the price of your produce fell, you would no longer be able to employ labour profitably at its present wages?—We might not be able to get the wages adjusted to a sufficiently low level to carry on, but we could adapt our farming to doing with very much less labour.

13,134. That is to say you could employ less labour and produce less food?—Yes.

13,135. That would not be equally possible in all cases?—No.

13,136. There would be some cases where it would be almost impossible to follow any system of farming except arable cultivation?—There is some land that would never be used for anything but arable cultivation.

13,137. But the tendency to decrease arable cultivation would be very strong?—Yes.

13,138. Have you anything to say as a general conclusion with regard to the kind of guarantee or the amount of guarantee which would be necessary to deter the present tendency towards reducing arable cultivation? I know that you and other members of your Union have presented certain cost sheets. Have you any suggestion to make as a Union within what regions of price the guarantee would need to be?—The only way we have considered it is the way I outlined this morning—the principle, not the sum.

13,139. You have not thought of any figure which would apply in the present circumstances?—There has been little discussion about that, but it certainly

looks as if we ought to be guaranteed a price for the year in front of us at something approaching the prices under present conditions. The whole guarantee question as far as we are concerned would be the principle of a modified guarantee over a long term of years.

13,140. You do not think it would be of much value unless it were to be recognised as a more or less permanent policy?—That is so.

13,141. You express no opinion as to what the scale of guarantee would require to be for the next year except that it would be somewhere in the region of present prices?—We have come to no definite finding upon that point, although opinions have been expressed freely. Probably it will be found that the prospects for the next year are quite sufficient from that point of view.

13,142. I suppose in everything you have said about guarantees and prices generally you are assuming that the fixing of maximum prices will shortly disappear?—Undoubtedly.

13,143. You would rather, I suppose, have the open market pure and simple without guarantees than have guarantees with fixed and controlled prices?—Will you repeat that question?

13,144. Let me put it perhaps more clearly: If the Government were to say, "You cannot have it both ways: you can have the world market or you can have a guarantee accompanied by maximum prices, but you cannot have a guarantee without being subject to control," which course do you think farmers would consider best from the National point of view?—I take it your suggestion is a guarantee which provided against any loss and included interest on capital and perhaps a small profit?—If we had that sort of guarantee we could not for a moment withstand the demand of the Government or the community to take the commodity at the guaranteed price.

13,145. You spoke of a guarantee on a somewhat different basis this morning. You spoke of a guarantee to cover the bare cost of production?—Not to cover it, but to go up to the bare cost of production.

13,146. Not to exceed the bare cost of production?—Exactly.

13,147. Rather than that you would prefer to have a free market?—Precisely.

13,148. Just one question about the suggestion of co-operation which arose out of your cross-examination by Mr. Smith. I think there may be some misconception, which I would not like to see. You spoke of the co-operative dairies in the west of Scotland. The impression left on my mind was rather that these co-operative dairies were regarded more as cheese factories than as centres for the disposal of liquid milk. You agree, do you not, that the co-operative dairies are chiefly sellers of milk?—Yes, chiefly as sellers of milk and as dealing with the milk question as a whole.

13,149. In the absence of co-operation there was a great deal of waste in Glasgow—large quantities of milk were thrown away in the summer?—Yes.

13,150. These creameries get rid of that waste of milk by using up on the spot any surplus there happens to be?—Yes, that is so—they stabilise the whole industry.

13,151. It is simply a systematic form of the old method of individual dairy farmers using cheese making as a means of stabilising the milk price?—That is so. Of course, you have the question of the sterilisation of milk, which makes it possible to send milk on much further journeys now.

13,152. Yes. At the present time even without co-operation, do you think there is really much loss of milk through deficiency of transport? I do not know whether you are informed on that question?—I am not in the milk trade, as you know. I have merely what you might call academic opinions about the matter.

13,153. I rather understood you to assent to the suggestion that the lack of transport facilities caused a great waste of milk?—I should not put it in that way. I should say that the lack of sufficient transport facilities helps to keep down the production of milk.

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13,154. You mean that a great many farms could be brought within reach of the market for liquid milk if there were better facilities of transport from the outlying districts to the railway station than there are at present? Yes, that is exactly what I mean.

13,155. *Mr. Rea:* With regard to transport, has your Union considered the question of co-operative ownership of motor lorries?—We have given the question of the co-operative ownership of lorries and buildings and so on a good deal of consideration for some years. We had a trading scheme of our own in operation, but we found that it was too cumbersome and there were too many obstacles in the way of carrying it out by a body such as our own. We recognise, of course, that if the thing were done on a large scale—I suppose you are referring to milk particularly?

13,156. No, I am referring to general farm produce such as bringing manures and cakes and so on from the station to the farm, and so on, and delivering grain from the farm to the station. It might not pay one man to own a lorry of his own for that purpose, but if the lorry were owned co-operatively it would pay the farming community, would it not?—There is a good deal of that being done in Scotland at present. I thought you were referring to something on a much larger scale, such as depots collecting the produce from a large area and grading it and then dispatching it by rail. That is rather a matter for the big Farmers' Associations—the setting up of rural centres for the collection of local produce. It is rather a large task for small Farmers' Organisations at present, so far as I can judge.

13,157. Failing such organisation, do you think that the system I have suggested of three or four farmers co-operating and buying a tractor, for example, and using it between them would be of use—or that a branch of the Farmers' Union should take it up and recommend it to their members?—That is being done to-day in Scotland in my own district.

13,158. And successfully?—Yes, successfully.

13,159. In No. 5 of your *précis* you refer to the lack of research into the diseases of plants and animals and the science of plant breeding. How do you suggest that should be done—by private enterprise or by Government grants?—By a combination, I should say, of course. If you leave it entirely to private enterprise you cannot expect consistently good results over a number of years, because your whole foundation is too uncertain. The Government ought, through the Board of Agriculture, to take a directing hand in a matter of that kind on behalf of the whole of agriculture. As you are perhaps aware, we have the setting up of a plant breeding station in view and we have collected about £18,000 from private subscribers for that purpose. The Government are giving a pound for every pound collected privately, but the direction of that station will have to be left largely to the Board along with representatives of the ordinary organisations, so that the farmers may take a live interest in it. If it is left entirely to the Government the farmers will lose contact—at any rate that is the view we have in Scotland.

13,160. It is likely to be a useful undertaking?—Most undoubtedly.

13,161. Is much being done in Scotland with regard to diseases of animals? Sheep, for example, particularly suffer from one or two diseases that are hard to diagnose apparently?—There is a certain amount of good work being done at the Glasgow Veterinary College. There is a technical expert engaged there—Dr. Gauger. We feel, in the Farmers' Organisations, that a very much wider effort undertaking the dealing with the diseases of all sorts of animals is absolutely necessary, not only of sheep, but of all animals. There has been a proposal lately put forward by the Highland Society and the Scottish Chamber, and the organisation I represent, to work with the Government in the direction of getting a central institute for all these things, or a central direction to take up the whole matter comprehensively. I admit it is difficult, but you must not lose the idea of having the thing carried out thoroughly. I understand that in the last two years over £1,000,000 sterling have been lost in sheep in Scotland alone by diseases.

13,162. In your opinion, is that a very important development?—Exceedingly important.

13,163. In answer to Mr. Henderson, and once or twice since, you said that the Scottish farmer would be willing to be left alone if he was left alone altogether in the future without any guarantee and without any Wages Board or Orders of any sort?—Yes.

13,164. That was on the assumption that the farmer would be free to carry on exactly as he liked, I take it?—Practically that. Of course, we would not demand, for example, that we should run our farms on a system which would be entirely against the national interests.

13,165. I do not mean bad farming, but so long as the farm is properly run, you mean, the individual should be left to farm in the way he thinks best, simply for his own personal interest as apart from the interest of the State?—Yes.

13,166. The farmers' view being that if the State says he must grow more corn he considers that a guarantee is necessary?—Yes.

13,167. So that the growing of cereals would be for the benefit of the State in that case?—Yes. We hold very strongly that it is a matter entirely for the community themselves, while admitting that we would be very sorry to see agriculture left to sink or to swim as formerly. But as factors between the community and the landlords we say we are prepared to tackle the problem as before if you give us fair play.

13,168. Therefore, in fact, the guarantee is for the protection of the community and not for the protection of the farmer?—That is our view. It is for the community to say.

13,169. There is just one point I should like to clear up about the wages and the method of employment with regard to what Mr. Langford asked you. It may not be quite understood that in England until the order of the Wages Board came into operation men were only paid when they were employed—if they came on a wet morning they might be sent away. You in Scotland have the same system as we have in Northumberland, namely, an upstanding wage?—Yes.

13,170. The men are engaged from year's end to year's end, and you have to pay them wet or fine?—Yes, that is so.

13,171. That principle always existed, even before the Wages Boards?—Yes.

13,172. So that that really put the workers in the North in a better position than the labourers further south?—Yes, I should say so.

13,173. Mr. Smith asked you some questions about the difficulty of equalising the results of a guarantee—or at least the getting of a guarantee which would be fair to one class of farmers without being unfair to another?—Yes.

13,174. Did not that condition always prevail in the days of freedom from control and of open markets?—Yes, but when you had freedom from control you could adapt your system of farming to your land in any way you cared to, whereas now you are going to be supervised or overlooked in your farming to a certain extent.

13,175. Farms which are more primarily adapted to cereal growing will grow cereals, and farms which are not so much adapted to it, but which under the stress of the last few years have had to grow corn, will revert to a more mixed system of farming, and cereals will not be the primary source of production, but in conjunction with stock growing and feeding they can still be made a profitable adjunct to the farm as a whole, so that in that way you can more or less equalise matters?—Yes, so long as you have the land under the plough, and have the equipment there, although it may be that the land is not actually growing cereals at the time.

13,176. Yes, that is my point. So that really you could arrive at a figure which would operate fairly equally to all classes of farming except, of course, in the case of very bad farmers?—Yes; we have, of course, to disregard them.

13,177. *Mr. Anker Simmons:* You gave an answer to Dr. Douglas just now which I do not think you quite meant. I want to clear it up. He asked you whether you preferred an open market to a low guarantee, and your answer was, if I remember

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rightly, "Precisely." I rather understood from the evidence you have been giving that what you advocated was a low guarantee with an open market?—Yes, that is exactly what I have been advocating here to-day—a modified guarantee, or, if you like to call it so, a low guarantee with an open market.

13,178. That is what I understood you to say, but the answer you gave to Dr. Douglas rather contradicted that. I mention it in order to make it plain. I have been following your evidence carefully, and I quite understood that what you had in your mind was a policy which would prevent a repetition of the terrible times that English and Scottish agriculture went through between the year 1880 and the end of the century?—Yes.

13,178a. *Dr. Douglas*: That question of mine was addressed to the question which he would think best if both together were unobtainable—if they were alternatives.

13,179. *Mr. Anker Simmons*: You stated earlier in the day that you have a personal experience of those bad times in the 'eighties and the 'nineties?—Yes.

13,180. You would agree that the real cause of those bad times was the impossibility of farming in England and Scotland being conducted on economic lines so as to compete with colonial farming under the conditions on which they were able to farm in their countries?—Yes, combined with tremendously cheap freights.

13,181. With regard to transport, what you want to prevent in the future is the system that obtained then, when you could get wheat brought from New York to London at a less rate than you could get it brought from Liverpool to London?—Yes.

13,182. From a national point of view, can you imagine anything that is calculated, or could be calculated, to operate more against the individual in the shape of the landlord, the tenant, the labourer, and the State than such a system as prevailed during the years of the 'eighties and the 'nineties?—I could imagine nothing more disastrous to all four parties you mention.

13,183. Do you think that people outside agriculture have any idea at all of what agriculture went through during those years?—Some of them have but others have not the ghost of an idea. Some of those connected with agriculture are well acquainted with the struggle farmers had and others have no idea at all.

13,184. When you mention, as you do in your *précis*, the more or less derelict condition of the equipment of farms and drainage, and so on, you are distinctly of opinion that that state of things was caused almost entirely through the impossibility of landlords being able to expend the money upon their estates which in better times they would be able to do?—Yes.

13,185. In other words, land-owning in the 'eighties and the 'nineties was unprofitable to the largest possible extent?—Yes, I agree with that.

13,186. Would you say that 1½ per cent. would be a fair estimate of the return into their pockets that the majority of landlords got on the value of their estates in those years?—That is the general belief. In Scotland I have heard it said that the landlord gets practically nothing on his land at all, but probably 5 per cent. or more on the buildings—that the buildings and the general equipment were giving a small return, but that the landlord was getting practically nothing for the land at all. Of course that does not follow in every case.

13,187. Does your memory go further back to the more prosperous times of the early 'seventies?—Yes, I remember that.

13,188. So do I. Was it not better for the individual all round—both for the landlord, the tenant, and the labourer—when the price of wheat was, as it was, say, in the years 1870 to 1874, round about 60s. a quarter? Was not village life better from every point of view, except perhaps that the labourers were not living under the conditions that we would allow to-day. I am not suggesting for a moment that we should go back to the conditions under which the labourers lived in those days, but from the point of view of the employment of labour and from the point

of view of successful farming, and of getting the best out of the land, would you not say that the period from 1870 to 1875 was a much more favourable state of things for the country generally than that which prevailed, say, from 1890 to 1895?—Yes, I should certainly say so, with the qualification that you put in on behalf of the labour—that the conditions were not quite so good then as what they are possibly to-day, from the point of view of general comfort.

13,189. Therefore what you would advocate would prevent a similar state of things recurring as occurred in those years?—I do say that most strongly.

13,190. Can you suggest any other way of securing a profitable price for cereals than by some system of a guarantee?—I think it is the only system, so far as cereals are concerned, that can be suggested, in my opinion, unless it may be by the increased use of machinery and the other matters which have been referred to to-day; they all have a cumulative effect.

13,191. On the question of the security of tenure, you say that your system in Scotland has been a system of leases?—Yes.

13,192. You also go on to say that that system has not been altogether successful, and you intimate that you want some improvement of the leasehold system?—Yes.

13,193. It occurs to me that the suggestions you make practically involve perpetual leases subject to the decisions of a Land Court?—Yes, that is so.

13,194. Do you really think that would be a better system than freedom of contract as between landlord and tenant?—I do.

13,195. Are you aware that, generally speaking, in England farmers have preferred, up to now at any rate—I am speaking from my own experience more particularly—yearly tenancies to leases?—Yes. I have heard it said that farmers did prefer yearly tenancies, and I believe that they must have preferred them or there would not have been such a very large extension of yearly tenancies.

13,196. Does it not occur to you that a yearly tenancy carries with it a certain amount of security of tenure, for the reason that a landlord naturally wishes to let his land, and would be unlikely to disturb a good or even a moderately good tenant? What would he gain by it?—It all depends upon the exigencies of circumstances. At the present time there is the tremendous selling of land. That is one case. There are other cases: a man may die. One can contemplate several factors which might come in to alter that. In my view it is entirely an unbusinesslike method of going to work.

13,197. If the Agricultural Holdings Act were so remodelled as to give an outgoing tenant a fair return for the unexhausted improvements he left behind, would not that meet the case?—I really do not think it would.

13,198. Do you remember the position of the leaseholders when that avalanche of bad times which commenced in 1879 occurred?—I remember that time in Scotland, but I was not taking much interest in regard to your local matters in England at that period.

13,199. If landlords had not met their tenants at that time those tenants who held under the high rents which were arranged for in the early 'seventies would have been absolutely ruined?—I remember distinctly what you are referring to. The landlords at that time did give rebates on the rents for years.

13,200. And in a great number of cases they tore up the leases?—Yes.

13,201. With regard to the game question, you would agree that the present Ground Game Act is very little security, so far as the tenant is concerned, against ravages by game?—That is so.

13,202. You would agree that the chief delinquent so far as damage is concerned is the rabbit?—Yes.

13,203. Do you not think that the case would be met to a very large extent if tenants were allowed an absolutely free hand with regard to the destruction of rabbits?—It would undoubtedly help, but it would not perhaps from every point of view be absolutely efficient, as I have answered before. From the farmer's point of view it might be quite all right, but from his neighbour's point of view it might not.

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13,204. You mean the sporting farmer might encourage rabbits to the detriment of his neighbour?—That is what I mean.

13,205. Compare the industry of agriculture with other industries from the working man's point of view, would you say that the industry of agriculture is as strenuous as the labour connected with factory work, for instance?—No, not if you judge it as a whole. The work in many respects is undoubtedly hard at times, but if you take it the whole year round it is healthy work in the open air.

13,206. From the health point of view there is no comparison?—No comparison.

13,207. *Mr. Overman*: I want to ask you one or two personal questions about your own business which are not dealt with in your *précis*. If you object to answer them please say so. You say you are a tenant farmer?—Yes.

13,208. Farming 540 acres of land?—Yes.

13,209. What class of land is it?—It is fairly good land. It is not the best class of land in Scotland such as the best class of land in the Lothians or Forfarshire. It is fairly good mixed land.

13,210. Have you farmed it for many years?—About 10 years on my own behalf, and before that time my father farmed it for about 40 years.

13,211. You have had no trouble as regards security of tenure?—None whatever.

13,212. Do you mind telling us what was your rent in 1913?—About £1,200—rather over.

13,213. Is it the same to-day?—Yes, the same to-day.

13,214. You have had a good landlord?—Yes, I have a good landlord.

13,215. What was your labour bill on that 500 acres of land in 1913?—In 1911 I remember my labour bill was £1,130.

13,216. What was it in 1918?—Over £3,000.

13,217. 200 per cent. more?—Practically.

13,218. I suppose cereals form the greater portion of your crop?—Yes, cereals and potatoes and hay.

13,219. What would be the average quantity of wheat you have grown in the last 8 years?—From 100 to 110 acres.

13,220. How many quarters per acre of wheat have you had on the average for the 8 years?—About $4\frac{1}{2}$ to 5 quarters an acre.

13,221. Oats?—Oats rather more—6 $\frac{1}{2}$ qrs.

13,222. Do you grow any barley?—No barley.

13,223. You think if you get the guaranteed price of about the same amount as it stands at to-day you can carry on and get a living?—Yes, try to.

13,224. *Mr. Batchelor*: On the subject of guarantees, is it your suggestion that the guarantees should be on the full amounts per acre that they are in the Corn Production Act, which is four times each acre of wheat and five times for each acre of oats—that there should be the full quantity without any deduction?—I agree it should be on exactly the same basis.

13,225. Would not that have the effect of helping the farmers who produce small yields of corn?—Undoubtedly.

13,226. So that in that way you would get over part of the difficulty suggested by Mr. Smith in regard to the smaller farmer being wiped out?—Yes.

13,227. On the question of wages I would like it clearly mentioned: Is it almost the usual case in Scotland that the ploughmen are engaged either for six months or for 12 months? The universal custom is either a six or a 12 months' period.

13,228. So that wet weather or dry weather has nothing whatever to do with the payment?—Nothing at all.

13,229. Therefore it would be impossible in practice either to pay a man less during bad weather or more during good weather?—That is so. It is impossible in practice, or very difficult.

13,230. What is your principal objection to yearly tenancies?—I think I have made that pretty clear to the Commission already. My objection to the yearly tenancy, as I think I stated here, was that if you intended to lay out your money on the farm to try and put some body into the farm, you have this sword of Damocles, as it were, hanging over your

head. As an example, I might mention that I know a gentleman who took a farm in England, bought his horses and his implements and everything to get going, and the same week that he signed his lease he got notice to quit. I think the system is an entirely unbusinesslike one.

13,231. In other words, if there were yearly tenants the land would not be asked to do what it was capable of doing?—Precisely.

13,232. It would never get the opportunity?—Exactly.

13,233. There might always be the uncertainty hanging over the tenant farmer's head of what was going to happen each year?—That is how I should look at it.

13,234. That same idea permeates through the question of guarantees, that the guarantee must be for an extended period so that the benefits may be got of improvements?—So that the landlord may be induced to put up money for permanent equipment and the farmer the same.

13,235. With regard to the question of education, you have mentioned that it would be very likely that the education in one particular district would be more directed to the developing of the particular class of farming carried on in the locality rather than to the farming carried on in other districts?—Yes.

13,236. Is it not the case that the education as such would be very lacking if it did not bring in other systems of farming, more particularly if the other systems of farming were more profitable?—That is what I was trying to point out to the former Commissioner who questioned me, that at least the head of the education department should always keep an alternative policy in view.

13,237. If it were the case that another class of farming were more profitable, I presume the Scottish farmer would be quite willing to go into that other class of farming?—I should think if it were proved to be more profitable, it would not be long before he was after it.

13,238. On the question of the figures attached to your *précis*, are these figures taken from your own books in regard to the price and depreciation and upkeep of horses and implements?—Yes.

13,239. These are all from your own experience?—The figures for implements are taken from the prices charged for new implements within the last two years. The figures for horses and their upkeep and depreciation are taken from last year's and this year's prices for horses. These are the prices that a farmer who went in 18 months or a year ago will have to pay for his new implements for arable cultivation and horse power.

13,240. *Chairman*: They are not your actual cost prices, but what you estimate that a farmer going into a farm 18 months ago will have to pay at the present time?—Yes.

13,241. *Mr. Batchelor*: The items of depreciation are fixed as the result of your experience?—Yes.

13,242. The costs have been spoken to by other witnesses. Could you tell me generally whether it is the case that in Scotland the 1918 crop was a better crop in yield and financially than the prospects of the 1919 crop are?—Generally speaking, they were better.

13,243. In a similar manner, the costs of production of the 1918 crop would be less than the cost of production of the 1919 crop?—Considerably less.

13,244. You are the Chairman of the District Agricultural Wages Committee?—Yes.

13,245. You are the neutral Chairman?—Supposed to be neutral.

13,246. Selected by the farmers and employees as a neutral Chairman?—Yes.

13,247. Notwithstanding that, you are a President of the Farmers' National Union of Scotland?—Yes.

13,248. Both sides are satisfied to have you as their Chairman?—Apparently.

13,249. *Mr. Ashby*: Following up some questions asked you by Dr. Douglas and Mr. Batchelor on education and change in farm practice, is it not true that the market conditions change occasionally in relation to the possibility of various types of land?—From an agricultural point of view?

13,250. Yes?—The values change?

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13,251. The market conditions change. For instance, you might possibly have a larger increase in the price of wheat than in the price of other agricultural produce, or in the general price of cereals, or you might possibly have a fairly big increase in the price of dairy produce, and not the same increase in the price of other produce?—Yes, that obtains in farming, certainly.

13,252. Where you have a system of farming devoted to the production of one of those commodities, it is not always possible for the farmer to change his practice, because he has not the necessary knowledge. Is that not sometimes so?—It is not convenient or possible for him to change his practice, even supposing he finds it not paying at the moment.

13,253. That was not quite what I meant. Supposing it were fairly evident that some change in the system of farming would be profitable, it is not always practicable for the farmer to make that change, because of his own limited knowledge and experience?—Yes, and also because of the lay-out of the farm and the lay-out of his own implements, and his own capital on his plant. It is very inconvenient, and generally would result at first in a very heavy outlay of money to change from one system to another, and by the time he had changed round perhaps he would find that he had put his money on the wrong horse and that he might have done as well if he had remained as he was. Is that your question?

13,254. Still if a change is made it is absolutely essential that the farmer should have a possibility of extending his knowledge or gaining fresh knowledge. May I take it it is your view that the educational facilities should provide him with those possibilities?—Undoubtedly.

13,255. In answer to Mr. Henderson this morning as to No. 6 of the items of your *précis*, you said you were of opinion that there should be more vocational education for farmers and farm workers. At what age do you suggest vocational education should start?—Under the new Education Act in Scotland at least I understand that in the long run the boys and girls have to continue under the education authority until they are 18. I should suggest that about 16 might be a suitable age for beginning their vocational training. That is only my opinion, of course.

13,256. You would agree that it would be a good thing to extend the number of farm schools, apart from agricultural colleges, available for, say, farmers' sons and farm workers of about 18 years of age, and after they had had some previous amount of vocational education?—The whole question of education requires very careful consideration; there are so many directions which look quite good at the first glance in which education seems to be a benefit that it would be quite easy to go in for a costly increase in education over different districts without the thing having been sufficiently considered, and it might not have a beneficial effect. Whatever is done must be done after mature consideration. With regard to the point you mention with regard to boys and girls and farmers' sons and daughters who are on the farms and in touch with the practical side of farming, I think the greatest benefit they would derive is from correct theory by means of lectures, and I should like to see in some localities in a central place a thoroughly equipped demonstration centre to let them see anything they may not have been practically acquainted with before—to let them see practically how it is done and what the result is. But I would not duplicate these demonstration stations; I would not have too many of them. What the boys and girls in the country who are acquainted with practical farming require more is the theory; they have a certain amount of practical knowledge, and they will acquire the rest from reading accounts of the demonstration farms and from occasional visits to them, although the demonstration farms may be a good distance away; but, as I say, I would not duplicate the demonstration farms, because it is a costly business and I do not think that the effect in the end would quite justify it.

13,257. I quite agree; but is your opinion at all general amongst the farmers of Scotland that what

is required is rather an explanation of the processes and theory, so to speak, rather than demonstrations of practice?—I should not like to answer for the general body of farmers in Scotland, but, speaking for myself—and I can only speak for myself—I think the greater number of boys and girls in the rural districts are acquainted more or less with the practical side, and it is the theoretical side that they do want.

13,258. Have you thought anything about a system such as a system of short courses for farmers' sons and daughters for teaching them the purely theoretical side?—Yes, to a certain extent I think that system is in practice in Scotland already. We have short courses of lectures and we have the longer courses—the more thorough courses at the colleges.

13,259. You realise, of course, that a big scheme of improvements of agricultural education might cost the taxpayer a considerable sum of money?—Yes, but he might get it repaid later on.

13,260. Supposing there were a question of raising two considerable sums of money, one for a system of giving technical advice and the other for the purpose of paying a guarantee, which do you think the taxpayer would get the best value out of?—That is a very difficult question to answer, the factors which come in to determine that are so uncertain. It is an exceedingly hard question to answer.

13,261. Following the estimate of the cost of horse work you have down here a number of implements, and you say the depreciation and upkeep of the implements for 15 acres of land averages 23s. an acre. Following that you have some special equipments for the hay crop and the oat, barley and wheat crop?—Yes.

13,262. Is this the general sort of equipment on farms in Scotland? Would it be as high as this on say, 50 acres?—I should say, if you take a farm like my own or a larger farm than 50 acres, say 200 or 300 or 400, for every 15 acres you would not require these implements.

13,263. You would not require three mowers for 45 acres?—That is my point. I only show here the actual price of the implements, and the implements that would be required on a 60-acre holding on the assumption that you are on a four-course rotation.

13,264. The acreage to which these implements apply is considerably extended when you increase the size of the farm?—Undoubtedly.

13,265. *Mr. Dallas:* You stated this morning that what the farmers wanted was a fair field with no Government interference?—Yes.

13,266. That was with special reference to hours and labour and other things, provided there were no guarantees?—I said they would be prepared to accept that.

13,267. Yes, and then you went on to say that, so far as hours and wages were concerned, you would be in favour of some voluntary joint board or committee being set up to decide these matters as between the employer and the workman?—Yes.

13,268. I was wondering how you would deal with the employers who were not, say, in the Farmers' Union. Your Union represents about 50 per cent. of the employers in Scotland. How would you get these employers to conform to whatever agreement might be arrived at by the others?—That is just the point. Our Conciliation Committees merely issue recommendations. Both sides meet and agree, and the Conciliation Committee issues a joint recommendation from both sides, and although in the first six months' period they may not all come into line, yet later on they will do so. You will probably find that by the second term they have all come into line. Our experience is that the man who will not come in and who is irreconcilable in the first instance eventually does come in, and also that the farm servant who will not accept the terms comes into line also at a later period. That has been my experience in connection with the Conciliation Committees.

13,269. I only suggest that you have no power to enforce your recommendation on any person who is not a party to it?—No, there is no direct power to enforce.

13,270. Would you be in favour of what some people have suggested, that once employers and workers have

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come to an agreement in order to bring those employers and workers who are outside into conformity and make it fair for all concerned, that that agreement should be registered and should become locally binding upon all parties in the industry?—That question of yours involves that, in agriculture, if that decision had to be administered over a very wide area it would mean that in that area the money equivalent, and the conditions and other things, would be pretty equal over that district.

13,271. No, not necessarily at all. Once a voluntary agreement has been arrived at between the employers and the workers and there may be employers or workers who are not parties to it—would you be in favour of registering that agreement, say, with the Ministry of Labour or with the Board of Agriculture and then make it locally binding upon all concerned—you would not make anything legally binding in the first place that had not been agreed by the organised body of employers and workers for the district?—If the district were properly represented. If there were three or four departments of farming in that district as we have in Scotland within a 50 miles' radius, and if the different departments of farming were properly represented on that Committee I see nothing against your proposal; but if you leave out the representation of any of the departments—say in our own district—if you left out Upper Lanarkshire your decision which might suit the Glasgow area if applied to Upper Lanarkshire might entail very great hardship and *vice versa*; the decision arrived at in their district might entail great hardship in a district like ours. It would be a matter requiring very careful consideration and you would have proper representation of all the departments before you could make it compulsory.

13,272. Of course you would only be registering what was a voluntary agreement?—I am quite aware of that. The recommendation leaves it open to the other men to adjust any differences which might arise.

13,273-4. Supposing you as a good employer—which it is very evident you are because of the fact that you have been chosen by the workers as well as the employers to be the independent Chairman—were to agree with the Scottish Farm Servants' Union and a few more employers like you to a certain rate of wages and to a certain number of hours a week, it would be unfair to you if a number of other employers who are not in the Union for some reason did not honour that particular agreement and you had no power to make them pay the agreed rate of wages. You would be at an unfair advantage in the competitive market in these circumstances, would you not?—Undoubtedly for a short period we would be, but as a matter of practice and experience we do find that they all fall into line later on.

13,275. Maybe that is because Scotsmen are better at keeping agreements than Englishmen?—I do not know as to that.

13,276. At any rate we have to use the law in England very much to get them to keep to their agreements?—Scotchmen, I may tell you, are very averse to compulsion; that is in the Scotchman; he will hardly be compelled.

13,277. He does not like to be compelled himself, but he likes to compel other people?—He does.

13,278. I was surprised this morning to hear you say you had had no difficulty with regard to the scarcity of labour in your locality?—Not in my locality.

13,279. Is it not the fact that for many years back there has been a large number of men come over from Ireland as agricultural workers competing with the Scotchmen in Lanarkshire and the West of Scotland generally?—No, not in regular skilled work; they only do casual work.

13,280. They come over as byemen or something like that, but they gradually work themselves in, do they not?—There are a few who do that, but they are a very small minority.

13,281. Still they are there?—Yes, in a few cases.

13,282. Does that not mean that if these men get employment they are only able to get employment by reason of the fact that the Scotchman has gone into Glasgow and taken up work as a carpenter, or whatever it may be, or has gone to the Clyde into the shipyard or into some of the other various works and

factories in the West of Scotland?—The Irishman can go direct into these other employments as well as into agriculture, and I would not like to say it is because the regular agricultural labourer has gone into other employment in Glasgow and elsewhere that the Irishman is able to come in.

13,283. What I mean is if there were plenty of Scotsmen on the jobs these chaps would not get a chance at all unless it is the case that an Irishman is a better worker than a Scotsman?—Some of these Irishmen are rather good workers, but they are rather like the Scotch people in the sense that they do not take compulsion readily either.

13,284. In reply to Mr. Overman you said that your wages bill had gone up from £1,000 to £3,000?—Yes.

13,285. Would you mind telling us how many people were employed in 1911 by you and how many were employed in 1918, and what was the percentage between boys and women as between the two parties?—I have been going into that from my own books, and I find that the numbers for the two years are practically on all fours. I find that practically all through there has been no difference in numbers or in the make up of the staff. There have usually been three to four boys and a certain number of men, together with a certain number of our old regular women, and then we depend upon outside casual labour for the rest—both male and female. It has been practically the same since 1914.

13,286. Seeing that your staff is practically the same you would say there has been no depreciation in the labour?—When I say the same staff I mean numerically. Some of our younger men had to go but they were replaced.

13,287. We have sometimes had complaints here that labour is not as efficient as it was. That is not the opinion of everybody; some people hold quite the converse view?—Yes.

13,288. What is your experience?—My experience is that at the present time and for the last two years we have not been getting the same output as we did, say, in 1915. That is what I find from actual results. There is a reasonable explanation of that, namely, that the best of our men were drawn for the Army and we have been left with an inferior class of men and have to do with a certain amount of substituted labour, which accounts for it.

13,289. I was not quite clear with regard to one of your answers in reply to Mr. Walker this morning. You stated that there was not the same production in agriculture in spite of what the Prime Minister has said on that subject. I do not know how you have been affected in your district or in Scotland generally, but in England there is no doubt about the fact that there have been less people employed in agriculture during the past few years than there were prior to the war?—Yes.

13,290. Yet in spite of that there has been a larger production of all kinds in agricultural produce. Would that not show that so far from labour having been less efficient it must have improved in efficiency?—If you had the number of your workers right and the number of your acres right it would certainly prove that. That is what I meant when I said to Mr. Walker that if you have the evidence properly weighed out you will find that is not the case. I only spoke from my own experience. That is why I had it so strongly in my mind that the evidence could not have been properly weighed out.

13,291. There is no doubt about the fact that a less number of people have been employed, and there is no doubt about the increase in produce. That means that there must have been a larger percentage of produce per head than before?—Yes. The reason why I say there has been less production on my own farm is because of the fact that I have gone through precisely the same work as I did before. The farm is all under crop, and in the same proportions. The employees are the same in number and they are the same class of worker. In addition to that I formerly used to take all my stuff to Glasgow, four miles away, and cart all my manure back. For the last three years I have been putting on 90 per cent. of the crop at

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the railway station. If we had to cart the crop to Glasgow I do not know where we would have been. Of course, I admit the reason for it is the difference in the men. The younger and the stronger men have been away, but I hope, and I feel pretty certain, that we will have a return to normal conditions again. I am quite sure we will get back into our stride again. I do not say it is altogether owing to the younger men having gone, because there may be faults due to the organisation of farms generally, but in my own case it was carried on practically as before, and I was nearly always on the place myself.

13,292. With reference to the question of a guarantee, in reply to one of the Commissioners you said you were in favour of a guaranteed price on the basis of a sliding scale?—Yes.

13,293. How would you work that out?—You have put a very difficult proposition in front of me now. I have not thought that out, and I would prefer to leave that to the members of the Commission and other experts appointed by the Government. I think it is quite within the bounds of possibility to work out a sliding scale approximately on right lines.

13,294. I asked you the question because we have been asked to do something like that, and I do not quite follow what you propose to base it upon. What is the kind of standard you are going to slide up and down by?—I have not got quite to the length of considering it in detail. I can only see in front of me a few facts and what the price just now is. The price is almost certain to be ridiculous either one way or the other in a year or two's time. It is not possible to fix a permanent price.

13,295. That is one of the difficulties, but the farmer I understand wants to be secured; he wants to be able to look ahead for some years. That is what farmers generally are driving at, is it not?—Yes.

13,296. This question of guarantees as you know would become a big political question and would be subject to contending political parties. Some people in the State would be in favour of guarantees and some would be against them. Do you know if that would tend rather to leave farmers in a state of real uncertainty, not knowing exactly where they were or where they would be?—I admit your point that no Government can be bound by its predecessor to anything of that kind, but my hope, and I think it is the hope of all those people who have considered the question—not those who have formed their opinions without examining the whole thing—my hope is that those people who have considered the question will see that it is one of the best ways out of the tremendous stagnation which at present is taking effect in the agricultural industry.

13,297. I want to be quite sure that Scotchmen are taking that point of view because they are reputed at any rate to be independent in their outlook and independent in their own minds. That being so, I do not understand why it is that Scotchmen want what Sir James Caird at the Board of Agriculture some years ago termed "a crutch to lean upon." Do you not think it would be far better even in the interests of the country if the farmers were left absolutely alone to farm their land in the best way they could?—You touch a Scotchman on a tender spot when you begin to talk of the idea existing with regard to his independence. I certainly have that feeling myself, and I may tell you that until I studied this question some months ago I was quite against the idea of a guarantee at first, but after considering the matter I came to the conclusion that it was a matter for the community. Agricultural land is a national asset of which the community ought to make the most, and any criticism with regard to the guarantee would equally apply to research and transport and anything. "Why not leave it alone and allow it to sink or swim and if there is sufficient virility in the industry it will surmount all these difficulties." That is a very plausible argument, but I do not think that it is altogether quite sound. This guarantee business is going to be a guarantee under the cost of production, and will simply mean a sort of safeguard to the landlord, who after all is going to put his money out, and the farmer is going to put his money out, and it will safeguard them from a slump which would

mean a very serious thing in these times. If you are not going to have all the elements which make for the success of agriculture it will be a bad thing. My idea is that if you were to make a combined effort with all the elements including this guarantee we shall be able to do what other countries have been able to do, get out of the present state of stagnation. British agriculture is a by-word and a hissing to the foreigner, and I say emphatically it is not the fault of the English or the Scottish farmer; it is the fault of the conditions under which he farms. I think, therefore, that we ought to make the concerted effort which I have been mentioning this morning. I do not refer to the guarantee alone, but to concerted action all along the line, including a guarantee; the guarantee is only one of several remedies.

13,298. Do you think it is right that the taxpayer of the country should pay out millions of pounds to the employers in agriculture if there happened to come along a depression, say, in prices. After all, that is what the guarantee means; otherwise it means nothing at all, and it is useless asking for it?—Undoubtedly, but you have to come down to hard facts, and I think when you do that it could be proved that the State, taking it over a period of years, would be in funds at the end of, say, 10 or 15 years. At the end of that period I think it will be found that the State, so far from having suffered any loss, would be actually in funds by having paid out these millions or whatever the amount might be in guarantees, because of the intensive system of farming which they had inaugurated by the expenditure of that money. It may have to be spent, or it may not, but whether it is spent or whether it is not, if as the result you get a real live intensive system of agriculture such as has been in existence in other countries, the State will be well repaid for the expenditure of those millions—more or less. I admit your point and I admit the difficulty of it. I think everyone must admit that if prices fell and the public began to realise that millions for two or three years were being paid away because of the guarantee, the Government would have a very difficult task to maintain the guarantee; but in spite of that fact I say that if you take it over a number of years I am certain it could be proved that the community would be in funds in the end. I am certain it would be going in for a good investment by the expenditure of those millions. I admit that is the weak side of the case for a guarantee, but examining it from all points of view my opinion is that a modified guarantee along with the other things I have mentioned will resuscitate the farming industry.

13,299. In your own locality you have witnessed on several occasions very severe depressions in the shipbuilding industry, have you not?—Yes.

13,300. You will admit that agriculture is not the only industry in the country that has been subject to periods of depressions or very bad times?—Yes, I admit that.

13,301. Do you think that the farmers of Scotland would be prepared to allow themselves to be taxed for the purpose of subsidising, say, shipbuilding and steel works, for the production of steel?—Probably they have already been subsidised for many of those industries indirectly.

13,302. That is not an answer to my question. You are asking the community to subscribe to the upkeep and the support of agriculture?—Yes.

13,303. If that is done, the other large industries of the country may turn round and say, "You are supporting the agricultural industry; why not subsidise us," and I ask you whether the farmers of Scotland are prepared to agree to subsidise industry all round?—It might be the case in the future that one of your main industrial lines, such as shipbuilding, might come upon very bad times, and if it could be proved as conclusively as regards shipbuilding that the industry could be made successful and could be carried on by the expenditure of a sum of money over a short time—mind you, I know I am opening up a very awkward argument—it may be found expedient to do so; but you cannot place shipbuilding and these other industries on exactly the same footing as agriculture. Your shipbuilding industry could go down and still

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the country could carry on. But if agriculture went down and the land went to grass or three-fourths of it went to grass, if an emergency such as a great war were to occur again the country would be in a bad way, and if you want to make the most of agriculture I think you must judge it rather differently from what you would do an industrial enterprise such as shipbuilding. In other words, eliminate the landlord from your mind for the moment and eliminate the farmer also, and take it that the whole agricultural asset belongs to the nation. What would you do in that case? Would you allow it all to go down to grass? Say that the whole of the land of the country belonged to the nation, do you say it would be a good thing to allow it to go down to grass? I say no. I say that the thing to do is to do what other countries have done by every fair means in your power, put the industry on a live basis.

13,304. This is what I am not satisfied about. You give me the impression, as one or two other witnesses we have had before us have also done, that the farmers of this country or the great bulk of them are just waiting for a signal to let the whole of the land of the country go down to grass unless they get guarantees. Is that so?—No, that is not quite the case. They may have given you that impression, but don't you believe them. There is always a certain quantity of land in this country—the land which Mr. Smith and other members of the Commission have referred to—which gives a very good return. That class of land will not go down under almost any circumstances, but what you are after is the secondary land which exists in many parts of the country. That land is really not being made the most of from the national point of view, and it has been a by-word and a hissing to the citizens of every country which are better managed in the matter of farming.

13,305. You are very modest. I do not think that farmers like you are a by-word or a hissing to the citizens of any country?—I do not say that the British farmer is to blame, but I do maintain that the conditions under which he has had to wage the fight have not been fair enough to give him a chance to win out. I do say that we are as good men as the Germans or the Danes, or the Belgians or the Dutch. I only ask you to give us the same chance.

13,306. We are asked to give guarantees, but the guarantees we have been asked for up to this moment are in respect of certain cereals?—Yes.

13,307. I am not quite clear about it. You stated in reply to one of the Commissioners that it would not necessarily follow on the giving of the guarantee that the land should be laid down to cereals—that it would not be necessary for farmers to grow cereals, and that they might not grow cereals?—The object of having it under the plough, whether it was under cereals or not, would be to have it ready for cereals if cereals were wanted.

13,308. If it is not going down to cereals, where is the utility of the guarantee so far as cereals are concerned?—Because you have your cottages and your stables and your drains all in good condition and the land in proper condition for arable cultivation, and having had the land under a long rotation you are ready for the cereals when they are wanted. Though the land may not be for the moment growing cereals, it could be turned down to cereals at a year's notice, and you could have the whole of it growing cereals when it was necessary.

13,309. Do you not think that in some cases if prices keep up and if there is a profit to be made on cereals the farmers will be "after it," in your own words? Therefore, if prices keep up farmers will keep on growing cereals, guarantee or no guarantee, will they not?—I do not think so, because in many parts of the country there will not be the necessary equipment. Our farms, as I have explained to the Commission—even our best arable lands—are more or less derelict at the present day. I use the word advisedly. During the war there has been very little done in the way of drainage. The farm buildings are rather better and the cottages are not very bad; but Mr. Duncan here will tell you that they are bad enough, probably. But you want the State to en-

courage the landlord and the farmer to spend his money on these things. Many farmers have made mistakes. I do not put forward the idea that the landlords are better than the farmers, or anything of the kind, but they have certainly done more than anybody else to inaugurate British agriculture, and if you are going to get these men to advance money for the purpose of arable tillage, you must give them some assurance that they will not be swept completely off the map as they were before when bad times came. On the other hand, assuming the land belonged to the State, and you wanted the thing put on an efficient basis, you would have to spend ten times more money than you will do by the method that is advocated here to-day.

13,310. It seems to me that the whole thing resolves itself into a vicious circle, and that if we are going to subsidise agriculture we will be immediately asked to subsidise chemicals and all the industries allied to agriculture—what are termed key industries—and that we shall be landed in for a general circle of subsidising all the industries of the country?—I should say it is an arguable proposition, and it is quite right that every point of view should be put forward. I must admit that your point of view is one that will prevail in cities. I am well aware, and I resent very much what is often said about the farmers from the urban side. Every decent farmer resents the remarks that are made, and I know if this guarantee is given that we are open to the charge that we are being subsidised. But I maintain here and now that in that case we are not being subsidised, and that it is the community which is going to be subsidised. That is a statement which does not seem to bear its face value, but in my own mind I am certain it is the community that will subsidise themselves in this case.

13,311. The thing at the back of your mind seems to be that the guarantee is necessary by way of preparation for some war which may break out at any time?—Not quite. I would rather put it as a preparation for peace. If you take the progress of agriculture in Germany, and consider what the State was able to do in that country for the agricultural industry and the consequent development of intensive farming that thereby took place and the amount of money circulating in urban areas resulting from the manufacture of agricultural produce into sugar, motor-spirit, farina, etc., and the use made of the by-products in other industries, you will find that the thing paid for itself many times over. The Germans were making the most of their national asset: the land. We have not done so in this country, but this guarantee I maintain is part of the scheme which will have to be adopted if we are to get going on the same lines.

13,312. The guarantees that we have already had under the Corn Production Act, have never been of any use to the farmer, have they?—No, undoubtedly they have not, because we have had the war prices prevailing, but as I said this morning, the pendulum has swung round, and I tell you frankly sitting here that if I were a landlord I should be very chary to-day of advancing a pound on the likelihood of the present inflated prices continuing.

13,313. There are not many tenant farmers who have such a tender regard for landlords as you have?—I speak of landlords as I find them. I have met some good landlords and tenants, and I have met some bad landlords and tenants, and while I admit there has been a certain proportion of landlords who have done farming a great deal of harm that does not invalidate the good work which has been done by the greater proportion of them.

13,314. I am not challenging that, but I do not agree entirely with what you say about the Scottish landlords. If it were only a question of keeping the land under the plough so that on the outbreak of war we would be able to grow our own food that would be another matter, but do you not think that if we give a subsidy to agriculture we shall be immediately asked to subsidise shipping and maybe shipbuilding as well in order to have a large reserve of shipping which would be also vitally necessary in the case of war in the interests of the nation?—You will have to expend a great deal more money in shipping if you

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do not adopt this policy, not necessarily on guarantees, but the combined policy of all these things to get our home agriculture going if you have to defend this country in case of invasion or for other reasons. You would have to spend more money in bringing food to this country from abroad than you would have to do on this policy.

13,315. I am not dealing with that. What I am putting to you is that if farmers, and employers in agriculture, ask for subsidies and are successful in obtaining them and getting millions of the ratepayers' money, I can see other industries coming along with the same argument asking for subsidies and wanting millions of the ratepayers' money as well. My point is that if we start upon this system of subsidising agriculture I fear that in the end the farmer will not be any better off, because he will have to pay out in subsidies to other industries as much as he gets in in respect of his own?—Yes, probably that might be so. It is well to look at it from all sides. The point of view you are putting now has been put often and often.

13,316. Yes, and it will be put again, and it will be put in your own district, and strongly too?—Yes, if other industries can show as good a case for being subsidised as agriculture can show to-day, then subsidise them.

13,317. And if they cannot put up a better case and better arguments then do not subsidise them at all?

13,318. *Mr. Duncan:* I think you said that prior to the outbreak of war you had had several years during which the industry was carrying on and leaving a margin to the farmer?—Yes.

13,319. If there had been no outbreak of war would there have been any claim put forward by the Scottish farmers for a guarantee?—I do not expect there would.

13,320. They would have been quite content to carry on in the position they were then in?—I am quite sure they would.

13,321. Their equipment at that time was only a matter of four or five years worse than it is now?—Yes.

13,322. The landlords then were not in a very much worse position than they are to-day?—They were probably not in as good a position as they now are.

13,323. It was perhaps quite as difficult to get equipment out of the landlord in those days as it is to-day?—With the exception of prices being so high to-day.

13,324. Yes, there is the difference in the cost at the present time, but it was quite impossible to get the landlords to face it in those days?—That is so.

13,325. What have been the circumstances created by the war which have had the effect of disturbing Scottish farmers and giving them less confidence in their industry to-day than they had, say, in the early part of 1914?—As far as regards the farmer himself, the disturbing factor to him, speaking for myself, is the increased cost of production following so closely behind the high prices, and then, as I have already said, when the swing of the pendulum comes we will get it in the neck, to use a vulgar term. That is what we feel in our bones. That is what the Scottish farmer feels. We are not asking for guarantees. It is for the community to say, "We wish more arable farms," and if they insist upon that then we ask for a guarantee.

13,326. Does the Scottish farmer feel it quite so clearly in his brains as he does in his bones?—I do not know that he does.

13,327. You say in your statement that costs have followed prices?—Yes.

13,328. The farmer, therefore, has had the advantage during the war period of prices?—Undoubtedly.

13,329. Therefore, as he stands at the present time, he is in a more favourable position than he was pre-war?—Yes, if you cut him off just now.

13,330. Can you give us any facts or figures to show why the Scottish farmer should have such a fear of the prices of cereals collapsing, and collapsing so much more rapidly than costs?—Experts have differed so widely in their prophecies as to what is going to happen during the next two or three years that I

think it would be somewhat invidious on my part if I were to go into that question. But I must honestly confess I do feel myself that, as regards this matter, after the next two years I am a pessimist.

13,331. Can you refer us to the experts you have in mind so that we might be able just to collate their different estimates?—I think it was probably your Board of Agriculture representative here, Sir Daniel Hall, and then you had the pronouncement of our friend Sir James Wilson, who informed me last November that wheat during last September and this month would be as low as 40s. a quarter.

13,332. Do you attach any great value to a false prophet of that description?—Sir James Wilson is a man who was Secretary for Agriculture under the Government of India for 25 years, and he is surely a man whose opinions are entitled to some respect. He has studied the figures, and while a great many people laugh at Sir James Wilson for the view he has expressed, I am not one of those who laugh at him because the situation looks rosy just now. The world situation just now with regard to the production of cereals can change very quickly, especially when you have a development of shipping such as we have seen in the United States and when other war shipping is released, and it is quite possible that within a shorter period than some people think Sir James Wilson's prophecy will come true. Undoubtedly freights will be high and wages will be high, and I do not think there will be the same quantity of virgin land in other countries that there was before, but I know what a slump market means. I have been through it too often, and I know that very often a panic arises when it should not arise. I know I was selling oats much under the guaranteed minimum last year. That was general in my district at that time. We were selling at 10s. under the guarantee price, because we thought there was going to be a big fall. Anyone who has been engaged in agriculture and in selling on the market can tell you how quickly a panic spreads, and if you have a big development of shipping and motor power in farming and you have large stretches of land abroad which cost very little money, I do not see how with free imports of food into this country our position is going to be a safe one, and I will back up Sir James Wilson to that extent.

13,333. Do you think an expert who gives a quite decided opinion that the price of wheat only a few months ahead is going to be 40s. a quarter, whereas the actual price, if it had not been for the control in this country, would probably have been nearly 100s. a quarter, is quite a safe expert to take as to what is going to happen two or three years ahead?—I do not take his view or his expert knowledge so much as I depend upon my own opinion.

13,334. Do you think that your opinion that there is going to be a big break in prices is held widely by the farmers in Scotland?—I think there is a large body of opinion in Scotland thinking with me. There is, of course, quite a large number of farmers who take the opposite view.

13,335. So that they are not all of opinion that prices are going to break?—Certainly not.

13,336. Does that apply to all crops or merely to the wheat crop—that they are fearing foreign competition?—A general reduction in the price of all commodities produced on the farm, with the exception of meat, of course; but the price of meat even will come down relatively.

13,337. What is the position so far as milk is concerned?—I think as the price of other things cheapen and money becomes more valuable and commodities more plentiful that the cost of producing milk will come down also.

13,338. The cost of production will come down?—The cost of production will come down and you will have a general fall in prices.

13,339. If other commodities cheapen have you not also to look forward to a cost of production which will affect the cost of the production of cereals?—Undoubtedly, but that is just the difficult point.

13,340. You are not sufficiently confident. You think that the price of cereals will break much more rapidly than the cost of their production?—I am quite certain of it. With regard to our joiners' bills, our implements,

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our shoeing bills, our harness bills, and all the things we have to buy, I think they will remain at a high price very much longer than the high price of the actual commodity we have to sell.

13,341. Your view is that there is going to be a big break in the price of cereals, although the cost of production and the prices of commodities the farmer has to buy remain high, and that that will jeopardise the farmer?—That is my view.

13,342. Does that apply equally to oats as to wheat?

I think it will apply pretty generally all round.

13,343. If you have a fairly considerable reduction in the price of oats, would that not lessen your cost of production of wheat? A reduction in the price of oats?

13,344. Yes, that would mean a considerable reduction in the cost of the keep of your horses?—Yes, undoubtedly.

13,345. What farm crops should the guarantee apply to?—If there is to be a guarantee at all, I think it ought to apply to wheats and to oats at least.

13,346. Leaving England out of account for the moment, what effect would a guarantee on wheat and oats have on the general farming system in Scotland?—It would incline to keep the land under the plough, on a long-course rotation I admit, but still it would keep the land under the plough, and not allow it to revert entirely to grass.

13,347. You do not suggest a guarantee on potatoes?—With regard to this subject I hold views myself which I do not know that I have any right to put forward. I have views with regard to what the Government have already done in reference to the sugar beet, and it might also be applied to potatoes so far as the costings department is concerned. In the course of a few years, if there should happen to be joint stock companies set up to purchase the beet root and the potatoes at prices slightly over the cost of production to the average purchaser, you might get a very large industry set up in that way. Whether you call that a guarantee or a subsidy I do not know, but I would put that as part of the general livening-up process.

13,348. *Chairman*: You are not suggesting a guarantee for potatoes at the moment?—No.

13,349. Nor for beet?—No, not at the moment.

13,350. You are merely suggesting that it may be the desire of the Government or the desire of Parliament to assist that new industry, or those two new industries, to which you have referred. You are not asking, as representative of the Scottish Farmers' Union, for any guarantee in respect of those two things?—Certainly not.

13,351. *Mr. Duncan*: I think you will agree that the potato crop is a very considerable crop in Scottish farming?—Yes.

13,352. Perhaps a more important crop than the wheat crop?—In Scotland, yes, in the course of the arable rotations.

13,353. If there is going to be special assistance given to wheat and not potatoes, do you think the farming system in Scotland generally is going to be benefited by that? Do you think even with the stimulus of a subsidy it ought to be diverted more to wheat cultivation or to maintaining the mixed farming which at present obtains?—If you have it on wheat or oats you can grow oats after your potatoes.

13,354. If your potato crop is going to be left to the market without any guarantee at all would you be able to maintain the same area under potatoes?—We certainly could not do that. We should then have to turn our attention, of course, to turnips.

13,355. I want to put this question to you just on the general policy so far as Scotland is concerned: do you think it would be better to stimulate wheat production in Scotland with the wheat guarantee—because I suppose you will agree that the oat guarantee is simply complementary to the wheat guarantee?—Yes.

13,356. It is not the purpose of the State to grow more oats, but simply because if you give a wheat guarantee you have to give an oat guarantee to Scotland. That is the position, is it not?—To give a sop to Scotland, as it were.

13,357. Just the usual *quid pro quo*?—I do not know that that would be quite the case. I would not alto-

gether assent to that, because in a case of emergency you could switch off from oats to wheat. You would find the oats very useful in a case of emergency. You are a Scotsman yourself, and you know the proverb about the Scotch oats.

13,358. Yes, but I can quite see the difficulty in a time of emergency in inducing English people to eat porridge. The system on which Scottish agriculture was being developed prior to the war was a system in which wheat cultivation outside a restricted area was not an important crop. Do you think, speaking generally, that Scottish agriculture is likely to respond to the natural course which was found profitable and useful in the development of the land prior to the war or that it ought to be diverted into wheat cultivation?—Probably if we had the conditions the same now as we had in 1913 with our costs well in hand, assuming there was a reasonable profit, we might go on in Scotland without any guarantees whatever, but I think you will have a larger proportion of land laid down to grass in 1920 and 1921 than you had in 1913 and 1914 unless you have some sort of guarantee owing to the fact that your costs are so heavy and that the price of your produce is likely to come down.

13,359. Have you seen any indication of any large return of grass in that way?—I have some indication of it here in the Board of Agriculture figures which bear out what I have been urging. In 1919 the permanent grass in Scotland—not for hay—was 1,199,000 acres. In 1918 it was 1,158,000, so that there was a considerable increase in the acreage of permanent pasture in one year between 1918 and 1919.

13,360. Do you consider that the war cultivation will be kept up even with guarantees?—That is open to doubt. I think that on the whole guarantees would have a tendency to keep up the arable cultivation. I know that Scotchmen to-day are saying they will not expend money on their buildings and on further permanent improvements unless they see some assurance in front of them.

13,361. Do you think it is economically desirable to keep up the war cultivation that we had in Scotland? Is there not a considerable proportion of land which under war conditions we put under the plough which economically would be better under grass?—I think I have already admitted that the land in Scotland from which the poorer returns were got might go down.

13,362. Even with a system of guarantees it ought to go down?—Quite, but we have not exhausted the possibility of the land yet. In Scotland itself you find there is a more intensive system of cultivation than prevails in other parts. That is brought about by more modern methods of maturing cattle and so on—putting them through quickly—and by the general intensification and speeding up of the system. My whole argument is to intensify agriculture. If you do that you will probably find that there is a lot of land which is considered to-day to be not worth cultivating for arable, but which is probably worth cultivating for arable when you get the proper conditions.

13,363. Do you think the guarantee is absolutely essential to bring that land into cultivation?—Along with other things advocated in my *précis*.

13,364. Would the other things, together with the guarantee have the effect of bringing that land into cultivation?—If you take the Scottish farm to-day as laid out for arable cultivation, and supposing the tenant had security of tenure and all these other things, would he lay out his money in the face of the situation which exists just now? My answer is that it is very doubtful: I think not.

13,365. My doubt is whether he would lay out the money even with a guarantee?—He might not.

13,366. So that even then it is pretty much a risk if you do not suggest a method of compelling him to lay his land out. The guarantee would have no effect upon him?—That is so unless you make the price sufficiently high to compensate him. But that is not the way we contemplate it—that you are going to make it so high that it will compensate him for the price at which he has produced it

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13,367. I think you laid a good deal of stress in your evidence upon the effect of the equipment of the farm on production. If you are going to have the equipment brought into a condition which will give you the maximum production that will necessarily mean that there must be an increase in the return to the landlord?—Undoubtedly.

13,368. An increase proportionately greater than he was getting in the year 1914 when the returns were not sufficient to enable him to put up that equipment?—That would naturally follow.

13,369. How much of the guarantee would be left to the farmer in that case?—I am not much of a statistician. I think your argument is quite good, but it is a bit extended out, is it not?

13,370. The reason why landlords were not putting money into their estates in Scotland was that a financial return was not sufficient—according to your own statement? If a landlord could get 5 per cent. on his outlay on the land he considered that he was doing fairly well?—I do not say he considered he was doing well.

13,371. He carried on at that?—He carried on.

13,372. If you are going to get him to sink money in the equipment of land then the amount of return he is going to get must be considerably greater than he had before the war, and with the high costs of equipment and so on it means that the rents must be very considerably increased before it would be worth the while of the landlord to put his money into the equipment of the land?—It might mean that, but I prefer to view it as a whole. Take the occupying owner—the question as between the occupying owner and the tenant as a whole.

13,373. What proportion of the farms in Scotland are held by occupying owners?—Not a very large proportion, but it is becoming more enormous day by day. The men I meet are mostly occupying owners, and the question seems to present itself to them with great force, and they are not prepared to go on with further arable equipment unless there is a clear declaration of policy.

13,374. I think you stated in reply to a Commissioner that the Scottish farmer did not want to become an occupying owner—that he prefers to be a tenant?—If he can get security of tenure.

13,375. If there is security of tenure the occupying owner class will not tend to increase greatly?—No, it will not.

13,376. So that if we carry out the policy of the Farmers' Union including the subsidy we may look forward to a great increase in the number of tenant farmers?—Yes.

13,377. So that if the landowner is going to equip the land he must get a larger rent?—He must necessarily get a larger rent.

13,378. Have you discounted at all from the resulting confidence the guarantee will give to the farmer the amount of the increase of rent such a policy will bring about?—I think the intention of the guarantee is to assure the landlord that his money will not be swept away altogether and not so much that he will get an increased rent. The idea is that his outlay and his money may not be wasted.

13,379. If the guarantee is going to bring about the necessary equipment of the farms it is not merely a question of the land owners' money being swept away; it is a question of the money being found from the tenant?—It must be found from the land.

13,380. The landowner must find it from the tenant, and, therefore, that means a very much increased rent?—Yes.

13,381. Do you think that the farmers in Scotland are contemplating a very much increased rent?—I think they would agree to a certain amount of increase if the owners will provide efficient buildings, and the drainage is made thoroughly efficient. Speaking for myself, I would agree to an increase of rent under those conditions, and I think it would be only fair that the rents should be increased if that is done.

13,382. A good many of the estates in Scotland are bonded, and if this policy is carried out, and the tenant thereby is placed in a position in which he must give an increase rent, what guarantee can you

give to the community that the increased return to the landlord will be spent in the equipment of the estate?—Of course you have County Executive Committees and I understand they will have the owner as well as the farmer in mind with regard to the question of the equipment of the estate.

13,383. Let us just take one of the items which have hitherto been a common part of the equipment of estates in Scotland—the housing of the workers. I think it is on public record in the report of a Commission that the Housing Acts have not been carried out so far as the estates in Scotland are concerned?—You mean the present Housing Act?

13,384. No, I am referring to the Housing Acts prior to the passing of the recent Act, and I suggest to you that the whole course of the Housing Acts from 1892 onwards have never been carried out so far as the estates in Scotland are concerned. The reason given has been that the landlords have not been able to do it?—Yes.

13,385. Have you any evidence to show that the reason why the estates are bonded has been because of the agricultural position, and not because the rents have been drawn from the estates and spent otherwise?—I think I understand the drift of your question. Undoubtedly many landlords who bought estates bought them probably at the agricultural value, but there are many men who have bought large estates in the last 60 years at much more than the agricultural value. In addition to the purely agricultural value there is sporting and amenity value, and considering it from a purely agricultural point of view it may be said that those men paid not an economic price for their land. I think that answers your question.

13,386. Is it within your knowledge that many of the estates are bonded and that the money the owners got from the bonding of their estates was not used for the equipment of the estate but was spent in other ways?

Chairman: Do you think the witness can know that of his own knowledge?

Mr. Duncan: I do not think anyone living in Scotland can be without knowledge of it.

Chairman: I do not know that the witness can answer of his own knowledge whether a landlord who has borrowed money on his estate in Scotland has spent that money in riotous living or in any other way. I am afraid the witness could not give useful evidence on that point?—My answer to Mr. Duncan's question would be this: I suggest that the County Agricultural Executive Committees will take into their purview in the future not only the duties of the tenant, but also the duties the landowner will have to perform in regard to his land.

13,387. *Mr. Duncan:* If the landlord does not spend his money on equipping his estate, what power will there be to see that the estate is properly equipped?—We have not got that length yet seemingly, but I have no doubt if we do come to an obstruction or a stone wall of that kind we will have to get over it or round it or through it.

13,388. I think you stated that there ought not to be any statutory interference with the working hours of Scottish farms. May I put it to you in this way: if the State decides to limit the working day for workmen in this country what reason would the employers in agriculture give why they should be more favourably treated than employers in other industries?—There is more than one reason. Probably the main reason is the seasonal character of the agricultural industry; you have so much broken time because of frost or wet weather or drought. That is why I prefer to have an overhead wage for the worker right throughout the year independent of weather.

13,389. If the State decides that the hours of labour are to be limited and leaves the application of the principle of the limitation of hours to the employers and the workmen in the industry, would that meet your objection so far as seasonal and weather conditions are concerned?—I am sorry I did not quite catch that.

13,390. If the State decides to legislate on the principle that the working week is to be limited to a certain number of hours, and leaves it to the employers and workmen in the industry to work out

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the system by which the principle is to be applied to the particular industry, would that meet the objection of the employers in agriculture,—that is to say, give them the flexibility which would enable them to get longer working hours at certain periods of the year and the power to decide what margin of overtime is to be allowed in the industry?—So long as the masters and the men can decide these matters through the Conciliation Committees themselves, I think it would be most unwise of the Government to interfere and lay down any set number of working hours in agriculture. But your question, of course, goes further. You say if a stated number of hours per week is laid down or a stated number of hours per year is laid down, the employers and the employees, being at liberty, arrange among themselves for shorter or longer periods of leisure. If that is left to them individually to settle, my answer to the question would be this: if the State did lay down a limitation of hours within those two periods, they might not be sufficient, having regard to the exigencies of agriculture. In a general industrial policy, the laying down of hours and wages for the general industry of the country, it must be recognised that agriculture occupies a peculiar position from the fact that there is so much stock rearing and caring-for to be taken into account. Your proposition certainly does leave a way out, but my fear is, speaking for the farmers, that there would not be within the limits of those periods a sufficient time to enable the men to take proper charge of the stock and to look after the stock. That is my fear, and I say that any statutory interference with the hours of labour in agriculture is, in my opinion, a very dangerous policy, because you have the question of the whole of the stock of the country hanging upon it.

13,391. If we are to take it that the view of the employers in agriculture is that the workmen in their employment are to be less favourably treated by the State than workers in other employments, do you think it likely that agriculture will be able to obtain the best class of workmen in competition with other industries?—If you say they are less favourably treated they would not get the best class of workers, but my suggestion for getting over that difficulty is for the Government to consider agriculture separately on its merits, bearing in view the peculiar difficulties relating to agriculture. They require to consider the agricultural industry on its merits apart from other industries altogether.

13,392. I suppose you will agree that for the last 30 years in Scotland there has been a steady drifting of agricultural workers from the rural areas into other industries?—Yes, that has always obtained more or less.

13,393. And that the principal difficulty is not merely because of the number of workmen who leave agriculture, but because the more enterprising and more virile of the workers tend to leave more rapidly than the secondary workers?—That is perhaps too sweeping a statement in my estimation as regards Scotland. There is a certain amount of truth in it that the best, probably, and more enterprising of our young men have gone to our Colonies and Dependencies and into situations in the towns. I am well aware of that fact, but it has obtained always, and there is a very fair class of men remaining.

13,394. I should be the last one to suggest that there is not a fair class of man remaining, but I think you will agree the difficulty is to keep the workmen in agriculture in competition with other industries?—I should admit broadly that the agricultural worker—as I have said many a time—must be treated as well, taking him over the average of the year, as the industrial worker, or you will not have as good a class of worker.

13,395. Would you also agree that the difficulty has been greatest in those departments of agriculture where the hours have been longest—for instance, in the dairy trade. It is more difficult to get workers on dairy farms, and to get the proper amount of labour for dairy farms, than it is in the case of arable farms?—Undoubtedly.

13,396. Anything which places the workman in a less favourable position, particularly if it were done by

statutory enactment, would be likely to react unfavourably on the whole industry?—I think everyone is aware that agriculture cannot be treated on industrial workers' lines. I think everyone in the industry, workers and employers alike, are quite well aware of the special reasons why agriculture must be considered as a separate question from the matter of strict hours of labour. The conditions must be taken as a whole, including hours and other matters.

13,397. I do not think I suggested that they should be treated on the same terms as other industries, but that the industry should be left free to work out its own arrangements?—Yes; but you see within certain limits.

13,398. I think you stated that your wages bill in 1911 was £1,100, and in 1918 £3,000?—Roughly, £1,133 in 1911, and about £3,000 in 1918.

13,399. Was there practically the same staff?—Practically the same staff.

13,400. Is not that increase rather more than the increase in the rate of wages in your district during that time?—I believe it is, because, to explain that matter, part of the rise was accountable in the last two years, 1917 and 1918, to the extraordinarily bad season in the latter part of the season, but especially in the harvest and potato lifting season in 1918.

13,401. You had more actual labour employed?—I had more money spent in casual labour.

13,402. But the increase in the rate of wages has not been proportionately so high?—Not quite so high as my figures seem to indicate, but a certain amount of it goes to the extraordinarily bad conditions we had in the fall of the year in 1918.

13,403. There is one point I want to clear up. I think you said, in reply to a question which Mr. Walker put to you, that your experience was that you had not had an increase in production per unit of labour employed in recent years?—No.

13,404. But I think you will agree that, taking Scotland generally, the number of workers employed during the war pretty steadily decreased. Taking Scotland as a whole, was not the recruiting from agriculture greater than the recruiting to agriculture either from the younger workers or outside workers?—I have not the figures.

13,405. I put it to you that there was a considerable decrease in the number of workers employed; would you be prepared to accept that statement?—I would be prepared to accept that statement from you.

13,406. And that you had an increase in production as a whole. You had more land under the plough, and you had more work actually being done on Scottish farms, whether it was the same quality or not, which resulted in a greater production in the mass from the farms?—I am rather afraid that a great deal of that increased production came from land that was broken out of grass. You see in our ordinary cropping rotation before, that off the roots and potatoes meant a very great deal, whereas you started right off your grass with more fertility in it. A good deal of that production you speak of would come from the fertility contained in the soil.

13,407. But it did mean that the smaller staff of workers was actually getting through more work than during the war period?—I certainly should never agree to that statement, because I know in my own case they were working very well before the war. The workers were always doing a good day's work before the war, and they certainly worked no harder. I can only speak for my own place, that they worked as well as they could, but certainly not harder.

13,408. Your experience does not tally with the general experience in the country, and I am going to suggest to you that the reason is that prior to the war you had your farm staff so organised that you were getting pretty well the maximum output from them; and that what has taken place during the war has been through the shortage of labour and the pressure put on the farmers for increased production, and there has been a better organisation of the labour supply available. The farmers had been making more use of it, taking Scotland generally?—It may be the case.

13,409. To put it briefly, on a number of farms in Scotland the best use was not made of the labour, and there was a good deal of slack time which ought

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not to have occurred. There was faulty organisation on the part of a certain proportion of the farmers in getting the best use of their labour?—Pre-war?

13,410. Pre-war; and during the war the pressure did speed them up to make better use of their labour?—I should not agree to the statement that the Scottish farmers were not getting the best out of their labour pre-war.

13,411. I am not suggesting that they were speeding up their men in a wrong way. As a matter of fact, I think you would agree that it is very often the worst organiser of labour who gets least out of his men and works them in a fashion that produces most friction?—Undoubtedly.

13,412. And that there is a possibility, even without increasing the labour supply, of getting more output by better organisation of the labour supply?—Undoubtedly.

13,413. Just a question now about the Wages Committee. You have had experience both of the Statutory Wages Committee and of the voluntary method that we had in operation before the Corn Production Act was passed. From your experience as an employer and as Chairman of the Committee, do you think that the method of the Wages Committee with a statutory minimum rate in Scotland has been of any advantage to the industry or to the workmen?—None at all, so far.

13,414. If I put it that the cost for a year of these Committees works out to about £6,000, do you think that is a justifiable expenditure of public money?—It might come to be of use in future when wages are falling and there is a plentiful supply of labour.

13,415. I put it to you, taking your own district, the minimum rate fixed was probably about 12s. a week below the market rate at the present time. Do you think there is much defence in a system which guarantees a workman 12s. less than he can get in the open market?—I am bound to say that up till now the workmen on the Minimum Wages Committee have not taken very much interest in it, or been very much alarmed by any decision it might come to. They have been very well aware that the wages they could get were above the minimum wage, and they did not bother their heads much about it.

13,416. And that, so far as the workmen in Scotland are concerned, they are quite prepared to stand on their own feet without any guarantee from the State so far as their conditions are concerned?—Absolutely.

13,417. *Mr. Edwards:* I am exceedingly interested in your evidence, but I am not quite sure that my mind is running in the same direction as yours with regard to guaranteed prices, and I have been sitting here throughout the Commission. I do not find that you in your *précis* or in your programme on this paper put very great weight on guaranteed prices. You say here: "In the event of the Government adopting a policy of import duties on manufactured articles and free imports of foodstuffs, there should be a guarantee by the State of prices." That is, you seem to suggest in your programme that the guarantee is a condition upon protection being adopted in the country?—That is so.

13,418. In the event of protection of other industries not being adopted, do you still adhere to the policy of guaranteed prices?—I still maintain that if the community desires arable farming, the guarantee is one effective method for preventing arable land from going back to grass.

13,419. Do you think that the guarantee of itself will be sufficient to prevent the land getting into grass?—It would have that effect. Much of it would go into grass. The poorer land would go down to grass, as probably it may deserve to go, in the meantime. A great deal of land that would go down to grass would be kept under the plough.

13,420. Yes; but you yourself said that the kind of guarantee you would require would be one below the cost of production?—Yes.

13,421. And yet you see at the present moment we have maximum prices much above that, and still you

have land in Scotland, and it is the same in Wales, where I come from, going back to grass. How do you think that a guarantee below the cost of production will prevent the land going to grass when we find the maximum prices at present prevailing failing to keep the land from going back to grass?—It might help some of the better class of land is my answer. It may be that the land giving the smallest return will go back to grass.

13,422. You said yourself just now that the best land would be cultivated in any case?—In any case.

13,423. Then what effect would the guarantee have?—On that land it would not have any effect, but it would have an effect on the secondary land.

13,424. If the guarantee will fail to keep the poor land and if the good land in cultivation will be cultivated in any case, it is simply the medium land from which you expect to find any results at all?—There is a tremendous lot of that land.

13,425. You speak continuously about the community and the Government. Do you think it is wise from a farmer's point of view with the present temper of the community, for the farmers to approach the State and say: "We will not carry on our business unless we get a guarantee"?—But we do not say that at all.

13,426. But you admit yourself that the farmers are doing well; and we must admit that at the present moment the rents are rising, and you admit yourself that the guarantee will tend to raise rents?—Yes.

13,427. In view of those facts, do you really think the community will be convinced that the policy of guaranteed prices is a sound one for the nation?—I do not see any unsoundness about it.

13,428. You spoke also with regard to the stagnant state of agriculture in this country due to the conditions. I should like to have a full explanation of the conditions you refer to which are the cause of the stagnation of the agricultural industry in this country, as compared with the prosperity of agriculture in other countries which you mentioned?—First of all, you have your tremendous influx of foreign grown cereals, and the cheap freight was part of the cause of that. Then you had your system of tenure, which is not good, and then you had the lack of any interest in agriculture as shown by the whole of the community, and it was allowed gradually to peter out and gradually become derelict. One of these causes, the flooding of the country with foreign merchandise, was quite sufficient to do the whole thing of itself without any of the other conditions; but if you had these different reforms which are proposed in my *précis* working, you would have several factors all tending towards the resuscitating of agriculture. I say the guarantee without those other things would be purely an ineffective remedy, but along with the others it would be an effective one.

13,429. So you think the guarantee by itself is not sufficient in order to develop the industry on proper lines in the future?—By no means. It would practically be of no use whatever without other matters. It is only one of several means.

13,430. You spoke just now about occupying owners and the effect of the guaranteed price and so forth on them. Are you aware, in regard to that point, that we in this country are in a peculiar position as compared with any other country in the world?—I am aware that the occupying ownership in Great Britain is about 12 per cent. as against 88 per cent., say, of tenant farmers, and the other way about with regard to some Continental countries. I am aware of that fact from Professor Middleton's account of German agriculture, as we all are.

13,431. And you appreciate that such protection to agriculture as the guarantee of prices and so forth will have an entirely different effect under our conditions as compared with what they were getting in Germany under their conditions?—An entirely different effect.

13,432. I mean on the man operating the land?—

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MR. JAMES GARDNER.

[Continued.]

There are two men in this country operating. In Germany under the tenure system there is practically one; but the effect would be the same on the two as it would be on the one. The effect is a revivifying effect on the industry; at least, the assurance against loss and the development of the industry.

13,433. I should like to be quite clear on this point. You have already admitted that the result of taking, say, the medium land as a basis for the guarantee will be that the rents of the best land will rise considerably and leave the farmer practically in the same position as before. You said that, I think?—Yes.

13,434. Then do you not see that if we were a nation of occupying owners the result will be that all the benefit will go to the man handling the land; that is the operator of the farm?—You mean he would get the benefit?

13,435. Yes?—He would be entitled to that because he has the extra capital in it as well. He would be entitled to the double benefit because he has the double risk.

13,436. You admit, therefore, that our system of landlord and tenant, and especially the yearly tenancy system under which we work, complicates the question considerably as compared with the state of affairs in Germany and other Continental countries?—I cannot see that it does. I favour the system of tenancy in Great Britain as against the system of the occupying ownership. I say the system of tenancy has not yet had a fair chance to work; and it is a distinct advantage for a man, especially for a young blood coming into agriculture, to be able to enter a farm on tenancy rather than have to purchase the holding or to take up tenant right or anything of that kind by a large expenditure of capital. If you can leave the tenant's capital over for the development of his holding, it is undoubtedly better for his own sake, if you can give him a fair measure of security of tenure; and it is better for the community.

13,437. How can you say that, in view of the fact that agriculture seemed to have suffered from the depression which you referred to in this country more than in almost any other country in the world?—Because the other countries were not allowed to go to the wall. Germany had a modified form of protection. She also had a tremendous system of research. She spent no end of money on research. She made an organised effort to use the brain power of her scientific men and men of the best ability who considered the matter. They put their heads together and drafted

a scheme, and the whole thing became one concerted effort to get the agricultural industry into a safe position, and they succeeded. They not only succeeded in making agriculture successful, but they helped to make industrial enterprise in their country successful by reason of that, by one re-acting on the other. It seems to me in this country whenever the question of agricultural prosperity comes up it is always pitted against industrial prosperity, as if the one were against the other. That is where we make the mistake. They mutually help each other; and if the advice of men who go in for research and study matters were taken more in this country and a concerted scheme of action was followed, not only in agriculture, but in regard to industries outside agriculture, you would have a very much greater success.

13,438. *Mr. Green*: There is only one question I want to ask you, and I think it is rather an important one, because you assented to a question asked you by Mr. Anker Simmons which I really do not think you meant to assent to. That was when he said to you that wages were driven down in the 'eighties and 'nineties owing to the low price of corn, and you assented to that?—Did he say that wages were driven down? I rather gathered that Mr. Anker Simmons made the qualification that wages had not been up.

13,439. This is the point I wish to make, because it has been put forward once or twice, and it is a rather important one, as it somewhat made wages interdependent on prices. Lord Ernle called the period from 1853 to 1864 the "Golden Age of British Farming." Prices were relatively high, and the labourers were getting 9s. and 10s. a week, and sometimes 8s. a week. During the eighties and nineties wages were 11s. and 12s. a week; and from 1894, when the price of corn touched its lowest point of 22s. 10d., wages began to rise. I simply wanted to make that point clear as to whether you agreed that was so, that there has been very little relationship between wages and prices?—There certainly was no relation between them from 1860 onwards, if the facts are as you state them.

Chairman: The Commission wish me to say how much they appreciate the excellent way in which you have given your evidence. We thank you very much for your attendance.

The Witness: I have much pleasure in being able to do anything I can for the Commission, and I thank you for your kindness to me.

(*The Witness withdrew.*)

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[Continued.]

SIXTEENTH DAY.

WEDNESDAY, OCTOBER 15TH, 1919.

PRESENT:

SIR WILLIAM BARCLAY PEAT (*Chairman*).

DR. C. M. DOUGLAS, C.B.

MR. G. G. REA, C.B.E.

MR. W. ANKER SIMMONS, C.B.E.

MR. HENRY OVERMAN, O.B.E.

MR. A. W. ASHBY.

MR. A. BATCHELOR.

MR. GEORGE DALLAS.

MR. J. F. DUNCAN.

MR. W. EDWARDS.

MR. F. E. GREEN.

MR. J. M. HENDERSON.

MR. T. HENDERSON.

MR. T. PROSSER JONES.

MR. R. V. LENNARD.

MR. GEORGE NICHOLLS.

MR. E. H. PARKER.

MR. R. R. ROBBINS.

MR. W. R. SMITH, M.P.

MR. R. B. WALKER.

Mr. J. ALLISON, jnr., chartered accountant, and Mr. W. D. MCNICOL, Mr. JOHN STEWART, Mr. GILBERT DAVIDSON and Mr. D. McLAREN, on behalf of the National Farmers' Union of Scotland, called and examined. Mr. DAVIDSON also gave evidence on the statement of the Teviotdale Farmers' Club. (All statements of evidence-in-chief are printed in Appendix No. I.)

14,340. *Chairman*: Mr. Allison, you have put in a *précis* of your evidence and some relative schedules. Will you allow me to consider them as read and as part of the proceedings?—(*Mr. Allison*): Yes.

14,341. Also the evidence-in-chief of the gentlemen with you?—Yes.

14,342. *Mr. Smith*: You state here, Mr. Allison, that you have on behalf of the Scottish Farmers' Union been conducting an inquiry into the working of agriculture in Scotland. You state that you have been working out some methods of costing. Would you agree that in so far as ascertaining the actual results of farming is concerned costings do not help a great deal—that they are more or less estimates rather than figures of actual expenditure?—(*Mr. Allison*): If you are referring to costs as they exist to-day, I agree, but if you are referring to costs of production as they should be then I do not agree.

14,343. But at the moment that would be so?—It is so at the moment, so far as we can ascertain.

14,344. That point is rather substantiated in your figures, is it not, where you make the reconciliation, I think you term it, with the costs of the trading account, where it shows that the costs in that particular case have been over-costed by £200?—It is the general experience even in a highly-developed commercial concern that it is impossible to cost to a penny, and a small difference like that would be of no account even in a commercial concern.

14,345. I agree it would be common in all industries. My only point is that in taking the items under the heading of costings it does not necessarily follow that they give actual results?—They might not reconcile to a penny, but they give results which would reconcile so closely that they may be accepted as accurate.

14,346. It would be possible, would it not, by taking the figures of cost to get a result which would show a loss whereas in the actual trading there might be a profit?—Not if the costings are accurate.

14,347. Surely the costing is only an estimate of what the thing is likely to be. In the actual working out there might be economies effected which would produce different results?—If you are speaking of the estimated costs so far as they exist to-day I am inclined to agree with you, but our experience in

ascertaining the costs put before you has been such that the financial results have agreed so closely as to enable us to rule out the difference.

14,348. That would be in a limited number of cases?—It is in the only case where we have reconciled the financial results with the estimated costs.

14,349. Have you ever heard of cases where estimates of costs have been made and the production sold at cost and yet a profit having been made on the business?—No, I cannot say I have.

14,350. I have?—It might exist, but in that case the estimates were very far out.

14,351. In the carrying out there were economies effected far beyond the estimate of cost, and, therefore, a profit was made?—In that case you are taking a look into the future. We have been endeavouring to ascertain costs of what has happened in the past, and, therefore, the economies were already effected, and should properly have been given credit for in the cost prepared by the farmer.

14,352. In making an estimate even in regard to the past the estimate is in reference to different crops, is it not?—That is so.

14,353. Does not the work so overlap that it is necessary to make adjustments in order to get the separate figures, and in making those adjustments would there not have to be allowances made and so on?—These are really estimates, but they do not affect the financial results because the same estimates are taken or ought to be taken into account in the financial books.

14,354. Would you agree that the only real test as to the actual results in farming would be from a balance sheet?—That is the only real proof of the figures.

14,355. In your enquiries amongst the Scottish farmers have you come across any cases where balance sheets are kept?—Yes, we have.

14,356. Would it be possible for the Commission to have any information in that respect?—I might add here that it was the intention of the Farmers' Union to submit to the Commission information as to the financial results of farming, but that involved a more detailed enquiry than was made in connection with the costs. It would have been necessary before we

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[Continued.]

submitted those financial results to have tested the accounts and probably to have had a partial audit of them in order to eliminate items which properly speaking were not a charge against the trading. As we had not time to do that we delayed our financial results in order to ascertain the wish of the Commission on the matter.

14,357. If it was the desire of this Commission in regard to its future sittings which might have greater application to what might be termed a permanent policy rather than a temporary position would it be possible to have balance sheets placed before us of farms?—We think so, and in cases where balance sheets do not exist we were prepared to make those up from the farmers' records.

14,358. In regard to the tables of figures with reference to the trading account you make an allowance of 15 per cent. for depreciation on implements?—Yes.

14,359. You also include all repairs and renewals. Do you not think if you are going to bring in all your expenditure under repairs that 15 per cent. is a high figure for depreciation?—In taking a figure for depreciation I have had to be guided by the experience of practical farmers with those implements, and notwithstanding that repairs and renewals are allowed for, it is the usual practice to allow a sum for depreciation. One has always to bear in mind the application of obsolescence to those implements.

14,360. Has that arisen very much in farming?—The general opinion is that your implements do go out of date very rapidly. That is the experience also in other industries.

14,361. I thought that there had not been that development in mechanical science so far as agriculture is concerned to bring the implements on to a level in that respect?—I cannot speak as to that.

14,362. Would you agree as an accountant that 15 per cent. is a generous figure to put forward after having allowed for all repairs and renewals?—No, I would not think it was generous; I think it is a reasonable figure in view of the fact that these implements are out of doors and there is a more rapid depreciation on articles of that kind than machinery which is under cover.

14,363. One is always surprised to hear this because at some of the sales that have taken place one has heard farmers state how well they have sold their implements after they have had them for a number of years. That does not look as though agricultural implements depreciated very rapidly?—That is common to all things at present, because of the reduced value of money.

14,364. But still if the implements fetch a greatly enhanced price it does not look as though they depreciated very quickly?—Provided the implement is not obsolete.

14,365. With regard to Statement No. IX on page 7, you have "Allowances £200." Would you give us an explanation of what that refers to?—That refers to allowances in kind which are made to the farm servants. It is a credit to the trading account on the one side and a debit on the other. You will see under wages the allowances of £200 have been included. Those have been made up as accurately as possible taking the actual quantity of goods allowed to the ploughmen and servants in Scotland at the cost price.

14,366. Look at the next item, food consumed by horses. On what basis do you value that; is it at market price or at cost?—We have endeavoured to value it at close to cost price; it is not intended to value it at market price.

14,367. What is this actual figure based upon?—It is based upon the farmers estimate of his cost price of the foodstuff consumed—that is the foodstuff grown on the farm.

14,368. It is on an estimate of cost, not on market price?—Yes.

14,369. Mr. Parker: I notice in the first paragraph of your evidence you say you have been responsible during the past year for the audit of the accounts of many farms?—Yes.

14,370. Does that mean that no accounts have been kept before last year?—That is so.

14,371. What is it that is inducing farmers to keep accounts now?—The payment of Income Tax on double their rent—that is their reason.

14,372. Therefore, you have not much evidence to give us with regard to the past?—None so far as these farms that I speak of are concerned.

14,373. Some of the gentlemen who have associated with you have touched upon the deterioration of the land in their evidence. Have you, in estimating future costs, considered at all what that means?—No, we have not taken that into account; we have been dealing with the costs of 1918.

14,374. Has Mr. Stewart or Mr. McNicol considered that point? Have you considered owing to the deterioration of the land how much per acre it will cost to restore it to its pre-war fertility?—(Mr. Stewart): That is very difficult to say; it would be a matter of estimate.

14,375. You would agree there is a great deal of cleaning of the land to be done, and fertility to be restored by the greater use of manure?—I agree.

14,376-7. Which would cost considerable sums in the next two or three years?—Yes. (Mr. Allison): In making enquiry into this one or two farmers gave me an estimate of the position with regard to deterioration. One farmer says it will take £150 to get his drainage right—it has deteriorated to that extent. That is a sheep farm, 43 acres arable and 531 pasture. In another case the farmer says the land has become more foul and that the steadings require attention. He says £200 will be required to put it right. That is a farm of 440 acres, 240 of which is arable and 200 pasture. There are one or two others I can give if they are of any interest to you.

14,378. From the evidence you have collected it is clear that considerable sums will be required to restore the land to pre-war fertility?—Yes. Here is a farmer who farms 946 acres, 500 arable the remainder pasture, who says that the arable land will require an average expenditure of at least £6 per acre to bring it up to pre-war condition.

14,379. Mr. McNicol also touches upon the shorter hours of labour. Have you considered at all what that means in the future cost of production?—(Mr. McNicol): We have considered it to a limited extent. We do not know what the proposals are, whether the hours are to be shorter or longer or remain the same. We have had experience this year of a reduction of hours, and we find that the shortage is already increasing the costs to a certain extent.

14,380. You have not considered what the percentage is?—No. We have not gone into it in percentages.

14,381. You know it must increase your cost, but you cannot give us the percentage of the increase?—We have not attempted to do so in the meantime.

14,382. Further with regard to future costs has anyone considered what the increase of rates will mean—the education rate for instance?—(Mr. Allison): No, that has not been taken into account.

14,383. That is going to be a heavy burden, is it not?—(Mr. McNicol): Yes.

14,384. The fact that farmers have been buying their own land is common knowledge among farmers, and it has been pointed out that the purchase of a farm by the tenant will reduce the available capital for working the farm?—Yes.

14,385. That is a serious matter, is it not?—Very serious.

14,386. Have you considered at all what guarantee would satisfy Scotch farmers and induce them to keep their land under the plough?—Do you mean a guarantee of price?

14,387. Yes?—Mr. Gardner has already touched upon that, and so far as the Union is concerned, we abide by what he has already said. I do not think there is a general call for a guarantee of profit.

14,388. No, but have you considered what figure the guarantee should be for wheat and oats?—Under what circumstances?

14,389. If the Government say that they wish the land kept under the plough and wish to see a larger

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rural population on the land?—Is that to be compulsory? If they say they want it under the plough, is there to be any form of compulsion or anything?

14,390. I am afraid I cannot say what the policy of the Government will be—you have not considered what the guarantee should be?—We wish a guarantee nearly up or up to the cost of production to save a big slump such as took place in former years.

14,391. You wish the guarantee to cover the bare cost of production and not to provide anything in the way of profit or remuneration to the farmer?—That is so.

14,392. *Mr. Nicholls*: I want to ask you a question, *Mr. Allison*, arising out of a passage in paragraph 3 of your *précis*. You say, "It has been felt by my Committee that the farmers approached have not grasped the purpose of the enquiry." What is the point there?—(*Mr. Allison*): The point is that in endeavouring to secure costs of production we have tried to obtain the costs from all farmers under the same conditions. We have found that some farmers give us the costs so far as they apply to their own particular crop or their treatment of that crop. For example, in dealing with potatoes, most farmers pit their potatoes; other farmers sell them on the land. Some farmers have given us their costs based on simply selling the potatoes on the land; others including all the expenditure of pitting them. That is merely one example. We have not obtained them on uniform lines, and if we had had more time to conduct the enquiry we would have been able to eliminate a lot of those factors which disturb the equalisation of the costs.

14,393. Then I notice you say: "The enquiry has been further complicated by the fact that it has not been possible to obtain costs from what might be termed the less successful class of farmer"?—Yes, that is our belief.

14,394. So that, really, you have got the cases of the successful men?—We think so, judging by results and judging by the production per acre that has been shown on the crops. In the case of potatoes, we made a detailed enquiry into the cost of their production per acre in order to be quite sure that they were correct, and these figures have been very slightly amended in one or two cases. The production per acre is higher for these men than in the Board of Agriculture figures. Consequently, we assume from that we have the successful men.

14,395. *Mr. Lennard*: Am I right, *Mr. Allison*, in assuming that in your evidence-in-chief by a quarter you mean 480 imperial lbs. in the case of wheat and 312 imperial lbs. in the case of oats?—No, 504 lbs. in the case of wheat, 336 in the case of oats, and 448 the other one.

14,396. Your estimates of costs are derived from 15 farmers in the case of oats?—Yes.

14,397. The average cost per quarter of 336 imperial lbs., as estimated by these 15 farmers, works out at just under 42s. 5½d., does it not?—I have not worked out the average figure, but I will accept that from you.

14,398. In the case of wheat your costs are derived from estimates made by 12 farmers?—Yes.

14,399. The average cost per quarter works out at 61s. 8½d.?—That is right.

14,400. That is for a quarter of 504 lbs.?—Yes.

14,401. A larger quarter than the quarter for which 60s. was guaranteed originally in the Corn Production Act?—You will observe we have kept clear of averages, as we do not like to deal with averages in such a small number of farms.

14,402. Yes, I noticed that, but you quoted the highest and the lowest case, and I found on taking the average that the average, if I remember rightly, was lower than the mean of the extremes, so I thought it was only reasonable that that should be brought out?—Yes.

14,403. I have not had time to work out the proportions between wheat and oats in regard to these Scotch quarters, but I should like to know from you whether it is the fact that the ratio of your costs of oats to your costs of wheat is greater than the ratio between the guaranteed prices for the two cereals respectively fixed in the Corn Production Act?—We have restricted our enquiry purely to the cost of

production so far as we could ascertain that, and we have not theorised on these figures; we simply give them to you for what they are worth.

14,404. The estimates are for the cost of production in the year 1918?—Yes.

14,405. Have your costs altered much in Scotland this year—when I say have your costs altered, I do not mean your costs per quarter, which are, of course, affected by the poorer yield and the special circumstances of the season, but the cost of operations apart from those affected by the weather?—The cost per acre?

14,406. Yes, including wages?—The point that would affect them would be an increase in the cost of raw material, or an increase in the rate of wages. Those are the principal items, but we have not worked out any imaginary cost for 1919 or 1920; but if we as a Union could fix a basis for ourselves we could easily work out the hypothetical cost for 1919 or 1920 based on the increased cost of material or wages.

14,407. Could you make up such an estimate?—Yes, after ascertaining what the alteration in wages or prices is which affects them.

14,408. You know what the alterations are in the prices this year?—Yes.

14,409. What amount do you allow in your costs for the farmer's management?—Do you refer to the nature of the services allowed for, or the amount allowed for them?

14,410. The amount allowed for them?—The amount allowed varies. In this particular farm that I am looking at, which is a Renfrewshire farm, the farmer has allowed nothing for management, as he pays nothing for management.

14,411. Is that an estimate?—No, we are dealing with actual figures here. You mean did we allow anything in these costs of production for the services of the farmer?

14,412. Yes, that is what I mean?—We do not; we allow nothing for the services of the farmer. I have always gone upon the basis that the farmer will be remunerated out of his profit.

14,413. Do you deduct the rent of the farmer's dwelling-house from the gross rent of the farm before you apportion the rent to the various fields?—No, that has not been done. It is a question you will always get differences of opinions upon, and the effect of it on farms of the acreages we have would be very slight.

14,414. The effect would be slight if the acreage is large?—Yes.

14,415. Still it means that under these costs the farmer gets a dwelling-house free?—Yes.

14,416. Just one question which arises out of a question asked you by *Mr. Smith*. You said just now that the rate of depreciation would be greater in the case of agricultural machinery than in the case of industrial machinery, because, as I understood you, agricultural machinery is exposed to the weather?—Yes.

14,417. I should follow that if the position were similar in other respects, but I suppose you would agree with me that industrial machinery is usually in constant use—sometimes in use night and day—whereas much agricultural machinery is only used for a short period in each year?—It does not follow that the depreciation would be less because of that, unless you are assuming at the same time that the agricultural machinery when not in use is being looked after and kept in the same good condition, with a special staff attending to it, but it is not.

14,418. No, but it does mean surely that there is actually more wear and tear because of the constant use of the machinery in the factory than is the case with agricultural machinery in the field?—There is more wear and tear in the factory.

14,419. *Mr. Prosser Jones*: *Mr. Allison*, you told one of the Commissioners that the farms are in rather a bad way owing to the war?—That is the general opinion.

14,420. And it means a considerable outlay to bring the land back into proper condition?—That is so.

14,421. Whose duty would it be to find the money to bring back this land into condition: would it be

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[Continued.]

the landlord's duty or the duty of the farmer?—I think it would be the farmer's duty to bring it back-- if you are referring to the deterioration of the land.

14,422. I am referring to the whole undertaking. The buildings and the drains would be the landlord's duty to put into condition? (Mr. McNicol): I think the conditions of the lease would govern it with regard to the buildings.

14,423. Mr. Thomas Henderson: Taking these figures of your cost of production, they are from the most successful farmers in Scotland?—We are assuming that.

14,424. On the basis that the figures show a good yield?—Yes.

14,425. Take the figures for Scotland of potatoes, 6.44 tons. You have at least three below that?—Yes, that is only three out of the number. If you refer to those three there may be certain conditions which explain that, and I would like to go into those particular three.

14,426. Yes?—They are Nos. 13, 30 and 31. No. 13 shows a production of 6 tons per acre. There is a reason for the fact that he has got six. He has a fair cost; this man is growing early potatoes, and he says the buyer digs them, and he further is some 10 miles from the nearest point of despatch, and he has considerable expense in connection with that. He is dealing with land over on the Campbeltown side.

14,427. What about the others?—No. 31 gives a production of 5 tons per acre. This man's costs in several cases have been examined by the special Committee, and they have expressed doubt as to their accuracy. One of them, as a matter of fact, we had to discard because it was quite evident there were figures omitted. I addressed a letter to this man a fortnight ago asking him to explain any reasons which give him such a low production, but I have obtained no answer from him. The Committee thought there was some reason for that, but I have not been able to get the reason up till now.

14,428. What about the other one, No. 30?—This farmer explains his low production on the grounds that his soil is below the average. He says his actual production was even less than six. I wrote to him, and he has since gone into his actual figures, and what he actually sold was 5 tons 18 cwt. He says he knows the average in our survey is eight, but he did not produce that, as his soil is much below the average. It is a Stonehaven farm.

14,429. There is a case with regard to turnips, too—No. 35. The costs are very heavy there?—You will bear in mind, in the first place, that we consider our estimates as regards turnips are not very sound, because of the fact that the crop of turnips last year was a partial failure. Many of the farmers endeavoured to produce a crop of turnips, and they were such a failure that they practically did not lift them out of the ground, and they got nothing for them. That accounts for the violent fluctuations in the turnip crop.

14,430. Some of them have been quite successful?—Yes, but I think those must have been grown under special conditions. Some were grown for a special purpose and were specially fortunate. This man's figures appear to be reasonable, but he only gets a yield of about 5 tons.

14,431. Where is his farm?—Down in Haddingtonshire. He must be one of those farmers who had a poor crop.

14,432. I see you give an instance of the cost of production of wheat, and you mention an Aberdeenshire case?—That is No. 12. £2 16s. 8d.

14,433. What I want to get at is whether this is the sole representative of Aberdeenshire in the wheat production line?—That is the sole cost we have got from Aberdeenshire.

14,434. You are quite satisfied that these figures are representative of a pretty large class of farmers in Scotland?—They are. For example, one of the costs put in from Fife appears to be the only one from Fife, but I was present at a meeting in Fife of 12 representative farmers, and while there is only one cost, it represents a group of 12 or more farms, and it is their combined experience which is shown there. That particular one, therefore, might be taken as the average cost in Fife of the cost of production, and we think the others are representative of

the experience in the district or of the particular farmer who is representative.

14,435. Will you turn to your cost of production of oats, the 1918 crop. I see you have got samples from 10 counties in Scotland?—The fifth one of these, namely, Fife, is representative of a large group, although it is only one cost.

14,436. Is Forfarshire the same?—No, Forfarshire is not representative; it represents one farm.

14,437. Do you think that results ought to be obtained from other farms, or do you consider it is a fair representation of the county?—I think the results are representative of the best class of farm in Scotland. The wider the survey, however, the more accurate will the figures become.

14,438. May I take these figures as representing conditions roughly in the county?—You may take them as being representative probably over a reasonable average.

14,439. If you were to group the counties specified here with regard to the rate of wages paid, you might take Forfar and Fife and Perth as the groups in which the highest wages are paid?—Yes.

14,440. Would you agree to place Haddington and Aberdeen in the last category and the other five counties in the second category?—Yes.

14,441. I do not know whether you have worked out the labour pay in the costs per quarter. We have five instances from the highest wage paying counties, Forfar, Fife and Perth, and out of those five instances four of them fell into the lowest cost of labour and the lowest cost per quarter, so that there seems to be a connection between high wages and low costs?—Yes, I agree to that as an accountant from my own experience.

14,442. I would like your impression, Mr. McNicol, of what the effect of the last agricultural depression was in your county?—(Mr. McNicol): It had the effect of practically ruining many of the farmers in that county.

14,443. What was the effect. Did you turn the arable land into grass?—Not generally.

14,444. You kept on the arable cultivation?—Yes, at reduced rents.

14,445. You say you find overtime is only worked grudgingly by the workers?—Yes, this last year it has been.

14,446. What is your average working week just now?—50 hours.

14,447. Plus stable work?—Yes.

14,448. How much would that be, would it be one hour a day?—No, not quite.

14,449. Is it 4 hours per week or 5 or 6?—I should say between 3 and 4—probably 4, on an average over the year.

14,450. Counting Sunday?—About 4 counting Sunday.

14,451. That is a 54 hours' week that your men are working?—Yes.

14,452. Suppose the shorter working day is established, say, 48 hours for the purpose of argument, do you think that will have a bearing on the question of the willingness of men to work overtime? It is a different proposition to ask a man to work overtime who is working 54 hours a week from what it is to ask a man to work overtime who is only working a 48-hour week?—Yes, quite.

14,453. So that the unwillingness to work overtime might disappear with the 48 hours?—Yes, it might.

14,454. You would agree I suppose, Mr. Stewart, with the proposition put forward by your chairman yesterday that the agricultural industry has got to look to education on a very wide scale being introduced in the near future?—(Mr. Stewart): I agree.

14,455. That will cost a good deal of money, the farmers' money as well as other people's?—Yes, certainly.

14,456. I was interested to see what your educational rate in Ceres parish for this year is—£1,442 as against £380 last year?—Yes. Our parish council thought we were being charged too much as compared to the collieries and other industrial districts in Fife—that we were paying considerably more for the cost of education in our parish than what it actually costs.

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14,457. I am quite willing to admit that the incidence of the rate is very unfair, but what is your solution—not to spend money on education at all?—No, certainly not.

14,458. A reform of the rating system?—Yes.

14,459. *Mr. J. M. Henderson*: Turning to potatoes, Mr. Allison, how much per ton did the early potatoes realise last year or this year?—(*Mr. Allison*): We have not conducted any enquiry into that, and in preparing those costs we have eliminated any case of early potatoes as it was a special crop. Those potatoes have no earlies amongst them.

14,460. I thought you said one of them had?—No, we have eliminated those in the figures here.

14,461. What is the usual price of ordinary potatoes?—(*Mr. McNicol*): The controlled price was £6 10s. 0d. to £8 10s. 0d. according to the season they were sold at.

14,462. Was there a controlled price last year?—Yes. (*Mr. Stewart*): A lot of farmers have not got paid for their potatoes yet.

14,463. If a farmer told me that last year he sold his potatoes at £10 a ton what would you say to that?—That would be before the control went on in November.

14,464. What would be the price before the control went on?—That price would refer principally to the earlies.

14,465. No, September and October would not?—It would be second earlies. I do not remember what the price was.

14,466. It would be quite possible for a farmer to sell his crop in August, September or October at so much a ton although he had not really raised his potatoes?—In Scotland they would not be sold per ton; they would be sold per acre probably.

14,467. What would they be sold at per acre?—I cannot remember just exactly what the general run of acre prices was last year.

14,468. I was told distinctly by a farmer who grew potatoes on land which I let to him that he had sold the whole of his potatoes at £10 a ton last year?—(*Mr. Allison*): He might have been specially fortunate. (*Mr. McNicol*): Might I ask whether that was in England or in Scotland?

14,469. That was in England?—We cannot speak of what happens in England.

14,470. I have noticed that whenever there is a big price obtained in England they always manage to get a bigger price in Scotland. However, you cannot tell us anything more than the controlled price?—(*Mr. Stewart*): Immediately before the control came on they were cheaper. I forget the price exactly. The case you refer to might have been the case of a farmer who sold his potatoes early in the season when his crop was immature and possibly he was entitled to a higher price per ton.

14,471. As practical Scotch farmers apart from control or with control, what was the price you sold your potatoes at per ton?—(*Mr. McNicol*): The main crop of potatoes in Scotland were under the control and had to be sold at controlled prices—last year's crop.

14,472. Which was £6 10s. 0d. a ton?—£6 10s. 0d. rising to £8 10s. 0d.

14,473. Rising to £8 10s. 0d., when?—In May.

14,474. It would be quite possible for the farmer to hold over his potatoes until the high price came?—(*Mr. Stewart*): Yes, but in a great many cases the farmers sold their potatoes at much less than the controlled price in order to get quit of them because they would not keep; that was a common experience in Scotland.

14,475. Why will they not keep?—Certain varieties will keep and others will not.

14,476. Am I to understand from you that where the cost per ton is not over £6 there is a loss?—(*Mr. McNicol*): No, because it depends upon when these potatoes are sold. Our estimates are based on potatoes sold.

14,477. Taking the whole of these would you say Scottish farmers made a loss or a profit on their potatoes on the whole market?—I would say they made a profit.

14,478. Take oats now. Again I put the same question to you: what was the price at which last year's crop of oats was sold last year?—They were Government controlled last year at 47s. 6d. to 51s. 6d.; in some cases they were sold under those prices; at certain times of the year we could not get the controlled price in our district.

14,479. Did that controlled price last right into this crop?—(*Mr. Allison*): It lasted until June, 1915, when the price was 52s.; it rose from 47s. 6d. to 52s.

14,480. In all these cases there are only one or two that go beyond 47s. 6d. and there is only one that goes beyond 52s., so that, on the whole, they must have made a profit on the oats?—(*Mr. McNicol*): Yes.

14,481. What was the controlled price of barley?—67s. up till November, and then it was raised to 70s., and it was a flat rate after that throughout the season.

14,482. Taking these figures before me, there was only one case where there was a loss of 67s.; in all the rest there was a profit?—Yes.

14,483. At 70s. there was only one that showed a small loss. As regards wheat, I see your average grain production in quarters is roughly 5 quarters to the acre?—(*Mr. Allison*): It is a little over 4½ per acre.

14,484. I make it 5 quarters. What was that sold at?—The control price was 75s. 6d. in October, 1918, and it rose to 76s. 6d. by the 1st June, 1919.

14,485. At these prices every one of these made a profit?—Yes.

14,486. Does the difference between the weight of the quarter in Scotland and England affect these profits at all?—No, that was a price for 504 lbs. to the quarter.

14,487. Is your six quarters to the acre for No. 1 on the same quantity, 504 lbs.?—Yes.

14,488. The English turnout is not up to five quarters?—You will bear in mind that the average in Scotland for wheat in 1918 was five quarters. The Board of Agriculture figures show five. (*Mr. McNicol*): The wheat in Scotland is practically all grown on the better class of land—that may help it a bit—and it always follows a green crop, which also helps it.

14,489. *Mr. J. M. Henderson*: Have you any of the farmers' balance sheets—

Chairman: I think that has been dealt with.

Mr. J. M. Henderson: It has been dealt with several times, but I have never seen any.

Chairman: *Mr. Allison* has stated that he is prepared, when he has time to do so, to present balance sheets to the Commission to support those figures. The urgency with which the figures were required to present costs prevented *Mr. Allison* from the preparation of balance sheets, but he has promised to obtain those and send them to the Secretaries.

14,490. *Mr. Green*: I am rather interested in your hay costs in paragraph 7. Do these refer to the first or the second or the third year leas?—(*Mr. McNicol*): Mostly to the first year's leas, including Timothy hay.

14,491. I was going to ask you whether the cultivation of the first year is put down to the cost of the hay—I mean the ploughing?—(*Mr. Allison*): Yes, it is carried forward. The limitation of our paper prevented us from showing it in detail, but in each case we have charged the cleaning and the residual value of manures.

14,492. What about the second and the third year?—If there is anything in the second or third there should be a credit for it, but in practice it is a very small amount and would hardly affect the cost.

14,493. Did you allow for that in the cost?—No, we have not allowed for that, it is so small; it is something like one-third of a half of £1 16s. 8d. It would roughly be in that cost about 10s. over 42 cwt.; it is very small.

14,494. Has the value of the second crop been taken into consideration?—There is no second crop.

14,495. Have you allowed anything for the aftermath?—Yes, we have given credit to the crop for the aftermath or the second crop as we call it.

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14,496. It seems to be a high cost for labour as compared to English costs? (Mr. McNicol): Climate may have something to do with that.

(Mr. Allison): Our labour is fairly uniform.

14,497. I should like to ask Mr. Stewart a question. With regard to draining the land is it the opinion of the National Union of Farmers of Scotland that there should be some State loan for draining the land as was accomplished in 1848, under Sir Robert Peel?—I think there should be. A great many farmers and proprietors are not in a position to expend this money. I may say that the general practice in Scotland at the present time is for the proprietors to supply the tiles and for the tenant to do the labour.

14,498. Yes, but it is no good one landlord doing it and another landlord not doing it so that it could only be done rationally under the State scheme?—Yes, I agree to that.

14,499. With regard to your statement, Mr. McNicol about overtime being grudgingly worked, of course one can see your point of view. On the other hand you do not think there is something healthy about the tendency from the point of view of citizenship—I mean to say men do not care to work long hours now-a-days, and probably if they had more leisure they would make better citizens for the State—they would have time to educate themselves and think, and so forth?—(Mr. McNicol): It depends exactly on the point of view. It depends a good deal upon the men too.

14,500. Here in England we find that many of the workers complain that the farmers do not give them the opportunity to earn overtime. That has been the case especially this last summer during harvest?—I cannot say that is the case in our district. The farmers have generally offered the men overtime. I only say that in certain instances the men have grudgingly to work overtime.

14,501. Do the other farmers here this morning agree with you as regards that point?—(Mr. Davidson): My men work overtime very willingly. It is only in a very few cases that we require them to work overtime, such as the busiest times during harvest and turnip hoeing.

(Mr. McLaren): We cannot deal very well with hours in our case, because of the lambing season and all that when the men have to be up early and to work late in order to get finished; they suit themselves to the climate.

14,502. They are always very willing to work, are they?—Yes, they are always very willing.

14,503. Mr. Edwards: Have you taken into account Mr. Allison, the smaller farms of Scotland in your accounts and estimates?—(Mr. Allison): We have endeavoured to secure returns from the smaller farms; but we have not been successful.

14,504. You do have a large number of smallholdings in Scotland I presume?—Yes, we do.

14,505. Your estimates, therefore, only refer to a portion of the farmers of Scotland?—Yes.

14,506. Mr. McNicol, you mention in the last paragraph of your *précis* that the rents are not altered except in cases where leases have run out and have been renewed and where the leases have been renewed the rents have mostly been raised?—(Mr. McNicol): Yes.

14,507. I should like to have some further information as to the tendency of that?—The tendency where the leases are fairly old is for the rent to rise. If the leases are comparatively modern the rent may rise slightly, but not nearly so much as in the case of the older leases.

14,508. You also say that the farmers have been forced to retain their holdings by buying them. You use the word "forced." What do you mean by that?—I do not exactly say they are forced. I do not mean that there is any compulsion put upon them to buy their farms, with this exception, that they have a sentimental attachment to a place in which they may have resided probably in some cases for generations. Then when syndicates have come along and bought estates, if the tenants wished to keep their farms, they have been forced to buy them at a big price more than they were willing to give,

in order to retain their place. What I want to bring out is that the buying of their place under forced circumstances like that is going to handicap them in the working of the holding.

14,509. I understand you to say that these farmers, good Scottish farmers, have actually paid more for their farms than they are, in their judgment, worth?—Yes.

14,510. It has been mentioned here once or twice that the fact that farmers are buying their farms is proof positive that they are very successful, and that they have great confidence in the future. What do you say to that?—I do not say it applies in every case. I think that a good many of the sales which have taken place lately have been more or less under the circumstances of which I have spoken.

14,511. The fact that the farmer is buying his farm is really no proof that he has money to pay for it, or that he has any confidence in the future?—No. In many cases they have to bond or mortgage the farm after they have bought it in order to pay for it.

14,512. To what extent does that prevail, in your opinion?—I really do not know, of course, but I know it is done.

14,513. Mr. Stewart, in paragraph six of your *précis*, you say that farm buildings, fences, drains, ditches, roads, etc., have deteriorated and require attention. In order to make it quite clear in my mind what is the practice in Scotland, I should like to know how you divide that work up as between the tenant and the owner?—(Mr. Stewart): It is partly the tenant's duty and partly the proprietor's duty. In some cases where leases have been entered into at the beginning of the war the landlord was not able to execute his part of the contract owing to the want of labour and the work is standing back.

14,514. What part does the landlord have to do?—The fencing and the drains.

14,515. What about the ditches?—Except in the case of some big water-course, the ditches are generally kept by the tenant.

14,516. And the roads?—The roads are generally kept by the tenant.

14,517. You say here: "Whether this increased area under cultivation is to continue or not is an entirely economic problem." What do you mean by that?—If the country wants farmers to grow grain, we can only grow it if it pays us; if it does not pay us in the future we shall have to do the same as was done in the time we came through in the past—the land will have to revert to grass. That is the only solution.

14,518. You mention about the big rise in the rates in your parish?—Yes.

14,519. I suppose that is going to be a very important factor throughout Scotland in regard to rates in the future?—Yes. That only refers to the education rate. In our county, I believe, the road rate and other rates have also increased enormously—I cannot give you the figures exactly at the moment.

14,520. I have been given to understand that Scottish farmers are very much ahead of either the English or the Welsh farmer, and to clarify my mind I should like your opinion on one or two points that I have noted here. You just mention the question of a guarantee casually. I do not see whether you put very great weight on a guarantee. Do you think that a mere guarantee of prices will prevent the land in Scotland going back to grass?—(Mr. McNicol): I do think the guarantee will prevent most of the land going back to grass. (Mr. McLaren): I point out that the men farming inferior land in the hill districts where I am cannot exist without some guarantee—I mean he cannot keep ploughing.

14,521. I think you have already said that the guarantee you refer to is a guarantee to cover the mere cost of production. Do you mean to say that the guarantee is to cover the cost of production on the kind of land farmed by you—the poorest land?—(Mr. McLaren): Not especially on that land. I was just pointing out that that land will go back to grass if there is no guarantee or if some assistance is not given to the farmer on the poorest class of land.

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14,522. (*Mr. McNicol*): We have said definitely that we are not asking for guarantees to guarantee a profit and practically speaking we are not asking for guarantees at all in any case. What we say is this: If the community ask us to continue to plough up and want us to continue to plough on secondary land, if we have no guarantee the probability is that it will not be ploughed. We do not want the guarantee, but we say if you want that done we shall probably need the guarantee.

14,523. (*Mr. Edwards*): By "the community asking you" have you in your mind the continuation of compulsory powers to compel you to plough the land. What have you in your mind?—No, I do not say we are asking you to put compulsion upon us to do a certain thing. We say if you wish to keep up the arable acreage there is certain land that will not be kept up properly if prices fall back and the only way to keep that land under the plough is perhaps to give us some form of guarantee. There are other factors that come in as well as the guarantee: the guarantee alone might not do it. (*Mr. Davidson*): If it is in the national interests that the inferior arable land should be cropped and also in order that the country districts may not be depopulated, guaranteed prices are necessary.

14,524. How do you expect the community to express its wish?—(*Mr. McNicol*): It has been stated by Mr. Lloyd George, representing the Government, that he would like to see the land kept under the plough.

Chairman: I think the witness from the Scottish Farmer's Union yesterday dealt with this point very fully indeed. I do not know whether you want to go over it again with these gentlemen.

Mr. Edwards: When we have an opportunity of putting the question to four such good Scottish farmers as we have now before us, it is well to get it from them also.

Chairman: I thought their views were expressed by their Chairman yesterday, but I do not stop the question if you think it well to go over it again.

Mr. Dallas: I think Mr. Gardner at various times said he was only expressing his individual opinion.

14,525. *Mr. Edwards*: Mr. McLaren, you said the poorest land would go out of cultivation unless some price were guaranteed. Do you recognise the fact that if a guarantee is given sufficiently high to keep the poorest land in cultivation that the effect will be that other farmers farming good land will make very big profits?—(*Mr. McLaren*): Yes, they will make considerable profits—I do not say very big profits. It depends upon the climate to a certain extent, but they will make a profit.

14,526. I have a paper here drawn up by an English gentleman, who has been before us more than once, and he says that 50 per cent. of the wheat area in England yields below 3½ quarters per acre. Necessarily, therefore, if this Commission or any other Commission recommends that the guaranteed price is to be of such a nature as to retain that land in cultivation the other 50 per cent., which yields up to 6 and 7 quarters an acre, will inevitably get enormous profits?—You must remember, Sir, that the land I am talking about is £1 an acre land, whereas the land some of the other gentlemen are farming may be £4 or £5 an acre land.

14,527. If that is the case you mean the thing should be equalised by the rent?—It will to a certain extent, will it not?

14,528. Therefore, the value of the guarantee which will keep your poor land in cultivation will ultimately benefit the owner of the land, and not the tenant who is operating it?—I think they will both benefit.

14,529. In the long run it will go to the owner of the soil?—Only if rents go up.

14,530. Rents are going up in Scotland at the present time, are they not, as they are doing in Wales?—Yes, in the meantime I admit they are going up.

14,531. You have in Scotland a system of leases, I understand?—(*Mr. McNicol*): Yes.

14,532. Still you feel that these leases do not give you the security which is necessary for you to launch out according to the Scotch fashion and develop your farms?—No, in the meantime we do not feel secure

in launching into a great deal of capital expenditure upon the land.

14,533. What would you say to a system of yearly tenancies?—That would be even worse.

14,534. You are, therefore, not surprised to learn that the farms in England, and Wales where I come from, where the system is a system of yearly tenancies is much inferior to that of Scotland, where the system is a system of leases?—I do not know whether that altogether accounts for it.

14,535. You are not surprised to hear that?—No.

14,536. Do you keep sheep in Scotland?—Yes.

14,537. Are you losing money on your sheep?—(*Mr. McLaren*): No, I do not admit we are losing money on the sheep.

14,538. Do you keep the sheep in Scotland to tread the land and manure the land?—The feeding men do.

14,539. Do they lose money on that?—(*Mr. McNicol*): No, sometimes we may, but not every time.

14,540. Would you be surprised to hear that there are farmers in existence in England who tell us that year by year they lose about £1 per head on the sheep they keep for treading the land?—I beg your pardon?

14,541. There are farmers in this country who tell us that year by year they are losing about £1 per head on the sheep they use for treading the land?—Every year?

14,542. Yes, every year?—(*Mr. Stewart*): They must be fools to do it. (*Mr. McNicol*): They must have a lot of money to start with. (*Mr. Davidson*): Last year owing to the excessive price of turnips and feeding stuffs it may have been the case, but not every year.

14,543. Is the practice of fallowing the land common in Scotland?—(*Mr. McNicol*): In the carse districts only.

14,544. What do you mean by the carse districts?—The heavy clay land and riverside land.

14,545. Have you any such thing as three and four and five horse land in Scotland?—Three horse land; we have no five horse land as far as I know. If there is any five horse land it is not wrought as arable land.

14,546. What is the tendency at the present moment with regard to putting land down to grass in Scotland?—(*Mr. Stewart*): I think the agricultural returns show that land is returning to grass this year?—(*Mr. Davidson*): I should not think that much land will be laid away to grass at present because of the existing price of grain.

14,547. What is the correct answer—what is the tendency now in Scotland?—(*Mr. McNicol*): The tendency is that there is some land going back to grass.

14,548. In spite of the fact that you have a much higher guaranteed price than you are asking for. You only ask for a mere cost of production price?—Yes.

14,549. At the present moment the prices guaranteed to you by the Government are much higher than that?—Yes.

14,550. Still you say the tendency is for the land in Scotland to revert to grass?—Some of it.

14,551. How do you explain that?—Because it is inferior land and probably even at the present prices that land is not paying well or even not paying at all. It is principally land that was broken up during the war to increase production. (*Mr. Davidson*): Pre-war, when the wages bill was low, it did not pay to crop that land, but now that the wages bill is so much higher it probably pays worse for the reason that one year in five you do not succeed in getting a crop at all and the higher cost makes the loss heavier.

14,552. I should like to be quite clear what is in your mind as farmers with reference to whether prices are likely to remain as they are or to fall. Do you expect to find soon a big slump in the prices of farm produce?—(*Mr. McNicol*): I would not like to prophesy. (*Mr. Stewart*): We are told by high authorities that the cost of food is to become lower very shortly. (*Mr. McNicol*): I think that depends on a great many outside subjects which we are hardly qualified to deal with. It is really a world element that comes in. (*Mr. Davidson*): Farmers have a

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want of confidence because of what happened in the past. It was a most unfortunate thing that agriculture should have decayed to such an extent as it did, and particularly so for the agricultural workers who at one time were earning 3½d. to 4d. an hour when the men who came out from the towns to repair our farm buildings and roofs and so on were getting 8d. and 9d. an hour.

14,553. Assuming that the Government were to say to you "We will give you security of tenure and full compensation for all improvements you make as tenant farmers instead of giving you this guarantee of prices," which would you prefer?—(Mr. McNicol): In what way are we to get full compensation for all we put in the place?

14,554. I am assuming that that has been made perfectly clear to you by the Government—I am not explaining how it is going to be done. Mr. Gardner yesterday said that the Agricultural Holdings Act is now a failure—that it does not guarantee you full compensation when you have to leave your farms. I am assuming that the Agricultural Holdings Act is amended in such a way as to give you security of tenure, but if that tenure is disturbed you are assured of full compensation to the last penny for any real improvement you have made in the farm?—(Mr. Davidson): Security of tenure with a modified guarantee on a sliding scale would be the ideal solution. (Mr. McNicol): We are going for security of tenure and a modified guarantee as well. That is the reason why we are not asking for any guarantee of profit—we are asking for no guarantee of profit. We are saying: if the country want the stuff we will go on producing the stuff if you guarantee us if a slump does come our cost of production not including anything for our own management or anything for interest or profit, simply the bare cost of production. We merely want to cut out the chance of a very big loss occurring should another slump take place.

14,555. Assuming that the Government simply guarantee you a price—which is very likely what they will do—will you be any better off than you are now without the security of tenure?—(Mr. McNicol): We are willing to take the risk, but we prefer the security if we can get it; we want it if possible.

14,556. Is the security of tenure that you ask for essential for the full development of agriculture in Scotland?—Yes.

14,557. And the guarantee as well?—Yes.

14,558. Either one of them without the other you think will not be sufficient?—I do not think it would be.

14,559. Mr. Duncan: Mr. Allison, will you turn to the specimen schedule you sent out to the farmers. I notice you have an item running through all of them of idle time caused by unsuitable weather. What is the meaning of that exactly?—(Mr. Allison): In ascertaining the labour cost the farmers were directed to take the exact amount of labour required to plough, sow, and harrow one acre. In addition to that there are wages paid for work which is not done because of broken weather and they were asked to charge a certain proportion of idle time to cover that, and such an amount is necessary because if you take the accounts of the farm which is shown and work out the labour you will find we are short of the actual labour paid for by the amount of the idle time.

14,560. In charging the labour they charged the actual day's wage against each operation?—Yes, the actual day's wage on the time. These have been sent in by them in several cases, if you wish to see them, showing how they arrive at their labour cost.

14,561. In what number of these cases where you have given the cost of production of different crops are these the result of a Committee working and preparing an estimate, and in what number are they individual estimates?—In the case of the returns from Fife, they are the result of a Committee working; the other are cases of individuals working separately and not in conjunction with one another.

14,562. Taking potatoes, you give about 25 cases altogether, excluding Fife. Does that mean, roughly, that you have 24 individual estimates for Scotland?—I agree.

14,563. That is the total number you have?—Yes.

14,564. There has been no attempt on your part to combine estimates?—No, the estimates are shown individually as they come in.

14,565. Eliminating the items of error, or items which are not common to all of them?—Yes.

14,566. Take the balance-sheet you give, and the trading account of this farm. Can you say whether the profit shown on those accounts for the year 1918 is rather less than usual?—It is less than usual.

14,567. This was rather a bad year for this farmer?—I would not say a bad year—it was not just so successful as his previous years. His oat crop was short, as I have pointed out already.

14,568. His wheat crop was also a bit short, was it not?—No, his wheat crop is all right.

14,569. Is four quarters his average?—That is the figure I have proved from his books, and he raises no comment with regard to it; that was his actual figure.

14,570. I am not throwing any doubt upon it, but have you compared it with previous years?—No, I have not. I would like to have had an opportunity of doing that, but we had no time to do it in preparing these figures.

14,571. I should like figures for this farm for four or five years back for the purpose of comparison. Do you think it would be possible to get that?—No, it is not possible to get that, because of the fact that these cost accounts which have been made up from the accounts of that farm have been derived from his estimates of the cost of production in the year 1918, which was fresh in his mind. In other words, he submitted his costs for 1918, and I reconciled those costs with his actual financial returns. In order to prepare similar cost accounts for past years it is necessary for him to prepare estimates of his costs of production in those years that are past, and I should imagine that would be a most difficult thing to do.

14,572. Could we get the financial returns?—The financial returns are available. I am speaking without having asked him, but I know they exist.

14,573. I put it to you that the amount of profit he is showing on a farm of this size with the amount of capital employed is a good deal under the average returns from farming in Scotland in 1918?—I cannot speak of the average, but in the accounts of farms which I audited it is just about the usual figure.

14,574. I think you will agree that the farms of which you have audited the accounts have been farms where it paid them to pay Income Tax Schedule "B" rather than pay on the other schedule?—No. The farmers did not keep accounts of these farms, and they were sent in purely for the purpose of enabling them to keep a basis of accounting which would show in future years whether it was paying them or not. There was no knowledge at the beginning in the farmers' mind when the accounts were sent in.

14,575. Chairman: For what period are you asking for the back balance sheets?

Mr. Duncan: For four years, if we can have them.

14,576. Chairman: Can you manage that, Mr. Allison?—They exist.

14,577. You are not certain whether the farmer will produce them or not, because you have not asked the farmer?—That is the position.

14,578. Are you willing to ask the farmer?—Yes.

14,579. And to send them in to the Secretaries if you get the farmers' permission to do so?—Yes.

14,580. Mr. Duncan: I should like to ask Mr. Stewart a question. You made a statement in reply to one of the Commissioners that you estimated it would take about £5 an acre to put your land back into condition because of the effect of the past four years' farming on the land?—(Mr. Stewart) I do not think I said £5 per acre.

Chairman: The £5 per acre was from a statement read by Mr. Allison of one farmer who is not present.

14,581. Mr. Duncan: I thought Mr. Stewart indicated his agreement with that?—No. It may be more or it may be less; it is a very difficult point.

14,582. Taking your own farm, what will be necessary to get your land back into pre-war condition? Do you contemplate having to employ more labour?—Yes, to a certain extent. In pre-war times we con-

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sumed immense quantities of cake on the farm, and during the war that has not been available. Then again, during the war we used principally quick-acting manures in order to get quick results, whereas in pre-war times we applied manures which had a lasting effect. With regard to labour, the ditching and that sort of work was excluded, and a lot of the land has not been properly cleaned owing to the shortage of labour. We were for a time during the war extremely short of labour.

14,583. Are you finding labour more plentiful now?—Yes.

14,584. Have you been increasing your labour staff since the war?—Slightly.

14,585. You have been increasing your permanent staff since the war?—I may say in my own case I have changed conditions. I have increased it.

14,586. Has there generally been an increase in your district of the permanent staff since the war?—I would say there might be a slight increase.

14,587. What you are contemplating is that you have to put back into the land a good deal of the manurial value which you used up during the war?—We used up an asset during the war which will have to be put back.

14,588. May I put it to you that what you have been doing during the war has been to take money out of the land which you put in formerly, and you have been putting rather more into the bank than you did formerly?—It might be so.

14,589. It is a case of transferring the balance you have made during the war from the bank and putting it back into the land in the shape of fertilisers when you can get them?—Yes.

14,590. It ought, therefore, not to be reckoned as an item of increased cost for the future, but simply a matter of adjustment of your farming operations in the light of what has happened during the past three or four years?—Of course every year must stand by itself.

14,591. No, I think if you are going to farm on the principle that every year stands by itself you will not get many farmers left in Scotland. You have to take your farming operations over a period of years, and when you have, set your good years against your lean years to carry you along?—Yes, that is so.

14,592. You have had your good years lately, and one reason why those years have been so good is because you have exhausted the fertility of the land—you have been putting nothing back into it. It is not, therefore, an item that ought to be charged against your crops, but an item which you should have provided for in the last three or four years?—(Mr. Allison): There should have been a reserve fund created. (Mr. Stewart): There was a reserve fund of cumulative fertility created before the war, and it has been exhausted during the war.

14,593. This has been sometimes said to be an item of cost that we ought to take into account in future costs which will be greater because of that fact?—(Mr. Allison): From the point of view of accounting I should say that is a wrong principle. (Mr. McNicol): There are certain costs which the war has caused which are a charge on future production—that is the dirtiness of the land, the labour required to clean the dirt out.

14,594. Against that, again, you have prices rising more rapidly than wages—prices keeping ahead of wages. While you have rates of wages rising, your total wages bill has not risen in the same proportion because your staff has been decreased. You have, therefore, a balance there which ought to have been placed in reserve to meet your extra costs in future years. You are making a profit which ought to be placed in reserve to meet that. I think I am quite right on the accounting side?—(Mr. Allison): Yes, you are quite right on the accounting side. The only thing to be taken into consideration is that the quantity put back into the land has to be put back at an excessive cost.

14,595. Yes, you are quite right there. You stated, Mr. McNicol, that the reduction of hours have meant an increased cost. Have the farmers of the East Lothian, for example, increased their staffs?—(Mr. McNicol): Yes, where they can get them.

14,596. Their permanent staffs?—Yes, they have. I think some of them have done so where they could get them.

14,597. Can they get them?—Not in every case.

14,598. What increase would there be taking the whole county now?—I really could not tell you.

14,599. If I were to state to you from my knowledge of the county and my knowledge of the number of workers in the county now, that the number of the permanent staff in East Lothian is pretty much the same as it was in the May term of 1918, would you be prepared to accept that?—There is not a great deal of difference with the exception that we are employing more casual labour.

14,600. You are finding it more difficult to get casual labour?—Than when?

14,601. I think if you turn to your statement of evidence it hardly squares that what you are saying. You say in your statement of evidence: "The supply of casual labour for seasonal work is still deficient"?—You said we were finding it more difficult to get it. We are not finding it more difficult to get it now than we did then, but it is still deficient; it is not more deficient than it was.

14,602. Have you increased your casual labour?—Yes.

14,603. To what extent?—We are taking all the casual labour we can get.

14,604. Are you getting more than you did before?—Yes, we are getting more.

14,605. Is it an appreciable quantity?—Yes.

14,606. Where does it come from?—From Edinburgh and from tramps off the road. We are getting Irishmen also now that we did not get before the war.

14,607. How many Irishmen have you got doing casual labour?—I do not know; I have not the statistics of casual labour, but I can assure you we have them.

14,608. You get casual labour from Edinburgh—that is one of your sources of supply. What quantity can you get from Edinburgh?—We cannot get much of it, but the Irish part of it is the principal casual labour.

14,609. Taking into account the fact that you have only had a slight increase in casual labour and very little increase in the permanent staffs and also the fact that there is a reluctance on the part of the workers to work overtime, to what extent has cost been increased by the reduction of hours?—They work the overtime, but they do it grudgingly.

14,610. To what extent has the reduction of hours affected the cost?—I have not gone into percentages?—(Mr. Allison): Would it interest you to have this table of casual labour showing the actual wages paid in 1914, and 1918? It shows that the increase is almost entirely in casual labour.

14,611. To what county does that table refer?—Renfrewshire.

14,612. I can quite agree that is the case with regard to that farm. I know the farm you are referring to. You made a statement, Mr. McNicol, that the reduction of hours has increased cost. You are simply stating an opinion there, are you?—(Mr. McNicol): Yes, a very general one.

14,613. You have no evidence to submit in support of it?—No direct evidence.

14,614. I think you made a statement in reply to Mr. Thomas Henderson that the hours worked in your district were 50 excluding stable work and that the stable work might add 4 hours per week, making 54?—Yes, roughly it does.

14,615. I would like to put it to any of the farmers who are here present that if your horsemen are not putting in more than four hours a week doing stable work would you keep them after the next term?—We have to keep them, because probably we could not get anyone else.

14,616. Can you feed, groom and bed a horse on an average of four hours a week?—Not properly.

14,617. Then they are not doing that part of the work in your district properly?—We are not satisfied with that part of it.

14,618. What is your experience, Mr. Stewart, in your county. How long do the men require for stable work?—(Mr. Stewart): I think it is longer than

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what my friend has stated here. I would say on an average, including Sunday time, about seven hours.

14,619. Roughly an hour a day?—An hour a day.

14,620. What is your experience, Mr. McLaren?—(Mr. McLaren): We do not do much in the horse line; it is mostly shepherding, but where there is any they work just according to the old customs pretty well.

14,621. On this question of guarantees: supposing no guarantee is given do you anticipate that there will be much in East Lothian, Mr. McNicol, in the arable portions of the county which will go down to grass?—(Mr. McNicol): No, I do not think there will be much. It all depends, of course, upon the events which are to come and which we cannot prophecy. But if prices are reasonable I do not think very much will go down.

14,622. What do you think will be the position in Fife, Mr. Stewart, if no guaranteed price is given. Will there be much of the arable land in Fife—land that you were keeping under the plough in 1914—which will go back to grass?—(Mr. Stewart): I think a certain proportion will.

14,623. Of land that you were keeping under the plough in 1914?—In a great many cases we have increased the arable cultivation.

14,624. I am not referring to the land brought into cultivation during the stress of the war, but to land which was already under the plough in 1914. Is there any sign of that going back to grass?—In some cases it was only kept under the plough for the purpose of producing winter feeding for our stock.

14,625. You are not anticipating that things are going to be very bad for some years to come, are you?—It all depends on circumstances; we cannot go on producing at a loss.

14,626. If you are going to feed your stock you will have to keep the plough going?—To a certain extent. We require to keep a certain amount of land under the plough for winter feeding.

14,627. So that any land which is going back now is land that had to be brought under the plough owing to war circumstances?—Yes.

14,628. Are you of opinion that under any circumstances, even with a guarantee, farmers would have kept that land under the plough?—It just depends upon the price we are going to get.

14,629. Apart from price altogether, is not the risk too great of ploughing most of that upland land?—There is a certain amount of risk, but it wholly depends on what you are going to get for your produce. If we are going to get a high price for our grain products certain of the land will be kept under cultivation. If the price falls below the cost of production the land is bound to go back to grass.

14,630. The cost of production must be so low as to leave a very large profit on arable land in Scotland before you can bring that third and fourth class land in Scotland under the plough as we have had to do under war stress during the last three or four years?—I agree.

14,631. On this question of rents and farmers buying land there has been a considerable amount of land in Scotland changing hand and farmers buying it?—Yes.

14,632. If the farmer who is usually forced to buy his farm for sentimental reasons, as Mr. McNicol put it, does not buy it, who else is likely to buy it?—(Mr. McNicol): Anyone could buy it.

14,633. It might be another farmer?—It might be; I do not know.

14,634. In cases where farmers have not bought land for sentimental reasons have their farms been bought by speculators?—Yes, I think so.

14,635. So that, although it may be a reply to say that some farmers do buy their land and give more than they think it is really worth because of sentimental reasons there are other farmers in Scotland and people who have no sentimental reasons governing them who are prepared to pay the high price asked for the land?—That has happened occasionally. In some cases there have been no bidders for the farm.

14,636. Take East Lothian. At what prices have farms been selling at in East Lothian as compared with pre-war prices putting it into terms of years purchase?—I really could not reply to that question definitely.

14,637. Pre-war what would have been the usual number of years purchase given for a farm in East Lothian—15 to 20 years purchase?—Yes, about that, 14,638. What have they been selling at recently?—I really cannot tell you.

14,639. If I put it to you that farms have been selling recently at 25 years to 30 years purchase in East Lothian should I be within the mark?—No, I think you would be over the mark.

14,640. I can give you instances of 32 years purchase?—Was that by private sale?

14,641. Yes?—I have not heard of it.

14,642. At any rate they have been paying considerably higher prices than they did in pre-war times?—Yes, the prices have been higher.

14,643. And according to your own statement the farmers have been paying rather more for their farms than they are really worth?—Yes, in some instances.

14,644. Would that not rather indicate that there are buyers and farmers who are confident of what is going to happen in the future. They are not buying on the pledges of the Government, and of politicians that they are going to do great things for agriculture. However sentimental a farmer may be he looks all round the question before he buys a farm, does he not?—He may be buying it for other reasons. You know it is very difficult to get a tenancy now; they are not so easily got as they were formerly and he may buy to put his son into it.

14,645. That all shows, does it not, that they have great confidence in the future on the part of farmers in Scotland. If tenancies are difficult to get it does not look as if there were a very great want of confidence on the part of those engaged in the industry—if farmers are forced to buy their farms to prevent other people from buying them and if there is so keen a demand for tenancies that they are difficult to secure?—It is not farmers in every case who are buying.

14,646. People who are going in for farming?—Yes.

14,647. Are you finding that there is a big influx of outsiders coming into farming in Scotland?—No.

14,648. It is mostly the people who are in it now?—Yes, or their sons.

14,649. All that rather shows, does it not, that there is not any great lack of confidence on the part of the farmers of Scotland as to the future of agriculture?—Everyone has hope.

14,650. Yes, but when hope is turned into hard cash in Scotland it is rather more than a vague aspiration. In Fife, I think I might be putting it fairly if I say that the farmers are so little afraid of what is going to happen next year, at any rate that they are now prepared to engage their men at 10 per cent. increase in wages?—Yes.

14,651. That would rather indicate, as regards the next 12 months at any rate, they are fairly hopeful?—Yes.

(Mr. Stewart): We feel that we have been dealing very generously with our men in comparison with other parts of the country

14,652. Does it not indicate that you do not believe the cost of living is going down to that extent at any rate, otherwise you would not be increasing your wages in the meantime?—I believe there is a demand for even higher wages.

14,653. So that the farmers evidently anticipate that the cost of living which does affect the price of their commodities is likely to remain high for some little time?—At least for this present season.

14,654. Mr. Dallas: I want to ask Mr. McNicol one or two questions. Talking about guarantees, do you realise that if guarantees were to be perpetuated you would also have a perpetuation of control with it. If you are going to have guarantees from the Government or the country the country in return will see that you cultivate your land properly?—(Mr. McNicol): Yes.

14,655. You realise that?—Yes, we realise that.

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14,656. Do you realise that that means a large number of officials coming round and inspecting your land and keeping you up to the scratch?—I do not know that it altogether means that.

14,657. How would the country be safeguarded?—You say a large number of officials. The land would only require to be inspected periodically; it would not take a very large number, I think.

14,658. To cover the whole of Scotland?—No.

14,659. Still you would have these officials?—Yes, you would have officials.

14,660. You know that farmers have no love for these sort of officials?—Yes, I know that quite well.

14,661. At nearly all the meetings they are having farmers are crying out against control as they are asking for the controls to be taken off, and to get rid of Government interference?—We want as little of that as possible.

14,662. You do not want anybody to teach you your business?—No; I do not think we would let them.

14,663. Do you not think that is likely to happen if these officials do their duty?—We are asking for a modified form of guarantee only.

14,664. And you only want a modified form of control?—Exactly.

14,665. You are asking for this modified guarantee to prevent a disaster happening in the event of a big slump—that is the idea of it?—We are not asking for the guarantee.

14,666. You do not want guarantees?—We have said already that we are not wanting any guarantees at all if we get fair play otherwise.

14,667. I thought, in answer to Mr. Edwards, that you said you wanted guarantees and security of tenure?—Yes, if agriculture is to be encouraged and the land kept under cultivation. If we do not have some form of security or guarantee then the probability is if prices fall the land will go out of cultivation, because we will alter our system of farming. That is what I say. What I take it to mean is this: if the country wants the goods we will deliver the goods provided they give us an insurance fund against the great slump that took place in former years.

14,668. Are the farmers of Scotland so selfish that they only want that for their own industry. If another industry comes along and says exactly the same thing as you have said: "If the country wants the goods—if they want ships on the Clyde," says "you must give us a guarantee"?—I do not think the conditions are similar at all.

14,669. You do not think the other chaps have as good a case for a guarantee as you have?—No, I do not mean that.

14,670. Take the fishing industry. They are definitely asking at the present moment for some kind of subsidy such as you are suggesting. Would the farmers oppose that?—I really do not know.

14,671. What I want to get at is this: I want the farmers to see where the logical conclusion of this argument comes to. You start off by wanting subsidies for your industry—in the interests of the country, of course, and not for your profits at all. But then along comes somebody else—the men in the fishing industry or it may be the shipbuilders—who think it is absolutely necessary for the security of Britain and the British Empire that we should have a large amount of shipping, and they say: "We will deliver the goods if you subsidise us or guarantee the price." Do the farmers realise that if we give it to the farmers we will have to give it all round. Are you prepared for that?—I do not see that it follows.

14,672. Why does it not follow. Are the fishers who want to develop fishing not justified in asking for a subsidy if you are justified in asking for a subsidy?—We are not asking for a subsidy, we are asking for a guarantee of the cost of production only.

14,673. What you want is if the price goes down that the Government will come along and make up the price?—Yea.

14,674. That is a subsidy, is it not?—Yes, it is a modified subsidy.

14,675. You can modify it in any way you like, but it is not modified if you get the cash in your pocket. If you are not going to get it you do not want it, and

it is only a waste of time talking about it?—Yes, but we have a way out. If we do not have the guarantee and prices go down, and we alter our method of farming, we shall still make as much, but you will not have the security for the nation.

14,676. That is a matter of opinion. Which of these two would you rather have?—Which two?

14,677. Would you rather be left alone to farm in your own way and carry on the form of cultivation you think best or say, "We will adopt the other system provided you give us guarantees"?—If we get fair play in the markets of the world.

14,678. What do you mean by fair play in the markets of the world. It is the other fellow who always complains that he does not get fair play from us in the markets of the world?—You know there is a great deal of dumping and there is a proposal to tax manufactured goods coming in here and leave food stuffs free. We do not consider that fair play.

14,679. I quite agree with you. For instance, you want to be able to buy all your feeding stuffs as cheaply as possible, do you not?—Yes.

14,680. You do not want any tax on them so that they will be dearer to you when you go to buy them in the market. That is what you object to, is it not?—Quite so.

14,681. You want the things you have to buy with which to carry on your business to be as cheap as possible, do you not?—Certainly we want them as cheap as we can get them.

14,682. You do not want any artificial handicaps by way of a tariff put upon them?—No.

14,683. That is what you mean by fair play?—To a certain extent, yes. Then, again, another part of fair play is this. If farmers farming virgin land abroad paying practically no rent for it and working long hours and all the rest of it are going to bring in their stuff here and dump it and reduce our market we ask for a guarantee. I am going on the assumption that we are asked by the country to keep up the cultivation. If the country does not care a rap about the cultivation we say, "Leave us alone and we will go ahead as we did before and take our business risks."

14,684. Supposing the country says, "No guarantees, get on with your job, do the best you can," do you mean to tell me that all the land in the country is immediately going to be laid down to grass?—No, I do not mean that. I mean that we will go on and conduct our own business as we did before,—taking our own risks.

14,685. As Scotchmen, do you think that is far better than depending on charitable doles from the public to enable you to carry on your job?—We are not asking for charitable doles at all. All we say is: "If you want the stuff and you do not give us a guarantee and conditions alter and prices go on the downward grade you probably will not get the stuff." It will be modified; we will act according to circumstances?

14,686. Do not the circumstances point to the probability that for many years to come there is nothing to fear about the talk of virgin land abroad coming into cultivation. America, as I suppose you know, which country used to export a lot of wheat to England, now really needs all it can grow for its own consumption and probably it will even have to start importing wheat and become an importing country rather than an exporting country?—I believe I have heard that statement.

14,687. At the present time there is not any doubt about the fact that there is a real world shortage of food stuffs?—Yes, we quite understand that.

14,688. So that with an open market and a fair field you stand not to lose money, but to make as much money as you made during the war and perhaps more?—That may be so for a time.

14,689. For some years?—I do not deny it.

14,690. *Mr. Ashby*: Does the cost of labour in your summaries, Mr. Allison, include horse labour and manual labour?—(*Mr. Allison*): Yes.

14,691. Does the depreciation of the horses come under labour or under horses?—It comes under labour.

14,692. That is to say the labour there includes the total of horse labour and of manual labour?—Yes.

14,693. How did the farmers who supplied these estimates estimate the cost of horse labour?—I cannot

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tell you how every individual farmer estimated it. The Committee in instructing them how to estimate the horse labour told them that they were to take the total wages of the men employed in the stable. That was nothing in Scotland we found; there were no men employed solely on stable work. Then they were told to take the cost of shoeing, harness, upkeep and renewals and any small implements, veterinary attendance, and litter, and then the total cost of feeding stuffs, as near as they could get at the cost of production of oats, hay, chopped hay and turnips as the case may be and apply to that a proportion of their on-costs, that is a certain amount of rent, taxes, insurance, and the depreciation on horses. They were to deduct from the total estimated value of the manure and from the total cost applied over the total number of horses, taking the actual number of working days, they arrived at the cost of a horse per day which works out at 9s. 11d. to 10s. a day. In some cases it is higher and in some lower, but that is about the average. In working out the labour cost if they had a ploughman working for a whole day they took the time of the man ploughing and the value of the horse labour.

14,694. The general principle of valuing the food in estimating the cost of horse labour is cost or as near as you could get to cost?—That is so.

14,695. What was the principle of valuing the horses—at cost or at market value?—The valuation of the horses did not come into this except so far as depreciation was concerned. The cost was the basis.

14,696. As near as you could get to it cost was the basis on which you took your amounts for depreciation?—Yes, that was the basis.

14,697. Do you know generally what rate of depreciation was taken?—No, I cannot tell that, but as you see in the other statement I produced I took the depreciation at 15 per cent. I have discussed this matter very fully with farmers and 15 per cent. is the figure that is pretty generally agreed, but of course, methods and ideas differ in that respect.

14,698. What does the on-cost include generally?—As shown in the tables the on-cost covers those items of expenditure which cannot be applied to a particular crop. I have used the term on-cost as it is used in a commercial sense applying this item to all the crops and one has therefore to take the proportion applying to a particular crop.

14,699. What do you mean by management, for example?—The actual money paid for managing the farm. That is a payment to a head foreman or something like that.

14,700. Not an estimated salary?—No, there is no estimated salary; you cannot put that in.

14,701. It does not include interest either?—No, it does not include interest; that is impossible.

14,702. Would you look at your summary of costs on page 3? No. 11 is fat cattle?—Yes.

14,703. Does this summary apply to the finishing period only or to the whole life of the beast?—It refers to the finishing period. Are you referring to the 11½ cwt.s.?

14,704. Yes. That is the total weight of the beast?—Yes, that is the weight of the beast when it is sold.

14,705. The highest cost there, £59, and the lowest, £37, is the total cost of the life of the beast?—Yes.

14,706. You have not stated the actual cost for finishing and the actual weight added during the finishing period?—You have it if you take the price of the store animal which is worked out on a weight running from 8 to 8½ cwt.s., and if you take the finishing weight it runs from 10½ to 12 in one case. You have the variation in the weights there and you can get at the amount added during the finishing period.

14,707. Take the next one, No. 12, the cost of the calf?—Are you on store animals?

14,708. No, it is called "fat cattle," but I think it should be store?—Yes, it should be store. The highest total cost of the animal in No. 12 is £33 9s. 3d.

14,709. I am reading from page 4 of your *précis*?—I beg your pardon, I thought you were referring to the schedule and I was taking the individual item. I have got it now. The highest cost of the calf is £18 10s. 9d. That is the cost at the end of the first year. It is arrived at by taking the cost of the calf and working out the quantity of milk and meal and so on.

14,710. It is rather puzzling when we call a calf a weaner?—Yes.

14,711. If Mr. Davidson will turn to the statement of the cost of production of store lambs put in by the Teviotdale Farmers' Club I should like to hear how he proportions the cost between lambs and ewes?—(Mr. Davidson): If you take Class 3 "Half-bred ewes bringing cross-bred lambs on low country farms 100 ewes and 38 ewe lambs," the total charges coming against the 100 ewes and 38 ewe lambs amount to £423 4s. 4d. The gross receipts were £497 12s. 10d. If it costs £423 4s. 4d. to produce £497 12s. 10d. how much will it cost to produce one of the individual items, the 144 lambs, for instance, £357 15s. 6d.? That makes the cost of production of the lambs £304 5s. 4½d., or £2 2s. 3d. per head.

14,712. You work out the proportionate cost on the proportionate value?—Yes.

14,713. Mr. Batchelor: Mr. Davidson, would you please explain in regard to the statement of the Teviotdale Farmers' Club how you arrive in class 1 at so small a number of lambs sold as 47? You have 100 ewes and 25 ewe lambs in that class?—(Mr. Davidson): We start with 100 ewes in the autumn and you have to deduct the percentage for winter and spring deaths, cull ewes, etc., and taking the lambs at 75 per cent., or 15 to the score, that gives 72 lambs. We sell 47 of those and keep 25 to maintain the stock; it is a pure-bred stock.

14,714. Mr. McLaren, on the question of sheep, you have seen these figures of the Teviotdale Farmers' Club?—(Mr. McLaren): Yes.

14,715. You represent quite a different class of sheep, I understand?—Yes, black-faced sheep, pure-bred.

14,716. Would there be any material difference in your class of sheep as compared with these figures?—The conditions are different—the climatic conditions, to begin with, and the expense of producing a lamb in our district, is considerably greater than the figure mentioned in the No. 1 statement put in by Mr. Davidson. But I see, looking at his averages of sales, that we make up that difference; we get rather more for our lambs when we sell them and it makes no difference in the end, as it were.

14,717. The resulting balance in each case is that there would be a working profit, whether on your system or on the system which prevails further south?—Quite so. I might say we think it a most disastrous season this last one, and if we get another like it I am afraid that these costs will not stand? (Mr. Davidson): The hill flocks are depleted in numbers, they have had a disastrous time owing to the bad winter of 1917 and spring of 1919.

14,718. Mr. Stewart, is it the case in Fifeshire before the recent reduction of hours that your ploughmen wrought 60 hours per week in addition to stable time?—(Mr. Stewart): Not in Fifeshire. I believe that Fife and Kinross are the only counties in Scotland that did not work a 60 hour week. We wrought a 9-hours day not including stable time up till now or rather an average of 54 hours a week, but in other parts of Scotland with the exception of Fife and Kinross it has been a 60-hours week.

14,719. Have you any figures you can put before us in regard to what effect the reduction of hours by 10 would have on costs. I understand that 10 is a reasonable figure to take as an average of the reduction there has been in the weekly number of hours worked recently. Have you any figures you can give us with regard to cost as affected by that reduction?—I have figures I can give you showing the comparison between a 10-hours working day and an 8-hours working day. I estimate on a farm that previously employed four pairs of horses it would require five pairs of horses under the shorter hours.

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It would also require additional casual or occasional workers. I have put that down in figures. The first is the cost of keep of a pair of horses, harness, depreciation and interest. I estimate that at £198 per annum. Secondly, there are additional implements required for these additional pair of horses. I have put that very low at £12. I think that might be put a little higher; that is for interest, depreciation, and up-keep. Thirdly, there are the wages for a ploughman for a year. I have put that low as we are engaging for 1920 at a higher rate, at 55s. a week, £143. Fourthly, there are the wages for extra workers which I estimate will work out at about £2 per week, £104, making a total of £457. Then there is the question of the extra accommodation for the extra staff and stabling and implement shedding. At the present time I do not think we could erect a ploughman's cottage to satisfy the requirements that are necessary in Scotland under £500. I would estimate the stabling and implements shedding accommodation at an additional £200, which makes a total of £700. Taking this at 6 per cent. brings out an additional £42, which brings the total up to something like £500 per annum. This extra cottage and stabling accommodation will require to be provided by the landlord, and I do not think under present circumstances the landlord will be prepared to give these to the farmer free of charge; it will have to go on in the shape of rent. A good part of the land in Scotland has been bought up by the tenants, and most of these men at the present time are not I think in a position to incur this capital expenditure.

14,720. That in your opinion is the effect on costs that a reduction such as you mention in hours would have?—Yes, that is my opinion.

14,721. I suppose you would also have to keep in view the fact that the whole of the horses would be idle and not working for more hours than they have been doing in the past?—Yes. The effect of the Saturday afternoon I may say is that we are not getting the most out of our horses with the shorter hours; it is too long an interval from Saturday at mid-day until Monday morning, and we find it is usually at that time that the horses go wrong standing doing no work and probably getting too much feeding.

14,722. It is not good for the horses?—It is not.

14,723. They are quite fit and able to do more?—The horses have been kept in perfect condition under a 9- or a 10-hours' day in previous times.

14,724. You mentioned in answer to a question that you calculated seven hours would be the amount of stable work. Were you referring to the winter period only, and not including the time when the horses would be out at grass?—I was taking it for the winter period only. In the summer time, when the horses are out at grass, there is very little stable work; it would not work out at more than a half of that—probably two or three hours a week if you take an average.

14,725. If you take it over the whole of the year you would reduce the figure of seven hours somewhat?—Yes, it would have to be reduced for the months of June, July and August—for those three months at any rate in Scotland.

14,726. To come to the question of having taken out of the land more in the past few years, and which it was suggested ought to have been put into a reserve account, has it been put into reserve?—I do not think so.

14,727. Is it not the case that it has been included in your ordinary yearly profits, and thereby to some extent inflated them?—Yes, in my opinion that is the case.

14,728. So that the result will be in future years if instead of taking out the reserves you begin to put it back, your profits yearly will show less than what they ought to?—Certainly.

14,729. Would you say that, taken all over, the 1918 crop, which is the one upon which the costs put before us are based, was a better yielding crop and a better threshing crop than the 1919 crop would appear to be?—Yes, the 1918 crop was one of the best crops we have had in Scotland for a good many years. I would say that in the cereal crop for this year, and

particularly oats, there will be a reduction of at least 25 per cent., and our potato crop I am certain on an average will be two or three tons an acre less.

14,730. In addition to these differences the 1919 crop has cost you more to produce?—Yes.

14,731. In regard to the land under the plough in 1914, on the better class farms, I think it was put to you that without any guarantees such land might remain under the plough. Is it not the case that there will be a considerable proportion of that land requiring better treatment than it has got for the past four or five years?—Yes, if you use up the manurial residue or cumulative fertility of the land for three or four years it will have to be put back in some shape or form.

14,732. Would one of the ways be to rest it in grass for a time?—Yes, that would probably be the easiest way.

14,733. With the result that you would not have so much first class land under the plough as you had in 1914?—Yes.

14,734. With regard to your wages which you are prepared to pay for the future year, beginning now, I suppose you would have in view the fact that there is a guarantee for the 1919 crop?—Yes.

14,735. And also that the Prime Minister has made a statement to the effect that he cannot imagine it will be other than somewhat similar in respect of the year 1920?—Yes.

14,736. You had that in view?—Yes.

14,737. So that you were not stretching too much in giving an increase of wages—you knew what you were working on?—Yes.

14,738. Mr. McNicol, in regard to the turnip crop of 1918, particularly in the Lothians, could you tell us what kind of crop it was?—(Mr. McNicol): Very poor—in many cases a failure.

14,739. An actual failure?—Yes, an actual failure; there were many cases of nearly total failure.

14,740. And I suppose in a considerable number of cases the seed was sown two or three times?—Yes; four times in some cases.

14,741. Could you give us details of the hours of horse labour for a year? What in your opinion would be a reasonable number of hours for a horse to work in a year?—Do you mean the actual working?

14,742. Yes?—I think it would run, roughly speaking, to about 220 days on the average, or a little over that.

14,743. How do you arrive at that number? I suppose you start with 365 and deduct 52 Sundays?—Yes, and then deduct 26 full days—52 half-holidays are equal to 26 full days.

14,744. Yes, that leaves 287?—Yes.

14,745. How many holidays do the men have?—They have New Year's day and one hiring day.

14,746. That is 285?—Yes, and there are periods when the pairs are split on various operations during spring and summer and during hay and corn harvest. We only use about half of our available whole days staff at those periods—the others are not working then. Then there is bad weather and other conditions when we may not be able to get on the land, and when we may not have any carting to do, and the men then would not be using the horses, so that I estimate 220 as the actual number of working days per annum.

14,747. In addition to what you have mentioned there is also the time they are idle while you are threshing?—Yes, the bulk of them are idle during threshing. There may be one or two employed carting to the mill.

14,748. You were asked with regard to the necessity of appointing a considerable number of officials if there were a guarantee. Are you aware that in Scotland applicable to this present year's guarantee, the Board of Agriculture have issued forms to farmers asking them to fill them up with the acreages of these various cereal crops?—Yes.

14,749. Are you also aware that the Board of Agriculture for Scotland are only checking 10 per cent. of the returns taken at random out of the whole lot?—That is true.

14,750. That is all the officialdom there is with regard to this current year?—Yes.

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14,751. In regard to the question of farmers buying their farms and other farmers being willing to buy farms from outgoing tenants when they go out is there not another reason in addition to the one you have given—sentiment? Is there not the fact that the outgoing tenant leaves a considerable amount in the land?—Yes.

14,752. Is it not the case if an outside farmer wants to buy he wants to get the benefit of what the outgoing man has not had time to take out?—Yes.

14,753. Is that not one of the principal reasons for prices being higher than what would be estimated as the economic value of the land?—Yes, that is the main reason probably.

14,754. I should like to ask Mr. Allison a question. Has this balance sheet which is produced been used for the purpose of satisfying the Inland Revenue that the income tax on that particular farm should be charged at less than double the rent?—(Mr. Allison): Yes.

14,755. And it has been accepted by them?—It has.

14,756. Although that profit for 1918 shown there is not equal to one year's rent, from your knowledge of similar farmers and their accounts do you know that there are others that are probably better?—Yes, I am sure there are several better than that.

14,757. This particular balance sheet refers to a farm of what acreage?—A little over 500.

14,758. What kind of farm is it?—Purely arable.

14,759. It is a farm where everything is sold off?—It is a farm where everything is sold off, excepting what is fed to the farm horses.

14,760. No cattle are kept?—No.

14,761. The straw is sold?—Yes.

14,762. The manures and dung are purchased?—Yes.

14,763. It is a well managed farm?—The Commission can judge of that by the results of the trading. It is considered one of the best managed farms.

14,764. There is nothing in regard to the management that you can give as a reason for the profit being less than single rent?—No, nothing.

14,765. Looking at the cost of production of the various crops that you have put in, taken generally if you were to eliminate the highest in each of the statements would the result be that the guaranteed prices for the 1918 crops and the actual prices received would practically in every case show a profit?—Yes.

14,766. So that there has been a profit made in Scotland?—That is, I think, admitted on these figures. We know some of them are high, but there are probably special reasons which made them high, and if time had permitted we could have enquired into it.

14,767. I think you have already said that you have reconciled the cost with the trading account as far as you possibly could in this particular instance?—In this particular instance, I think, as an accountant, it is completely reconciled; it would satisfy any commercial house.

14,768. In view of that is it your considered opinion that these remaining costs where you do not have balance sheets to reconcile them are reasonable and fairly accurate?—Yes. My purpose first of all was to secure costs, and having obtained them I felt that I required to prove if they were reasonable and the only way I could prove it was to obtain accounts where the information was detailed enough to find the cost of production, and I found that the cost came very close to the figures shown in the estimated cost.

14,769. One other question of Mr Stewart. I think it was mentioned that in the case of sales of second-hand implements they were very dear and, therefore, there should be very little or no depreciation. Is it not the case that they are dear because there are no new implements available?—(Mr. Stewart): Yes, you cannot get the new implements without waiting for a considerable time.

14,770. Taking anything, for instance, that you make at home, such as corn carts, and any other carts, I suppose it is too late to order them if you want to get them for the purpose of the current crop?—Yes. As a matter of fact I ordered new implements for this year in plenty of time to reap the crop, but they could not be delivered in time.

14,771. That is the reason for the price of second-hand implements being so high?—Yes.

14,772. Mr. Overman: Mr. Allison, if you will turn again to the balance sheet which Mr. Batchelor has touched upon, what do you put the capital value at in these accounts used in the working of this farm?—(Mr. Allison): £10,037.

14,773. £998 10s. 2d. is the net profit on which he paid income tax?—That is not the sum on which he paid income tax; that is the sum which he used as the basis.

14,774. Does any increase in these valuations of live and dead stock go towards the profit?—That is rather difficult to answer because any profit is reflected partly by the cash received in excess of what is paid out and partly by the increase in the value of his trading assets at the end.

14,775. That is just what I want to get at. Is this profit arrived at by an increase in his valuation and not by his real profit?—That is his real profit. If one were to take his income and his expenditure one could not say that he had reflected his real profit or his real loss. It is absolutely necessary to take in the beginning and closing valuations. We have the commencing valuations in this account and any benefit obtained in the sales will be reflected by the sales on the credit side, as will be seen in the trading account.

14,776. Were the valuations taken on the same basis?—Yes, on the cost of production of the crop as closely as it could be ascertained.

14,777. The costings at the end which are taken from these accounts I take it are as near as you can possibly get them. When you take the over-costs it amounts to as near as you can possibly get them?—Yes, and from my experience it would satisfy most engineering firms if you could cost as closely as that.

14,778. I quite agree. On your actual costings sheet at the end you will notice that the cost per quarter of oats is £3 0s. 11d., I think?—Yes.

14,779. And the cost of wheat £4 1s. 2d.?—Yes.

14,780. It is very much higher than the estimated costs which you put in on the other sheets, and these are actual costings taken from a balance sheet whereas the others are estimated?—It is admitted that the oat crop on that farm that year is low, but if the crop had been an average one it would be £2 9s. 1d. in place of £3 0s. 11d. You will see that in paragraph 14 of the *précis*. We admit there that the cost is higher than it ought to have been; the crop was not the success it should have been.

14,781. Then as regards the wheat?—The wheat shows a cost of £4 1s. 2d. as against the highest cost of £4 4s. 4d. and the lowest cost we show of £2 1s. 7d., but of course the conditions may not have been the same.

14,782. That is the difficulty in getting at these costs—the variations in the conditions?—Yes.

14,783. Have you any other accounts kept on a similar basis to these that you can produce?—There are none.

14,784. This is the only case you have of a balance sheet?—Yes. There are accounts which are satisfactory to the farmers themselves, but there is considerable difficulty in finding out what the items really cover. It would be necessary to eliminate the capital expenditure and show a pure trading profit. To do that takes time and if the Commission wish it to be done I believe the Union would be willing to make up figures on the basis of other balance sheets which we know can be obtained, but in the time available so far we really could not do it.

14,785. I think it would be extremely useful if we had other accounts on the same lines as these. Every one is always asking for accounts and balance sheets, and these seem to have been most accurately prepared and very well put forward, and if you could help us in that way I am sure the Commission would be very glad to have figures?—I cannot speak for the Union, but I think the Union would be prepared to go to that trouble on behalf of the Commission.

14,786. Chairman: If you will be kind enough to bring that before the Union?—Yes.

14,787. Mr. Rea: All these costs of yours, Mr. Allison, relate to the 1918 crops?—Yes.

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14,788. Have you formed any estimate as to the increase there would be for the 1919 crop?—No, we have not done so, but I think such an estimate could be made up very simply. Our costs are analysed into labour, material, and on-cost. By taking those three and applying the increases or decreases the 1919 figures or the 1920 figures or 1921, other things being equal, could be obtained.

14,789. You take the per quarter cost?—Yes.

14,790. I think you consider that to be the most reliable basis to work upon?—Yes.

14,791. This year you have a double burden as it were. There is a considerable increase in the actual cost and there is a decided decrease in the yield, as it has been stated?—Yes.

14,792. So that the cost per quarter will be appreciably larger?—Yes, the cost is affected by the two things, one the increased prices and wages, and the other decreased yield. There is a decrease in the actual materials saleable, not exactly what are produced but what are sold. In potatoes, for example, you may produce eight tons per acre and only sell six.

14,793. In cereal crops is there not a much less quantity produced?—This year we believe that will be so; one can see that from the crop in the ground.

14,794. I think you said these are taken from the better class farms?—We deduce that from the results we have obtained, and of course we have the names of the farmers who have produced them, and they are all known individually and are considered as being first-class farmers.

14,795. Their organisation, therefore, will be above the average?—Yes.

14,796. So that probably their costs will be less than the cost of a great many others?—Yes.

14,797. With regard to the cost of fat cattle, has your Union come to any opinion as to what will be a fair price as regards beef?—No, we have kept within the limits of the cost of production.

14,798. I see the average of these costs of last year works out at 93s. 4½d.?—Yes.

14,799. That looks as if either beef production will be a losing concern or considerably higher prices will be required?—Frankly it is a more difficult matter to get at this cost than it is in the case of the others. The cost certainly appears high. It may not be so high as it appears, but these are the only costs we have before us.

14,800. These costs are actual figures?—Yes, but they are not proved by accounts. As an accountant I should like to produce accounts which would prove that these costs are right. All costing is theoretical until you come to the proof of it at the end of the year by receipts and expenditure.

14,801. For practical purposes this can be taken as correct?—It is the best that we can produce.

14,802. With regard to the guarantee I do not want to enter on that question in the way it has been touched upon, but I should like your opinion as an expert in figures as to whether it is not highly desirable, to put it in its mildest form, that this country should produce all the grain it possibly can, so as to prevent the export of as much coal as possible and the use of shipping to bring in produce from other countries?—I agree with that, if it is possible.

14,803. How do you mean, if it is possible?—If it is possible to secure this production which is going to enable us to keep out the foreign supplies. The whole thing, it seems to me, is governed by the world market—and whether corn can be sent in here at a cheaper price than is required to subsidise this industry, but that is a matter of policy for the Union with regard to which I am not able to speak.

14,804. A subsidy is really a sort of insurance against a heavy loss occurring to the farmer?—It is bound to become a subsidy so long as the market is open.

14,805. That is assuming that the world's prices are going to fall seriously in the next few years?—Yes, and it is assuming that other countries will be in a position to send in the grain; if they cannot send it into this country naturally the price here will be higher.

14,806. Do you not think that all the factors point to it being impossible to send it in at a cheap rate within a given time?—I am afraid I have not given that question sufficient study to be able to answer, but I should be inclined to say conversationally that that would be so.

14,807. Mr. McNicol, you were asked a good many questions about the sales of farms, and I think it was rather implied that the larger proportion of farms which have been sold were sold at an unduly high figure. Is that your experience?—(Mr. McNicol): I would not say unduly high, but they have been sold at a higher figure recently than formerly used to be the case. I do not know that you could call it unduly high.

14,808. In cases where high prices have been realised there has been some reason for it, either sentimental attachment or the fact that the farm has perhaps been cheaply rented and the man has improved it by his own work, and although he does not want to buy it is a question of losing his own improvements or buying the farm. That is the case, is it not?—Yes, that is the case.

14,809. Against that have not a large number of farms in Scotland been sold at low prices? Is it not the fact that in your own neighbourhood there was some very good farming land sold at well under 20 years purchase on the rental lately?—Yes, but there was a special reason for that. That land had been turned into small holdings which restricted the sale in a sense; there is practically a form of dual ownership there. The Government broke up that land into small holdings and the buildings on those holdings are Government property.

14,810. Is that the same land near Drem that you are alluding to?—There was another reason there. I was thinking of a different place. The reason there was owing to the high rents. They are on a half fiars rent; part of the rent is paid in cash and the other half is paid in grain, and owing to the large rise in the Fiars Court these rents have enormously increased during the war, but the buying price has been based on what you might say was a market rent. The rent paid during the war owing to the increase in the Fiars Court was really a false rent.

14,811. The purchase price was not based upon the false rent?—The buyer based his purchase price on the market value of the farm as a letting proposition. The natural result is that it shows a small number of years' purchase on the present rental.

14,812. Is it not your experience that a good many farms have actually been sold at about 20 years' purchase on a reasonable rental?—Oh, yes.

14,813. So that it is not all due to what is rather implied as being the exceptional opulence of farmers that they are willing to pay an unduly high price for their farms. I do not think that is the case, is it? They do not, as a rule, buy their farms unless they see the likelihood of a commercial return from them?—They are mostly all looking at that when they are buying farms unless those farmers who are really paying the higher prices are sort of forced into it. But the bulk of the men that are buying farms are buying them as a commercial proposition to make a profit on them, certainly.

14,814. Dr. Douglas: Mr. Allison, I think you have recognised that there is a very great variation shown in the costs which you have submitted of all the various farms?—(Mr. Allison): Yes.

14,815. The variation amounting in some cases to as much as the lowest cost so that one cost of production is double the other?—Yes.

14,816. That leaves a very large margin of error in calculation, does it not?—It is not such a large margin if you consider that those high prices are very few in number. If you eliminate them you get a more reasonable average.

14,817. That is just what I was going to ask. I want you to develop that point. You said that it would be possible to eliminate these variations?—Yes.

14,818. What do you mean by that?—I mean to take out all those figures that have been shown to be exceptionally high ones. For example, in potatoes you have a cost of £8 4s. 3d. That is very high. I think if we had time to investigate that we would probably find there were reasons for that high cost

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which were not general to potato growers. Then there is the £7 0s. 1d. and the £7 2s., that is 3 out of 15.

14,819. You have several at £6, one at £4 9s. 9d., and one at £3 17s. 2d.?—Yes.

14,820. They range up and down, even after you have taken out the extreme cases, between £4 and £6?—Yes.

14,821. That still leaves a very large margin of error?—It does.

14,822. So that even after you have eliminated all cases in which you show on investigation a reason for elimination you would still need, would you not, a very large number of cases of accounts before you could get rid of that margin of error?—To a certain extent yes, provided that the conditions were the same.

14,823. Do you not think that the difference in the conditions can only be discounted by including a very large number?—There is no other method.

14,824. So that to comply with the requirements of a statistician you would really need an enormous number of accounts?—I agree.

14,825. Mr. Stewart, there is one small matter I want to ask you about. You say the land suffered through hay and straw being taken by the military. You are aware, I think, that there was a pledge given that no hay or straw would be taken which a man found necessary for maintaining his own stock?—(Mr. Stewart): Yes.

14,826. Was that pledge not honoured?—Yes, but a good deal of the hay was commandeered for Government purposes.

14,827. Yes, but it was understood, was it not, that no hay was to be commandeered except surplus hay, that is to say, what a man did not require for his own use. Was that observed?—Generally it has been.

14,828. Do you think there have been cases in which hay and straw were taken which a man said he wished to retain for his own use?—Not generally.

14,829. So that that would not be a general cause?—No.

14,830-1. I suppose other factors were adverse to cattle feeding?—Yes, cattle feeding was one of the most speculative branches of our farming business. It sometimes gave high profits during the war and at other times not. In some of these years the cost of the store animal was out of all proportion to what we were getting for the fat animal, so that the feeding of cattle was not a paying proposition. It paid us better, therefore, to let the Government have that hay and straw. These farmers I refer to are not in the habit of consuming all the hay and straw grown on the farms in the particular district to which I refer.

14,832. Mr. McNicol, I think you answered some questions about the position of your Union in relation to guarantees. Has your Union ever officially asked for any guarantees on cereal crops—I mean as a policy?—(Mr. McNicol): Yes, in a modified form.

14,833. Is there any resolution to that effect?—Yes.

14,834. When was that?—I could not give you the date.

14,835. It was comparatively recently, was it not—it was not before the subject had been brought before you?—I beg your pardon, I am wrong; I do not think we had a resolution on the subject.

14,836. That was my impression. You have never really asked for this?—No, we have not.

14,837. Should I be right in saying that when the policy of a guarantee was first suggested the opinion of Scottish farmers was adverse to it?—A good many of them were.

14,838. Nothing was done to welcome it or encourage it in 1917, when it was first put before you?—No.

14,839. Am I right in saying that you do not put it forward that farmers are entitled in the conduct of their business if they are left alone to have any kind of helper subsidy from the State. You do not claim any advantage over other industries in that respect?—No, we do not.

14,840. Does your present support of the policy of a guarantee arise from the fact that it has been put to you publicly by the Government that there is a need of increased cereal production?—Yes, that is our reason.

14,841. Your position is simply that you come here being invited to say that a guarantee of some sort is necessary if that result is to be brought about?—Yes.

14,842. You do not put it to us that the farming industry has any claim to special consideration. You merely put it that if the country needs a certain supply of cereals produced it must give confidence to the industry producing these things?—Yes, that is the idea.

14,843. That is your position quite clearly?—Yes.

14,844. Mr. Lennard: There are one or two questions I should like to ask Mr. McNicol. In your figures do you take the oats consumed by the horses at their cost of production or at market price in estimating your costs?—(Mr. McNicol): I cannot say definitely in every case, because these are average costs over several farms given by individual farmers.

14,845. I am referring to your own costs?—No, I did not take the exact cost of production; I took it at slightly over the cost.

14,846. This is an estimate, too?—These are estimates, too. They are average estimates over several farms in the Lothians. I cannot really speak to what the details of these costs are.

14,847. They are based upon costs submitted to you by other people?—Yes, including my own.

14,848. And you do not quite know as to horse labour?—No, I never definitely asked for the estimate as to that.

14,849. Do you know whether anything was included by way of wages of management by the farmer?—There are no costs included for management by the farmer himself. The management shown there is money or perquisites paid to a grieve or steward or foreman taking charge.

14,850. Did these costs include the rent of the farmhouse, spread over the acreage of the farm?—I fancy that is so.

14,851. By a quarter of wheat in your evidence-in-chief you mean 504 imperial lbs., do you not?—Yes.

14,852. I notice that your average cost of wheat production is £16 5s. and your yield 5½ quarters of 504 lbs.?—Yes.

14,853. So that a minimum price of 60s. per quarter of 480 lbs., which is the same as 63s. per quarter of 504 lbs., would bring in £16 18s. 7½d.?—Yes.

14,854. A profit of 13s. 7½d. an acre for the wheat?—Yes.

14,855. By a quarter of oats you mean, do you not, 336 imperial lbs.?—Yes.

14,856. In regard to oats, I see your average cost is £13 8s. 5d. and your yield six quarters an acre?—Yes.

14,857. A minimum price of 38s. 6d. a quarter of 312 lbs., which is the guaranteed price that was fixed for oats when the guarantee was 60s. for wheat, and which is equivalent, I think, to just over 41s. 5½d. per quarter of 336 lbs., would bring in £12 8s. 9d. per acre with a yield of six quarters. That is a loss of 19s. 8d. an acre?—Yes.

14,858. So that these figures of yours indicate, do they not, that the guaranteed prices fixed for 1917 by the Corn Production Act would on your 1918 costs give you a profit on your wheat, but a loss on your oats?—That is the case.

14,859. The ratio between the prices for these cereals as fixed by the Corn Production Act for 1917 is more favourable to the production of wheat than to the production of oats?—Yes on our land.

14,860. I follow. Do you think that this would also hold good of other parts of Scotland outside your district?—No. Our land is very suitable for wheat growing. It is good loam, and we have a dry, sunny climate. We can grow wheat to better advantage, therefore. The Lothians are, I consider, the best wheat land in Scotland. Against that, we are in a very dry climate, and oats need more moisture, and owing to our shortage of moisture we cannot grow oats to the same advantage. That is the only reason for that.

14,860A. Can you give me your opinion as to the ratio between the two prices fixed in the Corn Production Act?—Do you consider that that ratio

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[Continued.]

is satisfactory from the point of view of the national interest? As I conceive it, it would be to the national interest to have land which is really most suited to wheat growing wheat, and to have land which is most suited to oats growing oats. Would the ratio between the guaranteed prices fixed by the Corn Production Act lead you to that position, or would it give an undue preference to the wheat?—I think it is giving an undue preference to wheat.

14,861. For Scotland generally?—For anywhere. The Government, under the Corn Production Act, are paying on an acreage basis of four quarters of wheat and five quarters of oats, with this condition, that it is only in respect of oats sold.

14,862. I am not referring at the moment to the present position under the promise of November last, but to these ratios in the Corn Production Act—the ratio between 38s. 6d. for a quarter of oats of 312 lbs. and 60s. for a quarter of wheat of 480 lbs. On your figures for your particular farm it would appear that that ratio gave an undue preference to wheat, and what I am seeking to find out is whether, in your opinion, that is true of the country generally or whether it is only produced by the special circumstances you have alluded to in regard to the quality of your own land?—Yes, and climatic conditions. I think, speaking generally, that would apply just to the favoured districts—the undue preference to wheat.

14,863. While you feel dissatisfied with the ratio that obtains under the arrangement for this year by the promise of last November, it is your opinion that the ratio fixed by the Corn Production Act for the first year is satisfactory, and does not give an undue preference to wheat?—No, I do not think that it gives an undue preference to wheat if you have suitable oat land, because you would get a higher yield of oats probably per acre in the more favoured and moister districts than we have. I do not think the ratio is very far out between the various types of grain.

14,864. There are just one or two questions I should like to ask Mr. Stewart. I was much interested, Mr. Stewart, in what you said about the pressure of the Education Rate. Do many young men leave your districts for the towns to seek industrial employment?—(Mr. Stewart): Yes, occasionally they have done.

14,865. So that your Education Rate tends to be high, does it not, because you are educating the people for other places?—Yes.

14,866. You educate the boys, and then they leave you and go to work as men in other industries than agriculture in the towns?—Yes.

14,867. Would the case be met, in your opinion, if a larger proportion of the cost of education was paid out of imperial taxes and a smaller proportion out of rates?—Yes, but I think in comparison the rate is charged over the whole county under the new educational system. Previously we were paying for our own parish. And the difference now is that we are assessed for this year at something like £1,440, compared with £380 last year for our parish. That means that we are paying now for the education in some of the mining and industrial places. We are paying an undue proportion of the rates.

14,868. Do you consider it taking the county as the unit a more satisfactory or a less satisfactory method?—It is less satisfactory for us. (Mr McLaren): It is more satisfactory for other places.

14,869. I was under the impression it might work the other way?—(Mr. Stewart): No.

14,870. That in villages you get a larger proportion of children to be educated—a larger proportion of youngsters to adults—and, therefore, it might be fairer to charge the education to the larger unit, the county, than to the smaller unit, the parish?—That is what they have done. Formerly in Scotland we were paying for our own parish. We got the Government grants and it only cost us £380 for our own parish. Under this new system, as I say, we are called upon to pay £1,440. That is the difference it means to us in a single year, and there is no guarantee that that rate may not be considerably increased.

14,871. Is that simply due to the change in the unit of assessment, or an increased cost of education per child?—Partly to both, I expect.

14,872. Supposing the old unit of assessment had remained and the education rate had been charged on the parish and not on the county, the burden on you in your parish would not have been as great as it is now under the new unit?—It could not possibly have been half of what we are charged under the new system.

14,873. Mr. Walker: I want to ask Mr Stewart a question. Have you any figures to show the number of men employed per 100 acres in Fife as against the number in other counties?—I am not sure whether we can give you that or not.

14,874. Have you any figures?—I have not got any returns although I think there will be returns to show that.

14,875. What number of hours do you work per day in Fife now?—On an average a 50-hours week, not including stable time. We work 9 hours a day, but we give 42 half holidays in the year or 21 whole days.

14,876. How long have you been doing that?—Since the month of May, when the half-holiday system was introduced; previous to that it was a 54-hour week except in the winter, when we had not sufficient daylight to work the 9 hours day.

14,877. How do you reconcile that with your replies to Mr. Batchelor?—I do not understand your question.

14,878. You remember the replies you gave to Mr. Batchelor, do you not, about the reduction in hours and so on?—Yes.

14,879. You say now that you work a 9-hour day. How do you reconcile that with your reply to Mr. Batchelor?—It was the difference between the 10 hours-day which was general over Scotland, and if it was reduced to an 8-hours day, I gave the figures not as applied to our county particularly, but over the greater part of Scotland.

14,880. I want to ask Mr. McNicol a question with regard to the guarantees. Will you tell me when the resolution you referred to was adopted?—(Mr. McNicol): I withdrew that, and said there never had been a resolution.

14,881. I beg your pardon, you withdraw that statement?—Yes.

(The Witnesses withdrew.)

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MR. E. M. NUNNELEY.

[Continued.]

SEVENTEENTH DAY.

TUESDAY, OCTOBER 21ST, 1919.

PRESENT:

SIR WILLIAM BARCLAY PEAT (*Chairman*).

DR. C. M. DOUGLAS, C.B.
 MR. G. G. REA, C.B.E.
 MR. W. ANKER SIMMONS, C.B.E.
 MR. HENRY OVERMAN, O.B.E.
 MR. A. W. ASHBY.
 MR. A. BATCHELOR.
 MR. H. S. CAUTLEY, K.C., M.P.
 MR. GEORGE DALLAS.
 MR. J. F. DUNCAN.
 MR. W. EDWARDS.
 MR. F. E. GREEN.

MR. J. M. HENDERSON.
 MR. T. HENDERSON.
 MR. T. PROSSER JONES.
 MR. E. W. LANGFORD.
 MR. R. V. LENNARD.
 MR. GEORGE NICHOLLS.
 MR. E. H. PARKER.
 MR. R. R. ROBBINS.
 MR. W. R. SMITH, M.P.
 MR. R. B. WALKER.

Mr. E. M. Nunneley, Farmer, of Wellingborough, Northants, called and examined.

(Mr. H. G. Howell, F.O.A., Director of the Agricultural Costings Committee, was also present.)

Chairman: Mr. Howell, the Commission has decided to ask you to be present while Mr. Nunneley and the other farmer give evidence; and it may be that some of the Commissioners may wish to ask you some questions on the farmers' evidence, or that you may be able to elucidate some point of their evidence.

14,882. Mr. Nunneley, Mr. Howell has presented some farming accounts for you. Will you allow me to incorporate them in your evidence*?—Yes, certainly.

Then Mr. Edwards will begin asking questions.

14,883. *Mr. Edwards:* In what part of the country is your farm situated?—Northamptonshire, between Kettering and Wellingborough.

14,884. What is the nature of the land?—Generally speaking, heavy clay land; but three years ago the Home Farm, which I had occupied for nearly 40 years, was sold away from me, and I was turned out. I then took an adjoining farm, which is more limestone; so that the 1918 figures refer to a rather different holding to the previous figures. I retain about 450 acres of what I had before, but 320 acres or more are fresh since 1916, and they are principally limestone.

14,885. What is the general nature of your method of farming? Is it mixed farming?—Yes, very mixed. It is principally rearing stock, and corn-growing and wheat more than anything else. I have very little feeding grass land; practically none.

14,886. While you are on the matter, you said just now that the farm which you had been occupying for 40 years was sold?—Yes.

14,887. As one of our leaders, I should like to have your view as to whether you think, under the circumstances, you got anything like a fair compensation when you left, for the work that you had put in that land for 40 years?—No, I certainly do not think I did, though I will say one thing at once. I followed my uncle, who was the owner of the land and had farmed it very well indeed before, so that it was in good condition when I took it, and I think I am entitled to say I left it in quite as good condition.

14,888. You did not buy it yourself?—I did not. I had not the opportunity; they said they were obliged to sell it by auction as trustees, and bound

to get the highest price they could, and they thought they would make more of it by selling the farm in five different lots, no one of which was sufficient to keep up the house and buildings. I should have bought it at a fair price; but I was not prepared to give so much as one or two people in the neighbourhood, who did not require the farm as I did, to make a living out of it. I may say it was bought by a manufacturer for a pleasure farm. He said he wanted it to go and kill rabbits on, or something of that sort.

14,888A. Do you say that your farm, which had been farmed by you for 40 years, and by your uncle previously as a well-developed farm, has been purchased by a gentleman who wants it for the pleasure of killing rabbits?—Perhaps I ought not to say that; but I said to him just after he bought it: "You have given a big price for it," and he said: "That does not matter, I wanted a nice home for my daughter who has just got married, and I wanted a bit of sport, killing rabbits, and so on." As nearly as I can remember, those were his words.

14,889. Looking at your figures, you cannot say that you have been farming at a loss, as some of the witnesses have said?—Not recently. For three or four years between 1879 and 1886 I think I show a loss—a positive loss.

14,890. I quite see that, because I remember the time very well?—Since then I have not had a positive loss. I have not had a positive loss in any year since about 1886 or 1887.

14,891. We shall possibly ask Mr. Howell later on about the figures. What do you think are the factors that cause the feeling of unrest that is undoubtedly prevailing at the present moment amongst the farmers of this country?—At the present moment the principal thing, of course, is the selling of land; but ever since I have known farming there has always been a feeling of insecurity amongst tenants. I, myself, the whole of the time I had this farm, had that feeling, because I knew at the death of my cousin by marriage, who was 15 years older than I was, in all probability it would be sold. Of course, that gave me naturally a feeling of insecurity the whole time.

14,892. So that in your case the fact is, throughout your tenancy of the farm which you handled, you never did feel in a position to launch out and exert

* See Appendix No. II.

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[Continued.]

yourself to the full, as it were, in the developing of the farm?—No, certainly not, especially with regard to the laying out of capital. I did not mind my own time and trouble so much as that I was chary of laying out capital which I knew, in the event of this lady's death, I should probably lose.

14,893. Of course, I quite agree with you that that is the feeling of practically all of us; but do you not think that such a position is an impossible one for the full development of our land?—Yes, certainly, I do.

14,894. You will agree with me, therefore, that the first essential is to put this on a proper basis as a nation?—Yes. I may say that security of tenure has been the great object farmers have been striving for. It is the thing I have done publicly the whole of my life.

14,895. It has been my object, too?—I do not know whether it would be fair for me to say here that I am intimately connected with the Farmers' Union, but I am in no sense giving evidence on their behalf. I have not been asked to do so, and my accounts have not been submitted to them at all; but, at the same time, I am Chairman of the Land Tenure and Local Taxation Committees of the Farmers' Union, and, therefore, if you are going into that I should have to be somewhat careful, because I should feel I have a certain amount of responsibility as being Chairman of those Committees.

14,895a. *Chairman*: I think the land tenure question is only one to be gone into so far as it affects the cost of production; and, of course, it does affect the cost of production if you are unable to expend the capital which is necessary for economic production?—Of course, I look upon that and upon local taxation as two very important questions for the future.

14,895b. *Mr. Edwards*: As you are probably aware, the drift of things at the present moment on this Commission and, possibly, outside, too, is, that the remedy for the state of affairs is for the State to guarantee prices and leave the other matters as they are. I should like to have your opinion on that policy, if it is a policy?—If I may speak quite freely, I was more in favour of that a few months ago. It was my idea very strongly. But at the present moment, if conditions of wages and, more especially, hours of labour, are to be continued, I am certain that no Government could guarantee such a price for cereals (and I say frankly, speaking as one of the community at large, I do not think they ought to) as would enable me to continue to cultivate them on a very large part of my land. I refer more especially to the hours of labour, because my farm lies, as it were, in a triangle, with the village and the buildings at the apex. A very large proportion of it is from $1\frac{1}{2}$ to $2\frac{1}{2}$ miles away from that. With a $10\frac{1}{2}$ -hour working day, I could not get more than 6 hours' work from horses on that land, and not more than a 7 hours' day from the men. With an $8\frac{1}{2}$ -hour day, it will make it absolutely impossible to cultivate that land. In fact, I am at the present moment laying the whole of it down to grass again. The principal part of it was in grass from about 1880 until three or four years ago, when I broke up over 100 acres of it. Next year, or the year after, the whole of that will be down to grass again; because it means this, that if the men are to have an $8\frac{1}{2}$ -hour day, it takes at least $1\frac{1}{2}$ or $1\frac{1}{2}$ hours to go from the dwellings to that land, and the same to come back. Without reckoning the time of getting the horses fed, before and after, it would mean on that land they could not be at work for more than 5 hours a day. I think you will agree with me, that with the present wages conditions, cost of horse labour, and so on, it would be absolutely impossible to cultivate the land if they could only work not more than 5 hours a day, even in summer.

14,896. I quite see that things are unsatisfactory; but you noticed the reply of the Chairman of the Wages Board to Lord Lee as to the recent Order. He said there would be no difficulty, or no legal objection to the farmer coming to terms with his men to work any hours they like?—I know, and I thought it was one of the weakest replies I have ever seen made by one public man to another. If Sir Ailwyn

Fellowes had been farming as I have done, without a foreman or anything of the sort, for 50 years, I think he would know that the men will not work overtime systematically. They do not mind three or four weeks in the summer, the hay time or harvest, but they will not work for many weeks systematic overtime. They say those are their hours. Another thing. I cannot conceive any Government giving such a price for wheat as will make it pay me to cultivate that land with regular overtime, and overtime pay during the greater part of the work on it.

14,897. So that the conclusion you are forced to is that, whatever the guarantee or anything like a reasonable guarantee may be, it would be impossible, for you yourself at all events, to carry on as you have done in previous years?—Yes, it is utterly impossible. I may say my son is in partnership with me, and I have been talking it over with him, and he quite agrees with me. He practically manages the farm now. I am only there two days a week. He agrees with me that it is absolutely impossible. Of course I do not say if the Government were to guarantee £6 a quarter for wheat and £5 for oats, it might not make a difference; but I cannot conceive any Government doing that, or any community agreeing to it. I do not think it would be fair.

14,897a. *Mr. Duncan*: Just on this point Mr. Edwards has been asking you about, is the land you are laying back to grass, the land which you broke up within recent years?—Yes, principally; but I also intend, and am laying down, 60 or 80 acres more. In fact I have made my mind up to lay down to grass the whole of the land that lies under a mile or more from the buildings.

14,898. *Mr. Cautley*: I notice that you have been farming this farm for 40 years?—I entered on it in 1878, but I left in 1916; that is 38 years.

14,898a. Yes, to be accurate; so that the insecurity of tenure has not troubled you very much?—No; but I might say that I was farming my own cousin's land. I knew perfectly well I was practically safe as long as my cousin lived.

14,899. Creaking gates last a long time, do they not?—Yes.

14,900. And, at any rate, it did not trouble you so much as to make you offer to take a lease?—I object very strongly to leases, not because of my insecurity, but because I object to them.

14,901. Am I right in saying you object to a lease because of the obligations you undergo?—No, not altogether.

14,902. Why then?—Because, in the first place, if I had taken a lease of that land when I took it in 1878, I should have been in the workhouse in 10 years. I will say at once my landlords met me fairly. They reduced the rent enormously.

14,903. That is exactly what I want to get to?—Then I go on to say that beyond that, the whole idea of a lease, I am afraid is, that a man knows how long he is going to farm the land, and he may farm it fairly well until about three years from the end of the lease, but then he is bound, for his own protection, to run it all he can and take all he can out of it. He knows, if he leaves it in good condition at the end of that time, if he wants to renew his lease, he will only have to pay a higher rent for so doing.

14,904. I do not want to go into details, but what are the valuers doing? You object to a lease because if you get falling prices it is onerous for a tenant?—Yes.

14,905. On the other hand, you get the security of a lease in case prices go up, so that you can reap the advantage. Is that not it?—No, I do not think that would be fair.

14,906. Neither do I?—I have said so all through—and I took another farm in 1894 at 13s. an acre—it would be absolutely unfair for me to take a lease then; and I am now giving £1 an acre for it, and it is worth the money.

14,907. You secure your obligations by taking a lease. If you get further security, are not you trying to get the advantage of a freeholder, without paying for it? That is the trouble?—No, I do not think I am in any way.

14,908. You are aware, are you not, that owing to the position of a landlord being made so un-

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[Continued.]

popular, land is being sold rapidly all over the country?—I did not know it was because the position of the landlord was made unpopular. I thought it was that they could make more money for the land and could get more interest on their money elsewhere.

14,909. If you object to the phrase, we will say that landowners are not caring to hold their property. Do you agree with it?—I thought it was because they could get more interest for their money elsewhere.

14,910. Anyway, they want to be out of it?—I suppose so, if they sell it. They want to get the best interest they can for their money.

14,911. The complaints we have heard here are that tenants have been compelled to buy?—Yes, I have been myself. I do not like it at all. I did not want to buy.

14,912. It seems to me, your view is that you ought, without purchasing, to have similar rights to those which a man who has bought has?—I have never said that.

14,913. But is that not what is meant by security of tenure?—No, I do not think so at all. What I have always contended is that if a man is turned out unfairly, for a reason that is not really sufficient, he should be compensated for any monetary loss he sustains through it.

14,914. If he has entered into a contract by which he can give up the farm at a year's notice, and can receive a year's notice, is the unfairness that you speak of that the contract is performed by one side or the other?—It all depends on the conditions of that contract, whether it is fair.

14,915. He has made the contract for a yearly tenancy. It is not unfair if the tenant gives a year's notice I understand?—I want to make it fair on both sides, and I have always tried to do so. I do not know whether you have seen the Bill that has now been put forward, which was practically drawn up by me, for alteration of the Agricultural Holdings Act, which I have put forward on behalf of the Farmers' Union. I contend that that does secure the landlord in every right he has. It leaves the landlord perfectly free to give the tenant notice to quit at any moment he chooses, only if by so doing he inflicts loss on the tenant, he has to compensate him for the loss if he cannot show a fair reason for doing it.

14,916. And if the tenant gives unfair notice to the landlord and inflicts loss on the landlord, what then?—I do not think it ever does, if the tenant gives it up in fair condition.

14,917. Ah, yes?—Well, the Bill provides, as far as it possibly can, that the landlord has a claim if he does not.

14,918. Would you mind telling me what difference you draw between the agricultural yearly tenant and the manufacturing yearly tenant?—I am not sufficiently intimate with the conditions of manufacturing to answer that at all fully; but I think the bulk of manufacturers own their factory.

14,919. On the contrary?—I do not know that; but, generally speaking, I do not think a manufacturer would lose so much on having to leave his factory and take another as a farmer would, or in proportion.

14,920. Suppose you take the shopkeeper who has the goodwill of his business?—I am not speaking for shopkeepers, and I do not profess to understand that sufficiently.

14,921. I do not want to go into this in too minute detail; but does it not come back to this, that you are seeking to attach to a tenancy some attributes of a freehold?—I think not. I do not see that it is.

14,922. Getting something for nothing?—No, certainly not. I have protested most strongly against that the whole of my life. I have said all through that we must have fair treatment of both.

14,923. Of course, you have told me your official position and we know it. Do you mind pointing out a little in detail how, seeing that you have been here for 40 years, you have been deprived of the opportunity or, in fact, have not spent the capital that you would have spent?—For one thing, for the whole of that time I do not think I spent £5 a year in artificials.

14,924. Was that because the land was in such a good state of fertility as left by your uncle, as you have told us?—No; because of the state of fertility I got it into.

14,925. Without artificials?—Yes.

14,926. But whether you spent the capital or not, as Mr. Edwards has pointed out, the result of your farming has not been unsatisfactory?—I do not call it very satisfactory when for 15 or 18 years I did not get 3 per cent. for my capital, without reckoning a single farthing for my own work or my own out-of-pocket expenses. That is not what a business man would call satisfactory.

14,927. You are going back to ancient history?—No, it is not.

14,928. Forty years ago?—And, in my opinion, what we are going to have again in the next 40 years.

14,929. I agree with you, and that is what I am trying to find a remedy for. To that extent we do agree. But, your average is £1,944 for the last 5 years, but that includes your son's services and your own services, and your interest on capital, so that it is not as big as it looks?—No, and I want to point out that the great part of that is only paper profit.

14,930. I am coming to that. Then again, I find, preceding the war, for 19 years you made an average of £796. Again that allows nothing for your own services, I understand, or for interest on your capital?—No, nor for my son, who was with me the whole of that time. He came to me in 1895 or 1896, I forget which.

14,931. Practically the whole of the 19 years?—Yes.

14,932. So that with you was the really more skilled experience and he—it puts a big hole into it?—Yes.

14,933. It was not a too profitable undertaking all that time, was it?—It was not.

14,934. But, so far, you have not convinced me that the insecurity of tenure has made the land any less profitable under your management?—I think I could have made it more profitable if I had felt more secure. But I say at once, I, like so many others, feel that we farmed better than we ought to have done.

14,935. I am not unsympathetic to the tenant farmer remember. My view about the Land Sales Bill shows that; but I cannot help feeling that this security of tenure is a little of a bug-bear?—I do not think it is, because, as I said just now, I considered I did not get fair play when I left the farm.

14,936. Let us look at the next point. When did you leave? I understood you had to leave the farm because it was sold, and you left in 1916?—Yes.

14,937. When I look at your profits for 1916, they are 50 per cent. better than your biggest pre-war?—Yes. I can explain that to a very great extent.

14,938. I think the note you have made shows frankly that you did get out of your farm pretty well?—I cannot say that I agree with you there. The great bulk of that profit that year is from the large increase in my valuation of the stock I was keeping.

14,939. I see what you mean?—That is the great thing, and it is only a paper profit.

14,940. I will deal with the paper profit afterwards; but do I understand you to say that this large profit of £3,246 for 1916 does not show a considerable increase in your tenant right, and what I call the tenant's valuation apart from the saleable stock he had?—No, I do not think it does. I may say I do not know the particulars. Valuers never give that, of course; but I was enormously disappointed at my tenant right. When I came out that year my tenant right did not come to nearly so much as I paid for it in 1878.

14,941. The same farm?—Yes. I paid over £900 going in, and I got less than £700 coming out. I could never understand it, and have never done to this day.

14,942. Neither can I. That is an answer to my question?—Of course, I have not my figures here, but I could show them. I paid something over £900 for tenant right going in, and, as I say, only got something under £700 on going out.

14,943. Was that the Michaelmas valuation?—Lady Day.

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[Continued.]

14,944. Did that include the outgoing crop, or only the tenant right?—Only the tenant right.

14,945. Not the off-going crop?—What do you mean by the off-going crop?

14,946. The away-going crop?—I was paid for the wheat and so on I had sown in the autumn before, but nothing else.

14,947. You did not get the crop?—No.

14,948. In all the Lady Day tenancies I know you get the crop?—We have nothing of that sort.

14,949. In Northamptonshire do you have Michaelmas?—Principally Michaelmas; but where there is a Lady Day you have no claim on the crop. You are paid for the actual work done, the seed sown, and that is all; the incoming tenant takes the rest.

14,950. What about hay?—You are paid for the hay you leave on the farm, but only the consuming value.

14,951. Probably you did not leave the hay?—I left very much more altogether.

14,952. Then it is unintelligible to me?—So it is to me, and always has been.

14,953. Then I will leave that. I notice that during all the War years, like other farmers, until 1918—or 1917 is your bad year—you have made a considerably larger profit?—Yes.

14,954. Is a large part of that profit made up of the increased valuations of all your stock that you had at the end of the year as compared with the beginning?—Yes, and especially that applies to 1916 more than any of the other years.

14,955. In 1916 there was a larger rise in values?—Yes; because in 1915 (I know, as I made my own valuation) I did not think the prices would continue, and I did not value at all anything like up to their value.

14,956. If I may say so, I did rather the same. In 1916 you came to the conclusion that the valuations were more permanent, and you wrote them up, and that showed a large profit?—Yes.

14,957. Did you write them further up to show the profit of £1,797 19s. 8d.?—No, they were quite as high. Speaking from recollection, I think I put everything quite as high at the end of 1916 as at the end of 1917.

14,958. I understand your view is that these profits are considerably a paper profit?—Yes.

14,959. In other words, although you have had five years good, you have to face the diminution of your stock, alive and dead, all the way down until it gets back to the normal, if it ever does?—Yes.

14,960. And it is not fair to count these as profits which you may expect to make again?—No, I do not think so.

14,961. I gather from something you said to a previous Commissioner, that you take the view there will be a sudden fall in prices?—I do not know about sudden; it would be rather what I should call a rapid fall.

14,962. I take the view it will not come just at once, but when it does come it will be sudden. However, that is a pure matter of guess-work only. I suppose you have formed your view on the fact that all the outside producers will very shortly be able to land their cereals and farm produce into this country as in the past?—Yes, to a great extent.

14,963. And that as soon as the shipping can be got to bring the cereals here, we shall have to compete with the Chicago price?—I think so.

14,964. I want to ask you as a man who has farmed for 50 years, what in your view ought to be done to make the tenant farmer's position secure?—In his business going on?

14,965. Yes, in his business. I do not care twopence about security of tenure?—I cannot say, but I agree entirely with the statement put in by Mr. Donaldson on behalf of the Farmers' Union, that it is for the country to decide which of the two policies it will pursue.

14,966. I am sorry to hear you say that, because I think the Farmers' Union have made a huge mistake in that statement. I am not going to repeat the cross-examination I put to Mr. Donaldson; but the leaders

of the farmers who are engaged in the industry come to this Commission and tell us: "Though we are in control of this industry, we cannot suggest anything that ought to be done." It is an impossible position?—It is hardly fair to say that. We do suggest, or I would suggest, myself.

14,967. I am not asking you as a member of the Farmers' Union, because we have done with their official witnesses; but I am asking you as a farmer who is farming, I understand, very difficult land. Is it 4-horse land?—Most people would call it so. I never use more than 3.

14,968. I know the district well?—I very seldom use more than 3, in fact never, except when breaking up in the summer, when it is very hard.

14,969. But it does bake very hard?—Yes, so hard that steam will not touch it.

14,970. Do you keep steam tackle?—No, I hire it.

14,971. At any rate, for a man who has farmed that sort of land for 20 years, which is about as difficult land as you can have, what do you think it is that ought to be done?—I think it is hardly fair to ask me what ought to be done. I suggest two courses, and the Government or the nation must decide on which. Either they must give us a very big guarantee under the present conditions, or what are likely to be the future conditions, and as I say, such a guarantee as I cannot conceive them giving; or they must leave us entirely alone to go our own way and to go back to the conditions of 1880 to 1890. I may say, before 1880 the whole of that land was ploughed.

14,972. What is the average yield of wheat you get from your land?—I put it at 4 quarters.

14,973. Then you need not tell me that a reasonable guarantee cannot keep that land in cultivation?—If you will allow me to finish what I was saying, the 4 quarters is the average for the whole of my land, including the land near to me which is far better and worked at far less expense. This land I particularly refer to, the very heavy land, 2 miles away from home, I do not think you could get on an average more than 3 quarters from; but at home I have frequently grown 5 and 6 quarters. I was speaking of 4 quarters as my average of the whole.

14,974. I see what you mean. Anyway, to keep the 3-quarter land in reasonable cultivation, do you not think 80s. for wheat would be all right?—Nothing like it.

14,975. I do not say you would grow rich on it, but you would have some other crops?—As I told you before, my day's work under the conditions which now seem probable to come in on that land for men and horses, would only be about 5 hours.

14,976. That is because of the action of the Wages Board?—Partly.

14,977. I do not commend the action of the Wages Board; but you must start with the assumption that the minimum wage fixed on the basis it is by the Corn Production Act, has to be tried. We may have some doubt whether 10 years' experience will not show the economic law is too strong for it; but you must start on the assumption that the economic wage for the agricultural labourer is to be more proportionate to the townsmen's wages than it has been in the past. Starting on that assumption, and also starting with the assumption that land such as yours has to be kept in cultivation, I want your practical view, not to mislead us but to help us, as to what is the lowest guarantee that would do?—You have not yet referred to what I consider the most important part, that is the hours, not the wages. I could face the wages if you would let us go on with the old hours. I can tell you that land 1½ to 2½ miles from home always takes the men 1½ hours to get to work and the same to get back.

14,978. As a practical man I quite see what a serious thing that is; but suppose you get the Wages Board more reasonable as to the question of hours?—I can only say if you went back to the old condition of a 10 or 10½ hour day, it would make a very considerable difference.

14,979. You may take it again, I think, that the labourer is not going to work the long hours that he did before, but he will work reasonable hours. He will work longer hours than the present hours?—It is not the work. There is so much difference

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between what is called the working week and working day to the actual hours of work. That is what I think most about. If the men cannot work on that land something like 8 hours a day, it adds enormously to the expense.

14,980. You mean if they cannot work, the cost of your horses and ploughing is all going on just the same?—Everything is going on the same. Honestly, under those conditions my horses would not work on that land more than 4 to 4½ hours.

14,981. Is there much of that land in the county of Northampton?—There is a big stretch along that road which runs from Kettering to Northampton. When you get 3 miles out of Kettering you pass a large village of Broughton, and until you get within 3 miles of Northampton the road runs along a ridge with this sort of land stretching about a mile on each side, and the whole of that distance there is not a village. There are several hundreds of acres of that class of land along there.

14,982. Of course, on anything like the figures you mentioned, it is absurd?—That is what I say. I cannot see the Government giving a guarantee, and I do not think it would be right.

14,983. If you had a more reasonable week and more reasonable work hours in the day, you would go on pretty much as you have done in the past. Is that it?—Yes; I should be prepared to face a very considerable rise in wages.

14,984. But even then some very heavy land would have to be laid down?—Yes, I think so. A good deal of it is now being done by men farming 2,000 acres or upwards employing their own steam tackle, and employing as little labour as possible. The only men I know who are making a success of it are doing that to-day.

14,985. Keeping their own steam tackle and using it for everything?—Yes, and using as little labour as possible. My farm is not quite big enough for that. 700 or 800 acres is not big enough to run a set of steam engines.

14,986. There are two views, it seems to me, as to the future of farming in this country. One is to farm by the farmer employing labour at weekly wages, and the other the small-holder. If the system of the farmer employing labour at weekly wages is to continue, I take it you agree with me that something must be done to enable the farmer to be put in the position to pay the wages when they are fixed on the present basis?—Yes.

14,987. If the land is to be divided into small holdings where the man works it himself, is that a feasible or appropriate position?—Not for that land.

14,988. Certainly not for that land; but, taking the country generally, is it feasible?—No, not the land generally, because there is so much of that class of land a long way from any town or station, heavy land which cannot be worked without three horses. A small holder could not do it.

14,989. From your experience is there a large class of agricultural workers in the country who want to remain on the terms of the weekly wage rather than become small holders?—I think so. In fact I have offered land to some of my men and none of them will take it.

14,990. As a matter of fact, from experience is not a small holders' life rather a dog's life in that he is never done, and is always at work?—That is my opinion and my experience.

14,991. And is there not a large proportion I would say of the people engaged in agriculture, who would rather remain at the weekly wage with the fixed hours, and have finished?—I think so, but I do not know that I am entitled to say that more than anybody else.

14,992. Nobody is entitled to say it. You can only speak from your own experience?—Then from my experience and from my conversations with the men, I should say it is so certainly.

14,993. *Mr. Ashby:* You were asked some questions by Mr. Cautley about industrial businesses and the matter of tenant farming. He rather suggested to you that you ought to give a tenancy some of the attributes of a freehold. Do you know any instances in which as a matter of fact that is the case? Where a tenant has some advantages of a

freehold? I think a tenant has advantage over the freehold.

14,994. Making it quite plain, do you know any instances in which for instance shopkeepers sell the goodwill of their business and pass it on?—I know nothing of that. My father was a shopkeeper; but I have had nothing to do with it since I left him 50 years ago.

14,995. Do you know anything about the Evesham custom, for instance?—No. I have heard of it, but I know very little of it. From all I have heard of it, I do not think it is suitable for our class of farm, that is large heavy clay farms.

14,996. Turning to statement "D," page 13, Profit and Loss Account, I understand you to say that you had written up the valuation in each of the war years to some extent?—Yes.

14,997. And written it up in the highest proportion in 1916?—It got up more to the highest then. I was slow at putting the valuation of the stock that I could not realise up to what it was really worth, because I thought, and I still think, it will come down. But when it kept up so long, I felt bound to put it up a bit more.

14,998. As a matter of fact in the earlier years, at any rate, you did not put it up more than you were justified in doing?—I do not think I put it up more at any time than I was justified, if you take the market value. In the earlier years I did not put it up to that or anything like it, and I do not think I have now.

14,999. The point I want to bring you to is this, that you did, as a matter of fact in subsequent years, realise to quite the same extent as you wrote up your capital?—In what I sold I did—more.

15,000. Then to that extent the profit was not a paper profit in your sense?—No; but I mean stock you cannot sell, what you keep in way of implements, breeding stock, and so on.

15,001. With regard to the fall in the profits in 1917, have you any explanation to make as to that?—I do not know why, but I had particularly bad crops. I think the worst I ever had. It was not the usual experience in my district. Generally speaking, they were better than 1918; but it was my experience.

15,002. It was not at all because you were afraid you were writing up too much, and stopped the process?—No, I do not think so. In 1916 I had the further advantage that I took the farm in that year in an awful condition, but I was let in without any valuation at all. The man said if I would take it I could take it as it was, and what little ploughing was done he would not ask me anything for. That gave me a certain advantage in 1916. Another thing was that in moving into that farm I was obliged to sell rather more of my stock than I should have done, and therefore realised on rather more stock at a higher price than I had valued it at.

15,003. Taking a summary of your balance-sheet for the five years quoted and your estimate of the cost previously given for 1918, it appears that you really made your profit on your arable farming. Is that your general judgment?—No, I do not know how that appears. I do not think so at all. I think I made more profit on the stock.

15,004. Do I understand correctly that you have about 744 acres of land?—Yes, about that.

15,005. Your profit for 1918 is £1,797, which works out at about £2 8s. 6d. an acre?—Yes.

15,006. Your profit per acre on your corn statement is £1 19s. 6d., which leaves you about 9s per acre for your live stock. Does not it bring you back to the point that, according to your own estimate, you made your profit on your arable farming?—No, I do not see that at all. I do not say that I should get that in every year. It is only a calculation of what I reckon it cost me generally, but it depends so much on what cropping I had that year. I do not know what it was. The whole of the 740 acres was not under crop.

15,007. No, I understand that; but to take you literally, you do not place any reliance on your own estimate?—I cannot quite see that.

15,008. You have 436 acres of arable land, have you not?—Yes, about that.

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15,009. And you farm it on an 8-course system?—Not all of it. That is the heavy land.

15,010. So that this estimate of cost refers to the heavy land only?—Yes.

15,011. Which is the best land from the profit point of view—the light?—No, I should not say that.

15,012. I am asking you which you think is the best land?—I have not gone into that sufficiently to say. I should say that the heavy land in a dry summer is better than the other, but in a wet summer it is just the other way.

15,013. This is the 1918 harvest. I presume 1918 was rather a normal year, neither wet nor dry, was it not; so that the heavy land would not have any particular advantage in that year over the light land?—No, I do not think it had.

15,014. And, according to your estimate, you made nearly £2 an acre profit on your heavy land on the 8-course rotation?—I really cannot say what profit came from the heavy land or from the other. It so happened that year, I think I have mentioned somewhere, I had over 20 acres of peas, which made about £30 an acre; but that was a thing I had never done in my life before. I have generally sold them at about £5 per acre. There was a very considerable profit on that.

15,015. What was about the acreage to which this 8-course rotation course would apply on your heavy land?—I have not reckoned it up; I should think something like 150 to 200 acres. Then there is another thing I ought to mention. During the War, for those years I have departed entirely from my course. We were told to grow all the corn we could in those years, and I cropped my land very heavily. In one year I did not have a single acre of fallow. I took extra crops.

15,016. I am not concerned with the previous years; I am only concerned with 1918, to which this statement of cost relates, according to the date at the top of it. You say that you have 250 acres at least—I think you said 250 to 300—of this heavy land; and on your own estimate here given you show a profit over the rotation of £15 6s. 6d. on eight acres, or £1 19s. 6d. an acre. Then you say that in this year you thought the clay land would have no abnormal advantage over the light land; so I want to bring you back to the first point, that, as a matter of fact, on your own statement, you make the bulk of your profit on your arable land?—I have never gone into that, but I do not think it is so.

15,017. If you do not think it is so, I can only bring you back to the point that you do not seriously mean your own calculations?—It is an estimate, and I really cannot say where I did get most profit. I do happen to know that on that one particular field of 24 acres of fairly light land I did get a profit of, I should think, quite £20 an acre, a thing I have never done before.

15,018. But a high profit on 24 acres would have to be enormously high seriously to affect the whole of the profit on say 250 acres?—I reckon it was a profit of over £500, more than I had ever had before on land of that sort, and that might have some effect. There were other things as well.

15,019. Will you have a look at your valuation for a moment. There are two items at the bottom: "tillages (including seeds and pastures)" and "standing crops." I see you do not value the unexhausted manures, the manurial value of cake, &c., but you have there about £824 in the two combined items to start with, and £1,291 to finish. How much do you think in money your land has deteriorated over each acre?—That year?

15,020. Say from 1914 to 1918?—It has deteriorated, I think, in that we have not had the labour, and, as I say, I have overcropped it. It is rather difficult to say how much. I gave a rough estimate on one of these sheets. I forget what I put it down at, but I think 25 or 26 per cent.

15,021. Then hedges 80, foulness of land 70, and fertility 75. That gives you an average of 75 per cent. over the three items?—That is a fairly good estimate.

15,022. That in money would not be a large sum if you took the valuation at say £1,000. It would

be only £250 over 700 acres. Is that your general opinion?—I do not know quite how you get at that.

15,023. On taking the valuation of the two items here, there is one missing on the proportionate reduction in fertility, &c., as stated in paragraph 7, which is 25 per cent?—I am afraid I cannot quite follow you. You are referring, I think, to the two items at the beginning and end of the year, the £396 15s. and £427. The £396 compares with the £886, and I did notice that great difference and referred to my books to see how it was. I see that in 1917 I had no dead fallow at all, and only 22 acres of half fallow. The total for fallowing came to £44 in that year. The next year, 1918, I had 30 acres dead fallow which cost me £6 an acre, that is, £180. I had 64 acres which I had half fallowed after seeds, which costs £162. That alone came to a very considerable sum. It accounts to a great extent for the difference.

15,024. So that as a matter of fact you are starting to re-improve your land to get rid of loss of fertility?—I just state that then I was obliged to.

15,025. *Mr. Batchelor*: I understand in your profit you include interest on your capital. It is not taken out first?—No, that is all I have got.

15,026. Your capital is, roughly, about £20 an acre, and 750 acres would be £15,000?—I put it down £10,000, I think. If I were to sell it, then I suppose the things would come pretty well to £15,000. I have not put extra capital in; but my capital has increased because of the increased value of the stock.

15,027. There is a sentence I do not quite understand in paragraph 2, under the heading "General Remarks": "Half year's Income Tax is included in rent, rates, etc."?—That is one year. I had never paid much Income Tax before.

15,028. That is in the year 1918?—Yes.

15,029. I understand your rent for that was £859?—Yes; I am afraid it ought to have been £865. I forgot one little field of 3 acres which we occupy under a separate tenancy.

15,030. About how much would this half year's Income Tax that you included come to?—Something over £100. I really forget. I have an idea it was about £130.

15,031. In these profits which you show for the years 1914 and 1918, is it your opinion that you have taken a great deal more out of the land than you have put in?—I think not, in the way that I have used far more artificial manure the last few years than I ever used before; because I took a farm which was absolutely run out as far as it could be, and I have used far more artificial manure, but I have not fallowed the land and kept it nearly so clean. It is not so clean now as it was five years ago. That is on my old land.

15,032. So that these profits for the first five years are inflated to that extent?—Yes.

15,033. And I suppose the opposite will now happen for the next five years, if you want to put your land back to the condition it ought to be in, and have reduced profits?—Yes.

15,034. Even assuming the costs and market prices remain the same?—Yes.

15,035. *Mr. Overman*: From 1878 to 1894 were the disastrous years, and then you began to improve. Was that improvement in any way due to the alteration of the system in your farming?—Yes, I altered my system entirely.

15,035A. Will you tell us in what way?—I laid down more land to grass; and the heavy land which I kept under the plough and which I had previously ploughed on the 4-course system I put on the 8-course system, having put down three years temporary pasture, one year dead fallow, and 4 years under corn.

15,036. You increased your stock?—Yes, I think I did on the whole, more especially with regard to breeding ewes.

15,037. And therefore the increase in the profits from 1895 to 1913 is due to the alteration of system in letting your land down to temporary grass and using less horse flesh and less labour, and in that way curtailing expenses?—Yes, a great deal. Of course I took more land in 1894, but I managed that on the same system. A great deal had been laid down to grass before, and I saved a great deal of labour by having more grass.

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15,038. Mr. Ashby has suggested to you that you had made your profits out of corn. I do not like to differ from him, but I consider that your accounts show that your profits on live stock have been the mainstay of your business?—I certainly think so. That was my idea. I really could not follow Mr. Ashby in what he said in that way. I cannot agree with him at all. I think my live stock has been my mainstay.

15,039. For a great number of years?—Yes, taking an average, sometimes one year would be different from another; but the whole of those years, from 1895 to 1913, I certainly did rely more upon the livestock than upon the corn.

15,040. And from what you have suggested, that looks as if even in the future you will depend on livestock?—Yes, I think so.

15,041. Mr. Anker Simmons: When you talk about your method of farming in 1894, have you any idea what the drop in the alteration of the methods per acre in your labour bill was?—No. You say 1894, but I had begun it gradually before then. In 1894 I more than doubled my acreage. I think you will find I hardly increase my labour bill at all. I have not looked at that; but I believe you will find my labour bill for 900 acres after 1894 was hardly heavier than it was for 400 acres previously, certainly from 1878 to say 1884 or 1885.

15,041A. Looking at the matter from practical experience that you have had in a very long business career, would you not say that bad time, such as we experienced in the eighties and nineties, would be felt to a harsher degree by the labourers than by any other class connected with agriculture?—No, I should say they would be felt less by the labourer than the others.

15,042. From the point of view of employment?—Yes; I mean this way, that my rent and my own profits went down very much more than my labour bill did. I continued to pay my men just about the same in 1884, 1885, and so on, as I was doing in 1878 and 1879.

15,043. But you were only employing half the number of men per acre?—Yes, in that way; but I thought you meant the individual labourer.

15,044. No, I was speaking as a class, taking the landlord, the tenant, and the labourer. Would not you say that in such times as we experienced then the burden would fall more harshly upon the labouring class as a class than upon any other class connected with agriculture?—Yes, in that way. I think there would be far less labourers employed.

15,045. Dr. Douglas: I want to get from you exactly what it is that you think necessary in order to remove the sense of insecurity on the part of tenants of farms. Do you propose a scheme by which a tenant will have an absolute right to remain on his farm, subject to cultivation?—No, I have always been against that.

15,046. You know that that is proposed?—I know it has been talked about. I have always said that the owner has a right to resume possession of his land if he needs it, even for his own private purposes; but if he does so, and by doing so inflicts hardship, or pecuniary loss, upon his tenant, he ought fully and fairly to compensate the tenant for that loss.

15,047. Then you do not propose that rents shall be fixed by an Arbitration Court?—My proposal, which has practically been embodied in the amendments to the Agricultural Holdings Act now proposed by the Farmers' Union, is that they should be left entirely free to themselves; but that if they fail to agree, that is to say, if the landlord says, "I think my land is worth more money," and the tenant says, "I do not think it is, and I will not give it," or if, on the other hand, the tenant demands a reduction in the rent and the landlord will not give it, and they wish to come to terms, then they can each appeal to some outside authority to settle it, whose decision will be binding.

15,048. But your proposal is not that the tenancy shall continue on the basis of an arbitrated rent and

the tenant shall remain as long as he chooses?—No; but I should say, if the landlord or the tenant refused to pay or receive the rent fixed by arbitration, and the tenant was turned out in consequence, the landlord would have to pay him, if the landlord would not accept the rent fixed. I have never at all advocated fixity of tenure.

15,049. Just take the point of rent by arbitration for a moment. What would be the basis on which rent would be fixed? What conditions would determine a Court or Arbiter in deciding the rent?—The current prices of what he considered the land was worth at the time, and the circumstances.

15,050. That is to say, it would be simply by comparison with the free bargains arrived at in the neighbourhood?—Yes.

15,051. What is it that you propose by way of compensation? Your proposal is compensation to the tenant for being disturbed in his tenancy?—Yes.

15,052. That is to say, your view is that he has a larger interest in it than the mere year for which he holds it?—Yes.

15,053. What is it that you propose by way of compensation?—The way we have worded it in the proposal we put forward was, that it should be not less than one year's rent, not more than four unless the valuer or arbitrator saw special reasons for going beyond those limits, and stated those reasons in writing; but, as a rule, it would not be less than one year, or not more than three or four. I am not quite sure which it is.

15,054. And it would be subject to arbitration, like the other matters dealt with in the Act?—Yes. Our proposal was for a Land Court, or Land Authority, to be set up, but I am not at all pledged to any particular way. It must be settled in some way by arbitration, or by some authority.

15,055. Then, in your opinion, can the matter be dealt with by amendment to the existing Agricultural Holdings Act?—Yes, I think so. It would need rather extensive amendment, but I think it can be done by amendment.

15,056. Can you for the information of the Commission put in the Bill or Proposal to which you refer? Has the Bill been introduced into Parliament?—No, we have laid it before the Agricultural Committee, and also before Lord Lee.

15,057. Can you put it in for the information of the Commission?—I have not it with me, and I do not know whether I ought to do so. It is the amendment now adopted by the Farmers' Union. I have no doubt they would be willing to put it in, but I have hardly authority to do it, although I am Chairman of the Committee.

15,058. We can get it?—I have no doubt you can.

15,059. You said you would wish that farmers should be left alone altogether in their business and go back, I think you said, to the conditions of 1883?—I think I hardly said I wished that, although I am not so sure I should not go so far, but that it must be one thing—either that, or the Government must guarantee.

15,060. Do you consider that that, in actual fact, is a possible thing to happen?—No, I hardly think it is.

15,061. You recognise it is not the minimum wages that is determining your present wage. The wage is above the minimum?—Yes, the wage is above the minimum. They are not much above the minimum fixed by the Wages Board.

15,062. Is it not generally the case that wages are above the minimum fixed?—Very slightly in our part.

15,063. Do you think they are ever likely to go below that point?—Do you mean as they are now fixed by the Wages Board?

15,064. Yes?—I think they would in a few years time if there is no Wages Board. I think there will be so much unemployment, that men will be glad to take work at considerably less if they are free to do so.

15,065. Anyway, you think your cost of production would be reduced?—Yes.

15,066. Do you think that wages are likely to fall back to the level at which they were before the war?—I do not.

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15,067. It would only happen if wages fell generally to that level throughout the country?—I suppose so. I hope not.

15,068. And therefore it is unlikely that a reduction would enable you to accept the prices which existed before the war, and yet enable you to cultivate?—Yes.

15,069. So that the result of letting the farmers take their natural course would be the result of reduced production?—Yes, a great deal of land would go down to grass again.

15,070. Which you, personally, find an advantageous way of farming?—Yes.

15,071. And which many farmers find is advantageous?—Yes, I think that is the only way.

15,072. But which would result in reduced production?—Yes.

15,073. *Mr. Smith:* Have you any suggestion to make as to what could be done to help agriculture in the future from a national standpoint?—I hardly like to say; but one thing strikes me first, and that is sweeping away the Wage Board.

15,074. All that will be considered?—It is not so much with regard to wages as with regard to hours, I cannot for the life of me see how agriculture can be carried on on a strict 8 hour day, or anything of the sort; because an 8 hour day means only five or six hours work, and I cannot see how it can be done.

15,075. In your consideration of this matter, you have not come across anything else that might be done to help the industry, have you?—Of course, prices may be guaranteed. That would all help.

15,076. Have you thought of the question of the improvement of transport, as to whether that might help?—Yes, that is a very important thing. I have for years been on about our railway rates. We are charged more for the carriage of English goods than foreign produce is charged. All those little things help, although comparatively small.

15,077. Do you think if something could be done in improving transport facilities, it would help agriculture?—Yes, cheaper transport would.

15,078. What about scientific research? Do you think there is anything beneficial possible in that direction?—Yes. I do not say there is not, but I think it will be a very slow process. I think our grandchildren will benefit from it more than we should. I think it will take many years to make much difference from that. I do not want to throw cold water on it at all. I think it is a very important branch.

15,079. Did I understand you to say it took your men 1½ hours to go from the farm buildings to their work in some parts of the farm?—Yes.

15,080. How far is the furthest point?—About 2½ miles, or a little over at the furthest point. If they go by the road it will be very nearly, if not quite, three miles.

15,081. You would not suggest, would you, taking your farm as a whole, that you would have reduced your working hours by 3 hours per day because of the time it takes to get there?—No. I only say it with regard to this land at the furthest point, and, therefore, I am laying all that land down to grass.

15,082. I rather understood you to say in regard to labour, that if the 8½ hour day becomes operative, you will not be able to get more than 5 working hours from your men?—From the horses more particularly, and the men with the horses.

15,083. Do you really suggest that seriously—that 3½ hours will be taken up?—Yes, I do. We can reckon it up if you like. In fact it will take more than that. My horses must be fed, and someone must be there to brush them, feed them, and put the tackle on at least an hour before they go out.

15,084. Do they not always come before the other men and always did so?—Yes; but I said if the 8½ hours became compulsory and nobody was allowed to work more. I thought there was some idea of that sort.

15,085. You do not seriously suggest that that ever was contemplated, do you?—I do not know what is contemplated. I only know what is stated in the papers and in the Bill. I believe the Bill states that,

except under certain conditions, which I have not seen, no man shall be allowed to work more than 48 hours per week.

15,086. Which Bill are you referring to?—The Employment Bill, No. 2, I think it is.

15,087. Surely in that Bill there is provision made for overtime?—I thought only on special occasions by special permission. I have not seen the full Bill. I have only seen a clause quoted from it in the papers.

15,088. Do you understand that at the moment agriculture is not within that Bill?—At the moment; but I understand a very strong effort is being made to bring it in.

15,089. You do not suggest from anything the Wage Board has done there is any restriction put on working hours, except so far as it is necessary to determine the number that should be worked for the minimum rate of wages?—That is all the Wage Board have done. I have said repeatedly, and I stick to it, that men will not work regularly more than the statutory hours. A horseman will come in the morning—

15,090. Do you suggest that your horsemen do not do enough work, longer than the hours fixed?—I say the horseman will come in the morning and do it.

15,091. Does not that, therefore, destroy your further suggestion that you cannot get more than five working hours from your horseman in the field?—No, not on that land furthest away.

15,092. But you spoke rather generally, did you not, when you said you could not get more than 5 working hours?—I was speaking of that land particularly, I think, because I was saying that land could not be cultivated. It is in this way. Suppose you take it on an 8½-hour day, it would mean 10 hours, including meal-times, say, from 7 to 5. That is about the time. The men leave home and do not get to our place at 7. Agricultural labourers reckon the time they leave home and not the time they begin work. It would take them 10 minutes, say, to get to the buildings, and they then have to get the horses out, and it is at least a quarter of an hour or 20 minutes before they start. It would take them an hour and a quarter at least, walking well and faster than they generally do, to get to the furthest fields. They have to get the horses ready, and put their nose bags down, and get the horses to work. It is a full 1½ or 1¾ hours. I have seen it myself. I have often been on those fields, and know when they start from home and get to the fields. It is over an hour and a half.

15,093. Do you seriously suggest that the agricultural labourer considers his working day starts when he leaves his house?—I suggest and say distinctly, that for years when our time began at 6, I was out in the rickyard to meet my men practically every morning, and they never came in before 5 or 10 minutes past. Once or twice, when I have said a word to them about it, and that I thought they ought to be there sooner, they have said to me: "I was coming out of the door when the clock struck 6, and I think that is good enough." They do come out of their house when the clock strikes the supposed time for starting work.

15,094. And that irrespective of how far they live from the farm?—Yes, quite. Men who live farther off come later.

15,095. Do you suggest if men have to walk, say, half an hour or 15 minutes and some 10 minutes, they arrive at the farm at varying times?—No, they all come in about together.

15,096. Then how can they leave their houses when the clock strikes?—Because those that live close to my rickyard, in their own cottages, waited until the men at the farther end of the village came up, and then they came in with them.

15,097. There must be some wonderful understanding amongst your men?—It is always the way. If you had worked on the land for 40 years you would know it. It is always the way in our part.

15,098. I did not think the mind of the labourer was so subtle as that?—It is always the way. My men always came in a body from 5 to 10 minutes past 6.

15,099. I suggest you have exaggerated the position here so far as the difficulties are concerned?—I do not think I have.

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15,100. And that you do get, and have got a longer working day than you have stated here?—No. When the men had a 10½-hour day on that top land, I did not as a rule get 6 hours work from the horses and the men who were with the horses. Other men I should get about 8 hours work from; but now they have less, the whole of the time that is lessened is taken off their working time.

15,101. I suggest you have done wonderfully well amidst all these difficulties?—I have tried to do my best. I do not say it is so with all my land. I tell you I am only referring now to the land farther off.

15,102. Could you give us any idea as to what the view of the farmer is regarding the future of agriculture?—No, I do not feel inclined to pledge myself as to the views of farmers generally. I will give my own view.

15,103. You would not like to say as to whether they have any confidence in the future to encourage them to go on with farming?—No, I will only speak for myself.

15,104. Then is it your view that you look forward with any confidence as far as the future of agriculture is concerned?—No, I do not. If I were a young man I should either throw it up altogether or go to another country. I certainly should not go on farming.

15,105. And yet you tell us you were prepared to purchase your farm?—I have been obliged to purchase it. If you want the full particulars, I took that farm in 1916, in worse condition than any farm I have ever known. The last two tenants had failed at it. There was nothing done. There had not been a chain of hedge cut for 10 years, or an acre of corn hood for 10 years. I took it on a verbal understanding that we should not be disturbed for 3 years certain, and after that, if we went on farming properly and paid the rent, we should not be disturbed. Two years afterwards the agent wrote to me and said: "I am very sorry, but I have orders to sell that farm this year. If you like to buy it I will give you the first offer; if not, I must give you notice to leave." I consulted my son, who had been turned out of the other farm two years before, and he said: "Do as you like, father; but if we are turned out of this I shall leave the country." I felt myself bound, against my own better judgment, and I say so to-day, and really against my own wishes, to do what I could to help him, and I bought the farm. I am very sorry I was compelled to do so.

15,106. I understood you to say that the farm which you held for a great number of years had been sold?—Yes; that was sold over my head, and we were turned out.

15,107. You could have purchased that?—It would have had to be at a very high price. I was not prepared to give the price that was given.

15,108. Do you suggest that a very high price was given for it? Would you tell us the amount per acre it fetched?—About £27, or £27 10s. per acre—something of that sort. I was prepared to give about £4,200 for the house and 200 acres, and that lot made £5,850.

15,109. But you do agree, do you not, that there have been a considerable number of farms purchased by farmers?—Yes, a great many.

15,110. And at very good prices?—Yes.

15,111. At a much higher price per acre than the price you are quoting of £27?—Yes, some; but the average in Northampton would not be much more than that. Of course I have no data to go on, but I should think the average would not be over £30.

15,112. The purchasing of farms in that way would rather suggest, would it not, that the farmers had confidence rather than lack of confidence?—I do not think that. I think it is simply this, that they know if they leave that farm they cannot get another. We all know they have made money the last five years—I have always admitted that—and they have bought their farms rather than leave them. But I tell you, I think it is a bad speculation. I was very sorry I was obliged to do it. I have no confidence, but cannot speak for others.

15,113. *Mr. Robbins:* I am not quite sure about one thing. I understand from these accounts that the

figure shown as profit does not include any charge for interest?—No.

15,114. Nothing at all by way of remuneration for your own labour or your son's labour?—No.

15,115. Nothing for skill in management?—Nothing at all.

15,116. You have given credit in these accounts for the rental value of your house?—Yes; it is all included in the rent and is in the rent.

15,117. Have you given credit in the farm accounts for the rental value of the house you live in? I understood you had?—It is all included in the rent. The rent of the house is in the farm.

15,118. But you do give credit in the farming account for the produce of the farm you consume in your own household?—Yes; but I am afraid that was not given, I say at once, in 1913. When I kept my accounts I always did so; but my son did not do it for some few years after he began, but last year it is included. It would make a difference of, perhaps, £100.

15,119. *Mr. Parker:* I see you divide your farming experience into three periods, 1878 to 1894, 1895 to 1913, and 1914 to 1918. In the first period you only made 3 per cent. on your capital and an average of £151 a year?—Yes.

15,120. I suggest to you that unless you had had some kind of outside means, that first period must have led to ruin?—Yes, if I had only had the amount of capital when I started.

15,121. You withstood the times, but a great many others came to grief, I suppose?—Yes. There was hardly a farm in my own parish or in an adjoining parish that did not change hands in that time; and I should think in five cases out of six the farmer had failed.

15,122. What the farmer fears is, that owing to a fall in the world prices for products of the farm, and also the increased expense of labour and shorter hours, a similar experience may come again?—I think it will be worse. I think it will come more quickly and more severely.

15,123. And farmers maintain that they ought to be protected against a similar experience if land is to remain under the plough?—Yes.

15,124. In the second period you made 10 per cent. on your capital?—Roughly.

15,125. Do you consider that a fair profit to cover the interest on your capital and remuneration for your own work?—No, I do not. If you reckon my own time and my son's—and during that time I was engaged constantly in it, a lot more than I have been lately—I do not think it leaves sufficient. It is only an average of £796. I think, really, we ought to have received quite half that, and more for our own work, and so on; I have allowed nothing for market expenses and out-of-pocket expenses of that sort.

15,126. Do you consider 20 per cent. a fair and reasonable profit, or very much on the right side?—I should not call it a really very extravagant profit; but I should be perfectly satisfied and rather more than satisfied with it.

15,127. Do you think a farmer making 15 per cent. on his capital would have every inducement to do the land well and put further capital into the farm?—Yes, if he had security for that further capital.

15,128. If he had security of tenure?—Yes.

15,129. *Mr. Lennard:* Was I right in understanding that the land which you are laying down to grass was ploughed up since the outbreak of war?—Yes, most of it; but I also intend laying down 50 or 60 or perhaps 100 acres more—all that lies furthest away from home.

15,130. The land which you have actually laid down already, was land ploughed up since the outbreak of war?—Yes.

15,131. And before that it had been grass land since about 1880?—Some of it. Some of it was laid down in 1895 or 1896. Some of it I took in 1894, and there were 70 or 80 acres of that I laid down soon after.

15,132. I understand it would only pay you to keep this land under the plough if the price of wheat were as high as 100 shillings a quarter?—I do not like to fix any price, but I cannot see that I could if the hours of labour are reduced.

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15,133. Unless the price was £5 a quarter?—I will say unless the prices were guaranteed higher than I can conceive them to be.

15,134. You have mentioned the reduced hours of agricultural labourers. You are aware, of course, that hours of labour have been reduced in other occupations; that, for example, railway men have an eight-hour day?—Yes.

15,135. Do you not think that if long hours were maintained in agriculture, it would be very difficult to get a sufficient supply of able-bodied labourers?—No, I do not. You must remember there is such a difference in agriculture and these other things between the working day and the actual hours of labour. Out of a 10½-hour day, we used to have men who did not spend in actual labour more than about 8 to 8½ hours as a rule. Out of an 8½-hour day they will not spend in actual labour on an average more than 6 to 7.

15,136. You mean they do not spend this time in actual hard work, but they are on duty all that time. They cannot do as they like?—Yes, that is one thing. They are partly on duty; but you see in farming you have to send the men, generally speaking, up to the fields to their work. Then very frequently you have to change them during the day from one job to another. You can hardly say they are actually in work, when they are walking a mile or half mile from one field to another; but you cannot help it.

15,137. They are not their own masters?—No. They are what are called working hours, but they are not hours spent in actual labour.

15,138. What I suggest is this: that if in other occupations the hours of work are reduced in such a way that the man working in those occupations has a larger proportion of the day to himself to spend as he pleases, will not those other occupations become so much more attractive to labour than agriculture, that it will be difficult to get a sufficient supply of able-bodied men for farm work?—Of course there would have to be some correlation between the two; but I honestly think that men would prefer, say, 9 hours a day on the farm to an 8-hour day in the factory, and they would not do as much work in the time. They would not be at work so long. A man goes into a factory and sits down at his bench, and is at it the whole of the time until the bell rings for him to go out again; but on a farm the man is never like that. He goes from one job to another; and apart from that they always have time to stretch their backs and have a little chat when they like, and smoke a pipe, and so on.

15,139. Yes; but do you not find that with the younger men especially, there is a tendency for them to leave agriculture for other employments?—There always has been.

15,140. And is not one of the reasons they show that preference because they can get more leisure and more time to themselves?—That is one of the reasons, no doubt, and town life attracts an active young fellow of course.

15,141. You spoke of the difficulty of men reckoning that their working day started when they left their homes. Might not the Government regulations provide that the day should start at the farm, and so help to tighten up things a bit?—It would be no use if they did. It would be impossible. The farm houses a mile away from the village would not get any labour at all if you insisted on that. They would not go to them. I perhaps ought rather to qualify one thing I have said as to the men coming at that time. If I had an odd man or two, which I sometimes do, who came from the village a mile away, they would come at the same time as the men who lived in the village close to, about 5 to 10 minutes past the hour.

15,142. But your suggestion is if the working day had to start at the farm and not at the home, the men would leave?—They would at the lodge houses a mile away. The farm I have now bought is a mile from any village, and the men from that village will not start before the men who are working at the farms in the village.

15,143. Does not that rather confirm what I was suggesting just now, that a very small difference in

hours will make a great difference in the preference of the workmen for farm work as compared with other occupations. You say you would lose your men?—They would not go to the lodge houses, as we call them; that is the outlying farms.

15,144. They would not live at those?—They would not go there to work if they were obliged to walk half an hour or three-quarters of an hour in order to get there about when the other men do, without some very strong attraction. I do not say they could not be attracted by, say, another 5s. a week, or something of that sort.

15,145. I understood your complaint was that all the men started together?—Yes, they do where they live in the same village and it is only about 5 minutes away. They come in about 5 or 6 minutes past the hour. I have never said much about that, but it is the same in coming home. If they are at work on that land 2 miles away, they leave off work very nearly an hour before those who live in the home yards, and they all get home at the same time or within 5 minutes of each other.

15,146. Speaking with regard to leases and security of tenure, I think I understood you to say it would be unfair to the landlord if the tenant's rent remained at the low level of the early 'nineties now that the prices are somewhat high?—Yes.

15,147. But you consider that security of tenure may cause the farmer to pay higher rents on his own improvements or have the farm taken from him. That is the real problem?—Yes.

15,148. It just struck me, would you consider it satisfactory if the farmer had security of tenure under a system by which a Land Court might raise his rent if prices rose?—Yes, to a certain extent; but I, like everybody, dislike the idea of a Land Court, and do not want a Land Court to interfere where the relations between landlord and tenant are all right. I have never advocated a Land Court that had the right to go round every so many years and fix the rent. All I say is that if a landlord wishes to keep on a tenant, and the tenant wishes to keep on, and they cannot agree as to the rent, I want some Court that they could either or both appeal to, whose decision they would abide by.

15,149. You do not mean by security of tenure that it should be impossible for the rent to be raised on a sitting tenant?—No, I do not want that. I do not think that would be at all fair to the landlord.

15,150. *Mr. Langford*: You have been asked by several Commissioners what you would suggest should happen to help agriculture. With your long and varied experience, I think the Commission would like to know what you do suggest?—Honestly, I really think that if it could be done, and the whole thing put on a fair and proper footing, it would be better if we went back almost to the old way of leaving us entirely alone; only for that we want security of tenure, and we want a drastic revision of local taxation. I am quite prepared to go into that if it is necessary, as it is a subject I have given a good deal of attention to. Then we want fairer railway rates and other things of that sort; and of course that would involve the sweeping away of the Wages Board and any fixing of wages by any outside authority. If you have part of your costs of production fixed by law, it seems to me you must have the price of the produce fixed so as to pay those costs of production. If you have the costs of production fixed by law, you must in justice guarantee us such a price for the produce as will enable us to pay those fixed costs.

15,151. I am afraid, although some of us may wish to go back to those time of extreme freedom, there is not much likelihood of our getting back there?—I quite agree.

15,152. With regard to the wages paid to the workmen, I cannot help thinking that there is no hope of getting that, anyhow?—I do not wish to get back to the old wages. I have said all through, my objection is not to the wages but to the hours, if you leave us alone on that.

15,153. Then do I understand you would not be adverse to a minimum wage for a certain definite number of hours to complete a week, but you would

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like freedom as between yourself and a man to engage him for longer hours, as the case may require it?—I do not like the fixing of hours at all.

15,154. But if there is to be a minimum wage, you appreciate, of course, the practical difficulty of a wage being fixed unless there is a certain number of hours to be worked to earn that wage?—Yes, I see the difficulty, but at the same time I do not think the present fixing by the Wages Board is legal according to the Corn Production Act. Still, that is not my business.

15,155. What I understand you strongly object to is this. You have read the Hours of Employment No. 2 Bill, of course?—No, I have not, but I have seen extracts from it.

15,156. Mr. Smith put it to you that you are aware the farm labourers are not included?—They are not; but I understand there is a very strong effort being made to get them included.

15,157. You understand that the labourers' organisations are making a strong effort to get agricultural labourers included in that statutory week?—So I am told.

15,158. You are aware, if that should happen, that the statutory week laid down in the Bill would be 48 hours, and neither the employer nor the men have any power to break it or make any arrangement otherwise than for those 48 hours?—So I understand.

15,159. In other words, if you wanted a man to work two hours longer, you would have to arrange previously and get a licence for him to do so?—I suppose so. I have not read the Bill, but I understood it was something of that sort.

15,160. As I understand it, a farm labourer will not be free to contract for more than 48 hours if farm labourers are included in the Act. With regard to transport, you of course appreciate that a great deal of improvement might be made to benefit the farmer with regard to it?—Yes, especially as to rates, I think.

15,161. Are you aware that a Committee is, I think, sitting at the present moment to consider the question of increasing those rates?—Yes, increasing rates generally.

15,162. Which will include agricultural produce?—I suppose so.

15,163. So it does not look as if the farmer has much hope in that direction?—No; but what I feel most about the railway rates is this. I am not sure it applies quite so much now, but some years ago I was asked by our Chamber of Agriculture to make some enquiries about it, and I found in very many cases foreign produce was being carried much more cheaply than English, and I have heard of that being altered now. That is the great thing I object to.

15,164. You object to that, and want it put on the same basis as farmers' produce?—Yes. For my own part most of my wheat goes into the Black Country, and foreign wheat was brought 120 miles from the port to Wolverhampton and charged only the same price as mine, which was carried 50 miles.

15,165. With regard to the question of rating, do you agree that the main roads ought to be a National charge?—Yes.

15,166. Do you agree that Education ought to be a National charge?—Yes, but I do not want that taken entirely out of the hands of the locality—either of them. I do not quite see how to give the locality charge of those things unless they also pay something towards the cost.

15,167. Do you agree that the land is unfairly rated at the present time?—Yes, I take it that the farmers', and if you like to include it, the landowners' income, is much more highly taxed for local taxation than other people's income derived from

other sources, and I cannot see why. I have gone a deal into this, and I find that a farmer with an income of £1,000 a year on a 1d. rate would have to pay between £5 and £6, the manufacturer with the same income at a 1d. rate would probably have to pay between £1 and £2, and a professional man with £1,000 a year at a 1d. rate would probably pay between 7s. and 8s. Now, is that fair? That is what I object to more strongly than anything else. I have had the rate book for Wellingborough, and I have gone into it pretty carefully, and I think you will find that is the case.

15,168. Do you think rating would be more equitable if it were based on actual profits than on the area of land or buildings occupied?—I think it should be done on actual income, wherever that income was derived.

15,169. Then these professional men who run great motor cars and cut up the roads, would bear a fairer proportion of the cost of upkeep than they do at the present time?—I think so. Both with regard to local as well as Imperial taxation, every man ought to pay as far as possible in proportion to his income.

15,170. Do you agree with me that the farmer and the manufacturer who has to devote most of his capital to running his business to obtain a definite profit, is more heavily rated than the professional man who employs little or no capital at all?—Infinitely heavier; and the farmer much heavier than the manufacturer.

15,170A. *Mr. Prosser Jones*: Do I understand you to say that whether a guarantee is given or not your intention is to revert to grass farming?—For the land lying furthest away from home most awkwardly situated for working, I cannot conceive any guarantee being given, which would induce me to keep it on as arable land. I do not say it could not be done.

15,171. That is owing to remoteness?—Yes, and the extra cost, and naturally it is the poorest land. You nearly always find the poorest land furthest away from the church; the nearer the village the better the land.

15,172. You have now 436½ acres under the plough. Is it your intention to break up land nearer home in order to maintain that acreage?—No, certainly not.

15,173. So that you are reverting to grass more than you used to?—Yes, more than it ever has been. Of course I have broken up some the last few years. The whole of that will go down, and more besides.

15,174. And you will pay more attention to stock breeding?—Yes.

15,175. Your faith in stock breeding is not on the wane?—I have more faith in that than I have in corn growing.

15,176. From that, do I deduce that you have been able to do better in previous years from stock breeding?—Yes. I have never attempted to divide the profits; but my impression is that I have certainly got more from stock than from corn.

15,177. Looking at your schedule, Schedule B, paragraph (1), I find that you have 14 horses and 2 horse-men?—Yes.

15,178. Is that not a small number of horsemen for 14 horses?—No, it is rather large in our part. If I could keep those horses all together, it would be certainly large; but I have them divided, and have one horsekeeper at each. We do not go on the system which prevails in some parts, and of which Mr. Overman knows, of having a man to every 2 horses, and each man sees to his own horses and works them. We have one head horsekeeper who is responsible for seeing that the horses are fit, and the men go with them to work if necessary.

15,179. He is looking after the 14?—There are about 6 or 8 in two different sets of buildings, and there is one man in each place. Even when they were all kept together, as they were up to 1916, I always had two horsekeepers, as we call them.

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[Continued.]

15,190. *Mr. Thomas Henderson*: Referring to Mr. Langford's questions on the Hours of Employment Bill, you said you had not read the Bill?—I have not. I have seen extracts, and, I suppose, the principal clause, but I have not seen the exceptions.

15,181. You are not aware that there is a considerable amount of elasticity with regard to the working of overtime?—No, but I understand that practically each time you want a man to work overtime you have to get special permission, but as I say I have not seen the Bill.

15,182. There is a clause providing for the working of overtime in cases of emergency?—Yes, I understood there was such a clause, but I object very strongly to what I may call being obliged to have overtime regularly in the carrying on of our business.

15,183. You cannot blame the workers because of what is in the Bill?—No, I have guarded myself already in that respect.

15,184. In the first draft of the Bill the agricultural industry was included?—Yes.

15,185. So that evidently the reasons for excluding the industry from the second draft were not considered to be very strong ones at the time of the first draft?—I do not know anything about that, but I consider agriculture so entirely different from other industries that I do not think it should be put upon the same level as industries in general in that respect.

15,186. At any rate our legislators thought it ought to be included to begin with?—Yes, those who drew up the Bill; I do not know who they were.

15,187. You said in reply to Mr. Lennard that you were in favour of a 9 hours working day?—9 hours actual work, which really would mean the old 10½ hours working day allowing for meal times. We have put up with the 9 hours lately, and I think we should try to carry on with that; that is to say, the same as last year—a 54 hour week in the summer and 48 in the winter. I should not personally have tried to upset that arrangement if it had been left alone.

15,188. Assuming your wishes had been carried into effect, that would involve the abolition of the Saturday half holiday?—No, it would not, and it never has done. I have had a short day on Saturday for the last 20 years.

15,189. If you have a 9 hours' day, a 54 hour week, I cannot see where your half holiday, or short time Saturday is to come in?—We have worked 9½ hours for five days and taken it off on the sixth.

15,190. At what time do they get off on the Saturday?—I believe it is 1 o'clock—either 1 or 2. I am not on the farm myself now; I leave it all to my son; but all the summer they have been working 9½ hours for five days, and that leaves 6½ for the Saturday. That would be 7 to 1 and half an hour for lunch—I think it would be half past 1 before they leave off on Saturday.

15,191. You said you had not paid Income Tax before last year?—That is so, or not so much.

15,192. Is that not rather a surprising statement of yours, having regard to your profits in 1914, 1915, and 1916?—Not at all. Farmers have always had the right to pay on their rent until recently, and dividing my rent between myself and my son, we have never become liable to much Income Tax.

15,193. I see, you divide the rent between the two of you?—Yes. I may say I have been for many years a Commissioner of Income Tax, and also that I did not have the pleasure of paying much Income Tax until last year.

15,194. I congratulate you on your good fortune?—Of course, when I say that I have never tried in the least to escape from the payment unfairly. I have always laid the whole thing before the Surveyor of Taxes and proved that I was not liable.

15,195. There is some confusion, is there not, with regard to your cost of production estimate?—You give us the costs of production for your 8 years' rotation?—Yes.

15,196. That, I take it, is the cost in the year ending Christmas, 1918?—It is the estimated cost in any year—it is what I consider the average cost.

15,197. Over the 8 years of your rotation?—Yes; I have always contended that it is impossible to

separate one crop from another and say what is the cost of one particular crop.

15,198. Take your wages. Are these wages the average wages over the 8 years' period?—No, they were the wages we were paying at Christmas, 1918.

15,199. Are you estimating the cost of labour over this 8 years' rotation on the basis of those wages?—On the wages in force at the time I took this out.

15,200. How does that give you the true picture of your cost over the 8 years?—I did not say they were the actual expenses. I said they were what I calculated would be the expense with wages at that rate and the hours as they were then.

15,201. You give the total produce for 8 years, and you deduct the 8 years' cost as if those were the actual costs for the 8 years?—Yes.

15,202. Whereas these are simply the costs estimated on the wages and hours' rate at Christmas, 1918?—Yes.

15,203. The actual costs, therefore, would be much less?—Yes, before that period, no doubt.

15,204. So that the figure you give is not the correct figure—it may be higher or it may be lower?—It may be so; I cannot say. It is my calculation of what would be the cost based on the wages and hours which were then in force.

15,205. I quite understand that, but your figure of the annual average cost over the 8 years is a mere estimate?—Yes.

15,206. And bears no relation to the cost in the previous 7 years?—That is so.

15,207. It is only an estimate?—Only an estimate.

15,208. So that if you were to put in the accurate figures for the previous 7 years you might get an accurate result?—Yes, but I could not divide the cost up between the different crops. I never meant it to be an actual cost; it is an estimate.

15,209. With regard to the question asked you by Mr. Ashby in reference to your profit for the year 1918 of £1,797, you said you did not divide your profit between the arable side of your farming and the stock rearing side?—No.

15,210. In reply to several Commissioners you have told us you are going to put certain fields down to grass because you are more hopeful as regards your stock prospects than your arable prospects?—Yes.

15,211. How can you tell that if you do not divide your costs and your profit up between your different crops?—I do not say that exactly; what I say is I cannot see with the present costs as they are how it can be otherwise.

15,212. So that you are throwing your land down to grass simply under an impression and without any actual knowledge?—Taking my profit and loss account years ago it showed that as soon as we came below 40s. a quarter at that time and certainly when it got as low as 30s., with wages as they were then at 2s. 2d. or 2s. 3d. a day, I began to lose money. I may tell you that I got very much found fault with in the county, because at a meeting, I think it was in the year 1882, of the Chamber of Agriculture, I said that wheat under the conditions then prevailing could be grown at about 32s. to 33s. a quarter—I do not say at very much profit, but that I thought we could do it. I say I was found fault with for that statement, yet 7 or 9 years afterwards many of those same farmers were saying they would be very glad if they could get 32s. a quarter and that they could grow it for that amount then, but with wages as they are now and with hours as they are—paying 6s. 1d. for an 8 hour day, I do not see how wheat could possibly be grown to show a profit.

15,213. You have not in reality worked out the division of profit between these two systems of farming?—No.

15,214. So that you are really putting certain of your land down to grass on the strength of an impression?—Yes.

15,215. Which may be right or may be wrong?—With the experience I have had I have not much doubt about it being right.

15,216. You have not had experience of the future?—No. As I have said, if we could have such a price as would induce us to go on with it we would go on with it, but I do not think it is practically possible.

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15,217. With regard to your figure of £1,797 for last year's profits, taking the actual estimate of your average annual profit per acre of £1 19s. 6d., that is on something like 200 acres, is it not?—Yes, 200 or 250 or something of that sort.

15,218. That is, roughly speaking, about £500, taking that estimate £1 19s. 6d., which is not an actual figure?—Yes, it might be.

15,219. You had a special profit on some 24 acres of peas last year? I had last year, but I do not say my other land paid me that.

15,220. No, but these peas would figure in the average of £1 19s. 6d., would they not?—No.

15,221. How much total profit did you make on the peas?—I cannot say, I never can say what any one crop has cost me; I can say what it produced, but not what it actually cost me.

15,222. You cannot give a figure for the cost of production?—No. If I remember right the cost of production of these peas was not high. I think the land for that crop was only ploughed once and part of it manured and part artificially manured; it was hoed once at about £1 an acre—but I have never reckoned up the actual cost; there is so much manurial value especially left from a previous crop, and so on.

15,223. You have not worked it out?—No, I do not think it is possible to do it.

15,224. You stated in reply to another Commissioner that you were in favour of a return to a state of freedom for farmers?—Yes, I think I would go as far as that, but I want an alteration in other ways.

15,225. That would involve some limitation of your freedom, would it not?—No, I think it would give us more freedom. I should want better security of tenure—security of capital perhaps I ought to call it—and I should want a drastic revision of local taxation. I consider we are paying enormously more than we ought to do for that. I should also want a revision of railway rates, and to be put upon a fair basis in other ways. I believe that we could then hold our own against the world, but it would be only by growing corn on the most suitable land and under the best conditions.

15,226. I take it that you are not in favour of reverting to the previous very low standard of wages in England?—I hope never to do that again.

15,227. Your freedom will not be limited in that direction, at any rate?—No.

15,228. You do not propose to use your freedom for the purpose of reverting to the low wages of the past?—No. I have always said that farm labourers have not been properly paid, but at the same time I have also said I was the worst paid labourer on my farm for 20 years; I paid my labourers better than I was paid myself.

15,229. The farmers in the past paid very low wages?—Yes.

15,230. You do not propose to use your freedom to revert to that?—They were forced to pay low wages. I hope we shall be able to pay more in the future if we get fair conditions which we have never yet had.

15,231. You think if you get security of tenure you will be able to pay sufficient wages?—Yes, but mind you, I do not think the price of our produce is ever coming down so low as we have had it in the past.

15,232. You said you were in favour of sweeping away the Wages Board, not so much because they fixed high wages, but because they fixed the hours?—I think the wages would have gone up practically to the extent that they have done without the Wages Board, but not the hours; that is the point which is injuring us.

15,233. Do you think it is likely that the labourers in the agricultural industry would be content to work long hours?—Yes, I think so.

15,234. On what do you base your experience?—Because some one or two of my men have told me that they do not consider that last year's hours—I do not go back further than that—were too long, and I have never had any demand from my labourers for shorter hours.

15,235. Have any of your neighbours had any demand for shorter hours?—I have never heard of it.

15,236. The Wages Board fixed the hours?—Yes.

15,237. So that there was no necessity for the men to make any demand on their own account?—I have never heard of any demand from the men for shorter hours.

15,238. Do you think if the Wages Board were done away with that the men would go back to the old hours?—It is rather a difficult matter to alter a thing after the men have got used to it.

15,239. So that when you go back to your state of freedom to which you are aspiring, you will have to put up with what according to you is an artificial desire on the part of the labourers for shorter hours?—I do not think we can have shorter hours, but I think the tendency will be to go a little bit back to last year's hours. As I say, I was satisfied with last year's hours, but I am not content with any shorter number of hours.

15,240. Do you think the men would be content with last year's hours?—So far as I have heard and seen, I think they would be absolutely content.

15,241. *Mr. J. M. Henderson*: You said you would be willing to go back to the old position without any guarantee, but you make several provisos?—Yes.

15,242. First of all you say the railway rates should be lowered?—Not that they should be lowered—that we should be put on fair terms and conditions.

15,243. What do you call fair terms in respect of railway rates? You want them lowered, do you not?—I should like to see them if anything rather better, but certainly not worse, than the rates for foreign produce which we compete with.

15,244. So long as the railway rates are raised all round, you do not object?—No, I do not think it would make much difference to us, but I do object to foreign produce—as I know was the case 20 years ago, and I believe still is—should have a preference over our home produce. I know it has actually happened, when a load has been put on the railway, for the sender to be asked: "Is this English produce, or is it foreign?" and if it is foreign it is carried at about two-thirds of the English rate.

15,245. I do not think you are right there. You are referring to through rates I think from America or other places abroad?—I know that foreign produce, fruit and so on, has been brought from France and landed at Folkestone, and carried to London from Folkestone at a less rate than is charged if the same quantity of home-grown produce is put on the railway half-way between Folkestone and London. That I think is entirely wrong.

15,246. I do not think you are right about that?—I know it was so 20 years ago. I have not enquired into it of recent years.

15,247. Unless the railway rates charged to you are less, you do not in any way benefit?—The merchant who buys my wheat knows exactly what carriage he has to pay on it to get it to where he wants it, and if he only has 6d. a quarter to pay instead of 1s. for rates, he will give me 6d. a quarter more.

15,248. You want cheaper rates?—I am referring to the foreigner.

15,249. Leave the foreigner out?—You cannot do that, because, if the rates are higher it adds to the cost and the consumer has to pay it; it is the consumer who has to pay all the costs in the end.

15,250. You know there must be an enormous rise in railway rates in the future?—So I understand.

15,251. You want to make a point of the lowering of railway rates?—No, I said I wanted fair rates for our produce in comparison with the produce of the foreigner.

15,252. You also want an alteration of the local rates?—Yes.

15,253. You want them revised?—Yes.

15,254. Was not there a thing called the Agricultural Rating Act?—Yes.

15,255. Did that Act not benefit you?—Very slightly. There was also what is called the education rate, which has inflicted a very much higher payment on me than the saving from Agricultural Rating Acts of six years before.

15,256. You do not want any education rate?—I did not say that. I only want to pay the same in proportion to my income as other people pay. At present I pay from six to ten times as much in propor-

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[Continued.]

tion to my income as some townspeople pay, and I do not think that is fair. I did not expect to go into this, but I am prepared to put certain figures before you if you think it worth while to prove what I have just said.

15,257. Do you suggest that you pay six or seven or eight or ten times more on your income as a farmer than other people do for rates?—Yes.

15,258. That is a sort of statement which wants verification in some way or other?—Yes, I can verify it.

15,259. *Chairman*: I think you might, if you will put in for the consideration of the Commission the figures you base your statement upon?—Yes, I will do that. Might I say that we had a deputation some time ago to Mr. Lloyd George when he was Chancellor of the Exchequer on the subject of rating, and we laid the figures before him. I am quite prepared to submit those figures to you now.

15,260. If you would be so kind as to send them in, and if any of the Commissioners wants to ask you questions upon them, perhaps you will put yourself at our disposal at a later period?—Very good, Sir. Might I give one very short illustration of what I mean? It will not take two minutes.

15,261. Please?—For the last 40 years I have been occupying land at Orlingbury, four or five miles out of Wellingborough. There were five parishes, for which we had one policeman. A penny rate in those parishes produced £80 to £90. That policeman's wage was £65 at that time, and, therefore, if we had to pay him ourselves out of our penny rate, we should have had £20 or £30 in hand to apply in other directions. There were 17 sergeants and constables in Wellingborough, and if the people of Wellingborough had had to pay those men it would have meant that they would have had to raise a sevenpenny rate. That was never done. What they did was to levy a 3d. or 4d. rate over the whole area, and that went to pay all the policemen in the area. Is that fair? Our agricultural district could have paid its police with a one penny rate, and had a good bit of money over. On the other hand, the urban district would have had to raise a 7d. rate to pay their police. Instead of doing that they made us all pay 3d. or 4d. in the £ to pay for the whole of the police in the area.

15,262. *Mr. J. M. Henderson*: You said, as I gathered, that you bought your farm for £5,850?—No; that was the price which the old farm made when it was sold by auction. I was prepared to give £4,000 or £4,200 or a hundred or two more, but it made £5,850.

15,263. What did you pay for it?—I did not buy that farm. I have bought another one since.

15,264. You told one of the Commissioners you were not happy about it?—No, I was not.

15,265. You intimated speaking about the farm you did buy that you were not satisfied with the price you paid for it?—It was not quite that. I did not wish to buy it at all; I am not satisfied to be the owner of it.

15,266. Why?—Because I think farmers are very much better off renting land and employing their capital in their farm—not locking their capital up in the land to pay them 3 or 4 per cent. when it ought to be employed in their farm at a higher percentage.

15,267. You could sell it again, could you not?—Possibly, but if so, what is my son going to do—a young man about 35.

15,268. *The Chairman*: I do not like to stop you, Mr. Henderson, but the witness did say he would not have bought his farm unless his son had said that if the farm were sold over their heads he would have to leave the country?—I do not know that I actually said that, but that was the substance of it.

15,269. Yes, I think you actually did use those words.

15,270. *Mr. J. M. Henderson*: I understood you to say you were dissatisfied about it. Are you satisfied, or are you not?—With what?

15,271. With having had to purchase your farm?—I am dissatisfied because I did not want to purchase it.

15,272. Then you are dissatisfied with the farm?—Not with the farm at the price I gave for it, but

dissatisfied with the conditions that forced me to buy it.

15,273. You do not like to be an owner?—No.

15,274. You wish to be a tenant?—Yes, under fair conditions.

15,275. You are satisfied with the price you paid for it?—Satisfied so far that I think it was well worth the money at the time, but dissatisfied because I think land will come down in value within the next few years.

15,276. Beyond the fact that you think land will come down in value you have no reason to find fault with your purchase?—Not with that particular purchase, but I do not think the practice of farmers owning their own land is a good one; I think they are better off under a reasonable and fair landlord than farming their own land.

15,277. You prefer that the landlord should get the 3 per cent. and not you?—Yes, you can put it in that way. Landowners are usually men with large capital and they can afford to accept 3 or 4 per cent for their money, whereas a farmer is generally a man with small capital, and he ought to get more than 3 or 4 per cent. return on his capital.

15,278. What do you say has been the result of the Corn Production Act guarantee during the years 1918 and 1919? What extra quantity of wheat do you say or do you believe it has produced?—None at all—not the Corn Production Act which you are speaking of now. The present prices are not due to the Corn Production Act.

15,279. The Corn Production Act was passed in 1917?—Yes.

15,280. Did that or did that not have the effect of increasing the production of wheat in 1918 and 1919?—I do not think it did at all; the Corn Production Act has not raised the price of wheat to its present pitch; it has risen independently of that Act.

15,281. I am not referring to price; I am referring to the quantity produced?—I do not think it did—not the Corn Production Act.

15,282. Mr. Cautley asked you something about shipping—whether as shipping got more free and freights easier, freights would not come down and more corn come in from abroad at a cheaper price. Is that your idea?—Yes, I suppose that is what will happen.

15,283. Do you know how many tons of shipping were sunk during the course of the war?—No, I have not gone into that; that is not my business.

15,284. Would you be surprised to hear that it amounted to something like 8,000,000 tons?—No.

15,285. How long do you think it will take before that amount of tonnage can be replaced?—I have no idea; you can hardly expect a farmer to be able to answer such a question as that.

15,286. So far as shipping is concerned it does not interest you—it does not affect you?—Yes, it affects me decidedly; but as to how long it will take to replace the lost tonnage, I can express no opinion.

15,287. If you can express no opinion with regard to that, you cannot express any view as to the future prospects of agriculture?—Yes, surely, I can. I do not know whether it will take one or two or three or four or five years to replace the tonnage, but whenever the replacement is effected it will affect the price of wheat.

15,288. You have no idea when that will be?—No. I may have my own vague ideas, but I do not think they are worth anything.

15,289. During all these years of which you have given us an account, there was a period during which you were only earning 3 per cent. Did it ever occur to you to throw up the business of farming?—A good many times, and I was very nearly doing it more than once. I went so far on one occasion to enter into negotiations for going into another business.

15,290. I suppose you know in the early nineties, when you were making this 3 per cent., that the bank rate was only 2 per cent. for two years, money was so cheap?—It did not affect me much. I may have known at the time, but I really do not remember. I do not see what that has got to do with it.

15,291. If you had had more capital then to put into your farm, you would not have got more than 3 per cent. for it?—As a matter of fact, at that time I

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happened, through an outside circumstance, to come into possession of a little money, and I invested that money in taking more land.

15,292. If there is a general tendency to put more land down to grass how will that affect milk production?—It will not affect it at all in my particular case, because I do not go in for milk production.

15,293. Is not the natural result of putting land down to grass to increase milk production?—I think not, at any rate not in my case, because without that I should have had sufficient grass.

15,294. I am not speaking of yourself alone, but the general view?—I do not think it would, because if you plough it up it leaves you with less grass, but more straw and more roots.

15,295. Instead of turning a field into wheat you turn it into grass. Will that not have the effect of increasing milk production?—It all depends on the circumstances. If you have not sufficient grass to keep your stock in the summer, turning it down to grass would enable you to keep rather more, but, on the other hand, with ploughed land it enables you to keep more in the winter. But in the case of this particular land it would not affect it at all really, because you cannot grow roots on it.

15,296. Then you do not think the increase in grazing would affect the production of milk?—Very slightly, if at all, especially with that class of land.

15,297. How far is your farm from the nearest town?—The buildings are four miles from Wellingborough and five from Kettering; the top land would be a little more.

15,298. You hold with the principle that if you could get satisfaction in rating, and if the foreigner were charged as much as you for railway rates, you would be content to go back to the old position rather than want a guarantee?—With other things put on a fair footing I think I should prefer it.

15,299. That is the view which was given to us by one of the members of the National Farmers' Union (Scotland)?—I did not know that.

15,300. Mr. Cautley says he has queered the pitch?—I have not seen the evidence given by other witnesses at all, and, as I say, I am not speaking for the Farmers' Union to-day.

15,301. Mr. Green: I want you to turn to your profit and loss account for the years 1878 and 1918, inclusive. You make a statement in the footnote to Statement "D": "It will be seen that I have divided the 41 years into three periods—1878 to 1894, 17 years of falling prices, when I only made 3 per cent. interest on capital; 1895 to 1913, 19 years of very slowly rising prices, when I made 10 per cent. interest on capital; and 1914 to 1918, five War years of quite abnormal prices and conditions, when I made nearly 20 per cent. interest on capital"?—Yes.

15,302. I venture to suggest to you that your facts are not correct. For instance, if you take the average price of wheat in the first period, 1878 to 1894, you will find the average price was 35s. 9d. You say from 1895 to 1913 were 19 years of very slowly rising prices. As a matter of fact they were not. The average price from 1895 to 1913 comes to 29s. 7d. So it amounts to this: if the figures I have given you are correct—and I think you will find them correct if you refer to the figures of the Board of Agriculture which I have in front of me—that in those 19 years of lower prices for wheat you were making a much higher average of profit than when the prices were higher?—Excuse me, I never said anything about what was the average price for those two periods. I said the first period was a period of falling prices. The price of wheat in 1878, speaking from recollection, was somewhere about 45s. to 50s., and it had been at that figure for some years. During the next few years it fell from that to as low as 19s. a quarter in 1894. That is what I sold wheat at, I think, in 1894. From 1895 to 1913 it rose again until it got up to 33s. or 34s. When I said the first period was a period of falling prices, I meant on the whole; I did not refer only to wheat, but to other things as well.

15,303. I put it to you that in the other period, from 1895 to 1913, prices fell still more rapidly?—I do not agree with you at all.

15,304. You only have to refer to the Board of Agriculture figures to prove it?—I say that in 1894 it went down as low as 19s., but it rose again from 19s. until, about 1913, it got up to 32s. or 33s.

15,305. The average was higher in the first period than in the second; the prices in the second period were much lower than in the first period?—I was not speaking of the average for the first period; I said the prices were falling during that period, which I think is rather a different thing.

15,306. You have implied already to this Commission that you could make a better profit when wheat was over 40s. than you could when it was under 30s. Take the six successive years 1878 to 1883. I find from your own statement of your profit and loss account that you made an average annual profit for those six years of £101. I think you will find those figures are correct. Take your next period. Take six successive years of much lower prices—under 30s. a quarter. You will find from 1899 to 1904, in spite of the price being under 30s. a quarter, you made an average annual profit of £490?—Cannot you understand that?

15,307. Does not that strike you as rather remarkable considering your former statement?—Oh, dear, no, not in the least. I should have thought you would have understood that. I took the farm in 1878 at the rent of 36s. an acre. My rent was reduced subsequently, and in 1894 I was paying 16s. an acre for that land, besides which I had cut down my other expenses. I was not employing nearly so much labour; I laid a lot of the land down to grass. My costs of production were cut down, and it was not on wheat alone that I got that profit, but by an alteration in my system of farming. Practically I did then what Mr. Donaldson, in his statement the other day, said we should have to do in the future. I went in for more of what we may call the ranching style of farmer—laying down the poorest kind of land to grass, and cultivating it all as cheap as possible. You must remember, too, the last six years you took I was farming a larger quantity of land than I was in the first six years period. I got a larger profit, but it was from double the quantity of land, and farmed more on the ranching system.

15,308. I do not know whether you remember the years before 1878?—I began farming in 1868, but 1878 was the time I moved from the smaller to the larger farm.

15,309. You will admit that wages were lower in 1868 than they were in the period of depression in the 'nineties?—I believe the lowest wages I ever paid, 11s. a week, was about the year 1885, and lowering the wages from 12s. to 11s. cost me a good many pounds since.

15,310. In the 'sixties, at any rate, you were paying about 9s. or 10s. for labour?—No, 11s. was the lowest I ever paid, and I paid that in 1885 or 1886.

15,311. I understood you to say that you thought the abolition of the Wages Board would mean that wages would go down?—No, I do not think I said that. I said that if we had not had the Wages Board I believed that wages would still have risen to about what they are to-day, but I do not think the hours would have been altered so much.

15,312. As regards laying down land to grass, how do you stand with reference to Part 4 of the Corn Production Act, which contains the compulsory powers? Would they have power to insist upon your ploughing up that land again?—I do not think so, I happen to be Chairman of the Committee which puts the Act in force.

15,313. From your general knowledge of farming in this country, with regard to the figures which have been given us by the Board of Agriculture as to the land which has been laid down to grass this year, do you not think that those figures might be discounted largely by the fact that a good deal of that land ought never to have been ploughed at all for wheat production?—There was a good deal of land ploughed that I think would have been better not, but I would not say even now, under the conditions of two or

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three years ago, that it ought not to have been ploughed. I myself ordered land to be ploughed up then which I should not under normal conditions do.

15,314. That is my point, that under normal conditions a good deal of it ought not to be ploughed?—It was not profitable to plough it, but if the country wants a large agricultural population and men kept in the country and a large quantity of food produced, that land must be cultivated in spite of the loss.

15,315. Mr. Dallas: With regard to the Wages Board you think if there was perfect freedom the Wages Board should be abolished. What change would that make; why do you want it abolished?—I think without the Wages Board and its Order as regards hours our men would not have asked even for the hours we had last year, and I certainly do not think that they would have asked for any further reduction.

15,316. Is that the only change you think would be made?—No, I do not say that. With freedom I think we should get on better.

15,317. What does freedom mean? Does it mean that you would not negotiate say with the Unions concerned?—Well, I suppose nowadays we shall have to, but I think the men would get better terms if they did not.

15,318. You would not get freedom in that case?—It is not freedom now; it is law. We are not bound by freedom to obey the Wages Board; it is by law.

15,319. Do you not think if the Wages Board were abolished and there was no law to compel them, that a large number of employers—I do not say you and some of the other men, but you know the people I am referring to—would not pay the rates?—I believe there are a large number of farmers who would only pay what they are obliged to to get the labour, and I think there are a good many similar employers in other industries.

15,320. Yes, that is the point. The Wages Board puts all the farmers on the same level; it makes them all pay the same rate?—Yes.

15,321. If the Wages Board were abolished there would be a tendency for a large number of employers not to pay the rates?—They could not do it to any great extent. Conditions in the case of individual farms may vary, but not taking a district as a whole to any great extent.

15,322. Would you be surprised if I told you that at the present moment, even with the law as it is, there are hundreds of fresh complaints every week of employers not paying the rates fixed by the Wages Board?—I do not quite understand it, but if I am told it is so I must take it.

15,323. Are you aware that there are Wages Boards in other industries fixing the rates of wages?—I do

not know of any Board that has the same legal power to fix wages as the Agricultural Wages Board has.

15,324. I can assure you that there are quite a number?—They are not called Wages Boards.

15,325. It is only a difference in the name, but it is the same thing. They are called Trade Boards, and these Trade Boards fix the minimum rates of wages for certain trades, and the employers have no guaranteed prices?—Yes, but in those trades if an employer can get his men willingly to work for less, is he liable to the law?

15,326. Yes, he is liable to the law?—I did not know that, but I do not say it is not so.

15,327. So that there is a precedent for the retaining of the Wages Board?—Yes, I expect we have got to retain them.

15,328. Mr. Nicholls: I was not quite clear as to your answer about the Corn Production Act. I understood you to say that you did not think it made any difference really to the breaking up of the land?—No.

15,329. Will you agree that when the Corn Production Act was passed it indicated a part of the Government policy which showed that they were prepared to back up the farmers' efforts, and even though it did not affect prices, they thought it would facilitate the work of the War Agricultural Committees?—Yes, it might perhaps have done that. What I meant when I said that it did not cause more corn to be grown was that the prices have gone up above the guarantee in the Corn Production Act, and that the rise in prices has tended to keep land under the plough; but the rise in prices is quite independent of the Corn Production Act.

15,330. Do you really think that the action of the Government gave any confidence to the farmers?—No, I do not think it did—very little, if any.

15,331. That would indicate that no movement on the part of the Government would remove these fears that we are told so much about?—I would hardly go so far as to say that. If we had a guarantee of prices sufficient to pay for the cost of production—which, mind you, I do not strongly advocate—my idea is that it would be higher than any fixed price under the Corn Production Act at present.

15,332. What was in my mind was that farmers did not know that prices were going up to the height they did?—No.

15,333. And I wondered whether you thought that under the Corn Production Act the Government had indicated a policy by which they were going to give a certain price under that Act, and that that would tend to give confidence to farmers and encourage them to grow more cereals?—No, I do not think it did, really.

(The Witness withdrew.)

Mr. A. H. POTTS, Farmer, of Felling on Tyne, Called and Examined.

15,334. Chairman: Will you allow me to consider the statements which have been put in by you, and by Mr. Howell on your behalf, as part of your evidence without reading them?—Certainly.

15,335. Dr. Douglas: Will you turn to paragraph 3 of your evidence? You say you are in the habit of buying large quantities of town manure, and last year you were not able to obtain that; is that so?—Only part of it.

15,336. So you used more artificial manures?—I used part artificial, but not as much as I should have liked to.

15,337. What do you mean by saying that "this latter system is much less profitable"? What do you refer to?—I refer to the keeping of stock.

15,338. You recognise that the system of farming you have been carrying on must always be only a small proportion of the whole?—Yes, in the minority.

15,339. It is a very exceptional method?—Yes, comparatively in the minority.

15,340. Only a small number of farmers have a similar opportunity of carrying it on?—Yes, only those in the neighbourhood of large industrial towns.

15,341. Your method of farming has been to keep no stock and to purchase town manure?—Yes.

15,342. You have lately had to practice a different method of farming?—Yes.

15,343. Have you formed any opinion from your experience of a different method of farming of the relative cost and return of the two methods?—The cost would be much larger in the case of keeping stock on account of the amount of capital that is expended in buying the stock.

15,344. Does that capital not yield a return?—It does not yield as great a return as the system of selling all off, as I call it—marketing the produce.

15,345. Your farm is really of rather an exceptional kind, and is not illustrative of any large number of farms?—That is so.

15,346. Mr. Rea: In your statement C. on page 15 under Expenditure your rent is stated at £265 12s. 3d.?—Yes.

15,347. In paragraph 5 (2) you put down your annual rent as £196 15s. 0d. Which is the correct sum?—The latter one. In statement C, I have simply put down the payment of rent that occurred in the year; part of that payment should go into the previous year.

15,348. Your actual rent is £196 15s. 0d., and the first figure includes part of the previous year's rent?

15,349. Your farm is near Newcastle?—Yes.

* See Appendix No. III.

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MR. A. H. POTTS.

[Continued.]

15,350. So that you had exceptional facilities for carrying on the system you have been doing until recently?—Very exceptional.

15,351. You had big profits last year?—The biggest profits I have ever earned.

15,352. Was that due to the exceptionally high yield of corn?—It was partly due to it and partly due to the fact that I could not spend as much on the farm as I should have liked to do.

15,353. Your expenditure was less because you could not get the materials you wanted?—Yes.

15,354. Of course, the yield of corn in the north was very good last year?—It was the best I have ever known.

15,355. We cannot therefore look upon that as in any way a normal return?—No.

15,356. Your profit for the previous year, 1917-8, was £355, and the average profit for the three previous years £530 per annum?—Yes, all war years.

15,357. That would be higher than you would estimate in normal times?—If I had given you pro-war times it would have been considerably less than that—something round about the value of the rent.

15,358. With your system what do you say of a guaranteed price being required. Would farms of the nature of yours go on growing corn on the chance of getting a fair return without some form of Government guarantee?—Yes, I think they would because we have such few things to rely upon on such a difficult class of farm; if we cannot grow corn we can do nothing; it is an exceptional case.

15,359. That land would go out of cultivation?—It would go into grass.

15,360. That is what I mean: without a guarantee would you go on growing corn or would the land be laid down to grass?—It would be laid down to grass. No different form of arable farming would be taken up.

15,361. You are not dairying at all—you could not grow crops for dairying?—No.

15,362. *Mr. Batchelor*: How many acres of wheat had you for the period dealt with here?—30 acres.

15,363. How many acres of oats?—38.

15,364. The sums received would be for the full quantity of wheat?—Yes.

15,365. With regard to oats, would there be a deduction for what is consumed by the horses?—Yes.

15,366. Would the straw be the whole of the wheat straw and oat straw or did you retain any?—Very little—just for a few winter store cattle, to use up the refuse stuff of threshing days.

15,367. How do you sell your potatoes, and when? Do you sell them immediately you lift them or do you put them into a pit?—I house them some years and some years I sell them straight out of the ground.

15,368. Do you remember what you did with them this particular year?—I housed them and sold them by the bag.

15,369. Will you look at paragraph 2 of your *précis*? You calculate that your hedging, fencing, ditching and drainage are in a much worse condition now than they were in 1914?—Certainly.

15,370. Is it part of your duty as the tenant to keep those in proper condition or is it the landlord's duty?—It is my duty.

15,371. So that the want of labour during the war has pretty much prevented you from keeping them in condition and also the forcing upon you of other cropping?—That is so.

15,372. The result is that your profits for this year we are dealing with were much higher than they would have been if you had expended all you ought to have done to keep your land in proper condition?—Very much higher.

15,373. Is it your opinion that in the future you will be faced with putting these fences, hedges, ditches and drains into proper order?—Undoubtedly.

15,374. So that that will have a tendency to lower future profits?—That is so.

15,375. *Mr. Cautley*: You carry on, as I understand, a class of farming designed to meet the circumstances of being within five miles of a big town?—Yes.

15,376. And you have found it profitable?—Yes, it is profitable.

15,377. How many men do you employ?—Three to four.

15,378. Since the minimum wage has come in and you have had wages fixed for you and the power of bargaining with your men for your labour taken away from you, do you anticipate that that system of farming will be unprofitable in the future?—I think that it will get more unprofitable.

15,379. Why is that?—Because I am surrounded by seven collieries where there is any amount of employment, and when a man is not satisfied on the farm he goes to the pit.

15,380. That is nothing to do with farming?—No. He can command a big price in the collieries and, therefore, we always pay over the minimum wage—nothing like the minimum wage.

15,381. The minimum wage does not affect your class of farming at all?—No.

15,382. You are perfectly happy to go on as you are?—Until the men's demands become greater, which I thoroughly expect they will do.

15,383. Then you will have to stop?—Yes.

15,384. How much above the minimum wages are you paying now?—I am paying from 45s. to 50s. net wages and perquisites on the top of that.

15,385. What is the minimum wage?—That does not refer to 1918, I may tell you. Perhaps you wish to know about 1918?

15,386. Yes?—In 1918 the wages were slightly lower than that. They were 38s. to two guineas.

15,387. Is that the minimum wage? Let me get it clear, whichever way it is. What is the minimum wage you pay on your farm to-day in your district?—I really could not tell you; we never pay the minimum wage, so we are not interested in it.

15,388. Do you not know what the minimum wage in your district at the present moment is?—I have forgotten really; that is the truth of the matter. All I know is I am paying above the minimum wage at the present time.

15,389. You do not want the Corn Production Act either for the protection of the men in your district or for the protection of the farmer. You know the Corn Production Act provides for a minimum wage to be paid by farmers?—Yes.

15,390. It also provides that in return for the farmer paying the minimum wage he shall receive certain guaranteed prices for cereals?—Yes.

15,391. As I understand, for your class of farming neither the minimum wage is necessary to protect the workman, nor is the guarantee necessary to assist the farmer?—Perhaps that might be so at the moment, but is it the future you are referring to?

15,392. Yes, that is what I want to get from you. At the present moment neither is necessary?—At the present moment I don't think either is necessary.

15,393. Supposing there were no guaranteed prices of corn, and that the result of the world's prices by competition were to reduce the price of wheat to 45s. a quarter, could you then go on paying the present rate of wages and carry on your farm in the same position as you are doing now?—No.

15,394. You could not?—I do not expect I would be able to do so.

15,395. What have you come here to tell us? Have you come here to help us as regards your class of farming? Is there anything you want as a farmer?—I was asked by the Costings Committee to give some figures and accounts for my farm. I knew that I had had a good year and I did not want to refuse to give them because it was a good year; I wanted to be perfectly frank and to let you see there were special fluctuations in my case.

15,396. I regard yours as a special sort of farming?—That was simply the sole reason I wanted to give them to you. I have some figures showing some other years which are not so good.

15,397. Your figures do not interest me, but your views as a farmer carrying on your system of farming do interest me, but you have not got any views as I understand. You are carrying on a special class of farming which is quite common just outside our big towns where you sell everything off, and buy manure from the town authorities and bring it on your farm?—Yes.

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[Continued.]

15,398. You have a market ready at hand in the town for all you produce and your cart or waggon goes into the town with the produce and brings back the manure?—Yes.

15,399. That is a special kind of farming?—Yes.

15,400. You do not trouble about the minimum rate of wages, because as you say owing to the higher standard of wages which prevails at the collieries in your immediate neighbourhood you could not get anyone to work on a farm at the minimum wage?—That is so.

15,401. Therefore, the minimum wage is not necessary to protect the workman of such a farm as yours?—That is so.

15,402. That is quite clear?—Yes.

15,403. The next point is this: is a guarantee necessary in your case to enable you to continue farming under the Corn Production Act? At present you are getting a maximum and minimum price both fixed under the Defence of the Realm Act. Are you aware of that?—Yes.

15,404. With a price of 75s. 6d. I understand you could continue on your present system of farming and make a reasonable profit?—That is so.

15,405. The Defence of the Realm Act will shortly come to an end. The fixing of prices under the Defence of the Realm Act will come to an end and you will either be driven to the Corn Production Act or some amendment of it or you will have to rely upon the play of the market—that is the competition from abroad and the world prices as so fixed. Do you follow?—Yes.

15,406. What I wanted from a farmer carrying on your class of farming was your view as to the future. Would your position be secure—could you carry on your business first of all with a guaranteed price of 45s. for wheat as provided by the Corn Production Act?—I do not think that the guaranteed price would be sufficient in my particular case.

15,407. I suppose yours is not a special case. There are other farms carrying on a similar class of business are there not?—Yes, in my particular district round the town there are, but it is the most expensive kind of farming on account of the wages we have to pay.

15,408. I quite understand that. Therefore, at what price would you have to have wheat as a minimum price to enable you to pay your present outgoings for wages and such other outgoings as you do have and continue to carry on your industry with a reasonable profit?—I have thought myself that it should not go below 60s.

15,409. You think with 60s. you could still pay the wages that are above the minimum rate in your district, and pay all your other outgoings and leave you a profit?—I think so.

15,410. Have you considered the matter carefully?—Not in an expert way from the point of view of figures. I am just an ordinary farmer and not an expert in any way. I have told you how it is I have come here, and I have given you the result of my farming from the experience of my farm books. I have not gone into it as an expert in any way. I am simply an ordinary small farmer, and I have put that forward specially that I come here as a typical small farmer who knows a little bit about books.

15,411. Am I to take it that you have really considered it or that you have not. If you have not considered it I will not pursue the question?—I have considered it.

15,412. How many sacks of wheat do you grow to the acre on your farm?—It entirely depends upon the season.

15,413. On the average?—It fluctuates from six sacks up to 13. We had a great year last year when we had 13 sacks.

15,414. You tell me as I understand that you want some guaranteed price to continue your present system of farming with wages and outgoings at their present rate, and you think that 60s. a quarter would be enough?—Yes, but it is really so very difficult because of the tremendous fluctuations there are, especially with such strong clay land as I am farming.

15,415. How many horses do you have to employ?—We do not plough very deeply on account of the clay—sometimes with three and sometimes with two.

When we are ploughing to any decent depth we have to employ three horses.

15,416. That is all you can tell me, that you think 60s. a quarter would be enough to keep you going?—Yes, that is my view as a farmer who has kept books and profit and loss accounts, but not costs, which is quite a different thing.

15,417. I am told that the minimum wage in your district is 42s. 6d.?—I think that will include perquisites, and as I have already told you in my evidence, perquisites in my case are in addition.

15,418. How much are you paying now?—Between 45s. and 50s.

15,419. So that you are paying 2s. 6d. to 5s. a week more than the minimum rate?—Yes. There are such various values for perquisites that I have never got at what to value the perquisites at, and that is such a strict question that I am afraid I cannot answer it accurately.

15,420. *Mr. Duncan*: Just one point on your income and expenditure table. You put your wages for the period under review at £463 0s. 2d.?—Yes.

15,421. Is that the cash wage, or does it include the value of the perquisites?—No, that is the cash wage.

15,422. What perquisites do you give in addition?—I give half-a-ton of potatoes—and a pint of milk a day.

15,423. Is that shown in the statement?—No, that is not shown because it comes into profits and it goes out again on the other side of the account, and of course I do not show it.

15,424. Do you produce the milk on the farm?—Yes.

15,425. Does that item appear in your sales?—No, not the perquisites—just the milk sold outside.

15,426. I suppose you supply your own household?—That is so.

15,427. That does not appear in the statement either?—Yes, in paragraph 5 you will see there is £40 put down for produce consumed by household.

15,428. Of course, there are houses which are included in the total rent of the farm?—Yes.

15,429. How many houses have you?—Three.

15,430. If those were allowed for it would necessitate a slight adjustment of the account?—Yes, they would make a difference.

15,431. *Mr. Edwards*: What is the area of your farm?—Two hundred acres.

15,432. You say you buy all your manures and still you have only £74 6s. 7d. down for manures?—Yes, the value of that manure is chiefly in the carting and the labour. I have a good distance to go for it. That is the cash value of the manure paid to the person who lets me have it, but really the value of the manure would be more than that if it were taken out in another way.

15,433. How many loads does that represent?—The loads are not shown here.

15,434. My point is this: You do not keep stock and you said you made up the fertility of the farm by buying manure?—Yes.

15,435. Still, although you get annual receipts from the farm of £3,645 17s. 6d., I find you only pay £74 6s. 7d. for manure?—I can explain that. The war made a great difficulty in getting manure, and I only got a small quantity of farmyard manure, as it is called, but really town manure. I, therefore, had to make it up by getting scavenging manure from South Shields. We got that for nothing so far as cash payment is concerned, but it costs a lot in labour. Still, I was very short of manure, and the farm will suffer for that in the future. I got into that difficulty owing to the war.

15,436. That being so, and you having produced no manure on your own farm, your farm must have lost considerably in fertility?—Yes, in the last two years.

15,437. *Mr. Green*: I simply want to ask you, as a typical North Country farmer, whether you have any fear of the future with regard to falling prices?—I have not any very definite opinions upon that, because the situation is so complicated and one hears so many different views with regard to it.

15,438. You are not worried about the guaranteed prices?—I am in this position, that I really do not know.

15,439. At any rate, you are not keen about guaranteed prices?—You mean at 45s.?

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[Continued]

15,440. You are not worried about a guaranteed price being fixed for future years?—No, but I am worried in this respect, that in my own mind—if you want to know what I think—I believe the thing would never be kept off, because the moment cheap wheat came in the Government would not stand it, but, as I have already said, I have not considered the question very much or taken as much interest in it, because I do not believe in it. I do not believe the Government would keep to a guaranteed price if cheap food comes along in the future. The political cry of “Cheap food for the people” will prevent that.

15,441. *Mr. J. M. Henderson*: If no guarantee is given at all such as there is in the Statute at present will it alter your system of farming or upset you very much?—I would wait until something happened, if that is what you mean.

15,442. You would go on—you must go on ploughing your land and so on?—I would go on until the market showed signs of starting to drop.

15,443. As a matter of fact, are not farmers round you ploughing away just as they did before without apparently troubling anything about the future at all?—That is so.

15,444. *Mr. Thomas Henderson*: You say in your *précis* that the foulness of the land was pretty much the same in 1914 as it is now?—Yes.

15,445. It has not got any dirtier since 1914?—Not appreciably.

15,446. How have you been able to keep it up? Being in a pit district I was fairly lucky in getting women labour. That is the worst of my case, it is not typical at all. I am farming under special circumstances surrounded by pits. That is one of the few advantages I get.

15,447. Does that also explain the fact that your state of repairs and equipment is quite as good now as it was in 1914?—No, because I have kept them up.

15,448. *Mr. Langford*: You have come here as you have stated to give us your individual experience and accounts?—That is so.

15,449. You thought because you had rather a large profit last year it was only fair in the farming interest that you should come and put those facts plainly before the Commission?—I did.

15,450-1. You did not think when you were asked to come here that you were going to be questioned upon the future policy with regard to agriculture?—I did not. I do not consider I am a big enough man to answer important questions of that kind.

15,452. In your opinion this Commission is sitting with a view to taking evidence and then suggesting a policy?—Yes, that is so.

15,452. Did I understand you to say that 1918 was the best year you have had—that you made more profits that year than you did in any preceding year since you have been farming?—Yes, 1918 was easily my best year—far the best.

15,453. But you did make profits in the years immediately preceding last year?—The year before that I made £355 profit.

15,454. As against £1,256 in 1918?—Yes.

15,455. Can you say what you made in the year 1916?—I have shown that in paragraph 8 of my *précis*.

15,456. Can you tell us anything as to your pre-war profits. What was your profit in 1913?—The average for the three years previous to 1917-18 was £580 per annum—those are war years.

15,457. What were your profits before the war commenced?—Very often I hardly made a living. We did not make a living because some years we lived on our capital when the family was large.

15,458. In any case the profits were relatively smaller pre-war?—Very much smaller.

15,459. Without giving us your opinion as to policy, do you think that the profits of 1918 are going to be maintained?—I do not think so.

15,460. Are you paying higher wages now than you were in 1918?—Yes.

15,461. And the hours are shorter now than they were in 1918?—Yes.

15,462. You know there is a movement on foot to make the hours shorter still?—I have heard so lately.

15,463. Do you regard the shortening of the hours as a serious matter to the industry?—Do you want me to go into details?

15,464. Yes, if you have any details?—What I mean is this: If you stop overtime on a farm it is a very serious thing—if you take away a man's right to please himself whether he works overtime or not when you ask him especially, if he is a decent fellow who would be willing to work overtime at the busy times of the year to get your crops in, but he has to say, “No, I cannot because I am not allowed to work overtime” like they do in the case of bricklayers and those sorts of trades. That is a very serious thing for farmers.

15,465. Do you find any difficulty in getting the men to work overtime now?—None whatever.

15,466. That is to say during harvest and hay-making, but they will not work overtime all the year round?—No, we never ask them to work overtime except during the crucial times, at harvest and so on.

15,467. You do not want that privilege taken away in any case?—No.

15,468. You want a free right on the part of the men and of yourself to bargain with regard to overtime?—Yes, and for this reason, not only is it against my interest, but it is against the man's interest. If he is an industrious man he likes to work overtime and likes to make money just as we all of us do.

15,469. Do you think the agricultural labourer if he were asked his opinion by referendum would be a party to having that privilege taken away from him?—I do not think so.

15,470. *Mr. Nicholls*: Have you discovered anything which gives you the impression that the right of the man to work is to be taken away from him?—Yes, I heard that the Labour Movement had put something forward to get Parliament to include agriculture in the Bill.

15,471. It is the very opposite. It fixes a certain number of hours as a working week and then it says that all hours worked beyond that number are to be paid for at overtime rates. Surely that is so, is it not?—I did not understand it to be so.

15,472. I have not heard of anybody who wants to take away the right of an employer and a workman to make an arrangement with regard to working overtime. What really has happened is that they want to fix a standard working week for all workers, including agricultural workers. That may be a questionable thing on the part of many people, but that is the aim, and that any time worked beyond those standard hours in the week shall be paid for at overtime rates?—It always is paid for in my district.

15,473. You do not object to that?—I do not.

15,474. It is as well that that should be made clear?—All the fair-minded farmers that I know think that the men ought to be paid for every minute they work now of real overtime—you know what I mean by real overtime.

15,475. You do not find any difficulty with the men. The real type of man is willing to work overtime when it is necessary?—Yes.

15,476. I have no experience about the building and other trades. You suggested something about bricklayers refusing to work beyond a certain number of hours. That I do not know anything about. You have no real knowledge have you that the Unions prevent a man from working overtime?—The bricklayer is only allowed to lay so many bricks per day where I come from.

15,477. Per day or so many hours?—That is so.

15,478. Yes, but is there any restriction against them working beyond those hours so long as they are paid overtime rates because if there is I have not heard of it?—I have always understood that was the case.

15,479. I can assure you there is nothing, so far as the Wages Board are concerned, that goes in that direction. Every arrangement they have made is that a week shall consist of so many working hours,

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[Continued.]

whatever it may be, 48 or 50 or when it was 54—and you cannot fix a minimum wage without arranging some scale of hours for which a man shall be paid on a weekly basis, but we have always encouraged the idea that the men should be at liberty to work overtime beyond those fixed number of hours if it is necessary. We have been told in some cases that the men object to work overtime and that that was the real trouble the farmer had to meet. When we came down to hard facts we could not trace that disinclination to work overtime except in a very few cases. Of course, there always will be a solitary case of that kind here and there. There were, as I say, a few cases where that happened, but the men as a rule are always willing to go on working overtime at special times of the year if they are asked to do it?—That has been my experience.

15,480. *Mr. Robbins*: Do you object to the inclusion of agriculture in the Hours Bill—because if agriculture were included it would not be possible for the farmer to do what he is at liberty to do now, that is to contract with his workers for any number of hours work that he thinks necessary?—That is what I understand was the case at a meeting of farmers on Saturday last.

15,481. That is apparently your objection to the Hours Bill?—That is so.

15,482. *Mr. Smith*: Do I understand that the farmers want overtime to be worked systematically every week of the year?—No, the men want regular hours, but in busy times I think they expect that they will be called upon to work extra hours so as to get the hay in and the corn harvest in. Those are the only times we do call upon them to work any overtime.

15,483. It would only be on such occasions as that that you would want longer hours to be worked?—That is so.

15,484. There is nothing in this Bill which has been spoken of to prevent that?—I did not know that; I have been informed that it is otherwise.

15,485. Overtime rates are specially provided for in the Bill. Part of the proposal in the Bill is to fix rates for overtime. Surely they would not fix rates for overtime if it was proposed to prohibit overtime from being worked, would they?—No, I suppose not.

15,486. Therefore, speaking as a farmer, so far as overtime is concerned you would only want it worked on special occasions?—That is so.

15,487. Mostly at times of the gathering of the crop?—Yes.

15,488. Have you any ideas as to what your return

is likely to be for this year. Does your year end at Michaelmas?—At the 31st May.

15,489. Have you any ideas as to what your position is likely to be this year from the point of view of profit?—Yes, it will be quite a different year this—it will be a serious year owing to the tremendous drought more than anything else.

15,490. Which means there will be a poor yield?—Yes.

15,491. In regard to the future of agriculture have you formed any opinion as to how the industry could be helped by national effort in any way such as improved transport or scientific research or things of that description?—That is rather a big question to ask, but I think that if things were systematised in districts transport could be cheapened and horses could be practically done away with.

15,492. In that respect it would be helpful to the industry?—Yes.

15,493. In so far as economies are effected in that direction it would help the industry to stand these improved conditions for the workers?—I could not say that it would.

15,494. If there were economies effected it would certainly help in that direction, would it not?—Yes, if we could prove that there would be economies obviously it would give us a better opportunity.

15,495. I understand you to say that in your opinion a proper organised system of transport would result in economies?—I think it should be tried—that is what I mean to say—to see if the horse cost and the mechanical cost could be cheapened.

15,496. If successful economies were effected it would help you in regard to providing better conditions for the workers?—Yes.

15,497. That would be a desirable thing?—Yes.

15,498. *Mr. Walker*: Have you any personal knowledge of what happened before the Joint Committee which dealt with the question of this proposal of a 48 hours week?—No.

15,499. Where did you get your information from with regard to the question Mr. Robbins put to you and which you answered a moment or two ago so far as the working of the 48 hours is concerned?—I got my information at a meeting of farmers in Newcastle on Saturday last. That is the impression I gather generally.

15,500. You think now that that impression was a wrong one when you find that provision has been made for the working of overtime?—Yes.

15,501. Have you seen the Bill at all that proposes it—have you read the Bill?—I have not. I am afraid farmers have no time to read Bills.

(The Witness withdrew.)

28 October, 1919.]

MR. THOMAS WILLIAMS.

[Continued.]

EIGHTEENTH DAY.

TUESDAY, OCTOBER 28TH, 1919.

PRESENT:

SIR WILLIAM BARCLAY PEAT (Chairman).

DR. C. M. DOUGLAS, C.B.,
 MR. W. ANKER SIMMONS, C.B.E.,
 MR. HENRY OVERMAN, O.B.E.,
 MR. A. W. ASHBY,
 MR. A. BATCHELOR,
 MR. H. S. CAUTLEY, K.C., M.P.,
 MR. GEORGE DALLAS,
 MR. J. F. DUNCAN,
 MR. W. EDWARDS,

MR. F. E. GREEN,
 MR. T. HENDERSON,
 MR. T. PROSSER JONES,
 MR. R. V. LENNARD,
 MR. GEORGE NICHOLLS,
 MR. E. H. PARKER,
 MR. R. R. ROBBINS,
 MR. W. R. SMITH, M.P.,
 MR. R. B. WALKER.

Mr. THOMAS WILLIAMS, representing the National Farmers' Union Advisory Committee for Wales,
 Called and Examined.

STATEMENT OF EVIDENCE TO BE GIVEN FROM NORTH WALES BY THOS. WILLIAMS, ESQ., THE GAER, FORDEN, WELSHPOOL.

15,505. I have been a farmer in Wales for 25 years, and am well acquainted with Welsh farms and Welsh farmers.

15,506. (1) Wales is pre-eminently a land of small holdings. By small holdings, I mean farms from 5 to 50 acres. 70 per cent. of the farms in Wales are under [50 acres and 87 per cent. under] 100 acres, and large farms are the exception. The majority of Welsh farmers are, in reality, agricultural labourers. They work hard for long hours, assisted, when that is possible, by their families—wives, sons and daughters. For many years the farmer in Wales earned less money than his paid labourer, after deducting reasonable interest for his capital. With the exception of the last four or five years, the majority of Welsh farmers would have earned more money in almost any industry than they did from their farms. Probably in no part of the United Kingdom is the attachment of the tiller to the soil so prominent as in Wales. Reluctance to leave the old family homestead has been the cause of thousands of farmers continuing to slave and toil on unproductive farms. They will strive in every way possible to meet an often impossible rent rather than depart from the old home. Sentiment frequently over-rides reason.

15,507. (2) The recent and continuing sales of large estates has greatly increased the feeling of insecurity, which is always present in the mind of farmers, such as I have described. The consequence is, that farmers, when given the opportunity, have bought their old homes, at prices which, in many instances, will cripple them financially for life. Rather than risk dispossession, farms have been bought by the tenants at from 30 to 40 years' purchase on their previous rents. From £1,500 to £2,000 have been paid for farms renting under £50. At the first figure given the interest payable on the capital will be £75. To this must be added the cost of repairs, the provision of new buildings, and other items formerly discharged by the landlord out of his £50 rent.

15,508. (3) The high prices paid for land is also connected with the few cottages yet standing, where the farmer can house his labourer. A cottage with just enough land to keep two cows, situate far from any village or convenience, and which for years had been rented at £12 a year, was sold a few weeks ago for £1,030. There was nothing in the situation of the cottage, nor the circumstances of the sale, to

justify such a price. Farmers are precluded from charging more than a few shillings a week as rent for cottages on their farms. The high price paid for such cottages by outsiders—whether with or without land—will materially add to the difficulties of the labour situation. The ties between farmer and labourer will be considerably weakened by the impossibility of housing the labourers on or near the farm. It is to the advantage of both farmer and labourer that a portion of the wages of the latter should be paid in kind. In this way the labourer gets his milk, his potatoes, and his other vegetables at wholesale prices, and the farmer gets a sale for his produce, or a portion of it, with the least possible cost and trouble.

15,509. (4) Insecurity of tenure is a prime factor in those cases of bad farming, which are sometimes met with. The farmer who does not know how long it will be before he is served with a notice to quit cannot put his capital nor his energy into the farm. Every farmer must look ahead, not for one year, but several, before he can cultivate his land to the best advantage, but it is impossible to do this unless there is a certainty in his mind that he will be allowed to reap the results of his forethought. Under those conditions the farm does not get the best out of the farmer, and the farmer does not get the best out of his farm. The state of farm buildings is, generally speaking, deplorable. Nothing has been done during the last five years, and the cost of repair at the present time is prohibitive. The sleeping accommodation for farm labourers who live in—and this is the practice in nearly all parts of Wales, especially with regard to teamsmen—is of a primitive description, the so-called bedrooms being situated over stables, or other out-buildings. This is not conducive to the physical and moral welfare of the community.

[This concludes the evidence-in-chief.]

15,510. Mr. Green: I take it that the Welsh farmers feel that there is no security in guaranteed prices, unless they have security of tenure?—No. Security of tenure is the prime factor in the whole matter; but I might say that guaranteed prices will help to tide over the present difficulty, to some extent.

15,511. Without security of tenure guaranteed prices would not give you much security, would they?—No, they would not give the necessary satisfaction and confidence.

15,512. You are still liable to be turned out of your farm, even if you had planned your crops for four or five years?—Yes.

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[Continued.]

15,513. Are the Welsh landowners large landowners or small landowners?—In comparison the majority are small landowners, but there are here and there certain large landowners.

15,514. I suppose you feel the great danger is of farmers having to lock up their available trading capital in purchasing land, and the productive user of the land will be let down in consequence?—There is that tendency, especially with the very high prices paid now, that the farmer will not have sufficient capital to buy the farm and also to stock it.

15,515. So nationally this continual buying up of farms by farmers will be a bad thing?—I might say that in my view it is the best means of security of tenure and the only satisfactory one possible, but the difficulty is with the money. That I think could be got over by Land Banks, or the Government supplying the farmer with the money at a moderate rate of interest. The difficulty is in getting sufficient money to purchase the farm, and also do the stocking. But that is the only proper means, the security of tenure, for the farmer to buy his own farm.

15,516. The sleeping accommodation, as you mention here, in Wales; is very bad, generally speaking, for labourers, is it not?—It is put down here, but I would like to qualify that. I would not say it is generally the case that waggoners have to sleep in outbuildings; but it is often the case of a small farmer in Wales, with a large family, that the accommodation is very inadequate to accommodate these labourers in addition. But they often do live amongst the family themselves because of lack of housing accommodation.

15,517. Do you think that farming could be improved in Wales where there is a very heavy rainfall, by following out the system of continuous cropping to a large extent?—Of course the very heavy rainfall in Wales is a serious matter; and we had an instance of it last year, when the greater part of our crops was completely destroyed. But I cannot say that continuous cropping has been a success. It has been tried to some small extent, but I should not say it has been a very great success. In my view we do not get enough sunshine to make it a success with continuous green crops.

15,518. What do you really mean, in Wales, when you use the term "security of tenure"? Have you any Bill sketched out, or any detailed plan of security of tenure, because it is a very loose phrase, is it not?—Yes, I quite agree. It is altogether a difficult problem; but, as I said before, I have come to the conclusion that there is no security that will be satisfactory to both owner and tenant, and the only conclusion I have come to is that we must have some system of purchasing the farms.

15,519. But surely tenant farmers mean something by security of tenure otherwise than by purchasing farms, do they not?—Of course, many theories have been put forward, but so far nothing has been satisfactory.

15,520. Not in your opinion?—No.

15,521. Do you suffer much from game?—In years gone by there has been a great deal of damage done by game; but since the Cultivation Orders during the war, game have not been preserved to anything like the extent they were formerly. I should say, on the whole, the damage from game is not now very great.

15,522. There is still danger that it may be great?—There is, in certain districts where Cultivation Orders have been carried out on land adjoining covers. There is, of course, at present material damage done; but nothing in comparison with what was the case years ago.

15,523. Mostly from rabbits?—No, I should not say the greater damage is from rabbits. The greater damage in the corn, in my view, is from pheasants. That is where the farmer has done his duty and kept the rabbits down; but there is also damage from rabbits.

15,524. What is your experience of the working of the compulsory part of the Corn Production Act, Part IV, at the present time in Wales? Is it being

at all effective?—It has been until now; but I might say the farmer in Wales has had such a dose of cultivation, that I think he is absolutely sick to death of it. To keep it up, or to maintain anything like the present quantity of cultivated land, I am afraid will be a great difficulty. There is a very strong feeling at the present time amongst the farmers that officials should be reduced as soon as possible, and that the farmer might have his chance to go his usual course.

15,525. So there is a tendency to ease down the compulsory part of the Act?—There is a distinct tendency. It is being done, I believe, as fast as possible; but I can say there has been a certain amount of unsuitable land ploughed up, which probably would be better laid down. But the present labour difficulty, the shortening of hours, is the main factor that causes uneasiness in the mind of the farmer at the present time. That induces him to lay the ground down as soon as possible, and I do not think any guaranteed price for corn will prevent that course to a great extent.

15,526. You do not think the guaranteed price will be of much help to Welsh farmers?—I think it is a means of satisfaction; but, the climate being so bad, and with the difficulty of working with the labour shortage, and a lot of the land being unsuitable for working by mechanical power, and all those things put together, I think the Welsh farmer will be better off, and I am quite satisfied nothing will prevent him laying down certain more of the land to grass. I do not say he will lay all down that has been ploughed up under the Cultivation Orders, but he will lay down considerable portions of troublesome and heavy land.

15,527. Have you, in the Welsh Farmers' Union, any fixed programme for a guaranteed price? Have you any suggested figure?—Do you mean for corn or meat?

15,528. Corn?—No. We have not gone into the matter up to the present time; but I might say, as far as wheat is concerned, the present price, which is something like 71s. a quarter, does not meet the case at all. We never have a very big yield of wheat per acre. We grow the straw, and get a fair quantity of straw, but we do not get a high yield; and when we compare that with the price of fattening cake, which is about one-third higher, the tendency is to use this wheat for stock, instead of the very high priced cake. It is an absolutely impossible condition, and the price we get for our wheat is absurd, and amounts to no paying price per acre, considering our very low yield.

15,529. What do you consider a paying price per acre?—It is rather difficult to say offhand, as conditions vary in various parts; but I should say the wheat, to be anything like a paying price and an encouragement to grow, should be £5.

15,530. Do you think the taxpayers of this country would submit to a proposition like that?—I do not suggest they should; but the fact remains that, if we must have wheat grown on this class of land, the only way to do it is for the farmer to get a paying price for it.

15,531. Are you a member of the Welsh Farmers' Union?—No, I am not a member of the Welsh Farmers' Union. I am the Chairman of the Advisory Council of the National Farmers' Union in Wales, which is by far the strongest body of organised agriculturists in Wales. There is, I might say, in the Welsh speaking districts of Wales what is called a Welsh Union that has sprung up; but that organisation is comparatively small, and it does not represent much of the best districts of Wales.

15,532. Did your Society have a Conference at Cardiff some little time ago?—Yes, we had, at the Royal Show in June.

15,533. And you did not suggest guaranteed prices at that Conference, did you?—No. It was not for the purpose of going into that matter at all.

15,534. So that you have not outlined any programme for guaranteed prices?—No.

15,535. Is it your personal opinion that it should be £5?—Yes, I should say, taking Wales as a whole, if we have to encourage a fair area of wheat.

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[Continued.]

15,536. *Mr. Thomas Henderson:* I was not quite clear whom you represent exactly. Is it the English Farmers' Union?—There is no such organisation as that.

15,537. The National Farmers' Union?—Yes.

15,538. And you are Chairman of the Advisory Committee for Wales?—Yes.

15,539. How many members do you represent?—I do not really know, but we represent, I should say, three-fourths of the farmers of Wales—quite that.

15,540. And the other fourth is represented by the native Welsh Union?—Yes. I do not know the figures, but I do not think they represent a fourth.

15,541. And you are giving evidence officially on behalf of the National Farmers' Union?—Yes, of this representative body, the National Farmers' Union of England and Wales.

15,542. With regard to this point of sentiment overriding reason, in paragraph 3 you refer to a cottage which had been rented for years at £12 a year, which had sold recently for 86 years' purchase. May I ask you who bought the cottage?—I do not know.

15,543. You do not know for what purpose it was bought?—No, but I can personally give you similar instances, if you like. I have not the particulars in regard to this item, but they can be procured. I should say it is a common occurrence for very excessive prices to be paid for certain small holdings, largely on account of the great shortage of housing. There might be retired farmers and others who are most anxious for houses to live in; and when some of these small farms come into competition, the result is that some people who have made a bit of money will bid, and, of course, will give more than the present tenant can afford to pay, largely because of the scarcity of housing accommodation.

15,544. Then in paragraph 2 you refer to farms of a rent under £50 selling at from £1500 to £2000. Are those bought by farmers?—Yes.

15,545. By tenants, as a rule?—Yes, the tenant, as a rule, is the highest bidder. I could give you a case in point that occurred the other day. The County Council, buying land for small holdings, decided to bid for a certain farm, and the tenant was most anxious to secure it. It had been valued by the Government valuers; but after that it went to £300 more than it was valued at by the Government, and the tenant secured it. That was a farm rented at £220, which sold for £8,000. But I might say that figures like these are fairly common. I do not say it is the general rule, but they are fairly common.

15,546. And the usual buyer is the tenant farmer?—Yes, more often than not.

15,547. How does he make up the purchase price? Is it from his previous profits, or what? Where does he get the money to buy it?—I do not suggest he gets the money at all; and in most cases, I should say he has to borrow as much as he possibly can.

15,548. On mortgage of the farm?—Yes, certainly.

15,549. Is that the common rule?—He has to mortgage or borrow the money in some other way. Sometimes he gets the money through the banks or through a friend; but it is more often than not by a mortgage on the farm.

15,550. Then you are giving evidence to the effect that farmers of Wales are so anxious to get their own farms, that they are willing to incur serious financial risk to get them?—Yes, I say it is a risk, and a very serious financial risk to get farms at present prices.

15,551. And yet, on your own showing, they are evidently anxious to do it?—They are anxious not to go out of their homes, because in many cases they have difficulty in getting any convenient place to live in, if they once lose the farm. The County Council is now in the market for the land, and a certain number of farmers will be dispossessed. Those farmers come into the market, and they are competitors sometimes against a sitting tenant.

15,552. Then do other farmers compete for these holdings when they are put up for sale?—Yes, sometimes.

15,553. And run up the price?—Sometimes.

15,554. Is it not open to another interpretation; that the farmers are so convinced the speculation is a good one, that they are willing to pay high prices for these farms?—I do not think so.

15,555. Is that not a possible interpretation?—My own view is that they realise they are running a grave risk, especially in view of the fact that they do not know what might happen in the future. If the farms depreciate anything like to their pre-war value, it would mean absolute ruin to many of these farmers.

15,556. I presume that consideration would be present in their minds, would it not?—Yes.

15,557. That is to say, taking that factor into account, they are willing to give these very high figures for the farms?—Well, they have to choose one of two evils; they could go out altogether or take the risk.

15,558. I would suggest, even in Wales, the farmer would choose the lesser of the two evils and stay?—It is rather difficult to say which it is. Some do choose the other and go out.

15,559. But the majority stay and buy?—Yes, I should say the majority do.

15,560. With regard to your answer to Mr. Green on the question of officials, I gather from what you state, you are not very fond of officials in Wales?—I might say, personally, I have had a good deal to do with them, and I have found they work very well, and the farmers accepted it with very good grace during the stress of the war. But now it is difficult to persuade the farmer of the great necessity of carrying on this corn production with high cultivation to the extent it has been done. The farmer is certainly very dead against carrying on the present system with all these officials and the inspection of land.

15,561. That is to say, the farmer wants to be left alone, and do the best he can with his own holding?—Yes, there is that feeling.

15,562. That is to say, he wants to get back to a state of comparative freedom?—Yes.

15,563. I suppose you would admit that if you do get a guarantee, it will necessarily be accompanied by some form of supervision or control?—Yes. I do not see why it should not be accompanied by some sort of control without all the present quantity of officials; at least, I hope so.

15,564. If the Welsh farmers had to choose between perfect freedom, or at least as perfect as one can get it in this world, and a guarantee accompanied by supervision, which do you think they would prefer?—It would largely depend on the extent of supervision. I should say it might be possible to have satisfactory prices fixed, without all that amount of supervision and inspection that has been going on.

15,565. Do you think that would sufficiently safeguard the public interests? The public is to be asked to provide the guarantee. Do you not think the public will have the right to have a very effective control and supervision over your industry?—Yes. I have said before I agree that some amount of control will have to be accepted.

15,566. It must be an effective control, I would suggest?—Yes, of course, it will be effective; but it might be that, without the present number of officials.

15,567. There is a large number of officials in Wales?—Yes, I think that is general.

15,568. What do you think they would prefer—a certain number of officials plus a certain amount of control, plus a guarantee, or the return to freedom?—The feeling is certainly very strong for freedom.

15,569. I think you admitted, in answer to a question by Mr. Green, that the guarantee in Wales, at any rate, would be chiefly effective as a sort of satisfaction to the farmer. You say that your particular circumstances in Wales do not lead you to put your land under wheat?—No. Having regard to the very wet climate and the labour difficulty, and the shortage of cottages, and all that, I do not think the Welsh farmer will grow corn very extensively. I do not think it would be advisable. He can better devote his attention to the rearing of stock in the national interest.

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[Continued.]

15,570. So, of course, a guarantee could not touch that, unless it were extended to meat?—Yes; but I presume it would be extended to meat, or I hope, if there was a guarantee at all, it would be extended to meat as well.

15,571. That is to say, if the guarantee policy is adopted, you want in the interests of Wales to have a guarantee for meat?—Yes, I should say so.

15,572. *Mr. Prosser Jones*: What acreage do you farm?—Five hundred.

15,573. How much of that would be under the plough?—One hundred acres of corn and the usual amount of roots this year. Last year it was slightly more.

15,574. What do you mean by the usual amount of roots?—About 20 acres of roots and green crop.

15,575. How many men do you employ?—Nine. Mine is usually grass of the feeding nature, and a good deal of the land floods. But I have farmed near you in Radnorshire, five small hill farms, for fifteen years.

15,576. What acreage did you have under the plough prior to the war?—Eighty, including roots.

15,577. Do you admit that production has been increased through the interference of control?—Yes, most distinctly.

15,578. And you agree it is desirable to continue that—to have that upward tendency?—It is rather difficult to say it is desirable to continue the increase in Wales that I am talking about; but the low-lying ground is suitable, and that part of the land where the fields are large, and they can be done with mechanical power, and so done cheaper than on the troublesome parts of Wales. But I do not say it is advisable to keep up the full amount of cultivation there has been during the war in Wales, because of the conditions I have previously stated.

15,579. Corn can be produced cheaper on a large farm than on a small farm; is that your view?—Yes.

15,580. Owing to the larger fields?—Yes.

15,581. How far is machinery used in your district?—Just where I live it is rather extensively used now; but throughout Wales the fields are so small, and it is so troublesome, that machinery cannot be used to the best advantage as it can under more suitable conditions.

15,582. How do the farmers generally take the new machinery. Do they favour or not the introduction of machinery?—Yes, I think there is an increasing feeling now of favour towards the introduction of machinery where possible.

15,583. Does that tend to reduce the cost of tilling?—Yes; where it can be used to advantage, I take it it will tend to reduce the cost of tilling. That, of course, has been very expensive owing to the high cost of fuel, the initial high cost, and the upkeep, which I think have been found very expensive. I have noticed that when the Government took over the tractors from the Agricultural Executive Committees, they offered them to certain individuals in the districts, machinists, to encourage them to do work for the farmers on their own; but they found it necessary to offer them an additional 10 per cent. on what they could reasonably expect to get from the farmer, to encourage that being done.

15,584. You told us you have nine men working the farm; how do they take to machinery? I take it they are the men responsible for working it?—Yes. I find some of the men are very adaptable to machinery. I personally have not found any difficulty under that head.

15,585. Then taking the efficiency of your men on the whole, how do you find them? Do they give the same results as they did previous to 1914, say?—No, I cannot quite say that they do; and since the war we have lost many of our best men, and they are not replaced to the same extent.

15,586. Then you told us that one element that disturbed farmers very much was the question of the hours and wages?—Yes.

15,587. Is it your desire as farmers to revert to the old conditions of employment—long hours, low wages, and so forth?—Certainly not. We agree that good wages are necessary and should be paid to the labourer. But when you come to the question of hours where men outside are employed, of course that is a trouble; but talking of Wales, where they

are usually lodged in the house, it is a very serious matter. When these men work short hours, it costs the same to keep them, and they are really more expensive than the rate of wages paid to the men living out.

15,588. You told us there is a shortage of labour in your district. Is it your experience that conditions must be improved in order to secure additional labour? Hours have been reduced in all industries, and the farm labourer looks for the better conditions?—I do not think I have said that there was a shortage of labour in my district.

15,589. I understood you to say that there was a shortage of labour owing to lack of accommodation?—I believe there is sufficient labour; but unless the men are practical and good, they are considered—especially some of these young men—not to be worth the money; and in consequence of that they are not sought after, and the farmer will preferably go short of labour before employing these inexperienced young men at the full rate. That, in my opinion, is the main difficulty; and that is a matter that will send the young men from the farms in Wales, that is, the young inexperienced men. Now, when they have a schooling up to a later age, they do not gain the necessary experience by the time they are 21. I personally have had experience of that class of man very considerably, and also of married men living out, and I am quite of the opinion that the man with experience, on the whole, is worth very much more than a young man who has not had very much experience by the time he is 21. The result will be that we shall lose a very great number of these young men, and a greater number than formerly, I believe, from the countryside.

15,590. Do I gather from that that you are opposed to further education for these young lads?—No, certainly not. I thoroughly believe in education.

15,591. Will you tell us what other industries are near to you in your district, where these young men could take up other employment?—Of course, they go quite out of the district. They go to the industrial parts of Wales, and also to England.

15,592. With regard to the condition of the land in your district, has it improved since the war, or has it deteriorated?—It has deteriorated, and that, in my view, is a very serious matter. The store of fertility is being taken out of the land; and of course that is a loss in landlords' capital, and the tenant to keep up that, will have to replace it. I should say without a doubt it has deteriorated to a very considerable extent. The land is more foul than it was formerly, and very much less manure has been used.

15,593. You give us an instance here of where a man had bought his holding for over £1,000, which amounted to 80 odd years' purchase. Is it not the case that these people cripple themselves in finding this money for holdings?—Yes.

15,594. *Mr. Lennard*: I think I understood you to say, in answer to Mr. T. Henderson, that if guaranteed prices were continued for corn in normal times, you consider there also should be a guaranteed price for meat. Should I be right in concluding that you think it would be unfair to the farming community in general if guaranteed prices were fixed for corn only, and nothing was done for meat?—Yes, I should say so. In years gone by, the foreign competition kept our meat at such a low level, and that was in our part of the country the farmers' sheet anchor; and that was more the cause of the farmers' policy and inability to meet the conditions than high rents.

15,595. If the Government were to fix guaranteed prices for corn only, we should soon have a demand from farmers that guaranteed prices should also be fixed for meat, I understand?—There would be a demand if it were required. Of course, if meat kept up at a paying price without it, the farmer would not want any of this control at all. But the only difference is that the farmer will go on growing stock, because he can do it without so much labour; but he will not grow the corn without being assured of a paying price for it, owing to the difficulty of labour and the cost of labour.

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[Continued.]

15,596. But none the less, you think it would be unfair not to have a guaranteed price for meat, if you have a guaranteed price for corn?—Well, I should say it would be a satisfaction at the present time.

15,597. Are there any other agricultural products for which you think guaranteed prices should be fixed if guaranteed prices are continued for corn?—I do not know. Of course I have not considered that matter, whether it is advisable to have a guaranteed price for everything. It is rather difficult to say, but it might be necessary to have a guaranteed price. Of course I should say that the guaranteed price for corn is the main thing.

15,598. I think I understood you to say just now, that on your class of land it would be necessary to have a price of 100s. a quarter if wheat production was to be remunerative?—Yes; I am giving a sort of estimate, seeing the very low yield that is produced in Wales on the whole.

15,599. So that in Wales a guaranteed price for wheat approximately the same as that of this year would be very little good to you?—No good at all.

15,600. Would it surprise you to know that if you had no guaranteed price and no Government interference with your wheat growing, you would at this moment be able to sell your wheat at something over 90s. a quarter?—I should expect that.

15,600A. Mr. Nicholls: How long have you been holding your farm?—I have been where I am at present 10 years. I have been farming all my life. I have farmed myself for a quarter of a century; but previously I was farming high farms, to begin with a small farm, and then I also farmed five small farms to the extent of some 700 acres.

15,601. Do you own any?—No.

15,602. How many farms have you now?—Only one large farm at present.

15,603. But I understood, in answer to Mr. Prosser Jones, you said you had some in his district also?—No. I did farm formerly five small farms at the same time for a number of years.

15,604. But you are now confined to the 500 acres?—That is so.

15,605. 100 of which would be cereal growing?—That is so.

15,606. Is this Welsh land really suitable for cereal growing, or would you consider, from the national point of view, that it would be better not to attempt it?—No, I do not say altogether. The land varies so much. Some of it is fairly adaptable for cereal growing; but on the whole the yield is much too low to grow, unless a very high price is paid for the corn.

15,607. What you feel is that if the Government come along and say, "We want so much cereal grown," you would say, "You must give us a guarantee that we are going to live by this business"?—Yes.

15,608. That is really your position?—That is so.

15,609. Is it strong heavy land—three-horse land?—It varies very much.

15,610. How many horses do you have on yourself, as a rule, for a single plough?—Two.

15,611. I notice you refer to Wales as being principally a small-holding country. You say in the first paragraph the large majority are small holders. Is that ranging between five and fifty acres?—Yes.

15,612. And I think you intimate here that they work long hours and work very hard, the whole family. What I wanted to ask you was, whether there were many applicants for land among returned soldiers in Wales?—Yes, a considerable number.

15,613. Would you not have thought that those men, who had been away and got in touch with other life, would have been rather inclined to fight shy of these long hours and hard work, and would have discovered something more interesting and less laborious?—I think the original idea was that all these applicants were going to have land for nothing, or were going to have a great bargain over the matter, when a great number of these applications came in.

15,614. When you sift them down and the men now know what they have got to pay, are they still applicants?—I do not know that it has gone that far; but there are a number of cases where these men are married, and they want to come back, a number of them, to where they lived formerly. The housing is very short; but what they usually want is a small holding of grass land without much cultivatable land.

15,615. What do they do then—dairying or sheep?—Yes, it would be to a great extent dairying, I should say.

15,616. With reference to these smallholders that are already there, are many of them holders of their own plots?—No, comparatively few.

15,617. Would they be old tenants, men of long standing who have gone through the difficult years?—Yes, some of them.

15,618. I suppose you would consider that that was one reason why these very high prices are being paid for holdings; that, although men really do not consider it is economically worth it, they have lived for many years in the locality, and have brought their families up, and do not know anything else but farming, and are inclined to give much too much for a farm because they want to retain their position there?—That is so.

15,619. I mean, it means ruin to a man to have to clear off not knowing what he is going to do and he has not saved anything?—Yes; the position is so uncertain that he will take some risks.

15,620. It is not because they know it is worth it, or because they have got the money; but they do not know really where else to go?—Yes, quite; that is very often the case.

15,621. You also say the cottages are very bad. Is there any movement on the part of the Government to put up cottages on these plots for smallholders? Is that an attraction to the men who are coming back from the war?—Yes, I think so.

15,622. Are the Government moving in the matter at all?—Very slowly, I am afraid. They propose doing.

15,623. They are giving an assurance that something is going to be done. That would really encourage a man to come?—Yes, quite.

15,624. I am rather interested, in your reference in paragraph 3, to what you say about "It is to the advantage of both farmer and labourer that a portion of the wages of the latter should be paid in kind."?—I would like to qualify that, and to say it is an advantage to the labourer; but generally when it comes to milk and other small matters, it is not an advantage to the farmer to supply that thing in kind at wholesale prices in consequence of the extra trouble it entails in doing this. I do not consider it is an advantage to the farmer. I might say in addition that it is the tendency, and will be the tendency if labour will claim too high wages and too short hours, to wipe off the perquisites altogether, which I do not think will be in the interests of the labourer. There are ever so many things he gets at present that would be of considerable value if he had to go to the market to purchase them.

15,625. Take milk. It is an advantage to the farmer that his workpeople and their families, too, should have good food. I mean he wants a fit man?—Yes.

15,626. And it is an advantage to have milk in the family?—Yes.

15,627. It is not much loss to the farmer if the man's wife fetches the milk to the house. I mean, it may be an advantage to be able to go to the house and get good milk at wholesale prices; but, I think, really, the farmer ought to feel he is doing a good stroke for himself in getting a good article into his workmen as well as he would be in getting good corn into his animals?—Yes, I quite agree with that, so far; but you will realise, if there are a dozen workmen's wives coming to the house for milk, there must be someone employed to attend to that particular work; so that if it is only sold at wholesale prices, you will see it does not pay the farmer to do that from that point of view.

15,628. But surely it is a matter for arrangement. If he has a dozen families that are coming to the house for milk, he knows pretty well when they are

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coming, and it would not be much trouble for an arrangement to be made to have the jugs all ready which belong to the people, and for the maid in 5 minutes to put what is necessary into them and leave them in a row. It is not like having to take coppers or something like that. It is a deduction every week; and is not like children coming for a pennyworth or threehalfpennies' worth of milk?—It is a weekly arrangement which sounds very well in theory, but I am afraid it would not work out so comfortably as you suggest.

15,629. Why not?—First of all, if you want these little details, the women will come to the house one after the other, and somebody has to attend to the door all the time. You will never get them to come all at the same time to attend to these little things.

15,630. I quite agree, unless you have a definite rule, a table or a signboard, and you make them produce their own jugs, and they bring them in turn, and you say "Your milk will be ready at a certain time," and let it stand there. I should not have anybody waiting for them. It is the same amount every time they come, and it is paid for at the end of the week. There are lots of people, even in the case of the milk carrier that comes round, who are not up when the milkman comes, and they leave the jug out and the milkman puts the milk in?—But he does not do that if he is only getting wholesale prices for it.

15,631. No, but this is on the premises. The milk is there, and it is an advantage both ways?—I do not agree with you, at all, that it is an advantage both ways.

15,632. You do not agree that it is an advantage for the farmer to see that the whole of his people on the farm are well fed and are kept fit?—I do not dispute that part of the matter, but it does not appear to be material. The men should be well fed, of course; but it is not up to the farmer to feed them—not the men who receive what is due to them in money. It is not due to the farmer to feed them.

15,633. But you would not really suggest that the people who fetch the milk from the back door of the farmhouse ought to pay more than the wholesale price if they are living and working on the farm?—No, I do not say so.

15,634. Then, in that case, it is no advantage to the man, further than the advantage of being well fed, that he should have the milk or other things in kind. It seems to me the sensible thing is to say, "Your wages are so much a week, and you have either milk or potatoes or something else at wholesale price, and you pay for what you have." I cannot see that beyond that it is any advantage either to the farmer or to the labourer that a portion of his wages should be paid in kind. That is really the only advantage, and it is an advantage on both sides?—It is no advantage to the farmer, as I said before, but it is an advantage to the labourer. If the labourer was not working on the farm, of course, he would not get it. It is worth so much money by having the thing at wholesale prices. I do not say there is any objection on the farmer's part to supplying the man with it, but it is a consideration.

15,635. I quite agree; but surely it is an advantage to the farmer that that man should be working on his farm. If he worked on somebody else's land he would not get it, and the reason he does get it is because he is on that particular farm, and it is an advantage that he is on that farm?—Yes, and it is a consideration in the wages paid to the men, and that is the main point.

15,636. Then, that also applies to the cottage. I want to know whether you really think it is an advantage all round for a man to live in a cottage that is tied to the farm?—You say an advantage all round. Would you please say what you mean by an advantage all round?

15,637. Some of these cottages you referred to are sold at a very high price, and then you say they can only charge so much rent for them because that amount is fixed?—The farmer can only charge that.

15,638. No matter what he gives for the cottage, he can only charge that rent. Surely, if it is not an advantage to him to have the cottage on his farm, and the man who lives in it tied to him, he would

not go and pay the price the house is worth. I mean he would let it go?—The agricultural labourer as a rule does not buy the cottages.

15,639. I quite agree, but the farmer does?—If he buys the farm, he usually buys the cottage with it.

15,640. Do you not think it is far better to let a man live in a house and pay him his wages and let him pay rent for the house without making a deduction from his wages at all, and say, "You have so much wages; you have to pay for what you have." The principle that you suggest here is the advantage that he should be paid part in kind, which would include the cottage, potatoes, milk, and those sort of things?—Of course there is a fixed figure on cottages now, and that I understand is usually deducted out of the wages when paid to the men. There is very little difference in principle whether the man receives the whole amount and pays the 3s. or whatever it is back to the farmer. I do not see much in that point at all.

15,641. I should not have raised it, only you say it is an advantage?—It is an advantage for the farmer of course to have his cottages on the farm.

15,642. Then with regard to the sleeping accommodation. Have you any of this particular kind which you mention in the last paragraph on your own farm?—No. I would like to qualify that. I do not think it is the general rule that men sleep over stables. They are mostly crowded in the small farm-houses with the family.

15,643. You also intimate that there have not been any repairs done lately?—Yes, that has been impossible. It has been useless expecting repairs during the years of the war.

15,644. Is that because they could not get them done or because of the prices?—Partly both; but there were no men of that class available for repairing buildings.

15,645. *Mr. Robbins:* In paragraph 4 you say: "Insecurity of tenure is a prime factor in those cases of bad farming which are sometimes met with." Have you given sufficient thought to this subject to be able to indicate to us any scheme whereby this evil could be removed, having regard to the just claims of all parties concerned?—No.

15,646. It seems to be a burning question in Wales?—It is, and outside Wales too. I have not gone into the matter really sufficiently to put anything before you. I have never thought of it in that way; but, as I said before, the best security of tenure is some system whereby the farmer can hold his own land. There is a distinct tendency in that direction with us. Land is going into the hands of the farmer at a very rapid rate. During the last twelve months enormous quantities of land have come under the hammer, and in the majority of cases the farmer has bought his own land. I do think we must agree that that will be a tendency, if the farmer can manage it, towards better cultivation; and the farm should be looked after better generally in the majority of cases if it can be had at a reasonable figure.

15,647. You think that the majority of Welsh farmers favour the system of occupying ownership as opposed to tenancy with reasonable security?—Of course, if we could get a reasonable system of security to satisfy the farmer, the farmer on most estates would be quite satisfied; but that has been the difficulty. There has been nothing suggested to meet our views so far, and I am afraid we shall have to fall back on something else.

15,648. Does leasing obtain to any extent in Wales?—No, leasing has been done to a very small extent.

15,649. They are principally yearly agreements?—Yes, quite; or half yearly.

15,650. You do not consider that under a system of occupying ownership the farmer might be crippled for capital?—There is that difficulty, unless some provision is made to meet it.

15,651. To give him credit?—Yes.

15,652. Are you able to say from your knowledge of Welsh farmers, whether on the whole they would prefer to be left to work out their own salvation, or would prefer to have a system of Government guarantees coupled, as it would have to be, with a system of control and interference with the method of conducting their business?—Generally, I should say the

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Welsh farmers prefer being absolutely free; but I might say that, of course, the present times are so uncertain, that it would be a satisfaction if he cultivated land with a sort of guarantee to be given for a few years until things appeared to be more settled. But generally the Welsh farmer is dead against any interference with his work.

15,653. Would he want this guarantee if the Government gave him to understand at once, that they did not propose to interfere with whatever method of conducting his business he might choose?—I rather think there would be some satisfaction for the present in a guaranteed price; because it is thrust on to the Welsh farmer that he will have to keep up the acreage of cultivation, and as long as he feels in that position, I think he will want some sort of guarantee.

15,654. A fixed guarantee, or a guarantee on a sliding scale?—A fixed guarantee.

15,655. You think he has a strong sporting instinct, and he would like to take his chance?—Yes.

15,655a. *Mr. Smith:* You mentioned in one of your answers the very low yield of wheat from the Welsh farms: what would be your average yield?—I cannot say; I have not the figures definitely.

15,656. Viewing it from the standpoint of the average of the country, would you say it is low?—I should say so.

15,657. Could you give us any opinion as to how you could meet the position as between these low-yielding soils and the higher-yielding soils with regard to the £5 a quarter?—Of course, the present system is payment on the acre. I do not say that is very satisfactory. The only solution for the matter in my opinion, is for the land that is not adaptable to go to grass, and to concentrate on the land that is more suitable.

15,658. That means, in your opinion, it is exceedingly difficult by means of guarantees, to adjust the position as between a lower and higher-yielding soil?—That is so.

15,659. You say that farmers are taking a big risk in the purchasing of their farms, and that the reason they are doing it is because they have no desire to leave the industry. Would that not be what one might term a sentimental reason?—Yes, you might call it a sentimental reason; but sentiment is often very strong where generations of farmers have occupied the same place.

15,660. Is it not exceeding dangerous for any section of the community to base their future prospects upon what, after all, is sentiment, however strong it may be?—Yes, I am sure it is dangerous and uncertain.

15,661. Do you really suggest that these farmers are taking a very big risk because of a desire from that point of view to keep on their farms, and that there is not in their minds some confidence that the future will be all right from a farming point of view?—It is rather difficult to say. We have often found the best and most intelligent sons as they grow up have gone away to some other industry, and the farmer who is left has nothing else before him. There is nothing else he could go to that he would be adaptable for after having spent years of his life there; so if he changed at all, the only prospect for him is to change from one farm to another.

15,662. I suggest to you that if that is the only thing he has before him in regard to the future, there is not much chance of his even keeping on the farm unless the industry as such can be made successful. There is a practical side?—Yes.

15,663. And therefore it may be a very short-sighted policy, if that is the whole basis upon which they are resting?—I might say, of course he is building hopes on the future of agriculture still being kept up.

15,664. I suggest to you that that phase of it is rather prominent in his mind, that he has confidence in the future?—Well, he has hope. I do not know to what extent we should describe it as confidence; but no doubt he has hope of being able to make a living.

15,665. A farmer is a practical man, is he not?—He is supposed to be.

15,666. Would you agree that in borrowing the money to purchase farms he is taking even a greater risk than if he was using his own money? The fact that he has to pay interest every year is a greater difficulty than if he merely had an obligation to himself and not to an outsider?—Certainly.

15,667. Therefore the risk is very great?—Yes, if he has to borrow money he has a chance of becoming a bankrupt, whereas if he has money of his own to pay he has a prospect at least of going on.

15,668. I understand you to say a number of these farmers were adopting that method in the purchase of their farms?—Borrowing the money?

15,669. Yes?—That is so.

15,670. Therefore, unless the future of the industry is to some extent encouraging to them, their position is very shaky indeed?—Yes.

15,671. Do you think men would be prepared to run all that risk and place themselves under the influence of an outsider, merely because of a sentimental desire to maintain their position in farming, apart altogether from the future?—I suggest they have no choice in the matter. If they go out of their farm they have nowhere to go to. They are living in the present, and doing the best they can under difficult circumstances.

15,672. But if their farming does not succeed they will have to go out in any event?—Yes, some would.

15,673. And if they are selling now and going out they would be going out on what might be termed advantageous circumstances by virtue of the prices?—No, at the present time they would not. I might say the farmer who breeds store stock in Wales, especially in my district, is in the position of not being able to sell his stock at any price at all because of the scarcity of keep, so he would not be in a fair position of going out now, as he could not make what the stock was worth pre-war, especially if it is store cattle.

15,674. That is rather an exception to the general rule of the country, is it not?—I do not know that it is. The Welsh farmers especially breed young stock and sell them when they are young as certain other farmers in England do. When they are sold they are sold at a very bad price. I saw a lot of cattle offered by auction the other day and no one would buy them—they would not take them at any price because of the scarcity of feeding stuffs. These Welsh farmers are bound to let their stock go or they would die of starvation—which they will do in many cases undoubtedly. Then when the Spring comes they will want to buy and probably they will have to buy at a very high cost. That is the difficulty so there is no inducement to the Welsh farmer to sell out at the present time.

15,675. Have you any difficulty in retaining labour?—The situation with regard to labour is better now since the war. A certain number of men have come back, but we find a good deal in Wales that there are a number of young men who have not had sufficient experience and the farmer is not anxious to employ them at the full rate of wage.

15,676. Has there been in Wales during normal times any tendency for labour to drift from the farms into other industries?—Yes, I should say so.

15,677. That is not a good thing for the farming industry, is it?—No.

15,678. Having regard to that fact do you agree that the conditions of labour ought to be made as good as possible as an inducement for labour to stay on the farms?—Quite, but the conditions of agriculture must be good to meet the demands of labour.

15,679. Taking the question by itself apart from other questions it would be to the advantage of the industry to be able to retain good labour on the farms?—Quite.

15,680. I put that to you because of the question asked by Mr. Nicholls in regard to facilitating circumstances and supplying milk and farm produce to the labourers. I wondered whether you had looked at it from that point of view—from the point of view of facilitating the opportunities of good food getting into the labourer's cottage—whether that might help

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the industry to retain its labour. Good food and fresh milk and things of that description would in themselves be a direct inducement possibly for the labourers to stay on the farms, would it not?—Certainly; I quite agree with that.

15,681. Therefore, I suggest to you it might be to the advantage of the farmers to facilitate circumstances by supplying milk and farm produce to the labourer rather than to restrict supplies?—I think the farmer is prepared to do that provided the demands made by labour are not too great in regard to the actual cash.

15,682. I was speaking of the purchase of milk from the farm?—I do not think there is any objection on the part of the farmer to supplying that.

15,683. I thought you were looking at it more from the point of view of administration and that you had overlooked the other advantages?—No, I only put that point from the pecuniary point of view of the farmer.

15,684. That is not the only point of view?—No, but that is the point of view, of course, which I have in my mind.

15,685. *Mr. Walker*: How many years altogether have you been farming?—I have been farming all my life. I have been doing the practical work for the last quarter of a century.

15,686. I understand in reply to one of the questions put to you by a Commissioner that you would be rather one of the exceptions here as between small farming and big farming?—No, I began with a smallholding myself.

15,687. Yes, but you state in your *précis* that 70 per cent. of the farms in Wales are under 100 acres, and that large farms are the exception. You would be classed as one of the other 30 per cent.?—Yes, quite, I have been for these last 10 years farming a large farm.

15,688. You refer to financial matters. After deducting reasonable interest for his capital and so on you would agree I take it that this really is profit to the farmer from the working of the farm?—Yes.

15,689. In addition to what you have already allowed in referring to the wages of the labourers?—Yes.

15,690. I was not quite clear as to your reply with regard to sleeping accommodation for farm labourers, and particularly to teammen living in what some of us call "bothies," and other sleeping accommodation over the stables. Have you many of those men on your farm?—No, my men live in cottages; I have no men living in bothies.

15,691. Are there many living in such places in Wales according to your experience?—No, that is not my experience. I believe in some cases they do live over stables, but it is very rarely. The men are usually crowded in the house with the family in the smaller farms.

15,692. Might I ask how that statement comes to be in your *précis*. It is very definite and clear here?—That is so, but it is not my experience. I do not know of it happening to any extent. I have known of certain cases of labourers sleeping over the stables especially where there are big houses and mansions. I believe in some of those cases the grooms have been living over the stables, but generally my own experience—and it is rather extensive over various parts of Wales—is that they live in the farmhouse.

15,693. I understood that this statement was put in by you from your experience. This is your own statement is it not?—I think I have explained that. I do not know whether you would like me to explain it again. I did explain at the beginning that this statement was prepared by our Secretary. I am responsible for the whole thing, but I had not an opportunity of revising this so as to bring it into line with my actual experience in the matter.

Chairman: Mr. Williams added the word "often" before.

The Witness: Yes.

15,693A. *Mr. Walker*: To get back to financial matters, do you know if there is any balance sheet in existence so far as the farms in your part of Wales are concerned?—It is very rare for balance sheets to be kept. There are certain cases,

but it mostly applies to home farms, where there is a clerical staff kept and often where pedigree stock are kept. Some of those farmers do issue a balance sheet and some small farmers also produce some form of balance sheet, but they are very few. Balance sheets are mostly produced by the best type of man; a man who would make rather more than ordinary profit. So that the very few cases in which balance sheets could be produced, I do not think would be of much value to the Commission.

15,694. So far as your knowledge goes the average farmer in Wales does not keep accounts?—No.

15,695. But in the case of home farms and so on accounts are kept?—Yes.

15,696. Do you think it would be possible to get for the information of the Commission any figures or balance sheets that would be helpful?—They would not give a fair indication of the position if you got the few there are, because if they are provided by a farmer they are provided by a man who is usually of exceptional ability, and who probably has made more profit than the ordinary farmer. The ordinary farmer does not keep balance sheets at all. He works long hours and when the evening comes I suppose he does not fancy sitting down and using the pen.

15,697. You state here that "Reluctance to leave the old family homestead has been the cause of thousands of farmers continuing to slave and toil on unproductive farms." Do you mean that thousands of farmers in Wales have been engaged on unproductive farming?—Yes.

15,698. You do mean that?—Yes, absolutely, but I do not say those conditions apply to the same extent at the present time. Of course things are better now than they used to be, but when I first remember conditions this statement is absolutely correct.

15,699. To what period of years do you refer? I can understand occasionally a loss being sustained, but this refers not to an exceptional case but to thousands of farmers over a period of years. It states that it has caused thousands of farmers to slave and toil on unproductive farms?—It was a general rule when I remember first of all. Of course as I say, conditions have gradually improved and it does not apply to-day to the same extent.

15,700. I think you will agree that no business can be run on losses?—I do not mean that they were regularly sustaining a financial loss every year, but they did in those times and under those conditions struggle hard to get ends to meet—to carry along.

15,701. It would not be altogether correct to say that farming continuously was unproductive?—Of course that means working hard on unproductive land—poor land that did not produce any great wealth for the labour expended upon it, and we have very much of that description of land.

15,702. At any rate it produced a sufficient return to enable these people to continue farming?—Yes, they struggled through those times.

15,703. So in that sense the farms were not unproductive?—They were productive to a degree. The word unproductive is used as expressing that they did not produce abundance like the best land does.

15,704. They did not produce sufficient?—That is it.

15,705. They thought they ought to have had more, but they had a fair return nevertheless to enable them to continue. In reply to Mr. Prosser Jones, you stated that the land was in a very bad condition and less fertile. If that statement is true how much in your opinion will it take to restore that land to a condition of fertility?—That is a big problem. I would not like to say.

15,706. How much per acre would you suggest?—I do not think I am in a position to give an estimate per acre—not on the whole thing—it varies so very considerably.

15,707. You have no idea?—It is rather difficult to give an estimate without considering the matter carefully. It is difficult to answer a question like that as to how much the whole thing would take per acre.

15,708. I should have thought that was a matter which you would have gone into?—I am afraid I have not.

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15,709. You have made the statement that the land is less fertile now. What I want to know is, if that statement is true, how much it will take to bring it back to a proper state of fertility?—I quite appreciate the question. It is an important question, but it is a question that is rather difficult to answer without considering the matter. But I do not think any one will dispute that it is an actual fact that it has depreciated.

15,710. That is your statement, but you cannot give us any idea how much the cost will be to bring the land back to its proper state?—I would not like to give an estimate without having gone into it.

15,711. In regard to Mr. Smith's question dealing with the yield, can you not give us any idea as to the yield, say, for cereals per acre in your part of the country?—Of course, it varies so much.

15,712. Take your own farm—you are bound to have knowledge of your own farm. Give us the yield per acre of your own farm?—I grow 38 bushels of wheat, but my land is very good land.

15,713. That is the yield on your farm?—That was the yield last year; it will be less this year.

15,714. Have you any particulars of any other farms in your neighbourhood?—Several of the best farms yield that, but that is not any indication of the conditions generally in Wales. Just there the land is very productive—very good land.

15,715. How does that compare with the yield, say, in 1914?—It is equally as good.*

15,716. You mean the yield this year is equally as good as it was in 1914?—The yield last year; I should not say it is as good this year.

15,717. On the question of guarantees, do you really need a guarantee, say, of 100s. a quarter of wheat in the case of land which yields 38 bushels an acre?—Of course, I gave you last year's figures, which was an exceptional year. I do not want the Commission to take that as applying to Wales generally; that only applies to a special case.

15,718. Have you nothing further to say on that?—No, I do not think so.

15,719. Have you any suggestions to make to the Commission further than that contained in this statement here? Take the question of transport, for example?—Yes, I think something could be done as far as transport is concerned which might be a considerable help, and I would suggest that there would be a greater advantage by increasing road transport than railway transport. In various parts of Wales the County Authorities have been pushing on the matter of railway transit.

15,720. Would not road transport be more adaptable to the condition of affairs in Wales than railway transit, because of the nature of the country?—Yes, that is my view most distinctly—I am positive of that—and if something was done to encourage that it would be a great help I am sure.

15,721. Is there any co-operation amongst the smaller farmers, particularly in Wales?—Yes. There has been a special move on during the last year or two and it is spreading very rapidly, and I believe it will meet with considerable success. In dairying, especially, the co-operative movement is most strong, and in a general way it is taken up, too—particularly in regard to the purchasing of feeding stuffs and to some extent as regards sales, too.

15,722. Buying and selling?—Yes.

15,723. You think it would be a good thing if that principle were extended?—Yes. In the county I live in we have formed a very substantial organisation which has risen to very considerable dimensions in a very short time, and it appears to be going on with great success. In other parts of Wales, also, the same movement is taking place at the present time.

15,724. You could extend that principle to other things in connection with the industry?—Yes, quite.

15,725. You have nothing else to suggest?—No, I do not think I have.

15,726. *Dr. Douglas:* With reference to what you said about the cereal production, I want to ask you whether the land which produced 38 bushels in 1914 and 1918 is the same land to which you refer when

you say that wheat cannot be produced at less than 100s. a quarter?—This would now refer to some of the new land.

15,727. I wish to ask whether the two answers refer to the same class of land?—No, not altogether.

15,728. You do not say that 100s. a quarter is necessary to pay the cost of wheat grown on land which is capable of producing 38 bushels an acre?—No, certainly not; I mean on the poor and unsuitable land on which there is so much corn grown.

15,729. You would regard 100s. as a figure which would rarely be attained during normal conditions according to the world price?—Yes.

15,730. So that really in order to produce wheat on that poor land there would require to be a perpetual subsidy?—Yes, quite to produce it under present conditions and labour conditions successfully. On that unsuitable land there would need to be a perpetual subsidy.

15,731. You do not advocate the perpetual subsidy do you?—No, I do not advocate the growing of wheat on that land at all.

15,732. You think that land is unsuitable for wheat production?—Quite.

15,733. Is it equally unsuitable for oat production?—Some of it might be used for oat production, but it does not produce such great yields. In many cases the farmer feeds it to his stock; it is useful in that way.

15,734. The land is capable of growing oats profitably for use on the farm?—Yes, that is so.

15,735. Although not producing a good grinding sample?—Yes.

15,736. Production would be increased on the whole by cultivating that land for oats, would it not?—Quite.

15,737. You would think it is a mistake, would you not, to do anything which would tend to divert that land from oat production to wheat production?—Yes, I should say so.

15,738. You have spoken of a guarantee for other produce besides cereals. You are aware of the machinery, of course, under the Corn Production Act for payment at a certain rate per acre?—Yes.

15,739. You could not adapt machinery of that kind could you, to meat or milk?—No, I am afraid not—it would be rather difficult.

15,740. Therefore, guarantees for meat or milk would entail the guarantee of a market also?—I expect it would.

15,741. Therefore, the Government would in certain eventualities need to become a purchaser?—That might be so.

15,742. Would that not inevitably lead to a fixed price to the Government and the abolition of all free markets?—It would have that tendency.

15,743. You say in your first paragraph that "The majority of Welsh farmers are in reality agricultural labourers"?—Yes.

15,744. You refer I think to the fact that a very large proportion of the farms in Wales are small farms and that, therefore, a considerable part of the agricultural labour is performed by the farmers and their families; is that so?—Quite.

15,745. There must be many cases in which there is no labour other than that of the farmer and his family?—Yes, a great number.

15,746. In those cases do the farmers pay wages to their families?—Not usually; it has not been the custom.

15,747. In exceptional cases it is done?—Yes.

15,748. But usually and normally no wages are paid?—No, nothing at all.

15,749. Are any wages credited to these farmers' children?—No, not as a rule.

15,750. So that they lack one characteristic of the agricultural labourer—they have no wages?—Yes, that is so.

15,751. Those farmers pay for their labour only the bare cost of their children's maintenance?—Yes.

15,752. Have they grown very wealthy?—No, never. I have known any number of cases where the sons of these farmers have worked until middle age without any wages at all or anything and there was practically nothing left for them afterwards.

* The witness subsequently stated that the answer to Q. 15,715 should be: "It is higher than 1914."

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MR. THOMAS WILLIAMS.

[Continued.]

15,753. So that production on these farms is produced practically by sweated labour, is it not?—You might call it sweated labour.

15,754. That is unpaid labour or much underpaid labour?—Yes, that has been the case.

15,755. Are many of these farms dairy farms?—They were not dairy farms in those times, but the tendency now is to make them into dairy farms where suitable.

15,756. Does that form of unpaid labour still survive?—Yes.

15,757. So that there is a great deal of production from these farms at costs much below those which would obtain if the labour were paid?—Quite.

15,758. When you use the word "unproductive" farms, you mean farms that would not pay their way if the labour were paid for?—Yes.

15,759. Do the families of these farmers have any restriction of hours?—No, they usually work very long hours.

15,760. At all seasons of the year?—Yes, usually.

15,761. So that that is an additional burden laid upon these farms?—It is.

15,762. Again reducing the cost of their production?—Yes.

15,763. You said that the cost of production was greater on small than on large farms. Does what you have said now not modify that in respect of dairying, for example, where there is no use of large mechanical implements?—Yes, it might do.

15,764. You mean that but for that cheap labour their cost of production would be higher, because they cannot afford to employ implements?—Quite.

15,765. Have you ever considered how far the employment of implements can be facilitated by co-operation?—It can be.

15,766. Are you aware of what is practised in that respect by the smallholders in Ireland?—Yes. I do not say it is done very extensively so far as the implements are concerned in Wales; there are difficulties about that.

15,767. Naturally, because people want to reap and bind all on the same day?—All at the same time.

15,768. But, in regard to some implements, you recognise the importance of co-operation?—Yes, and there is an increasing tendency to do that where it is possible.

15,769. You have spoken a good deal of the importance of security of tenure, but I gather you do not put before us any plan by which security of tenure is to be secured except that you advocate the purchase of their holdings by the tenants?—That, I should put in the fore-front.

15,770. If land purchase by the tenants were to become general, something would need to be done for their protection by legislation, would it not?—Yes.

15,771. Otherwise the price of land would be even more exaggerated than it is at the present?—Quite.

15,772. So that that would involve some kind of Purchase Bill or scheme?—Yes.

15,773. You have no other suggestions on that subject?—No, I have not gone into that matter at present.

15,774. You have spoken of the practice in Wales. By whom is the fixed equipment of the farms supplied in Wales?—Are you referring to implements and machinery?

15,775. The buildings?—The landlord supplies them.

15,776. Always?—Yes. Sometimes the tenant farmer will add to them for his own convenience.

15,777. Under the Agricultural Holdings Act?—Yes.

15,778. Speaking broadly, the rule is that the farm is equipped as a farm by the landlord?—Yes, and maintained.

15,779. He spends what requires to be spent on repairs?—Yes, of the structure. That is the general rule.

15,780. The equipment of these small farms is a very expensive matter in proportion to their rental?—It is.

15,781. So that a considerable part of the rental is interest on expenditure?—Yes, that is partly the reason why so many of these small farms have been put together in Wales in past years.

15,782. Because it was not possible to make them yield a rent adequate to the cost of maintaining their buildings?—That is so.

15,783. You say that the present state of the farm buildings is deplorable?—I should say they are bad.

15,784. I was quoting your own word. You use the word "deplorable" in your second paragraph?—That word is perhaps too strong.

15,785. Are they inadequate or are they out of repair?—Both, but generally this has reference to the bad state of repair, because nothing could be done to them for some years past.

15,786. In the case of dairy farms, are they properly equipped with cow houses?—That is a very great difficulty. The cow buildings are mostly bad, and not intended to meet the present-day requirements.

15,787. They are merely adapted from feeding-houses to cow-houses?—Yes.

15,788. You have a wet climate, have you not?—Yes, very.

15,789. Are you equipped with hay sheds and corn sheds, at all?—Yes, to some extent we are.

15,790. There is one point with regard to land purchase that I did not understand. You say the County Councils are buying land in Wales?—Yes, for small holdings.

15,791. Do they pay higher prices for land than can be afforded by ordinary tenants?—Not in all cases.

15,792. Are they keen competitors?—They are, but the County Councils do not always bid against the sitting tenant if they can avoid it.

15,793. You say you have no leases, speaking generally?—No, it is not often there are leases.

15,794. Is that because the tenants do not wish them or is it because the proprietors are not willing to grant them?—On the whole I do not think either party is anxious for leases.

15,795. You are aware, I have no doubt, that the system in Scotland is a leasehold system over long periods?—Yes.

15,796. And that that is a system which Scotch farmers would under no conditions give up. Is that within your knowledge?—Yes, I have heard of that.

15,797. Can you explain why it is that the system to which Scotch farmers attach so much importance is so unpopular in Wales?—I am afraid I cannot exactly explain it satisfactorily.

15,798. What is the objection to a lease. It does give, at all events for a period security of tenure?—Yes.

15,799. A period perhaps of 14 years or 19 years?—Yes.

15,800. Why does that degree of security not commend itself to Welsh farmers?—Even if it is a period of 14 years the farmer is working up the farm only to a certain pitch; he has no permanent security.

15,801. He has a 14 years' security?—Yes, but what he puts into it he wants to be assured that if he does not himself, his descendants will reap the full benefit of it.

15,802. That is to say the objection to the lease is that it induces him to spend more upon improvements and that the Agricultural Holdings Act does not secure him adequately, by way of compensation, for those improvements?—Yes, quite.

15,803. So that a leasehold system with adequate amendment of the Agricultural Holdings Act would seem to you to serve the purpose?—It would go a good way to serve the purpose.

15,804. You gave some answers that I did not understand about the relative rates of pay of skilled labour and unskilled labour. How does that arise? Why is it that unskilled labour is paid so nearly at the same rate as skilled labour? Is it due to the Wages Board?—Yes.

15,805. Apart from that would you not lose them from the industry if you did not pay young men on a scale sufficient to keep them from being attracted by other industries?—Yes, I am afraid we would lose more of them.

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[Continued.]

15,806. Really, it is more a question of economic competition in the case of these young men than of interference by the Wages Board which makes their pay too high?—Yes, that is to be considered. That is the fact, but we are losing them in any case.

15,807. Do you think that the prospect of better wages as they become older would attract them more to agriculture?—I should say so.

15,808. Mr. Anker Simmons: I take it that Wales would not be regarded as a corn-growing area at all?—No, it is not.

15,809. What would you say would be the arable proportion as between grass and arable, taking 50 acre farms right through. How much arable land do you get in every 50 acres?—I could only say roughly.

15,810. That is what I want?—I should say 8.

15,811. The agricultural industry in Wales has been chiefly the raising of young stock with a certain amount of dairy farming, is it not?—That is so.

15,812. And the dairy farming is on the increase?—Yes.

15,813. Either from your own experience or from what you have heard would you say that Wales suffered during those bad times of the 'eighties and 'nineties to anything like the extent England suffered? Yes, I should say they did—I should say they suffered worse perhaps.

15,814. Although they are not corn growers?—They suffered because of the very bad prices they received for the stock they raised, but since then there has been a gradual improvement.

15,815. Roughly what would your rents be—may I ask what your own rent is for the 500 acres you farm?—£700 for the 500 acres.

15,816. Would the rents of the smaller holdings be about that rate or less or what?—Taking the average, it would be less.

15,817. Have you any sheep-farming in Wales?—Yes, sheep-farming is carried on very extensively in the mountains.

15,818. Would you be inclined to agree that perhaps no class of men on the land taking the last 20 years has worked much harder than the smallholder?—That is absolutely the case.

15,819. They have had the hardest battle of all?—Yes.

15,820. Would you say to-day that the smallholder is anything like so well off as the man who is regularly employed at a fixed wage on the farm?—Yes, I should say he would be to-day perhaps as well off, but he has not always been. The difficulty is that he is in an uncertain position, whereas the wage earner is sure to get so much each year. This year the small farmer will be far worse off than his labouring man because he will not really, in many cases, be able to make ends meet.

15,821. The corn he grew under ordinary conditions was grown almost entirely for food for his cattle?—Yes.

15,822. He did not grow corn to sell?—No, and he usually purchased a lot of feeding stuffs in addition to raising all his own corn.

15,827. I will not repeat questions that have already been put to you, but do you think if to-day leases were offered to the tenants in Wales they would be readily taken up?—No, I do not think it would meet the case so far as the farming world is concerned.

15,828. You prefer as you have already said the occupying ownership?—Yes, if the money could be got.

15,829. With State aid for purchasing?—Yes.

15,830. If the State found money for that the State would have to have a considerable voice in deciding what was the value of the holding?—The holdings could go at a fair value.

15,831. That would mean a Land Court to settle values—it would mean some form of a Land Court?—Yes.

15,832. If that were so would you agree if a man bought his farm with State-aided purchase money, that he should be debarred from selling it at a big profit?—That is a question I would not like to answer at present.

15,833. May I put it in this way: have you not had considerable experience in Wales as we have had in England where owners of properties in order to meet old tenants have sold their holdings to the tenants at a low price in order to respond to the pathetic appeals that the occupiers did not want to be disturbed from their homes and that within a very short time those occupiers having bought at the low prices had been tempted to sell at the higher prices which prevailed and had cleared out?—Yes, there have been such cases. I have known of cases where landlords have sold the farms to the tenants at less than they would really realise in competition at auction, but of course if a Land Court is accepted it must be accepted all round if any one wants to sell.

15,834. You agree it would be extremely difficult to administer a differential guarantee as between one district and another?—That is a very difficult matter.

15,835. Practically impossible?—Yes—that is the main trouble.

15,836. In ordinary normal times the market price has been universal generally speaking all over the country?—Yes.

15,837. Therefore, if any guarantee were given it would have to be more or less of a universal character?—It would. Of course the poor land that does not produce its crop would have to be rented accordingly.

15,838. If the Government decided to guarantee do you consider—I want you just to think this over before you answer it—that in the national interests it would be a right thing for the farmers of this country to ask that a profit should be guaranteed?—To ask that a reasonable return should be secured for their labour.

15,839. That return would mean a profit, would it not?—It might not necessarily mean a profit.

15,840. Do you not recognise that if the State did such a thing the farmer would have to be under very severe control by the State?—That is just the point the Welsh farmer objects to—too much control.

15,841. He would rather be free without a guarantee than have a big guarantee with strict control?—Yes. I think if this control is going to be carried on and be permanent that some guarantee just for the present emergency would have the effect of pacifying his mind.

15,842. On the question of game, did I understand you to say that the pheasants do more harm than rabbits in your district?—I would not like to say that is general. I personally have not had very wide experience of a thing like that.

15,843. Wales is a pretty good sporting country, is it not?—Yes, pretty good. Pheasants do considerable damage, but on the best managed farm the rabbits are pretty well kept down by the farmer himself. He exercises his rights on the best managed farms. The main trouble now is that landlords often rent the shoot to a separate tenant, thus there are two tenants on the same farm.

15,844. You were asked a question about cottages. What is your opinion with regard to the necessity of there being a certain number of cottages tied to the farm?—I am very definite on that—that it is important that a certain number of cottages should be tied to the farms.

15,845. Would you not say cottages are just as essential as barns and cow-houses and stables?—They are.

15,846. Mr. Overman: You farm 500 acres of land?—Yes.

15,847. You say this year you have 120 acres under the plough?—Yes, approximately.

15,848. In 1914 you had 80 acres under the plough?—Yes.

15,849. So that you have ploughed up an additional 40 acres?—That is so.

15,850. Was that done by request of the War Agricultural Committee, or under an Order?—It was done at the request of the War Agricultural Committee. I was a member of the Committee and I did the full quarter as requested to do.

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[Continued.]

- 15,851. In answer to Mr. Smith you said that last year you grew 38 bushels of wheat per acre. Can you tell us what your average is on the class of land you farm—taking the last 10 years?—I can only give you an estimate.
- 15,852. Give us an estimate?—About 30. Last year was a most exceptional yield.
- 15,853. The Commission may have understood that you generally grow 38 bushels an acre?—No.
- 15,854. *Chairman*: You said in reply to a question that your yield was 38 bushels in 1918 and practically the same in 1914?—I am sorry. That does not bear out my recollection. Last year was a most extraordinary yield; I have never had anything like it.
- 15,855. That is what you did say to the best of my recollection. I am afraid you will have to correct your evidence in some respects?—Yes, it must be a misunderstanding.
- 15,856. *Mr. Overman*: You say you think your average for the last 10 years is not more than 30 bushels?—I should say approximately 30 bushels.
- 15,857. What can you grow of oats on your farm?—I do not personally grow oats extensively; I grow wheat and barley chiefly.
- 15,858. No oats?—Yes, I do grow oats. I should say the oat yield would be about 42 bushels per acre.
- 15,859. With reference to the sales of these small farms which have been taking place in Wales, the County Councils you say have been large purchasers all through?—Yes.
- 15,860. Where the County Councils have been the purchasers in Wales is it not the fact that they are merely displacing one smallholder to put in another?—There is unfortunately too much of that being done.
- 15,861. The County Councils are to a great extent to blame for the enhanced prices these poorer men are forced to pay?—Of course the County Council are urged to do that by the Board of Agriculture; they are just carrying out an Order.
- 15,862. Are agriculturists represented to any extent on the Welsh County Councils?—Yes, but not a majority. In a good many parts of Wales the industrial workers have a big voice on the County Council. There is a very strong feeling I may say amongst farmers against these small holdings being bought by the County Councils and in many cases there is more or less a contract that the sitting tenant shall remain on as a smallholder, but if he remains on under those circumstances he remains on at a considerably increased rent by the time the property has been adapted as a small holding.
- 15,863. That places him at a great disadvantage?—Quite.
- 15,864. *Mr. Batchelor*: Has farming been a profitable business in Wales since 1914?—I should say so.
- 15,865. During the years since 1914, should I be right in saying that the crop of 1918 has been the most profitable?—It rather depends upon the district. Perhaps in some of the earlier districts where the corn was secured before the bad weather set in, I should say it was the most profitable year, but taking Wales on the whole in the higher parts, a very great quantity of the crops was absolutely spoilt by the bad weather, and 1918 probably turned out to be the least profitable year in those districts where the weather was very bad. It varies very much.
- 15,866. 1918, taking it on the average, would show the biggest yield?—Yes, the biggest I ever remember.
- 15,867. What was the condition before 1914. Was there a profit in farming or a bare living or what?—Conditions had gradually improved for some years previous to 1914, and I do not think on the whole there was very much to complain of in just the latter years, taking the whole thing together.
- 15,868. Take your own case. As regards the crop of 1919 you have a pretty fair idea now how that crop is going to turn out. Would you say it was considerably less than 1918?—Yes, very much less.
- 15,869. Was it grown at a greater expense?—Yes.
- 15,870. Do you consider that for the past few years you have been taking more out of the land where it has been cultivated than has been put back into the land in the way of manure?—Yes.
- 15,871. Did you use a considerable quantity of manures in Wales?—Yes, there has been a good deal of slag used, but during the war we could not get this high grade slag because of the restrictions of the department. The result was that very much less was used.
- 15,872. Do you use a considerable quantity of farmyard manure?—Yes, that is really the main stay so far as manure is concerned.
- 15,873. Has the value of that manure decreased through the want of artificial feeding stuffs?—Yes.
- 15,874. So that though the quantity used may have been the same the value of the manure has been very much less?—Yes.
- 15,875. Do you consider that in the next few years in the case of cultivated land in Wales you will require to put back into the land a lot of the fertility you have taken out of it in the past few years?—Yes.
- 15,876. Otherwise your land will not give you even a reasonable crop?—That is so, but I may say we are depending to a certain extent on some of the newly ploughed up land. The best old pastures will go on for two or three years without any manure at all.
- 15,877. I would like if you could give us any particulars in regard to the cottage and land you refer to in paragraph 3 of your evidence. Have you no particulars you can give us with regard to that. It seems so very expensive for a cottage with just enough land to keep two cows?—I have an instance in my mind of a case close to me where a cottage with enough buildings to keep just two or three cows and 9 acres of land was sold for £1,900.
- 15,878. What was the rent of that?—I do not know the rent, but an ordinary rental for it would be approximately £30.
- 15,879. Is there any reason why such prices should be given?—Yes. As I said before one reason is partly want of housing accommodation. Some persons like to come into the country to live and there is a very great scarcity of houses.
- 15,880. How many rooms would there be in that cottage?—It would be what is commonly called more than a cottage. You might call it a cottage; it would be something like four rooms up and four rooms down. We call it a cottage, but it is rather larger than some of the ordinary cottages on the farms.
- 15,881. In the past, before these sales began to take place, what class of people would occupy such cottages?—They are usually men that do work besides; they might be road men or anything like that.
- 15,882. They are working men actually—men who labour?—Usually, not in all cases.
- 15,883. They with their families would actually work?—Yes, certainly; they would not be spending all their time on such a holding as that—not the man.
- 15,884. *Mr. Cautley*: I notice you say that Wales is pre-eminently a country of smallholdings and that 70 per cent. of the farms in Wales are under 100 acres?—Yes, I believe even more than that.
- 15,885. Could you tell me at all how many are under 50 acres?—I have not the figures.
- 15,886. *Mr. Edwards*: This figure of 70 per cent. of farms under 100 acres is wrong. It either ought to read 70 per cent. under 50 acres or 87 per cent. under 100 acres. Either the 70 per cent. or the 100 acres is wrong. I am quoting from the official returns?—I have no reason to believe that that is not right.
- 15,887. *Mr. Cautley*: In Wales on the farms under 50 acres would the farmer employ any outside labour?—He would in some cases.
- 15,888. He would employ a man?—In some cases he would employ a man if he did not have any help from his sons—if he had no sons—or anything like that. In some cases he would employ a man and in some cases he would employ a man part time on 50 acres.
- 15,889. Is it usual on a farm of 50 acres or under for the farmer to work it himself together with his sons and not pay any wages at all?—Yes, that would be the usual thing to do.
- 15,890. That would be the case in 70 per cent. of the farms. They are not then affected very much by the minimum charge?—Not those very small holdings of course.
- 15,891. That is 70 per cent. of the whole?—It is 70 per cent. of the number, but not the acreage.

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[Continued.]

15,892. I agree. That is a very different matter. But so far as a farm which consists of between 50 and 100 acres they would certainly employ outside labour. would they?—Yes.

15,893. You are aware, I suppose, that the average weekly wage now is 37s. 6d. for the whole of Wales?—Yes.

15,894. That is for a week of 50 hours in the summer and a week of 48 hours in the winter?—Yes. I am not quite sure whether that applies to the whole of Wales, but I presume it does.

15,895. Yes, I have the official figures before me. What were the average number of hours worked in Wales before the Corn Production Act came in at all?—The recognised usual hours were from 6 to 6 with half-an-hour in the morning and an hour for the mid-day meal.

15,896. How many hours a week would that be?—I really have not worked it out.

15,897. That is 10½ hours a day? Yes.

15,898. Did they work a full day on Saturday? Yes.

15,899. That would be 63 in the summer?—Yes.

15,900. So to the 50 hours to get the same length of work you would have to add on 13 hours for the week?—Yes.

15,901. 13 hours at 10d. is 10s. 10d.?—Yes.

15,902. If you add 13s. 10d. on to the 37s. 6d. that is what a farmer to-day has to pay his man for the same hours that his man worked before the Corn Production Act, making 48s. 4d. altogether?—Yes.

15,903. I find by the figures that the average total earnings of the man for Wales according to the Board of Trade in 1907 was 18s. a week including extras and for the Central Land Association 1912-13 20s. 7d. a week?—Yes.

15,904. If that is correct the wages to-day are considerably more than double?—They are.

15,905. Speaking off-hand it is getting on to nearly 150 per cent. increase?—Yes.

15,906. Is it possible in your view that the farmer can continue to pay these increased wages where he employs outside labour unless he has some guarantee for the price of the cereals he is growing?—He will do it with less confidence than if he knew what the future was likely to bring forth.

15,907. That is hardly an answer to the question I put. If wages have gone up from 20s. 7d. a week to 48s. 4d. a week will the farmer be likely to be able to grow corn if there is no guarantee of the prices that he is to receive for his produce?—I presume you mean under present conditions and if present prices prevail.

15,908. Not if present prices prevail at all, but what we may expect in the future with free competition?—That is problematical. If present prices are not so high in the future he will not be able to go on without a guarantee.

15,909. Do you mean that if he has present prices he will be able to pay the present rate of wages and to continue to grow corn?—Yes, I should say so.

15,910. At present prices the farmer in Wales will be able to pay the present rates of wages and make a profit on his corn?—I will not confine it to the present prices of corn, because corn is a small matter in the balance sheet of the Welsh farmer even in present years. His return from corn is not a very great matter, but if his return from stock and all his produce remain at a good figure it might be possible for him to pay the present rate of wages.

15,911. Do you share the view that I hold that in the future, whether near or further off, the competition of world prices and world supplies will send prices down? That is the feeling of uneasiness which exists in the minds of the Welsh farmer at the present time—that when prices come down the difficulty will be in bringing the price of labour down with them.

15,912. Have you any suggestion to put before the Commission of what ought to be done?—You mean to keep the price of wages up?

15,913. No, to enable the farmer to pay the present rate of wages and, of course, to keep the wages up also. You in Wales are subject to the Corn Production Act? Yes.

15,914. Under the Corn Production Act wages are fixed quite irrespective of the selling price of corn or anything grown on the farm?—Yes.

15,915. As long as that system continues have you any suggestion to make as to how the farmer can be put in a position to pay the wages so fixed?—I think we have gone over that partly. Our main trouble in the past has been foreign competition which has kept our produce at such a low price.

15,916. You can assume that that will continue. You do think, as I understand, that a guarantee is essential?—Yes.

15,917. If you have such a large number of farmers who are smallholders and who are not paying wages and who, therefore, do not suffer in their expenditure from paying the minimum rate of wages might it not be to their advantage that there should be no guarantee—or would it be to their advantage?—If a farmer and his son are working a farm they expect some return for their labour; they like to feel they are secured.

15,918. I suppose if there was a guarantee of cereal prices the smallholder would get the full benefit because he would get the guaranteed price?—Quite.

15,919. The only question is whether it would be necessary for them to have it?—Yes.

15,920. What is your view about it?—I think if it is necessary for one it is necessary for all.

15,921. You think it would be advisable?—Yes.

15,922. Would there be any difficulty in having two classes of farmer alongside each other under those conditions—one man who is not bound to pay the minimum wage and the other who is?—No, I do not think so. The farmer's son if he worked without an actual fixed wage under present conditions would certainly expect to receive something for his labour at some time or other.

15,923. He would expect to receive it, but he is not entitled legally, as far as I can gather, to get it, because there is no contract of service?—Quite, but he would expect it. At the present time I think the feeling is that he would more or less claim it. If there was a prospect of sinking his money in the capital for the time being and having it later on that would be an inducement for him to go on.

15,924. Have you considered at all the effect of having these two systems going on alongside each other, the smallholder who is not bound to pay the fixed rate of wages, and another farmer, who is also perhaps a small farmer, who is bound to pay the fixed minimum rate of wages?—I do not consider from the economic point of view that there are two systems at all. In the one case the farmer pays out wages every week or year as the case might be and in the other he reserves the farm for his son until such time as the son requires it to farm for himself. That is the only difference in my view.

15,925. You consider there is no difficulty in having the two systems alongside each other?—As I say I do not consider them as two systems.

15,926. Supposing the future has in store for us a 48 hour week with no overtime or a very limited amount of overtime to be worked what do you say?—That in my view would be absolutely fatal.

15,927. Fatal to farming?—Yes.

15,928. First of all will you give me the reason why you think a 48 hour week would be fatal with the very limited amount of overtime which I understand will be allowed?—Of course it would need in many cases practically two staffs of men. There is the milking industry which is a growing industry in Wales; it would be quite impossible to carry that industry out satisfactorily under the 48 hours.

15,929. The men who milked the cow in the morning could not milk it in the evening?—No, and in addition to that there are the very difficult climatic conditions we have to deal with in Wales which would render the work impossible. Usually our men do the work now and we do not find very much difficulty with it when the sun is shining, and in Wales they are not pressed very hard when the weather is unsuitable and if such a system as a 48 hour week were established it would be fatal.

15,930. Farming could not continue?—I do not think it could with success and nothing would send land out of cultivation more quickly in Wales than a reduction of the present hours.

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[Continued.]

15,931. Do I understand that one of the reasons which causes you to come to that conclusion is that Wales is a particularly wet country and you have to take advantage of every opportunity of sunshine that you get to carry on your work?—Yes, that is so, and my own experience is that the men themselves realise it, and I do not think they want any alteration. That is absolutely my experience in the matter—there is so much give and take between the men and the farmer in Wales. I am positive the men are not looking for any further reduction of hours in Wales.

15,932. If such a reduction did come about would that really create unfairness between the smallholder, the man who worked his farm not being subject to paying the minimum wage and working restricted hours and the man who was subject to doing so?—It would give a preference to the man who worked his holding himself in that case.

15,933. He and his family could work whenever the sun was shining, whereas the man with the hired labour could not?—Yes, in my view it would give a preference to the man who worked his farm with his family.

15,934. *Mr. Duncan:* On that point of the limitation of hours, what have you in view when you speak of the difficulty of a 48 hours week with a limited amount of overtime?—Of course, if this comes about I presume it is intended that overtime should be worked only by special permission, and our difficulty is to get special permits when the sun comes out at one part of the day.

15,935. Do you know if any proposals have actually been made of this nature?—Of a 48 hours week?

15,936. Yes?—I presume some heads of Labour Organisations have suggested that this 48 hours should be included in the Bill which is coming before Parliament shortly.

15,937. Are you referring now to the Hours of Employment Bill No. 2?—Yes.

15,938. Have you read that Bill?—No.

15,939. You cannot say whether it is proposed that overtime can be worked only with special permits?—I am given to understand that overtime may be worked by permits—by permission.

15,940. If I assure you there is nothing of that kind in the Bill would that modify your view?—I think I have the Bill in my pocket at the present moment.

15,941. Will you look at it and point to any section where that is laid down?—If it is not laid down I do not see the good of the 48 hour legal enactment.

15,942. I think if you look into the Bill you will see there is special provision made for agreement being come to as to the limitation of overtime, but there is no provision that overtime can only be worked under special permits?—An agreement yes. That amounts to the same thing practically does it not?

15,943. The agreement has to be made in the industry by the responsible organisations on both sides. Do you anticipate that it would be impossible in Wales between your Farmers' Union and the organisations of the workmen to come to a working agreement on these points?—I think there would be less difficulty by leaving the 48 hours out altogether.

15,944. It would create other difficulties, would it not if we left agriculture out of legislation?—I do not know that it would be less satisfactory.

15,945. But you have not read the terms of the Bill?—I know it is not included in the Bill at all.

15,946. You have not read the terms of the Bill which it is proposed to apply to agriculture?—All I can say in regard to that is that I believe the difficulties of farmers who employ labour as far as hours are concerned are very serious at present, and if any further alteration is made in that direction it will certainly have a damaging effect on increased food production.

15,947. The question put to you was—have you read the terms of the Bill?—No, I have said so before.

15,948. With regard to the question of wages in Wales are the wages which are actually paid to the workmen the rates fixed by the Agricultural Wages Board or are higher rates paid?—I do not quite follow your question.

15,949. There are minimum rates fixed by the Agricultural Wages Board. Are these rates actually paid or are higher rates paid?—Usually they are the rates paid; there might be higher rates paid in some cases.

15,950. Is there any different rate paid by farmers in those districts which are nearer to the industrial areas?—There might be.

15,951. Is it in the districts nearer to the industrial areas that higher rates are paid?—It has been so I believe, but since the higher rates which have been fixed recently have been in operation I do not think there would be very much difference, but there has been a difference.

15,952. Speaking generally the agricultural workmen in Wales are paid the rates fixed by the Wages Board?—Yes, I should say so.

15,953. I think you said in reply to one of the Commissioners that it was the practice on the small farms where employed workmen were not engaged for the members of the family not to be paid actual wages?—That is so.

15,954. In those cases are the returns on the farming operations retained as a family fund from which afterwards the sons or daughters are set up?—During the years I remember in too many cases there was no fund at all; there was just enough to make a comfortable living without any sinking fund or any wages that would be due to them.

15,955. What happened to the sons and daughters of those families?—In a good many cases the sons left the farm and went to some other work.

15,956. The parents were not able to set them up?—In a great number of cases the sons of small farmers have gone into service on larger farms.

15,957. And earned wages there?—Yes.

15,958. You say a good deal in your evidence about the attachment of the farmers in Wales to the land. Is it the case that you have farms continuing for any long time in the possession of the same family?—Yes, it is quite a common thing for generations of families to farm the same land.

15,959. Judged by the actual results it would seem as if the family fund had been sufficient to retain the family in farming?—It would retain the family for the farmer's lifetime, and by a struggle it often happens that one of the sons would be able to carry it on in some way or another. That has been the general history.

15,960. Do you find that many of the smaller holders are able to get on in their holdings and to go on in that way? For instance, you have stated yourself that you started in a smallholding and are now farming a 500 acre farm?—Yes.

15,961. Is your case unusual in Wales?—Yes, I should say so. I belong to long generations of farmers. My father was a farmer before me, otherwise I should not have been able to do what I have.

15,962. During your time you developed from the smallholding to the large farm?—Yes, but I do not say my case is an actual or fair illustration of things generally. My father farmed extensively. I have not made all I have got quite by the sweat of my brow.

15,963. It is not usual, then, for the smallholders to go up the ladder?—Oh, yes, smallholders do rise gradually, but in past years there was not so much of it as has been the case in more recent years.

15,964. From what year would you date the improvement?—When I remember first of all, when I began to farm, it was a struggle for existence 25 years ago, but since then conditions have gradually improved and small farmers in many cases have gone up, but it has been those men who have worked hard and for long hours and applied themselves to their industry in every possible way, and saved every penny that could be saved who have gone up.

15,965. There has been an improvement during the past 25 years leaving out of account the war conditions?—Yes, there has.

15,966. I think you stated that farmers in Wales did not keep accounts?—Quite.

15,967. Do you mean by that that they are not able to tell the results of their farming?—They know their results too well, and always have.

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15,968. Without keeping accounts?—Yes; I should say they knew the result. A farmer in a small way would know the result; but he is not in the habit of putting down every penny made and every penny expended as every week is going on.

15,969. But would most of them be able to present an income and expenditure account, leaving out of account what you may call the personal expenditure? Would they know what the result of the farming is?—They know too well the result after the year is completed.

15,970. How is it, if they do not keep any income and expenditure account, that they can tell the results of the farming?—They take into consideration the value of their stock; but as the stock fluctuates from year to year so much according to the seasons and the conditions, that is not usually taken into consideration. If there is any balance at the bank or any money in their pocket, they know how much that is, and usually it has been very easily counted.

15,971. I think you stated in reply to one of the Commissioners, that there is a very strong objection on the part of the farmers in Wales to officials. What officials had you in view when you were making that statement?—I do not know that I had any particular set of officials in view; but during the whole of the Corn Production Act the whole thing has been ruled by officials. It must necessarily have been to have done what was done. Now the farmers think that conditions are different, and that should as far as possible be abolished and a return made as far as possible to the old order of things.

15,972. Were these officials appointed by the Board of Agriculture, or were they appointed by the War Executive Committees?—Partly; and partly by the Board of Agriculture on their own in some cases, especially in regard to the recent inspection. I think perhaps that has aroused as much feeling as anything about prices; but a great number of officials has been appointed by the Agricultural Executive Committees at the direction of the Board to carry out Cultivation Orders.

15,973. How many officials do you have in a county appointed by your War Executive Committee?—It is rather difficult to estimate, but they have been reduced. There are not so many as there were at one time.

15,974. Are you referring to officials appointed by the Food Ministry?—Yes; the whole thing—that included.

15,975. *Mr. Dallas:* You say in your statement that it is to the advantage of the labourer and the farmer that part of the wages should be paid in kind. I suppose you are aware that this was the customary method of paying workers in most of the industries in the country at one time?—Quite.

15,976. And that the workers have gradually got rid of it because they did not want it?—I do not know about most industries. I would not like to say that; but it is a long time back that that was so.

15,977. It prevailed in other industries, to put it in that way?—I do not know even that.

15,978. Do you not find that the labourers object to it to-day?—No. I find that the farm labourer is very reluctant to lose any of the usual perquisites.

15,979. He would rather have the money, would he not, than the perquisites?—I do not think so. I think he is very anxious to claim the perquisites, especially some of them like milk, potatoes and that sort of thing.

15,980. And he is very anxious to claim as many extras as he can; but is he not more anxious to get all his wages in money?—I do not know; I do not think he is.

15,981. Would you be surprised if I told you from considerable experience in different parts of the country and nearly all the counties of England, that the general feeling amongst the labourers is that they do not want payment in kind, but want cash. They want to be able to determine in their own way how they will spend the money they have?—I cannot quite say that is my experience. I think myself that labourers would prefer doing with less money and not losing these main perquisites.

15,982. Supposing the labourer got his wages in full in money and he wanted to buy potatoes or milk or vegetables, he would still get them at the wholesale prices or the cost, as you suggest, would he not?—He has been, of course. I believe in most cases he does not pay more than wholesale prices for anything he gets from the farmer.

15,983. But supposing a man was paid his whole wages in money and then he wanted milk or potatoes from the farmer, he could go and buy them, could he not?—Yes, of course.

15,984. Would not that be a much more satisfactory relationship between the workman and his employer?—I do not know; but clearly in my view he is not anxious to encourage that.

15,985. You know that the Wages Board have limited the number of perquisites that are legal as deductions from the wages?—Yes.

15,986. Do you think that has been an advantage or a disadvantage?—The main items of food which he draws from the farm are still allowed.

15,987. Is it not a fact that there are only two things to be allowed to be deducted from his wages, namely, milk and potatoes?—Yes; those are the main items.

15,988. In many other districts other things were deducted from his wages?—The only question which is debarred which has affected the situation is the question of drink—beer or cider. To my knowledge, that is the only item of importance that has been debarred.

15,989. Of course, the practice varies very considerably in different parts of the country?—I think that is so.

15,990. You answered one of the Commissioners this morning to the effect that it was just as necessary to have the tied cottage, or it was very necessary to have it for the labourers. Would you mind telling me what you mean by the tied cottage, and what you mean by what you say?—I am not sure I mentioned the tied cottage; but we all know what it means in principle. What it really is, is that the cottage is let with the farm also at an inclusive rent.

15,991. You do not mean anything outside of that?—No.

15,992. For instance, in Oxfordshire and in other parts of the country, farmers within recent years have been buying up or renting all the cottages in the village, and therefore when a man comes to get employment from any one of them he must live in one of these tied cottages?—I have not any personal experience or knowledge of that being done to any extent in Wales.

15,993. You do not think that would be an advantage, do you?—It depends; but it is necessary for the farming operations on any farm of any size to have cottages which the farmer can claim.

15,994. Why?—He cannot get his labour very well done without.

15,995. So long as the cottages were in the close vicinity of the farm, would it make any difference whether they were owned by the farmer or by the Parish Council?—It is in my view a satisfaction to the farmer and a convenience to him, to be assured of having cottages where he can put the labourers in who do the work.

15,996. When a man has to live in his employer's cottage, he is under rather a larger obligation than when he is in the cottage with somebody else. Do you agree with that?—That might be so.

15,997. Therefore the man does not feel the same sense of freedom; he is more tied; he is like the cottage and becomes tied, too?—Of course he can change the situation if he wishes at any time. It does not necessarily bind him to remain there.

15,998. And if he changes his situation, he must change his home?—Quite.

15,999. Which is rather a disability, is it not?—Yes; but it does not often happen in my experience now. Usually the best man remains on.

16,000. Yes; but even between the best man and the best employer, there comes a time when they want a change?—Yes.

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16,001. And it is rather a handicap to a man at the same time he changes the employment he must also change his home?—I might say I am looking at the matter more from the point of view of food production. If I were not assured of cottages, I should not risk the farm. I would not take the farm at all.

16,002. Supposing in your district there were plenty of cottages but not owned by you or your fellow farmers, would that not be just as useful to you?—Of course, if cottages were very plentiful, it would make a great difference; but the contrary is the fact.

16,003. So that the thing really is you want plenty of cottages, not necessarily tied cottages?—That would relieve the situation; but it is preferred to have cottages let with the farm from the point of view of the satisfaction of the farmers, and especially from the point of view of food production.

16,004. You have not at the back of your mind, have you, any idea that if you get men to live in the farmer's cottages you can therefore hold them better? You have a stronger hold over them than if they do not live in the farmer's cottage, have you not?—I have not personally found any difficulty in regard to that.

16,005. You put security of tenure down as the prime factor that is necessary to-day to assist agriculture. You think that stands easily in front of any other remedy: that if you give the farmer security of tenure, it will solve most of the difficult problems of production?—Yes, I think it is a matter of great importance.

16,006. Are you in favour of a free market for agricultural produce with no Government control or supervision?—No. I have just stated that I thought for the present emergency it is advisable to have a certain guarantee which will mean a certain measure of control; but the feeling is that we hope it will not be necessary for either to last long.

16,007. I was just going to ask you, have you any idea in your own mind as to the term that that might last?—We might say five years.

16,008. And then at the end of the five years, you think that there should be a return to a state of freedom?—It is to be hoped so. We would at least know that the position would be cleared up.

16,009. You are not in favour, are you, of the farmer being subsidised by the taxpayers of the country?—It would be a very regrettable state of affairs.

16,010. I take it that Welsh people are pretty much like Scotch people and prefer to be independent?—Yes, that is so.

16,011. *Mr. Ashby:* I should like to know what is the attitude of the Welsh farmers towards the present control of butter prices?—Butter and milk have been a very serious problem with us. I happen to be Chairman of our Local Food Committee, and have had some experience. The feeling in regard to butter in Wales is that there will soon be none, because the prices are absolutely silly. I believe the Government specially discourages the production of home-made butter, and they encourage milk and cheese at the expense of butter. I do not quite know the reason why. I think it is a mistake, really, for the butter to go out; but as the collectors of milk come round the butter goes out. It has gone out very rapidly during the last two or three years, and in another two or three years like this we shall expect to see practically no home-made butter made on the farms.

16,012. Do you regard the production of butter at many of the outlying Welsh farms as an essential part of the product?—I think it is an advantage on a lot of outlying farms. They are not in touch with the sale of milk, and have difficulties in selling it. For that reason, I think it is not quite fair that the price of butter should be so bad. Those small farmers have depended, to some extent, on making a small quantity of butter, after rearing their stock. What is left over from that they make into butter, and there is a strong feeling that they ought to have a more remunerative price for it.

16,013. Admitting that there is no possibility of selling milk at many of these outlying Welsh farms, thinking of the alternative of butter and cheese, is not butter making rather essential, in so far as two of the main lines of produce are store stock and butter?—Yes, it rather goes together. Usually in the breeding of store stock there is a certain amount of milk, which is too small to take a distance away, and, if a collector does not happen to come by, as they are living in an out-of-the-way place, they have nothing to do with it but to make butter; but, as I say, the sale of milk is gradually increasing in the country, and as that increases so the butter will go out, because of the bad price paid for it.

16,014. Do you think there is any prospect of collecting all the milk from outlying farms by any system of transport?—Yes; I think if it is thoroughly organised it can be done, and that is an increasing tendency. They are collecting milk now from near the top of the hills by road.

16,015. Would not the extension of that system of selling milk on the part of the Welsh farmers rather tend to alter the old farm dairying industry in other parts of Wales and in some parts of England, in so far as when Welsh farmers have stopped rearing more heifers than they need, the other dairy farmers who have depended upon them for a supply would have to pursue the same system?—Yes; it would to some extent have that effect.

16,016. Considering the fact that the Welsh farmers have taken a great interest in the production of butter and live stock, and are very unsatisfied at the present moment with the price of butter, what action do you suppose they ought to take to get the control removed?—The Government have been petitioned time and again, but they do not seem to pay any heed to the Welsh farmer making a bit of butter.

16,017. Supposing, with regard to a good many of those outlying hill farms, the control of butter prices was removed, would not it be far more important to them than any system of guarantees? I am referring to that particular type of farm?—The butter production is only a side-show sort of thing; in very few cases is it the main source of revenue.

16,018. What is the main source of revenue of the outlying farms?—The breeding of stock.

16,019. How would they breed stock if they did not have butter and have the skim milk for rearing calves?—They give them better than that; they give them the new milk sometimes. Often the calves suck the cows, and sometimes two to a cow.

16,020. Then taking your own statement, the price of store stock is much more important to them than the price of any other product?—Yes, I should say so; but a great deal of Wales is given over to sheep farming. That is so in all the mountains.

16,021. I was thinking rather of the smaller farmers who have no sheep runs?—Yes.

16,022. You have some interesting figures in paragraph 2 of your evidence-in-chief. Who are the competitors for farms who drive up prices to the extent indicated in that paragraph?

16,023. *Chairman:* He said it was the County Council and other farmers?—I mean more than that, Mr. Chairman. I do not want it confined to farmers and the County Council. There are others also.

16,024. *Mr. Ashby:* Who are the others?—There are various classes of men who think there is nothing like a farm and a bit of land; it is a fine thing. There are some men with a bit of money who like to invest it in a bit of land, who have had no experience in agriculture at all. It is not altogether confined to farmers buying.

16,025. Do I take you to mean that there is a process of what you might call suburbanisation of Welsh land going on, as there is in some counties of England; that is, comparatively small business men who have a competency on which to retire, and they want to buy some land to play with?—Yes, that is so.

16,026. In the last four lines of that paragraph, you have one instance in which you say the rent was £50 and the interest on the capital expended on purchase would be £75. Do you wish to convey the idea that the difference there ought to be passed on either to the taxpayer or the consumer?—No, not

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exactly that; but it is just an instance of what is the result of this extraordinary competition. It is partly due at least to shortage of housing accommodation when it comes to these small places.

16,027. Supposing the idea of a financial subsidy for agriculture had never been raised, you fully recognise that there are certain circumstances under which the farmer would not be able to pass on that difference to the consumer in the shape of price?—I do not think I quite follow your question.

16,028. Do you realise that the price of products which the farmer is selling, determines his remuneration as worker and as manager and as a capitalist?—Yes.

16,029. You realise that under certain circumstances on market prices, the farmer might in one instance pass that £25 on to the consumer or in the other might have to stand the loss?—Yes; it all comes on to the consumer now—both the producer and the middleman. It has to come on to the consumer.

16,030. But do you really suggest that that difference in this case of £25 on these small holdings, should be passed on to the taxpayer?—Everything that the Government supplies is passed on to the taxpayer.

16,031. Not passed on to the taxpayer unless there is some form of financial subsidy?—No. I personally and farmers generally do not favour subsidies. If the position of the whole thing were sound, we should not require subsidies.

16,032. What do they favour?—I do not think they favour it in that way. They like a fair return on their business in the ordinary way.

16,033. I understood you to say, I believe in answer to Mr. Anker Simmons, that the small farmers in Wales had not been getting more than their labourers, and that in addition to that fact they were in an uncertain financial position. Is that so?—Yes.

16,034. Under those circumstances, what are the influences which lead them to take small farms?—Of course, I was speaking then about past years, and I have said that things have gradually improved.

16,035. But in any case in which a man has a business under his own control—a certain amount of land or capital or whatever it may be, whether it is in farming or in any other business—his position is always uncertain in that sense, is not it?—Yes.

16,036. He takes the risk, so to speak?—Yes.

16,037. Is it your opinion that they have been taking undue risks?—I have said in this evidence that they have been so attached to their home that they have to take risks or go out with nowhere to go to and no suitable business to turn their hand to. That is the main trouble.

16,038. Mr. Edwards: You have a statement here that of the farms of Wales about 70 per cent. are under 50 acres?—Yes.

16,039. Have you paid any attention to what is the actual difference between Wales and England in that respect?—You mean as to the figures?

16,040. Yes?—No; I have not the figures.

16,041. Would you be surprised to hear that the corresponding figure in England is 66½ per cent.?—No; I should not be surprised at that. I know parts of England have many small holdings.

16,042. And would you be surprised to know that there are a number of big English counties in which the proportion of small holdings under 50 acres is larger than in Wales; take, for instance, Chester. The figure for Wales is 70 per cent.; in the County of Chester it is 72 per cent.; in Derby 73 per cent.; and in Holland, Lincolnshire 79 per cent.; in Staffordshire 72 per cent.; and for the West Riding of Yorkshire 75 per cent. So that there are large areas of England in which the proportion of small holdings under 50 acres is larger than in Wales, and in that respect Wales is not peculiar as compared with England?—I am taking the whole of Wales together. Of course, as you have read out, there is a higher percentage of small holdings, comparing the whole of Wales and the whole of England.

16,043. Yes; there is a difference of about 3½ per cent., so that the question of small holdings after all is not absolutely peculiar to Wales?—No.

16,044. Having settled that point and put it in a clear light before the Commission, you have spoken about having money at a moderate rate of interest as the only security; that is, you are not aware of any other method. You are forced to that conclusion, I presume, on account of the fact that the large estates which at one time appeared to be as permanent in their establishment as the mountains of Wales are fast giving way?—Yes; there is a very rapid change taking place at the present time, and there is every likelihood of it taking place for some time.

16,045. And in your opinion it is an essential condition, we may say, of the future development of farming in Wales, that something should be done to give security to the people, who feel, as it were, the land slipping from under their feet?—Yes. I think it will be really most advisable. It will take years at least for this land to pass into the hands of the tenants in any case, and, seeing that, some measure of further security to the tenant is advisable in the interests of food production.

16,046. You are aware, I suppose, that many Welsh farmers are drifting in this direction, possibly due to the fact that such a scheme has been working in Ireland for a great many years. You have already explained, and it is a fact that no Commission can ignore, whether it is for good or for evil, the attachment of the Welsh farmer to his holding, which is true, I think, of all the Celtic nations. There are these men competing for their farms at auctions and so forth, and buying them at very high prices. It has already been said before this Commission that they are from 30 to 100 per cent. above pre-war prices. Even assuming that they had the money, what would be the likely economic effect on farming if things should come something like to the normal which we all expect?—Of course, if the farmer has not the capital to buy his farm and stock it, and there is no outside assistance to let him have the money at a reasonable rate of interest, he is bound to pay for it by some means or other, and the result must be that he will have to under-stock it and under-work it and do with less labour. That has always been the result, in my view, where the farmer was short of capital: that he usually did on insufficient labour, and that has always been a very serious matter against good farming.

16,047. Have you any reason to think that the Board of Agriculture have any sympathy with the idea? I quite admit here that what you say is quite correct, that there is a strong aspiration amongst the Welsh farmers at the present moment for some organised help to obtain money to buy their holdings, in view of the fact that land is being sold; but have you any reason to think that the present Board of Agriculture has any sympathy with that idea?—They have not declared it, at any rate.

16,048. I will read an extract from a speech of one of the leaders of the Board; they are the words of Sir Daniel Hall. He said that: "The question had been before the Board, and they viewed with great alarm the immense appreciation of land at the present time and the enormous prices being paid by the farmers. The value of the land would probably drop again, and some who had bought at present prices would probably lose. But who were forcing up the price of land? Simply the farmers themselves; and the only conclusion one could draw was that prices were going up amongst farmers themselves because they had a good deal of money at hand. Well, the price would not go up if they had to borrow money. But suppose the Government said they would provide cheap money, would not the price paid for farms go up higher and higher? If the tenant could go with Government money in his pocket he would bid and bid, and he (Sir Daniel) did not know what the price would go to. The only thing that seemed to check farmers buying land was the fact that it was their own money." What have you to say to that?—I do not agree with Sir Daniel at all. I know any number of cases where they have not one-third of the money; and I know hardly one, or very few, where

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the farmer has sufficient money to buy his farm. I know of some who have bought large farms without any money at all at a big price.

16,049. I agree with you: I could bring instances of exactly the same thing. You said that the climate of Wales is really not suitable for the growth of corn. Do you believe that the land of Wales would be much more efficiently used for other kinds of farming rather than corn growing?—Yes. I do not think Wales is adaptable for corn growing, and not extensively enough, except as far as oats and that sort of thing are concerned for the stock. There are some spots in Wales where it is all right; but, taking the thing as a whole, it is not adaptable for extensive corn growing.

16,050. So that you think that if the Government should now adopt a policy something similar to that of the Executive Committees and compel farmers to plough up a certain area of their land whether they wish it or not, as far as Wales is concerned, it would lead to disaster in farming?—Yes; I think it would be very regrettable to ask for any more land to be ploughed up in Wales, and I do think that certain of the land which has been ploughed up is unsuitable. Although I was one who made the Orders, I thought then and think now most distinctly, that a good proportion of the land had better go back to grass even if the corn prices are kept up.

16,051. You said £5 per quarter. I suppose you did not mean for a moment that such a thing would be guaranteed. You simply said that in your opinion the land which you were on in Wales, could not be cultivated under that figure under present conditions?—Yes.

16,052. *Chairman*: You said the poor land?—Yes.

16,053. *Mr. Edwards*: Referring to unproductive forms of labour, is not it a fact that on these small holdings, farms up to 100 acres, say, of necessity the farmers live on their labour and not on their profit?—That is so; that has been the case.

16,054. Our friends here who represent the hired labour, make a great point of the fact that the living wage must at all events be guaranteed to them. Does it not follow that these small holders require a guarantee of their living wage quite as much as the labouring man?—Yes. I have just tried to urge it on one of your Commissioners when he asked me the same question, that it was as much due to the man who himself and his sons worked on the farm, that he should get a living wage, as well as the employee on the farm should get a living wage. The whole thing is quite the same in my view, and it should be the same from the labour point of view. I do not see why any leader of labour can urge that an employee on a small farm should be assured of a good wage, whereas the farmer who is really the workman with his son should not get it equally as well; and to provide that they should get it the conditions of agriculture must be satisfactory.

16,055. Just a further word about the guarantee. Under the conditions of Wales with its climate and its suitability for dairy farming and sheep farming and the rearing of stock, do you think the mere guarantee on wheat and oats, for instance, would be a great encouragement of itself to farming in Wales?—No. To have a guarantee does not meet the case,

because many of the high farmers do not grow much at all and cannot grow corn for sale. What they mainly want is to have a satisfactory price for the stock; but the small amount of cultivation does help to keep the head of stock, although the money is principally made from the stock raised or from the milk sold. It is mainly from the stock raised in most parts of Wales.

16,056. What is the tendency in Montgomeryshire, the county you come from, as regards the land getting back to grass?—It is getting back rapidly. The only difficulty has been getting the land clean. Undoubtedly, I am afraid, it is a fact that a lot of this land that is put down is not quite in the condition that it ought to be seeded down. The great difficulty has been in securing a satisfactory supply of good seed to lay this land back. Farmers are at present paying, and have for this last year paid high prices for seed to get it back in preference to keeping it under the plough, mainly because they are frightened of the labour conditions.

16,057. Assuming that the Government should guarantee a certain figure, or that this Commission would recommend to the Government a certain figure, and it was adopted as a minimum guarantee, would that tend to assist this tendency to put the land down to grass, do you think?—You mean a guarantee?

16,058. Yes, for wheat and oats?—Yes. I think temporarily it might allay the feeling, but there will be a good deal going back to grass in any case. No guarantee will prevent a certain amount of it going back to grass in my opinion, because I think it is desirable in the national interests for a certain proportion of unsuitable land to go back.

16,059. You spoke about give and take as regards the labourer and the farmer. I suppose you will agree with me that the cleavage between the working man and the farmer is not so wide in Wales as it is in some other parts of the country?—No. I think that is the case. On a good many of the small farms in Wales the farmer and his men sleep together sometimes. However, if they do not do that, they often live at the same table and they work together, and, as a rule, they get on very smoothly together.

16,060. And it is, or was, the common practice if the labourer wanted a holiday to go to a fair or to an Eisteddfod or to meetings of that kind, which we have very often in Wales, to ask the farmer for the day off and to get it?—Yes. That is a point which I am glad you have raised, because now with the shorter working days and the half-holiday the farmer rather feels that the men should not have the usual amount of days. But it has been the practice for a long time, and I believe it is still kept up a good deal, that the men should get these special days off during the year. They do not like to forego those special days, and in most cases I do not think there are any deductions made when the men go in for a full day in addition to the time they are entitled to. That is, as a general rule.

16,061. In order to put the matter quite clearly before the Commission, you said that in your part it is not the practice for the men to sleep out. I do not suppose you will dispute it if I tell you that that is very generally the practice in the County of Anglesey, where I come from?—That is so.

The Chairman: Thank you very much for your evidence.

(*The Witness withdrew.*)

29 (October, 1919.)

MR. H. G. HOWELL, F.C.A.

NINETEENTH DAY.

WEDNESDAY, OCTOBER 29TH, 1919.

PRESENT:

SIR WILLIAM BARCLAY PEAT (Chairman).

DR. C. M. DOUGLAS, C.B.,
MR. HENRY OVERMAN, O.B.E.,
MR. A. W. ASHBY,
MR. A. BATCHELOR,
MR. GEORGE DALLAS,
MR. J. F. DUNCAN,
MR. F. E. GREEN,

MR. T. HENDERSON,
MR. T. PROSSER JONES,
MR. R. V. LENNARD,
MR. GEORGE NICHOLLS,
MR. E. H. PARKER,
MR. W. R. SMITH, M.P.,
MR. R. B. WALKER.

Mr. H. G. HOWELL, F.C.A., Director of the Agricultural Costings Committee, recalled and further examined.

16,062. *Chairman*: You have already put in your Interim Report made some time ago,* and now you put in Supplementary Notes to your Interim Report; the Third and Final Instalment of the Report on Farm Accounts, a Report on Certain Farm Accounts with relative tables, and an Appendix containing the financial results of certain farms over a series of years†?—Yes.

16,063. Will you allow me to put those in as part of your evidence?—Yes.

16,064. I understand that you and the Secretaries are to collate and consider these somewhat detailed statements with the view of consolidating certain of them into Tables which may be published with our evidence?—Yes.

16,065. *Mr. Batchelor*: In paragraph 7b you give particulars of the class of farms showing the highest profit and the class showing the lowest profit?—Yes.

16,066. Dealing with those carried on by the owners of the land, is it the fact that in those cases a considerable number are very large hill sheep graziers?—That is the case with the Scottish-owned farms.

16,067. Is that the particular reason which makes the profit per acre so small compared with the arable farms?—That is so.

16,068. That also has the effect of making the capital per acre appear very small?—Yes. I have made a special paragraph to show the results of the various Scottish farms, excluding the moorland.

16,069. Which paragraph is that?—That is paragraph 7c.

16,070. The result in general is that if you exclude the moorland farms you bring the whole of the arable farms in Scotland, whether wrought by a tenant farmer or by an owner-occupier, very much on to the same line?—Yes, there is not much difference between them then.

16,071. I notice in paragraph 9 that the profit per acre is highest in the case of corn and sheep farms, and least in the case of dairy farms?—Yes.

16,072. Does that go to show that in the past milk production has not been as profitable as corn and sheep farming?—That is so with regard to the comparatively small number of accounts that are represented.

* See Vol. III., Minutes of Evidence (Cmd. 391), and Appendix IV. to this volume.

† The Supplementary Notes and the Third and Final Instalment of the Report together with the tables and Appendix thereto are printed in Appendix V. and headed Final Report.

16,073. Do you consider that the fact that milk prices have been controlled has had any effect in keeping the profits from being higher in dairy farming?—I do not think I have any definite information on that.

16,074. In paragraph 8 you say that the profit per acre and the capital per acre is greatest on the smallest holdings, that is, from one acre to 100 acres?—Yes.

16,075. You also note that no charge is included amongst the expenses for the personal services of the occupier?—Yes.

16,076. Does that really account for that?—Yes, to a large extent.

16,077. In other words, the smallest holdings are pretty generally wrought by farmers themselves with their families instead of with hired labour?—That is so.

16,078. In cases where they are wrought by the farmer and his family they have not included wages to themselves or their families?—That is so.

16,079. In general, so far as you have had an opportunity of doing so, would you say that the accounts show that the profits for the 1918 crop are higher than they were in previous years?—I have not much information to express an opinion upon. Quite a number of the farmers, in sending in these accounts, have said that the year 1918 was an exceptionally favourable year.

16,080. Did they state that one of the principal reasons was because of the very large yields per acre of the various crops?—Yes.

16,081. And that in most instances the harvest was got in in perfect weather?—Yes.

16,082. Did they make any remark to the effect that comparing it with the present crop of 1919 they did not expect the present crop to turn out so well?—Yes, they frequently said that.

16,083. Were there any special remarks to the effect that they had been taking out reserves from the land which had been put in in previous years in the way of fertility?—Yes, a small number said that, but in nearly every case they sent specific figures with regard to that which are dealt with in a special paragraph of the report.

16,084. You have not eliminated these reserves from the profits, have you?—No, we have not.

16,085. In an ordinary commercial business concern would these reserves have been put to a special account?—Yes, in properly kept accounts they would.

Note.—All references in this examination are to the Final Report (see Appendix V.).

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[Continued.]

16,086. Because of the fact that a proper system of farming would be for the next few years to put back those reserves into the land?—That is so.

16,087. So that to that extent the profits shown for the past few years would be inflated?—Yes.

16,088. And you would expect that for the coming few years the reverse would be the position?—If they in that period built up the fertility again, yes.

16,089. To put back the land into the condition in which it was, say, in 1914?—Yes.

16,090. In general is there anything to show from the accounts placed before you that farming has not been a profitable concern for the past four or five years?—I do not think I have evidence as to that.

16,091. On the figures produced to you would you consider that the farmer had only been getting a reasonable return on the capital invested from the profits that are shown in the accounts?—Are you speaking of the particular year covered by these accounts?

16,092. Yes?—It depends somewhat upon what one's personal view of a reasonable return is.

16,093. Taking a business which is subject to all the risks and fluctuations of markets, such as the farming business is, would you consider that the profits realised in farming are more than reasonable?—All over I notice they work out at 11 per cent. on the capital taking all the accounts combined.

16,094. Would you not expect in any ordinary commercial business a figure of at least 11 per cent.?—Yes, I think so, and as far as I can gather this does not seem an unreasonable remuneration for the capital and the services of the occupiers.

16,095. That 11 per cent. includes the interest on capital, management, and profit?—That is so, and for the most part any labour contributed by the family and the services of the occupiers.

16,096. Is there anything in the papers which have been put before you to show why the profits on the Scottish farms are higher than on the English?—No; I have tried to investigate that myself. From the accounts only, it is rather a difficult matter, and I have not been able to get out anything at all definite with regard to that.

16,097. Is there anything to show that the equipment and buildings on the Scottish farms are better than on the English farms?—I have no information as to that.

16,098. Is there anything to show that the land gets more put into it in the way of manures in Scotland compared with England?—No, I have not tested that; I do not think I could do it if I wanted to.

16,099. There is nothing shown from the expenditure of manures which would bring to your attention the fact that probably in Scotland the land had been better manured?—No, I do not think so—for one thing the expenditure on manures would be for the artificials only; you would have no information as to the natural manures.

16,100. In regard to the home farms do you know whether these were run as commercial concerns or simply as adjuncts to the residences of the proprietors?—They seem to be split up; some apparently are run as commercial concerns.

16,101. Where they are run as commercial concerns do they compare favourably with the tenant farmers' accounts?—Even then the returns generally are not so good as tenant farmers' accounts.

16,102. Has anything been placed before you which enables you to express any opinion as to why that is?—No; I have no specific evidence with regard to that so far as I know.

16,103. Might it not be that in the case of home farms every item of expenditure, labour and otherwise, is accounted for, whereas in the case of an ordinary tenant farm some of these items are either intentionally or inadvertently omitted?—No, I do not think that would account for it.

16,104. Might it account for a part of it?—I do not see how even a tenant farmer could omit expenditure of that kind unless he at the same time omitted equivalent receipts.

16,105. What I refer to is the fact that he may have omitted it because he did the work himself in some instances?—I see what you mean—yes, that might be the case.

16,106. In practically every instance of a home farm there would be no labour of any kind done by the proprietor?—I have no evidence as to that.

16,107. Whereas in the case of tenant farmers there would be a considerable proportion of the farmer's own labour?—That would be very likely, yes.

16,108. Do you know if in a considerable number of the accounts placed before you these accounts were also used in regard to satisfying surveyors of income tax with regard to profits?—I would not say a considerable number, but quite a number were so used.

16,109. Of course that would be in cases where they showed less than double rent?—Possibly, yes.

16,110. Taken all over, what is the average in England with regard to whether they are over or under double rent in the case of profit? You have a Table showing that?—Yes. The general result is that the profits are not equal to double rent if I remember rightly in England.

16,111. In Scotland I think they are. I think your Interim Report is to that effect?—Yes, in Scotland they are more than double the rent.

16,112. In England they are under it?—Yes.

16,113. You make the remark that a general perusal of the accounts submitted to you indicates that the industry is capable of improvement?—Yes.

16,114. There is no doubt in regard to that?—No doubt.

16,115. Are the accounts themselves made up at any period of the year?—Yes, practically at all periods of the year.

16,116. Some of these accounts must entail considerable valuations whilst others entail very little?—Yes.

16,117. In Scotland, for instance, if you were to take the balance sheets and accounts made up, say, at the end of August you would have the whole crop of the previous year in cash previous to that date?—Yes.

16,118. And you would have no crop of that particular year anywhere except in the fields?—Yes.

16,119. So that in that case the valuation could be conducted on an acreage basis which would fluctuate much less than taking an assumed yield?—Quite likely.

16,120. I see you have a considerable number of accounts ending in October and November and December, and March and April, and May?—Yes.

16,121. Practically every month of the year?—Yes.

16,122. In many of these instances the valuations would show part of the old crop and part of the new crop in hand?—Yes, that is so.

16,123. Do you know if these valuations were made in any very accurate manner or were they done in a rough and ready fashion?—I know that out of the total of 400 accounts which we were able to tabulate, in 150 cases the valuations were made by licensed valuers and in 250 cases they were not.

16,124. Could you tell me offhand whether in the cases where the accounts were done by licensed valuers as compared with those that were not the results varied to any great extent—whether in general one set of accounts showed a higher or a lower profit?—I would not like to say as to that.

16,125. *Mr. Ashby:* Following the last question of Mr. Batchelor as to how many of the accounts showed valuations by licensed valuers, have you any idea how the figures that are shown in paragraph 2 were arrived at—how many of the valuers valued at market value?—Practically all of them, I think, valued at market value.

16,126. You said 150 accounts showed valuations by licensed valuers?—Yes.

16,127. Is that somewhat comparable to the first item in this paragraph where you have 148 on the basis of market value?—To a large extent that would be so, I think.

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[Continued.]

16,128. In the same paragraph it is rather striking, is it not, that the average amount of depreciation written off implements there, is almost exactly 10 per cent.?—It is so, yes.

16,129. So that, although you have these big variations between 5 per cent. and 15 per cent. the actual average is somewhat about the figure which is generally reckoned?—Yes, that is so.

16,130. In paragraph 3 in the case of the valuations of live stock at the beginning and end of the year the differences are very slight, are they not?—They are not great, certainly.

16,131. The difference of less than £3 10s. per head on a horse is very small?—Yes.

16,132. Especially on a starting figure of £57?—Yes.

16,133. The differences are never very big; they are less than £4 even in the case of dairy cows?—Yes, that is so.

16,134. Does it not strike you there that the dairy cows are still very much undervalued?—Yes, it looks like that.

16,135. Your average is less than £27 10s. and the average price of fair quality dairy cows is far above that?—Yes.

16,136. So that in that case they are quite safe valuations even with these additions?—Yes, that is so.

16,137. The same is true of sheep too, is it not, more or less?—Yes, so far as I know.

16,138. The increase there is only 1s. 7d.?—Yes.

16,139. In the case of pigs it is a minus difference?—Yes.

16,140. Referring to the numbers of live stock at the beginning and the end of the year, have you made any attempt to find out whether the amount of live stock on these farms is at all comparable with the general amount of live stock on farms in England, and Wales, and Scotland?—No, I have not done that.

16,141. Could you state briefly at some time the acreage of these 216 farms and the 25 farms?—It would involve a fair amount of trouble; it would mean going into each of these accounts separately and getting at the figures.

16,142. If you could do that it would give us the best opportunity there is of telling how representative these farms are as a whole. I am not sure if it could be done, but it would be useful if we could get a statement of the proportion of arable on these farms and the number of live stock of each class per 100 acres. We could then easily work it out for England and Wales as a whole and for Scotland as a whole, and we should be able to tell how far these farms are representative in that way?—Yes.

16,143. You have not tried to do that?—No, I have not.*

16,144. You have the types of farms dealt with in various sizes?—Yes.

16,145. Did you anywhere put all together, all the dairy farms under tenant farmers, and home farms, and so on, so as to get an average figure of profit for all dairy farms?—Yes, you will find that in Table 16 with regard to 36 dairy farms.

16,146. What is the first figure of profit for mixed farms?—£1 7s. 2d. per acre profit for the mixed farms.

16,147. In the case of the farms you have got, the corn and sheep farms are rather better than any of the rest?—Yes, that is so.

16,148. That is rather striking in view of some previous evidence we have had here?—The dairy farms come out at £1 7s. 4d. per acre you will notice.

16,149. Mr. Duncan: Do those Tables J. and B.F.† refer to the same farm accounts?—Yes, they refer to the same accounts.

16,150. Is there not some error? I notice in Table J. that tenant farmers in Scotland show a profit on the mixed farm of 16s. 3d. per acre?—Yes.

16,151. The mixed farm in Table B.F. showed a profit of £2 7s. 4d. Can you tell me the reason for that difference?—That arose in this way: there was a big farm of 13,000 acres, of which certain particulars had to come in after I had submitted these Supplementary Notes. When those particulars came

* This is now shown in Table 2, Appendix V.

† Provisional tables and not included in the Final Report.

in I found that the account could not be used accurately and so I threw it out. That quite altered the profit per acre. The correct figure is £2 7s. 4d.

16,152. I think you said in answer to Mr. Batchelor that the rate of profit on the capital worked out roughly at about 11 per cent.?—Yes.

16,153. I suppose that is taking the capital on the farm as being the valuation?—Practically it is the valuation.

16,154. You have no evidence before you either on these accounts or anything else to show that that is the actual capital put into the farm?—No, we endeavoured as far as we could to get at the actual capital in the farm.

16,155. But you simply had to take the figures as given you in the valuation by the farmer?—No, we asked each farmer, besides the figure in the valuation, to render figures of any further capital or assets he had sunk in his farm. In only a small number of cases did they give that information.

16,156. In comparing the return on capital it is rather a different position if you take that figure as shown in the farmers' accounts from what would be the case in a return on capital in a joint stock company in which there is a definite capital on which to base the return?—That is so.

16,157. These things would not be strictly comparable?—Not with quite accurately kept accounts, no.

16,158. Mr. Green: I do not want to ask you the questions over again that Mr. Ashby put to you. I only just want to clear the thing up in my own mind. We have had the most striking evidence here about the losses on sheep farms. I see in paragraph 9 you say that the highest profits are on corn and sheep farms—£1 14s. 2d. per acre. That is so, is it not?—Yes.

16,159. Have you been able to analyse any of these accounts which have been submitted to the Commission by members of the National Farmers' Union with regard to sheep farms?—No.

16,160. Do they appear in any of your accounts?—No, not so far as I know. We have endeavoured to keep quite apart from the Farmers' Union Accounts.

16,161. All your accounts are apart from the Farmers' Union?—Yes. We have not very many sheep accounts, you will notice—they are quite few.

16,162. I do not know whether you have seen those accounts in the evidence which has been presented to the Commission by the Farmers' Union?—No, I have not.

16,163. Then it is not fair to ask you about that. Somebody has asked you about the small farms showing a higher profit than the large farms?—Yes.

16,164. That is accounted for by the home labour, is it not?—To a large extent, I should say, yes.

16,165. You roughly put the large farms as farms of over 1,000 acres?—Yes.

16,166. Have you analysed further whether the farms of over 2,000 acres are more profitable than farms of over 1,000 acres?—Yes, I think I have done that. I would render the figures to you if they are at all useful.

16,167. Can you tell us, roughly speaking, what the result was?—No, I do not remember the result.

16,168. Mr. Thomas Henderson: Mr. Batchelor asked you if you did not think that the percentage of profit shown here is not somewhat inflated, because of the lack of a reserve account having been kept by farmers?—Yes.

16,169. In how many cases was it distinctly stated that there had been an exhaustion of fertility?—In something like 270 cases. I have a special paragraph dealing with that point as regards fertility. It is paragraph 14. 253 cases gave that information.

16,170. It is quite possible that the others may have omitted it through inadvertence?—I do not know why they omitted it.

16,171. From a study of these accounts, has any impression been made on your mind regarding the adequacy of the capital on farms at present?—From a perusal of the accounts I do not think one could form any opinion as to that.

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[Continued.]

16,172. You say that the rate of profit rather tends to fall?—Yes, as the holdings get bigger.

16,173. But according to the amount of capital also, do you not?—I do not remember saying that.

16,174. You cannot say whether there is any connection between the capital invested and the rate of profit per acre?—They do not follow together in any way in these accounts.

16,175. *Mr. Prosser Jones*: You told us on a previous occasion that you had sent out 1,000 schedules?—1,000 or thereabouts.

16,176. Have you sent out any since that, or are these returns compiled from those you sent out originally?—They are.

16,177. Less than half responded to your appeal?—Yes.

16,178. The highest proportion is from England?—I cannot say what the proportion is, but the largest number is from England.

16,179. Am I right in saying that you had returns from 40 counties in England, eight in Wales, and 14 in Scotland?—Yes.

16,180. Can you tell us how far the small farms are represented in these figures?—I cannot tell you that offhand.

16,181. There are not many, I assume?—Not very many, comparatively speaking.

16,182. May I take it that the larger farmers are the people who keep accounts?—I think that is so at present.

16,183. You have shown an average profit from the figures you have gone into of nearly 11 per cent. on all farms?—Yes.

16,184. Have you been able to find out how it is that the profits are less on home farms than they are on tenant farms?—No, I think one cannot gather that from a perusal of the accounts only. Of course, there is an absence of commercial incentive in the case of the home farms which is present in the case of tenant farms. That must be a big factor, I should think.

16,185. Am I right in assuming that in these home farms there are more men knocking about doing nothing than is the case on tenant farms, and does not that account for it to a certain extent?—I have no information as to that.

16,186. *Mr. Parker*: You tell us that with regard to 325 farms the average profit made is £1 7s. 2d.?—Yes.

16,187. That profit is made up of two elements, the first element being the surplus, if any, of income over expenditure?—Yes.

16,188. The second is the increase, if any, in the closing valuation over the valuation at the beginning of the year?—Yes.

16,189. Except for the increase of the closing valuation over the valuation at the beginning of the year there was no profit in the case of all these accounts?—Taking the whole of the accounts there was no profit except for the difference in the valuations.

16,190. The results you show with regard to the small tenant farms of one acre up to 100 acres are very interesting. You show that on those farms the capital employed is larger than on the larger farms and that the profit is greater?—Yes, that is so.

16,191. That is in the case of the tenants?—Yes.

16,192. Again you show that in the case of the owners of small farms from 1 to 100 acres the profit is less and the capital employed is more?—If it is in the report I agree.

16,193. That is a strong argument that ownership is not so advantageous as the system of landlord and tenant?—Yes, that might be argued from these figures.

16,194. *Mr. Smith*: Do I understand that all these accounts are for the year 1918?—They are for Michaelmas, 1918, or subsequently to that.

16,195. They cover practically what one may term the farming year of 1918?—Yes.

16,196. Did I understand you to say in reply to Mr. Batchelor that the comparatively good results which are shown here are due to the very favourable year from the point of view of weather and the well gathering in of the harvest?—It was stated to be that in many cases.

16,197. You have no information, I suppose, as to how far that is actually the case?—No.

16,198. You do not know that it was only those farmers who got an early harvest last year and got their corn up in good condition who were so successful, and that those who had a late harvest had to contend with very bad weather indeed?—While we had a comparatively large number of replies stating that it was a good harvest, I know in a much smaller number of cases it was stated on the contrary that the results were bad owing to the wet fall and bad harvesting.

16,199. Do you know that there were instances of corn growing in the field that could not be harvested?—No, I do not know about that.

16,200. Therefore if it is correct that the year was not a good one from the point of view of harvesting, owing to the very wet weather that came on just at the harvest season, this year would not be exceptional in that respect?—If that was the case, no.

16,201. Is there any information in any of these accounts to show the exact amount of money that has been invested in farms to constitute capital—as a definite investment?—I am not quite sure that I have your meaning.

16,202. In ordinary business the capital account represents the money that has actually been invested in the business. I wonder how far that can be ascertained so far as farming is concerned. I am rather anxious to know exactly how the amount of the capital is reached—whether there is any information which will show us what is actually invested as a cash investment?—I cannot say from these figures how much cash is represented. The total figure of capital is made up almost entirely of the total amount of the valuations plus cash at the bank and amounts owing to the farm and sundries like that.

16,203. I rather gather from these figures that the average profit is higher in Scotland than it is in England and Wales?—Yes, that is so.

16,204. Is there any explanation of that contained in these accounts which you have submitted?—I have tried if I can trace that in the accounts but I have not been able to arrive at any specific causes for that. Generally speaking, the receipts bear a higher ratio to the expenses, as one would naturally expect them to do, than in the case of the English farms, but to no particular item of expense or receipt can I trace the cause.

16,205. In regard to the accounts you had submitted to you, would they fairly represent the country as a whole so far as areas and districts are concerned?—So far as areas are concerned the country would be fairly represented.

16,206. I suppose you would agree that the variation in soils is such that if the returns were in any way limited or restricted you might get a very false result as compared with the actual position of the country as a whole?—You might certainly. It would all depend upon the particular weather conditions of a particular year.

16,207. And also upon the quality of the soil?—Weather conditions would operate differently on different classes of soil.

16,208. In these farm accounts that you had submitted to you are there any for South Lincolnshire?—I believe none. I have tried to ascertain and I cannot find any.

16,209. That is rather remarkable, is it not, because South Lincolnshire is looked upon as being one of the best farming districts in the country?—I would not be certain about it because when I looked through the accounts I did it more from the point of view of the people who had promised in their letters to give evidence, so I will not be certain as to South Lincolnshire.

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[Continued.]

16,210. At the moment you could not say what the position is so far as the profits in South Lincolnshire are concerned?—No, I cannot say as to that.

16,211. Have you heard that the profits in that area are very high indeed?—I have heard that, but I have no information beyond that casual information.

16,212. If we were to get information which would reflect an average position for the country it would be essential that these farms should be included as well as some of the others?—Yes, I agree. I notice that we have had 11 accounts from Lincolnshire. That is shown in Table No. 1. Eleven accounts is quite a high average for any county.

16,213. Of course Lincolnshire is a very large county?—Yes.

16,214. You have not heard, I suppose, of farmers in that district having made statements that the industry has been so prosperous that they are making an income now of £20,000 a year?—I have not heard that.

16,215. You, of course, have to rely upon purely voluntary returns from farmers?—Yes.

16,216. Would it be a fair assumption to say there would be a tendency on the part of farmers who have made large profits not to send in returns, and for others who have done only moderately well to send them in?—I would not like to express an opinion as to that.

16,217. If there was an absence of returns from a place like South Lincolnshire, that would rather bear out that assumption, would it not?—If that were so, yes.

16,218. South Lincolnshire is spoken of as the garden of England, so far as farming is concerned?—Mind you, I wish to say that at present I do not know whether there are accounts from South Lincolnshire or not.

16,219. I understood you to say that the possibility of some of the smaller farms showing a higher rate of profit was due to the fact that the labour had probably not been charged up to the farm?—Yes.

16,220. Is there any information to show whether the produce of the farm which is consumed in the household is charged up?—I think in the majority of cases it is not in the accounts—I mean the farm has not had credit for the produce consumed in the household.

16,221. On some farms that would represent a fairly substantial amount?—It would, no doubt.

16,222. And would have to be set off against the fact of labour probably not having been charged?—Yes.

16,223. From your knowledge of accounts, generally speaking, household consumption of farm produce is not entered up?—That is so. In each case we tried to get it entered up as a separate credit to the farm, but we could only get it in a very few cases.

16,224. *Dr. Douglas*: In connection with cereal growing, have you any figures that would serve as data for ascertaining what proportion of the cost of production is referable to the different elements of production—labour, manure, seeds, and so on?—Not from these accounts only.

16,225. I know it does not appear in these accounts, but otherwise have you any such data?—No, I have not.

(The Witness withdrew.)

ROYAL COMMISSION ON AGRICULTURE.

APPENDICES TO VOLUME IV.

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APPENDIX No. I.

Evidence-in-chief of the National Farmers' Union of Scotland in connection with the evidence given by Representatives of the Union on 15th October, 1919.

A. Evidence-in-chief handed in by Mr. J. ALLISON, Jr., Chartered Accountant.

1. I am a Chartered Accountant, being a member of the Institute of Accountants and Actuaries in Glasgow, and a partner in the firm of Craston, Thomson & Allison, C.A. In the course of my practice I have been responsible during the past year for the audit of the accounts of many firms, and as Auditor to the National Farmers' Union of Scotland, I was responsible for designing a simple system of accounts for use of farmers, and assisted the Union in introducing the same among its members.

2. *Absence of Accounts.*—In this work I have come into touch with many farmers and I have come to the conclusion that there are no accounts available from which the deductions as to costs of production can be made. Cost Accounts are unknown. In three farms where a costing system was introduced the same was discontinued during the war. Such accounts as are available are not prepared on any uniform plan, and in the absence of an audit cannot be used for the purposes of this Commission. It has not been possible to obtain accounts covering a period of years except in two instances given later.

3. *Method of Enquiry.*—The National Farmers' Union of Scotland appointed a Special Committee to inquire into the Costs of Production of food stuffs and I was appointed to collate the results obtained. The first step taken was to prepare Cost Statements for the various crops. These were circulated among representative farmers in all districts of Scotland, who were asked to give an estimate of the cost of production as experienced on their farms. It will, therefore, be noted that the figures given in the statements are prepared by experienced farmers, working independent of each other, and are based on their knowledge of the cost of each operation, the material required and the working costs applicable to each crop. The figures have been prepared under great difficulty. This is the harvest time and all farmers are very busy and the time granted by the Commission has been too short to allow the enquiry to be extensive enough to secure a proper average in each district, or in different types of farms. It has not been possible in the time available to enquire into many items in the Costs submitted which might raise controversy.

It has been felt by my Committee that the farmers approached have not grasped the purpose of the enquiry or owing to lack of experience in preparing these figures they have omitted to take into account factors which were given due consideration by other farmers. The enquiry has been further complicated by the fact that it has not been possible to obtain costs from what might be termed the less successful class of farmer. The figures, as already stated, have been obtained from the best class of agriculturist. This is shown by the fact that in the returns for potatoes the average crop is given as 8 tons, whereas in the figures prepared by the Board of Agriculture for Scotland for last year (not yet published) 6.44 is the average return in Scotland. It is further felt that in the case of the Turnip Crop no costs have been given by those farmers who had a poor return. It is well known that last year the crop was a failure. The returns submitted are apparently from those farms which were successful with this crop, and it is submitted that the figures do not represent the true cost of production. The farmer who has been unsuccessful through causes beyond his control has a natural objection to giving figures showing the failure of his efforts. The costs submitted, therefore, must be considered with these facts in mind.

4. *Statements.*—The following statements are submitted herewith:—

- I.—Cost of Production of Potatoes.
- II.—" " Turnips.
- III.—" " Hay.
- IV.—" " Oats.
- V.—" " Barley.
- VI.—" " Wheat.
- VII.—" " Fat Cattle.
- VIII.—" " Store Cattle.
- IX.—Trading account and balance sheet of Arable Farm of 500 acres.
- X.—Production Account of same.
- XI.—Production and Cost Statement of same.

5. *Potato Costs.*—The Units in the Crop Costs are:—Potatoes and Turnips, 1 ton; Oats and Wheat, 1 quarter; Hay, 1 cwt.

	Cost per Acre.	Production per Acre.	Cost per Unit.
	£ s. d.	Tons.	£ s. d.
Highest	53 9 0	8	6 15 7
Lowest	37 4 4	7½	4 19 2

It will be noted that the Board of Agriculture figures for the whole of Scotland show the return per acre for 1909 to 1918 to be 6.44. It has not been possible in the time available to enquire into the production per acre.

6. *Turnip Costs.*—

	Cost per Acre.	Production per Acre.	Cost per Unit.
	£ s. d.	Tons.	£ s. d.
Highest	20 5 6	10	2 0 7
Lowest	23 11 6	30	15 8

The experience in Scotland was disastrous last year, and in many cases the crop was a total failure.

7. *Hay Costs.*—

	Cost per acre.	Production per acre.	Cost per Unit.
	£ s. d.		£ s. d.
Highest	15 19 8	42 cwt.	7 7 3
Lowest	*12 17 3	55 "	4 8

* This cost appears to my Committee to be exceptional. In their opinion the low cost is quite unusual, and a statement to reconcile this has been asked for and will be submitted.

8. *Oats Costs.*—

	Cost per acre.	Production per acre.	Cost per Unit.
Highest	13 17 0	4 qrs.	3 9 3
Lowest	11 14 0	7 "	1 13 5

9. *Barley Costs.*—

	Cost per acre.	Production per acre.	Cost per Unit.
Highest	13 5 3	4 qrs.	3 6 4
Lowest	10 5 3	4½ "	2 3 2

10. *Wheat Costs.*—

	Cost per acre.	Production per acre.	Cost per Unit.
Highest	18 19 6	4½ qrs.	4 4 4
Lowest	11 19 0	5½ "	2 1 7

11. *Fat Cattle.*—

	Cost.	Weight cwt.	Cost per Unit.
	£ s. d.		£ s. d.
Highest	59 8 7½	11½	5 3 4
Lowest	37 1 0	10	3 14 4

12. Fat Cattle—

	Cost of Calf.	Cost for first year.	Total cost.
Highest	£ s. d. 18 10 9	£ s. d. 13 18 6	£ s. d. 32 9 3
Lowest	13 15 6	11 17 10	25 13 4

It was thought by my Committee that evidence regarding dairying might be left over meantime in view of the exhaustive enquiry recently made by the travelling Milk Commission and the Ministry of Food. For that reason I submit no evidence meantime on that branch of the industry.

13. *Cost Accounts.*—While Cost Accounts are unknown in the industry I have felt it necessary to endeavour to support the above estimated figures by the results shown in financial books, by reconciling the latter with the costs submitted. I am the auditor of a farmer who cultivates 500 acres. His books are kept in a modern double entry system and the account submitted herewith in Statement IX is a copy of the last account prepared by me. It is an audited statement and I am able to certify that it is a true and correct statement of his affairs as shown by his books and the information given to me. From his estimated costs of production as prepared by him on the same lines as those appended, I have prepared a Production (or Cost) Account (Statement X) from which it will be seen that the total Costs of Production as given in his Estimates agrees with the total cost as per the financial books. It will further be found in the statements attached to Statement X that the principal items in the financial books may be reconciled with the costs charged against the various crops. From Statement XI it will be seen that the costs per unit and the production per acre has been as follows:—

	Cost per Unit.	Production per acre.
Potatoes	£ s. d. 6 9 10	6½ tons.
Hay	7 4	33 cwts.
Turnips	19 1	35 tons.
Oats	3 0 11	5½ qrs.
Wheat	4 1 2	4½ qrs.

14. *Comparison with Estimates.*—By comparison of, what might be called, these certified figures and the estimates given in Statements I to VIII, I give the following figures:—

	Certified figure.	Highest.	Lowest.
<i>Potatoes.</i>	£ s. d.	£ s. d.	£ s. d.
Cost per acre	42 4 5	53 9 0	37 4 4
Production per acre	6½ tons	8 tons	7½ tons
Cost per Unit	6 9 10	6 13 7	4 19 2
<i>Turnips.</i>			
Cost per acre	*33 10 9	20 5 6	23 11 6
Production per acre	35 tons	10 tons	30 tons
Cost per Unit	0 19 1	2 0 7	0 15 6
<i>Hay.</i>			
Cost per acre	12 2 4	15 19 8	12 17 3
Production per acre	33 cwts.	42 cwts	55 cwts.
Cost per Unit	0 7 4	7 7 3	0 4 8
<i>Oats.</i>			
Cost per acre	15 18 10	13 17 0	11 14 0
Production per acre	5½ qrs.	4 qrs.	7 qrs.
Cost per Unit	3 0 11	3 9 3	1 13 5
<i>Wheat.</i>			
Cost per acre	17 1 4	18 19 6	11 19 0
Production per acre	4½ qrs.	4½ qrs	5½ qrs.
Cost per Unit	4 1 2	4 4 4	2 1 7

* Only two acres are grown for a special purpose.

It is admitted that the production per acre in the Oat crop was below the average. The usual return is 6½ quarters per acre and if this figure were taken the cost per quarter would be £2 9s. 1d. in place of the above figure of £3 11s. This farm is continuously cropped on a four course rotation. It is submitted that these figures, which have been reconciled with the financial books go far to support the estimated costs of production of the five crops affected.

NOTE:—I crave the indulgence of the Commission towards any errors which may appear in the evidence. A great mass of figures has had to be dealt with in a short time, and I can hardly hope that accidental errors have been entirely avoided.

STATEMENT No. I.

COST OF PRODUCTION OF POTATOES, 1918 CROP.

No.	Labour.	Deduct Cleaning Carried Forward.	Net Labour.	Total Material.	Total Oncost.	Total Cost per Acre.	Production per Acre Tons.	Cost per Ton.
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	d.	£ s. d.
1	20 12 5	0 8 0	20 4 5	15 2 3	11 16 4	47 3 0	10½	4 9 9
2	17 7 6	0 5 5	17 2 1	16 8 6	3 13 9	37 4 4	7½	4 19 2
3	24 6 8	0 7 2	23 19 6	17 5 7	6 14 2	47 19 3	7½	6 8 0
4	23 0 0	0 17 6	27 2 6	14 6 9	5 5 0	46 14 3	9	5 3 10
6	24 13 0	—	24 13 0	21 10 0	7 6 0	53 9 0.	8	6 13 7
7	17 12 0	0 14 0	16 18 0	17 15 0	3 15 0	38 8 0	7	5 9 9
10	16 9 0	0 7 0	16 2 0	15 10 0	5 17 9	37 9 9	8½	4 10 10
11	21 2 6	0 6 8	20 15 10	17 1 6	8 17 9	46 15 1	9½	4 18 6
12	17 4 6	0 7 0	15 17 6	18 12 6	7 5 0	42 15 0	7	6 2 0
13	27 15 8	0 10 0	27 5 8	19 10 0	2 10 0	49 5 8	6	8 4 3
26	20 6 6	0 6 4	20 0 2	15 10 0	3 15 6	39 5 8	6½	6 0 10
27	23 0 4	0 11 10	22 8 6	15 11 6	11 10 0	49 10 0	10	4 19 0
28	19 8 3	0 5 4	19 2 11	16 2 6	4 10 0	39 15 5	7	5 13 8
30	19 17 6	—	19 17 6	16 5 0	2 1 4	38 3 10	6	6 0 7½
31	16 6 6	0 6 0	16 0 6	16 15 0	2 5 0	35 0 6	5	7 0 1
33	16 5 3	0 13 0	15 12 3	26 17 0	4 3 0	46 12 3	—	—
34	15 5 0	0 7 0	14 18 0	26 12 3	3 11 0	45 1 3	—	—
35	26 11 6	0 10 6	25 1 0	28 0 0	2 15 0	56 17 0	8	7 2 1
36	14 15 6	0 8 0	14 7 6	19 6 0	5 10 0	39 3 6	6½	6 0 7
37	15 10 0	0 8 0	15 2 0	21 10 0	3 10 0	40 2 0	—	—
38	24 18 0	0 8 0	24 10 0	19 0 0	3 18 0	47 8 0	8	5 18 6
39	14 12 3	0 10 0	14 2 3	17 19 0	8 11 6	38 12 9	—	—
40	14 19 6	0 5 6	14 14 0	17 2 0	4 9 0	36 5 0	—	—
41	11 10 6	0 5 0	11 5 6	16 2 6	3 10 0	30 17 6	8	3 17 2
42	17 13 6	0 5 0	17 8 6	20 5 0	4 13 8	42 7 2	8	5 5 11

STATEMENT NO. II.

COST OF PRODUCTION OF TURNIPS, 1918 CROP.

No.	Net labour.	Net manure.	Total material.	Total Oncost.	Total cost per acre.	Production per acre.	Cost per ton.
1 ...	£ s. d. 12 6 2	£ s. d. 7 14 0	£ s. d. 8 14 0	£ s. d. 19 8 4	£ s. d. 30 8 6	Tons. 27	£ s. d. 1 2 6
2 ...	11 8 11	7 15 0	8 16 0	3 13 9	23 18 8	20	1 3 11
3 ...	16 16 4	4 12 0	5 3 0	4 11 3	26 10 7	20	1 6 5
4 ...	16 12 0	6 4 3	7 13 9	4 3 0	28 8 9	29	0 19 6
6 ...	9 1 6	3 12 0	4 10 0	6 14 1	20 5 7	24	0 16 10
7 ...	7 15 0	5 6 0	6 12 0	5 15 0	20 2 0	25	0 16 4
8 ...	15 19 10	7 12 0	8 2 0	5 6 0	29 7 10	16	1 16 9
9 ...	11 12 6	4 15 0	5 7 6	3 0 0	20 0 0	15	1 6 8
10 ...	7 9 0	6 11 6	7 19 6	4 17 0	20 5 6	10	2 0 7
11 ...	12 0 0	7 0 0	7 12 0	3 10 0	23 2 0	18	1 5 8
26 ...	12 4 6	6 7 3	7 1 3	3 15 6	23 1 3	24	0 19 3
27 ...	8 8 10	8 4 0	8 17 0	8 0 0	24 19 10	18	1 7 9
28 ...	9 16 2	7 12 0	8 4 0	4 10 0	22 10 2	20	1 2 6
29 ...	13 8 6	7 0 0	7 12 0	2 11 0	23 11 6	30	0 15 8
30 ...	11 3 6	7 10 0	7 17 6	2 1 4	21 2 4	17	1 4 10
32 ...	10 3 9	5 2 0	6 4 0	3 17 0	20 4 9	14	1 8 11
33 ...	10 5 3	3 15 0	5 2 0	4 3 0	19 10 3	18	1 1 8
34 ...	6 14 10	4 18 9	6 8 9	3 11 0	16 14 7	10	1 13 5
35 ...	12 2 3	13 0 0	14 17 0	2 16 0	29 15 3	5	4 3 8
36 ...	12 12 0	7 13 0	8 12 0	3 18 0	25 2 0	17	1 5 10
37 ...	10 2 0	5 10 0	6 6 0	4 9 0	20 17 6	16	1 6 1
38 ...	7 16 6	5 19 0	6 8 0	3 10 0	17 14 6	18	0 19 8
39 ...	18 12 0	11 5 0	13 10 0	4 15 0	36 17 0	18	2 0 11
40 ...	7 6 9	3 10 0	4 12 6	4 13 8	18 12 11	15	1 4 10

STATEMENT NO. III.

COST OF PRODUCTION OF HAY, 1918 CROP.

No.	Labour.	Total material.	Total Oncost.	Total cost per acre.	Deduct value of 2nd crop.	Net cost of 1st crop per acre.	Yield per acre in cwt.	Cost per ton.
1 ...	£ s. d. 4 9 3	£ s. d. 5 7 4	£ s. d. 6 18 1	£ s. d. 16 14 8	£ s. d. 0 15 0	£ s. d. 15 19 8	42	£ s. d. 7 7 3
3 ...	5 14 9	5 14 4	3 16 6	15 5 7	2 0 0	13 5 7	40	6 7 6
4 ...	6 6 6	4 13 6	5 1 0	16 1 0	2 0 0	14 1 0	40	7 0 2
5 ...	2 1 0	4 9 0	5 0 0	11 10 0	—	11 10 0	40	5 9 0
7 ...	3 1 0	6 0 0	3 9 3	12 10 3	1 2 6	11 7 9	35	6 6 1
8 ...	4 15 6	5 2 6	3 15 0	13 13 0	1 10 0	12 3 0	40	6 0 9
9 ...	2 18 0	7 4 6	4 13 0	14 15 6	—	14 15 6	40	7 1 6
26 ...	3 17 3	5 4 6	3 15 6	12 17 3	—	12 17 3	55	4 8 1
27 ...	3 11 0	4 18 6	3 15 0	12 4 6	1 0 0	11 4 6	40	5 7 3
28 ...	4 0 6	6 4 0	4 10 0	14 14 6	1 7 6	13 7 0	45	5 11 1
29 ...	2 5 6	6 16 0	2 11 0	11 12 6	1 10 0	10 0 6	35	5 9 4
32 ...	7 1 6	4 10 0	3 18 0	16 0 6	1 0 0	15 0 6	45	6 6 8
35 ...	2 7 9	7 9 0	2 11 0	12 7 9	—	12 7 9	35	7 0 9
36 ...	3 17 6	4 14 6	3 10 6	12 2 6	0 15 0	11 7 6	32	7 1 2
37 ...	4 3 0	5 10 0	3 10 0	13 3 0	1 0 0	12 3 0	40	6 1 0
38 ...	5 6 6	6 0 0	4 10 0	15 16 6	1 0 0	14 16 6	40	7 5 0

STATEMENT NO. IV.

COST OF PRODUCTION OF OATS, 1918 CROP.

Labour.	Total Material.	Total Oncost.	Total Cost per Acre.	Deduct Value of Straw.	Net Cost of Crop.	Grain Return in Qrs.	Cost per Qr.	Quality of Land.	County.
£ s. d. 7 16 6	£ s. d. 6 3 0	£ s. d. 6 1 10	£ s. d. 20 1 4	£ s. d. 4 2 6	£ s. d. 15 18 10	Qrs. 7	£ s. d. 2 5 6½	Free.	Ayrshire.
7 8 0	5 9 0	5 5 0	18 2 0	4 0 0	14 2 0	7	2 0 3	Sandy loam.	Renfrew.
7 2 3	6 2 0	4 0 3	17 4 6	2 17 9	14 6 9	7	2 1 0	Strong.	Forfar.
5 16 10	6 9 6	4 9 8	16 16 0	4 0 0	12 16 0	7½	1 14 1	Good.	Aberdeen.
7 4 3	6 18 0	2 15 0	16 17 3	3 15 0	13 2 3	6	2 3 8	Medium loam.	Fife.
5 4 6	5 16 6	4 13 0	15 14 0	4 0 0	11 14 0	7	1 13 5	Black light land.	Forfar.
6 8 6	4 16 0	1 11 0	12 15 6	3 0 0	9 15 6	4	2 8 10	Highland lea.	Kintyre.
7 8 6	7 14 0	1 11 0	16 13 6	3 0 0	13 13 6	7½	1 16 6	Highland.	do.
4 4 0	7 12 0	2 3 4	13 19 4	3 0 0	10 19 4	5½	1 19 9	Variable.	Kincardine.
7 16 6	5 2 3	4 0 0	16 18 9	2 3 9	14 15 0	7	2 2 2	Strong loam.	Haddington.
5 5 5	6 6 6	3 16 0	15 8 0	3 10 0	11 18 0	5	2 7 7	—	do.
9 7 6	4 18 0	3 3 0	17 8 6	3 11 6	13 17 0	4	3 9 3	Clay.	Linlithgow.
7 1 9	4 2 0	4 5 0	15 6 0	2 6 0	14 0 0	7	2 0 0	Lea.	Perth.
6 5 6	5 16 0	4 13 8	16 15 2	4 10 0	12 5 2	7	1 15 0	Mixed.	Fife.
7 8 0	5 1 6	4 9 0	16 18 6	3 0 0	13 18 6	7	1 19 9	Medium.	Perth.

STATEMENT NO. V.

COST OF PRODUCTION OF BARLEY (1918) CROP.

No.	Labour.	Total Material.	Total Oncost.	Total Cost per Acre.	Deduct Value of Straw.	Net Cost of Crop.	Grain Return in Qrs.	Cost per Qr.	Quality of Land.	County.
9	£ s. d. 6 3 0	£ s. d. 5 6 0	£ s. d. 9 6 8	£ s. d. 20 15 8	£ s. d. 2 16 0	£ s. d. 17 19 8	Qrs. 7	£ s. d. 2 11 4½	Strong Clay Medium loam Variable but below average.	Forfar. Renfrew. Fife. Kincardine
11	5 12 6	2 6 9	3 16 0	12 5 3	2 0 0	10 5 3	4½	2 3 2		
15	5 4 3	8 6 0	2 15 0	16 5 3	3 0 0	13 5 3	4	2 6 4		
30	4 8 0	6 0 0	2 3 4	12 6 4	3 0 0	9 6 4	4	2 6 7		
31	5 14 0	4 8 0	2 5 0	12 7 0	2 5 0	10 2 0	3½	3 2 4	— Strong loam after Turnips. Good medium	Berwick. Haddington. Ditto.
32	8 8 6	5 9 0	4 0 0	17 17 6	1 10 0	16 7 6	5½	2 19 5		
33	6 0 6	7 2 6	3 10 0	16 12 0	2 5 0	14 7 0	4	3 11 9		

STATEMENT NO. VI.

COST OF PRODUCTION OF WHEAT CROP YEAR, 1918.

Labour.	Total material.	Total Oncost.	Total cost per acre.	Deduct value of straw.	Net cost of crop.	Grain return in qrs.	Cost per qr.	Quality of Land.	County.
£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.		£ s. d.		
7 10 0	12 12 6	4 7 6	25 10 0	5 10 0	20 0 0	6½	3 4 0	Loamy ...	Renfrew.
7 12 6	9 11 0	4 16 0	21 19 6	3 0 0	18 19 6	4½	4 4 4	Strong ...	Forfar.
5 13 0	7 5 11	3 15 9	16 14 8	4 10 0	12 4 8	4½	2 14 4	Heavy clay ...	Fife.
5 1 6	8 2 6	4 16 0	18 0 0	3 18 0	14 2 0	4	3 10 6	Medium loamy	Renfrew.
5 17 9	7 16 5	4 9 3	16 3 5	say £4	14 3 5	5	2 16 8	Good ...	Aberdeen.
6 1 9	8 16 6	2 15 0	17 13 3	4 10 0	13 3 3	4	3 5 10	Medium loamy	Fife.
7 6 6	8 4 0	4 0 0	19 10 6	2 5 0	17 5 6	5½	3 5 9	Clay loam ...	Haddington.
6 8 0	8 1 0	4 3 0	18 13 0	2 5 0	16 8 0	5	3 5 7	Heavy ...	"
6 0 0	6 0 0	3 11 0	15 11 0	3 12 0	11 19 0	5½	2 1 7	Strong loam ...	"
6 10 6	9 7 4	4 10 0	20 7 10	say £3 10s.	16 17 10	5	3 7 7	Easy light ...	Forfar.
5 6 0	6 17 0	3 10 0	15 13 0	say £3 10s.	12 3 0	5	2 8 7	Clay loam ...	Perth.
6 9 0	7 10 6	4 0 0	17 19 6	say £1	13 19 6	5	2 16 0	Medium ...	Linlithgow.

STATEMENT NO. VII.

COST OF PRODUCTION OF FAT CATTLE, YEAR 1918.

No.	Price of Animal.	Total Feeding.	Total Labour.	Total Oncost.	Total Cost.	Less Manurial Residue.	Net Cost.	Weight in Cwts.	Cost per Cwt.
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	Cwts.	£ s. d.
1	36 0 0	23 14 1½	0 13 0	0 1 6	60 8 7½	1 0 0	59 8 7½	11½	5 3 4
4	26 4 0	12 0 9	0 10 3	1 8 0	40 3 0	3 0 0	37 3 0	10	3 14 4
5	27 0 0	22 4 0	1 3 6	0 9 0	50 16 6	1 10 0	49 6 6	11	4 9 8
6	28 0 0	20 16 6	1 5 6	1 10 0	51 12 0	—	51 12 0	11½	4 11 9
7	36 0 0	16 0 6	2 0 0	1 11 0	55 11 6	1 10 0	54 1 6	11	4 18 5
8	30 0 0	29 16 0	1 0 0	4 0 0	64 16 0	12 0 0	52 16 0	11½	4 13 10
9	33 0 0	27 18 3	1 14 0	3 5 0	65 17 3	6 19 6	58 17 9	12	4 18 2
10	32 0 0	24 11 0	1 0 0	2 15 0	60 6 0	6 2 9	54 3 3	11	4 18 5

STATEMENT NO. VIII.

COST OF PRODUCTION OF STORE CATTLE, YEAR 1918.

No.	Cost of calf.				Cost of yearling.				
	Total feeding.	Labour.	Oncost charges.	Total cost.	Roots, &c.	Labour.	Oncost.	Total cost for yearling.	Total cost of yearling.
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
1	15 12 9	0 13 0	2 5 0	18 10 9	9 6 0	0 10 0	4 2 6	13 18 6	32 9 3
2	11 19 4	0 8 8	1 7 6	13 15 6	9 3 10	0 13 0	2 1 0	11 17 10	25 13 4
3	13 0 0	0 13 0	0 12 6	14 5 6	9 8 0	0 10 0	2 0 6	11 18 6	26 4 0
4	14 0 0	0 9 9	0 16 0	15 5 9	10 10 0	0 7 6	1 5 9	12 3 3	27 9 0
5	10 5 0	2 12 0	1 5 0	14 2 0	15 4 3	1 0 0	1 10 0	17 14 3	31 16 3
6	9 9 0	0 13 0	2 0 0	12 2 0	12 10 0	0 6 6	2 17 3	15 13 9	27 15 9

STATEMENT No. IX.

TRADING ACCOUNT FOR THE YEAR TO 15TH FEBRUARY, 1919.

Dr.	Stock, 1918.			Purchases, &c.			Stock, 1919.			£	s.	d.	Cr.
	£	s.	d.	£	s.	d.	£	s.	d.				
To Manure	1,945	1,050	7 3	1,473	5	0	1,530	2	3				
„ Seals...	689	931	2 4	230	10	0	1,389	12	4				
„ Thrashing and Baling	...	...	...				166	18	0				
„ Carriage	...	...	...				30	17	0				
„ Wages	...	...	...	3,073	11	2							
„ Allowances	...	...	...	200	0	0							
							3,273	11	2				
„ Stable Expenses	...	...	...	52	13	3							
„ Feeding Stuff consumed...	1,654	10	0				1,707	8	8				
„ General Expenses	...	...	...	212	16	1							
„ Repairs and Renewals	...	...	...	264	15	5							
„ Live Stock and Implements	...	...	...	125	7	11							
„ Sundry Purchases, Coal, etc.	...	...	...	267	11	5							
							870	5	10				
„ Rent, Taxes and Insurance	...	...	...				1,306	9	5				
„ Discount	...	...	...				16	17	1				
„ Interest on Overdraft	...	...	...				12	4	7				
„ Depreciation ...	...	...	...							
Horses, &c., £1,605 @ 15%				211	0	0							
Motor Plough, £300 @ 20%				60	0	0							
Implements, £44.10s. @ 15%				67	0	0							
							368	0	0				
							10,672	0	11				
„ Balance—							908	10	2				
Being Net Profit for year													
							£11,580	11	1				

By Sales—							6,465	4	3				
Crop, 1917	...	...	...							
Less stock on hand at 16/2/18	...	...	...							
Produce	6,570	0	0										
Sundry Supplies	68	0	0										
							6,638	0	0				
Less Seeds transferred	689	0	0										
							5,949	0	0				
													516 4 3
Crop, 1918—													
Add stock on hand at 15/2/19—													
Produce	5,020	0	0										
Less Seeds transferred	230	10	0										
							4,789	10	0				
													8,912 6 10
By Transfers—													
Value of Stable Manure	...	...	...				50	0	0				
Allowances	...	...	...				200	0	0				
Food Consumed by Horses	1,654	10	0										
													1,904 10 0
By Cultivations at close of year							847	10	0				
Less Cultivations at beginning of year	...	...	...				600	0	0				
													247 10 0
							£11,530	11	1				

STATEMENT No. IX—continued.

BALANCE SHEET AS AT 15TH FEBRUARY, 1919.

Liabilities.				Assets.			
	£	s.	d.		£	s.	d.
I. Sundry Creditors—				I. Sundry Debtors—			
On Open Account			318 7 7	On Open Account			1,229 15 9
On back Overdraft			133 19 8				
			752 7 3	II. Motor Plough—			
II. Capital—				As at 16th February, 1918	300	0	0
As at 16th February, 1917			11,754 3 1	Less depreciation at 20%	60	0	0
Add Cash paid in	251	8	10				240 0
Profit for year	908	10	2	III. Implements, Horses, &c.—			
			1,159 19 0	As at 16th February, 1918	2,105	0	0
			12,914 2 1	Added during year	60	0	0
Deduct Income Tax	614	19	1	Less sales	50	10	0
Loss on realisation of Investment	19	9	6	Depreciation @ 15%	308	0	0
Drawings	2,242	5	8				358 10 0
			2,876 14 3				1,806 10 0
			10,037 7 10	IV. Stock on hand—			
				Manure	1,473	5	0
				Seeds	230	10	0
				Cultivations	847	10	0
				Stocks	4,789	10	0
							7,340 15 0
				V. Cash on hand			172 14 4
							£10,789 15 8
			£10,789 15 1				

STATEMENT X

DR. PRODUCTION ACCOUNT FOR THE YEAR TO 15TH FEBRUARY, 1919.

	Hay.	Potatoes.	Turnips.	Oats.	Wheat.	Total.
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
To Labour (including horses)	694 14 6	1,803 7 6	26 15 0	801 3 0	744 17 6	4,072 17 6
„ Seeds	265 10 0	636 6 0	1 4 0	228 18 0	303 0 0	1,567 13 0
„ Manures, less Residual Values.	442 10 0	1,913 19 0	39 8 0	102 11 6	151 10 0	2,729 18 6
„ Straw, etc.	22 2 6	101 0 0	5 0 0	—	—	128 2 6
„ Rent, Taxes and Insurance	486 10 0	278 0 0	5 10 0	300 0 0	277 0 0	1,345 0 0
„ Idle Time	69 9 6	180 10 9	2 13 6	80 2 3	74 9 9	497 5 9
„ Depreciation	88 10 0	202 0 0	4 0 0	109 0 0	101 0 0	504 10 0
„ Management	44 5 0	101 0 0	2 0 0	54 10 0	50 10 0	252 5 0
<i>Add—</i>	2,113 11 6	5,216 3 3	86 10 6	1,756 4 9	1,702 7 3	11,007 12 3
Residual Value of Manures, etc., from previous crop in 1917.	384 19 6	—	—	291 15 6	464 12 0	1,141 8 0
	2,498 11 5	5,216 3 3	86 10 6	2,048 1 8	2,166 19 3	12,149 0 3
<i>Deduct—</i>	—	951 18 6	19 9 0	—	—	971 7 6
Residual Value of Manures, etc., carried forward to 1919 crop.	2,498 11 0	4,264 4 9	67 1 6	2,018 1 3	2,166 19 3	—
TOTAL COST OF PRODUCTION						111,044 17 9
<i>Balance being Profit as per Cost Account</i>						535 13 4
						11,580 11 1

CR.

By Sales of 1917 Crop (less Stock)						516 4 3
„ Sales of 1918 Crop						4,122 16 10
„ Stock on hand of 1918 Crop						4,789 10 0
„ Transfer of Produce included per Contra						1,904 10 0
„ Adjustment—						
Cultivation at 15th Feb., 1919						847 10 0
„ „ 15th Feb., 1918						600 0 0
						247 10 0
						11,580 11 1

RECONCILIATION WITH TRADING ACCOUNT.

Profit per Trading Account	£ s. d.	908 10 2	Profit as per Cost Accounts	£ s. d.	535 13 4
			<i>Add—</i>		
			Residual Values not taken into Trading Account brought from 1918	1,141 8 0	
			Carried forward to 1919	971 7 6	
					170 0 6
			Amount over costed during year		202 16 4
	£908 10 2				£908 10 2

MANURE RECONCILIATION COST WITH FINANCIAL BOOKS.

MANURE AS PER COST SHEET—	£ s. d.	£ s. d.
Artificial	1,081 18 6	
Farmyard	1,648 0 0	
		2,729 18 6
MANURE USED	1,530 2 8	
VALUE OF HORSE AND MAN LABOUR—		
Included in Labour Bill and transferred from it	902 15 0	
REPAIRS AND OTHER EXPENSES—		
One-half of account paid	372 8 10	
Say one-third thereof	124 2 11	
		2,557 0 2
Excess of Cost		£172 18 4

DEPRECIATION.

As per Cost Sheets	£ s. d.	£ s. d.
As per Books—		504 10 0
Depreciation charged	127 0 0	
Live Stock and Implements	125 7 11	
Balance of Repairs	248 6 2	
		500 14 1
Excess of Costs		£3 15 11

LABOUR RECONCILIATION BETWEEN COST SHEETS AND FINANCIAL BOOKS.

COST SHEETS—	£ s. d.	£ s. d.
Labour	4,072 17 6	
Idle Time @ 10% of labour	497 5 9	
Management	252 5 0	
		4,732 8 3

FINANCIAL BOOKS—	£ s. d.	£ s. d.
Wages paid	3,073 11 2	
Allowances	200 0 0	
Food consumed by stable	1,634 10 0	
		£ s. d.
Oats, 16 lbs. per day, 17½ qrs. @ 50s.	43 15 0	
Hay, 17 lbs. per day, 2½ tons @ £8	22 0 0	
Straw, 15 lbs. per day, 2½ tons @ £4	10 0 0	
		75 15 0
For 20 horses	1,515 0 0	
<i>Add Turnips—</i>		
46½ tons @ £3	139 10 0	
		1,654 10 0
Stable Expenses	52 13 3	
Depreciation of Horses	241 0 0	
Threshing and Baling	166 18 0	
General—	£ s. d.	
Charges	212 16 1	
Repairs and Renewals	264 15 5	
Sundry Purchases and Coal	267 6 5	
		744 17 11
Say half towards Stable, &c.	372 8 10	
		5,761 1 3
<i>Deduct value of labour transferred to Manure Account</i>	902 15 0	
		4,858 6 3
Deficiency in Costs		125 18 0

STATEMENT No. XI.

STATEMENT SHOWING TOTAL PRODUCTION AND COST PER ACRE FOR 1918.

	Hay.	Potatoes.	Turnips.	Oats.	Wheat.	Total.
1. Cost per Acre.						
Total cost of year's crop ...	£ s. d. 2,498 11 0	£ s. d. 4,264 4 9	£ s. d. 67 1 6	£ s. d. 2,048 1 3	£ s. d. 2,166 19 3	£ s. d. 11,044 17 9
Deduct value of straw or second crop included in bales ...	354 0 0	—	—	310 0 0	443 0 0	1,107 0 0
	2,144 11 0	4,264 4 9	67 1 6	1,738 1 3	1,723 19 3	9,937 17 9
Total acreage under crop ...	177	101	2	109	101	490
Cost per acre ...	£ s. d. 12 2 3·8	£ s. d. 42 4 5	£ s. d. 33 10 9	£ s. d. 15 18 10	£ s. d. 17 1 4	—
Production per acre ...	33	6½	35	5½	4½	—
Cost per unit ...	s. d. 7 4	£ s. d. 6 9 10	s. d. 19 1	£ s. d. 3 0 11	£ s. d. 4 0 11½	—
Units ...	1 cwt.	1 ton.	1 ton.	1 quarter.	1 quarter.	
2. Production per Crop.						
Acreage under cultivation ...	177	101	2	109	101	—
Production per acre ...	33	6½	35	5½	4½	—
Total production ...	5,841	6·6½	70	572	424	—
Actual quantity sold, consumed, or in stock ...	5,720	615½	70	571½	422½	—

B. Evidence-in-chief handed in by Mr. W. D. McNICOL, Farmer, Castleton, North Berwick.

I am a Tenant Farmer farming in East Lothian and ex-Chairman of Haddingtonshire Branch of National Farmers' Union of Scotland. In tendering evidence for this district to the Commission there are two considerations I should like clearly understood:

1st. That it has been very hurriedly prepared and owing to the limited time available it has not been made so comprehensive or revised as it might have been.

2nd. That it applies to probably one of the most intensively farming districts in the Country, where the rotation of crops is very close. The bulk of the land being kept constantly under the plough and is not rested by grazing or bare fallow, hence the provision for working plant, labour and upkeep is very heavy per acre and as very little breeding is carried on the winter feeding stock are bought in, necessitating a large capital outlay for store stock.

The soil varies from very stiff clay to medium loam, the rainfall is low and the land sometimes gets very hard and difficult to work. I append costs of production of cereals, hay, potatoes and turnips which are the average figures prepared by several representative farmers of the district for year 1918.

I would point out that the land was easily prepared that spring owing to late frosts and expense of working low.

In regard to the turnip crop of 1918 it was in many cases a total failure owing to frost and fly attacks followed by drought no return being got at all. In other cases the crop was only about half an average (say 12 tons) thus raising the cost of feeding stock during the winter of 1918-19 and also the resultant factor that owing to the lesser numbers we have not the quantity of farmyard manure available for this and next crop.

The results of the War are very apparent in that hedges are overgrown, ditches and drains are needing cleaning, houses and buildings generally are out of repair and the land itself is dirty and out of condition and will require

extra labour and expense to put it into proper order again. The results have accumulated through shortage of labour and what could be got was not so efficient. The supply of casual labour for seasonal work is still deficient. Certain artificial manures, such as potash, were not available and, of course, all were expensive, but were used as largely as possible to make up the shortage of manure.

Transport by rail was difficult and slow.

Tractors (Government and privately owned), were used to some extent, but were not an unqualified success and have not displaced horse labour to any great extent and in the opinion of many farmers there is much scope for Motor Road Haulage in Scotland if properly organised (co-operatively or otherwise) as it is largely independent of weather and soil conditions. Labour has improved its conditions both in wages and working hours. Generally cash wages for men have risen from about 18s. 6d. per week in 1913-14 to 42s. now and working hours are now 9 per day with a Saturday half-holiday as compared with 10 per day and no fixed holidays. Woman labour filled many gaps and I think some endeavour should be made to keep the Organisation known as the Women's Land Army going after 28th November (when, I believe it is to be demobilised) as it has done useful work and I understand that the feeling of many of the women in it is favourable to this. Any further reduction in working hours will, in my opinion, lower production and increase working costs.

Generally speaking, we wish to be able to pay our workers a wage that will compete with other industries, but it must be remembered that we have a weather risk to contend with and if shorter working hours are made compulsory the tendency will be for land to go again out of cultivation. We find overtime work often given grudgingly by the workers.

Rents have not altered except in cases of leases running out and where renewed have mostly been raised. In many cases landlords have been offering their land for sale and many farmers have been forced to buy to retain their holdings, thus reducing available working capital for the conduct of their farming operations.

Appendix to Evidence of Mr. W. D. McNicol.
Average of Cost Statements for the Lothians.

	Average Labour.	Material.	Oncost.	Per Acre.	Yield. Cwt.	Per Ton.
	£ s. d.	£ s. d.	£ s. d.	£ s. d.		£ s. d.
Hay	5 15 1	6 2 10	3 10 9	15 8 8	41½ cwt.	7 8 4
Turnips	10 6 2	8 2 11	3 3 9	21 12 10	13½ tons.	1 11 6
Potatoes	15 4 4	25 3 10	4 0 6	44 8 6	7½ "	5 18 6
Wheat	6 11 8	7 14 1	3 19 3	18 5 0	5½ qrs.	3 0 6
				Straw 2 0 0		
				16 5 0		
Barley	6 14 4	6 17 2	3 5 0	16 16 6	Grain 4½ qrs.	3 8 5
				Straw 2 0 0		
				14 16 6		
Oats	6 11 0	5 14 5	3 18 0	16 3 5	Grain 6 qrs.	2 4 9
				Straw 2 15 0		
				13 8 5		

C. Evidence-in-chief handed in by Mr. JOHN STEWART, Struthers, Ceres, Cupar, Fifeshire.

I am a farmer residing at Struthers, Cupar, Fife. Farming 997 acres on my own account, viz., Struthers 370 acres, Struthers Barns 297 acres, and Baltilly 240 acres, all in parish of Ceres. I am proprietor of the first two farms, Kininmonth 460 acres, also in the same parish, and since 1914 I also managed the farm of Pilmuir 430 acres Lundin-Links for a Trust Estate.

In response to an invitation to the Cupar Branch of the Union to prepare Cost Statements for various crops, a Committee of 12 members went into the matter and prepared estimates on potatoes, turnips, oats, barley, wheat, also on fat cattle and sheep. These calculations are based on the average cost of production and the estimated average yield per acre of the land in East Fife. Also on the average cost of beef and mutton. Evidence on these costings I am prepared to support, if desired. The general pre-war rotation of cropping in the district is one of seven or eight years, viz., oats, potatoes, wheat, turnips, barley and hay, followed by one or two years' pasture. On the better farms there was less pasture, and in the upland or poorer farms a longer rotation of pasture, with considerable areas under permanent pasture. During the war a considerable part of the pasture land was brought under cultivation in response to the call for increased food production. Generally speaking farms have been greatly deteriorated through various causes, as follows:—

- (1) In consequence of old pastures being broken up and cross-cropped, a shorter rotation of cropping generally and residual manurial values used up.
- (2) Owing to shortage of the supply of feeding stuffs for fattening stock, the usual supply of rich farm-yard manure is not available for the proper enrichment of the soil.
- (3) Owing to hay and straw being taken over by the military on farms where formerly used for feeding stock, less farm-yard manures were available for a largely increased area under cultivation.
- (4) By the general use of quick acting manures giving quick results, leaving no residual value.
- (5) Owing to shortage of labour during the war, much of the land has been insufficiently wrought, and is dirty and in bad condition.
- (6) Farm buildings, fences, drains, ditches, roads, &c., have deteriorated or require attention. Little has been done in repairs for the last five years, owing to shortage and cost of labour and material.

D. Evidence-in-chief handed in by Mr. GILBERT DAVIDSON, Burnhead, Hawick.

I am a farmer and Licensed Valuator, farming at Burnhead, Hawick. I have also held other arable and stock raising farms. I am largely employed in arbitration and valuation work in the South of Scotland and elsewhere. I am at present President of the Teviotdale Farmers' Club, a very old institution. The Club's transactions and average prices of stock dating back to 1859 are in much request for reference purposes.

The question I am asked to speak to is the cost of fattening sheep.

For that purpose I take the price of an average top down cross lamb in the beginning of August, 1918, at the average price of £2 12 6

Charges.

Keep on grass forage and seeds up till 24th October, 12 weeks @ 8d. 0 8 0
Do. on whole turnips 4 weeks and cut do. 8 weeks @ 1s. 6d. ... 0 18 0

Whether this increased area under cultivation is to continue or not is entirely an economic problem. At any rate, the rate of yield of crops per acre cannot be increased or even maintained without a large and available increase in suitable farm-yard manures and other fertilisers. Generally, the cumulative fertility of the soil has greatly deteriorated since 1914. Outside suburban areas, where no manure is available, cropping cannot exist without stock-feeding to consume the straw, &c., and produce manure. Stockfeeders have received the utmost discouragement under Government control.

Very little concentrated feeding-stuffs can be obtained, and for what little is available the price is prohibitive. The price of the raw material in the shape of store cattle and sheep is uncontrolled and leaves no margin of profit, and frequently a considerable loss to the feeder, as our costing can prove. In pre-war days our principal supply of store cattle was from Ireland. The best class suitable for short keep cannot now be obtained. These are now being sent over for slaughter (immature), and the Irishman subsidised at the expense of the Government or the Scottish feeder in respect of the freight and other expenses from Ireland, to the extent of 4s. to 6s. per cwt., live weight, being the difference in price between best Scotch and half fat Irish animals in pre-war times. Killing immature animals tends to keep available stores scarce and dear, and is a distinct loss to our food supplies. Fewer cattle and sheep are being fed, and there is little incentive to turn to cattle feeding for profit.

To bring back the land to its utmost productive capabilities, much requires to be done in cleaning, manuring, liming, and draining the land and in repairs and improvements to buildings, fences, etc. This requires time and capital. Many farmers have been compelled either to buy or quit their farms, and are finding they are in a very much worse position financially as landlord. The cost of maintenance formerly borne by the proprietor is a serious item, while many farmers are seriously alarmed at the enormous increase in Rates and Taxes. For instance, the Educational Assessment of Ceres Parish for this year is £1,442, whereas last year under the old School Board the amount was £380, and about 8 or 10 years ago about £250. Some other country parishes I know are even in a very much worse position. These heavy burdens tend to hamper the development of the agricultural industry.

I am prepared to give evidence in support of the foregoing statements.

	£ s. d.	£ s. d.
Feeding-stuffs at an average of 4 lbs. per week for 15 weeks	0 10 0	
Death-rate at 1 per score, less value of skin	0 1 6	
Dipping, carting, and for nets, stakes, turnip cutter, feeding-boxes, pulling and storing turnips	0 2 0	
Shepherding @ 1d. per head per week	0 2 0	2 1 6
		£4 14 0
Deduct residual manurial value of feeding-stuffs		0 1 6
Total net cost		£4 12 6

APPENDIX No. II.

ACCOUNTS AND COSTINGS RETURN.

Handed in by Mr. E. M. NUNNELEY, of Wellingborough, as evidence-in-chief in connection with his evidence given at the instance of the Agricultural Costings Committee on 21st October, 1919.

A. NOTES ON 1918 ACCOUNTS.

The Live Stock Sales included—

Horses	...	...	152	0	6
Cattle	...	...	1,785	4	1
Sheep	...	...	1,236	13	4
Pigs	...	...	97	9	9
			3,271	7	8

The Corn Sales included—

Wheat	...	...	1,260	4	9
Barley	...	...	214	19	9
Oats	...	...	43	15	0
Other Corn	...	...	903	15	0
			2,422	14	6

"I think these figures for one year only are not of much value as they vary very much from year to year. For instance, last year peas from 23 acres made about £645, nearly £30 per acre—my average for the last 40 years would be about £5 per acre.

"Last year I only sold a few oats for seeds, using 300 to 400 qrs. for feed, instead of my usual 20 to 30 qrs., and buying so much less Feeding Stuffs.

"My bill for Steam and Tractor Ploughing, Cultivating, &c., was exceptionally heavy, as I was rather short of horses and hired three tractors, one after the other, to try which was the best and which, if any, was worth buying."

(Signed) E. M. NUNNELEY.

B. RETURN MADE TO THE AGRICULTURAL COSTINGS COMMITTEE, 1919.

(1) Size of farm—

Arable	...	...	436½	acres.
(Sainfoin 12, Clover 24.)				
Pasture—Temporary	...	...	36½	"
—Permanent	...	...	260	"
Orchards, &c.	...	...	1	"
Downs and moorlands	...	...		"
Woods, waste and roads	...	...	10	"
Total	...	...	744	acres.

Type of soil—

Heavy	...	...	186	acres.
Medium	...	...	287	"
Light	...	...	—	"

Our heavy land is *very* heavy. A good deal of what I have called medium would, I think, be put down as heavy by many people.

How farm is worked.

No. of steam engines	...	...	None.
" tractors	...	...	"
" horses	...	...	14

Steam engines hired when required.

Tractors last year hired when required.

Labour employed.

No. of horsemen	...	...	2
" cattlemen	...	...	2
" shepherds	...	...	1
" general labourers	...	...	10
" women	...	...	—
" boys	...	...	4

Women occasionally employed in summer time last year.

Name of farmer—E. M. Nunneley & Son.

Farm address—Pytchley Grange, Orlingbury, Wellingborough.

County—Northamptonshire.

Distance from nearest railway station—
2¼ to 3¼ miles.

(2) Has the general condition of the farm been lowered during the War in the following respects?—

If the figures 100 represented the standard of the Farm in 1914 what figure in your opinion would represent its standard now?

	1914.	1918/19.
Hedges, fencings, ditching and drainage	100	80
Foulness of the land	100	70
State of fertility	100	75
State of repair of implements and equipment	100	100

(3) What is your general system of farming, and are there any special local conditions which influence the system of farming? If so please give particulars.

We have farmed principally for corn growing, and stock breeding and rearing.

Heavy ploughed land and course system (3 years temporary pasture, 1 year dead fallow, 4 years corn) but the last 3 years have had no temporary pasture, but have grown more corn.

Medium land 5 years course, roots 2 years corn, beans, peas or clover, corn.

(4) State in what respect, if any, the cropping and/or stocking for the year covered by your accounts submitted, was not in accordance with customary practice in your system of farming.

We tried to grow more corn and, having no temporary pasture, and broken up about 100 acres grass, could not keep so much stock, especially breeding sheep.

(5). General remarks—

If the following, or other similar items, are included in the Accounts please state below the amount in each case and under what heading they are included. Such items might be new implements, etc., bought, or other outlay for improvements, etc. Sales of implements, etc. Interests paid on loans. Interest on own capital invested. Any special provision made in the accounts for depreciation. Income tax or tithes. Amounts taken out of the bank and invested out-side. Personal expenses of self and family. Other similar items (if any).

New implements bought are included in implements. No sales of implements. No special outlay or improvements or provision for depreciation, except in implements, which is allowed for in valuation. No tithe paid. Half year's income tax is included in rent, rates, etc. No charge made for interest on our own capital or loans, or for our overtime or labour or personal expenses, all of which have to be paid for out of the profits—this is simply our farming balance sheet.

If no figure appears in the accounts for the following items please state the approximate amount in each case.

Rent and rates of farm house	...	...	£40
Value of Farm Produce consumed by the household	...	...	...

These are included in the accounts.

Value of labour for the year contributed by wife or family—

None, except by E. M. Nunneley and F. W. Nunneley, members of farm, whose labour is not charged for.

(In the case of Home Farms).

Value of supplies to and work done for estate owner	...	...	...
Other similar items (if any)	...	...	...

- (1) Please state whether owner or occupier—Occupier.
- (2) If Occupier, Annual Rent paid £859
If Owner, Annual Rent (if any) charged as an expense in your accounts, £.....
If no rent is charged, please state Annual or Rateable Value, £.....
- (3) Date to which accounts are made up—December 31st.
- (4) If Accounts audited, please state by whom—Not audited.
- (5) Whether Inventory made by Self or Professional Valuer—By Self.

(7.) Inventory at the Beginning and End of the Year.

NOTE—If you are unable to fill in the details specified below, show under main headings in total only.

	Number at Beginning	Number at End	Value at Beginning of Year.	Value at End of Year.
Live Stock—			£ s. d.	£ s. d.
Horses ...	28	22	1,045 0 0	850 0 0
Cattle ...	71	78	1,396 0 0	1,494 0 0
Dairy cows...	26	32	698 0 0	835 0 0
Sheep ...	479	421	1,510 15 0	1,292 0 0
Pigs...	7	19	39 0 0	58 0 0
Other live stockpoultry	—	—	30 0 0	37 10 0
Total of live stock...			4,718 15 0	4,566 10 0
Grain, Straw, and Roots—				
Grain and straw...			1,868 10 0	2,471 11 0
Hay ...			445 0 0	323 0 0
Roots ...			107 0 0	120 0 0
Sundry Stocks—				
Feeding stuffs ...			166 0 0	144 0 0
Manures ...				
Seeds ...				
Other sundry stocks ...				
Equipment—				
Machinery ...			693 10 0	689 0 0
Implements ...				
Harness, wagons, loose tools, etc.				
Tenant Right—				
Tillages (including seeds and pastures) ...			396 15 0	836 10 0
Standing crops ...			427 15 0	404 10 0
Unexhausted manures and manurial values of cake, etc.			—	—
Totals ...			8,823 5 0	9,596 1 0

Please state the basis of valuation (e.g., whether market values, cost, or other basis) and say whether the valuation was made on the same basis at the beginning and end of the year.

Market values for live stock, but put rather low, especially for stock that will not be sold soon (such as horses, breeding ewes, etc.), consuming values for hay, straw, etc., made on same basis both years.

(8) Any further remarks you would care to make.

DEAR SIR,

Enclosed I forward summary of my farm accounts for four fairly average typical years—1898, 1903, 1908, and 1913—and also for one war year, 1918, when conditions and prices were quite abnormal and from which one year I think no conclusions or estimates of any value as to the future can be drawn.

I have also drawn up and enclose a list of my profits and losses in farming since 1878. I think the first 17 years of that time show best what is likely to happen in the future, as we cannot, I think, expect the present high prices of produce to continue, but shall probably have a far more rapid fall in prices than occurred from 1878 to 1894.

I also enclose some calculations I made last winter as to the cost of cultivation of heavy land and the probable produce therefrom, which may perhaps interest you.

I have not filled up paragraph 5 of Schedule "B," as I really cannot see what my private accounts, debts, or investments have to do with my farm accounts, &c.

Should you think it worth while I should be quite willing to appear as a witness before the Commission to give any further information or evidence that I can.

Yours truly,
(Signed) E. M. NUNNELEY.

(C. COSTS OF PRODUCTION—CHRISTMAS, 1918.

Costs of cultivation on heavy land on farm of 400 to 1,000 acres, half arable, ample machinery, &c. Eight courses. (On larger farms costs might be slightly less per acre; on smaller farms considerably more).

Wages—Horsemen 6s., labourers 5s., boys 3s., per day; horses, 5s. per day.

A rise or fall of 1s. per day in wages would make a difference of about 5s. per acre per annum.

	£	s.	d.
1st year.— <i>Fallow</i> .—Ploughing three times. First by steam, 35s. per acre; second and third by horses, 30s. each time, 60s.; scuffled twice by steam, 25s.; twice by horses, 10s.; taxes, 7s. 6d.; sundry expenses (maintenance of buildings, roads, yards, gates, fences, drains, &c., trimming and cutting hedges, cleaning out ditches, &c., &c.), 10s.; rent, 25s.; rates, 5s.	8	17	6
2nd year.— <i>Wheat</i> .—Seed 2½ bushels @ 10s. (25s.); scuffling, 4s.; drilling, 6s.; harrowing after, 2s.; spring crushing, 4s.; harrowing, 2s.; horse hoeing, 2s.; docking and weeding, 7s. 6d. Harvesting—Cutting with binder, 10s.; string, 5s.; shocking, 5s.; carrying and stacking, 12s. 6d.; mowing round, dragging, carrying draggings, &c., 5s.; thatching, 3s.; threshing, 17s. 6d.; delivering corn, 6s.; sundries (maintenance, &c., as above), 10s.; rent, 25s.; rates, 5s.; income tax, 7s. 6d.	8	4	0
3rd year.— <i>Beans</i> .—Manuring 28 loads per acre carted out to heap, 28s.; 18 loads per acre carted out, 15s. and spread, 5s.; once ploughed, 35s.; drilling, 6s.; harrowing, 6s.; rolling, 1s. 6d.; harrowing after, 1s. 6d.; horse hoeing, 3s. 6d.; docking and hand hoeing, 15s.; harvesting and thatching, 40s.; threshing, &c., 17s. 6d.; delivery, 6s.; sundries, 10s.; rent, 25s.; rates, 5s.; tax, 7s. 6d.; seed, 45s.	13	12	6
4th year.— <i>Wheat</i> .—Once ploughed, 35s.; seed 3 bushels @ 10s. (30s.); drilling and harrowing, 12s. 6d.; spring crushing, 4s.; harrowing, 2s.; horse hoeing, 2s.; weeding, &c., 7s. 6d.; harvesting, thatching, threshing, delivery, &c (as 2nd year), 64s.; sundries, 10s.; rent, rates and taxes, 37s. 6d.	10	4	6
5th year.— <i>Clover</i> .—Seed, 25s.; drilling, 2s. 6d.; mowing, 5s.; turning, carrying, stacking, threshing, &c., 20s.; sundries, 10s.; rent, rates and taxes, 37s. 6d.	5	0	0
If a good fallow is not made the first year the land should be ploughed up as soon as clover is off and half fallowed—this would cost—twice ploughed, 70s.; twice scuffled, 10s.=80s. Allow for this being done in every other course—the charge in each course would be	2	0	0
6th year.— <i>Oats</i> (or <i>Wheat</i>).—Once ploughed, 35s.; seed, 30s.; drilling and harrowing, 12s.; spring rolling, 2s.; horse hoeing, 2s.; docking and weeding, 8s.; harvesting and thatching, 40s.; threshing, 17s. 6d.; delivery, 6s.; sundries, 10s.; rent, rates and taxes, 37s. 6d.	10	0	0
7th year.— <i>Beans</i> .—Manuring (as above 3rd year), 48s.; once ploughed, 35s.; seed, 45s.; drilling, &c., 12s.; rolling and harrowing, 3s.; horse hoeing, 3s. 6d.; hand hoeing, &c., 15s.; harvesting and thatching, 40s.; threshing, winnowing and delivery, 23s. 6d.; sundries, 10s.; rent, rates and taxes, 37s. 6d.	13	12	6
8th year.— <i>Wheat</i> .—Ploughing, 35s.; seed, 30s.; drilling, &c., 12s. 6d.; spring rolling and harrowing, 6s.; horse hoeing, 2s.; docking and weeding, 7s. 6d.; harvesting, &c., 74s.; rent, &c., 37s. 6d.	10	4	6
Total cost of eight year course ..	£81	15	6

Produce in eight years.—Wheat three years, 4 qrs. per acre per annum @ 76s. £45 12s.; straw @ 20s. per acre, £3; beans, two years, 3 qrs. each year @ 80s., £24; bean straw, 10s. per acre each year, £1; oats, one year, 6 qrs. per acre @ 50s., £15; straw, 20s.; clover, 25 cwt. per acre @ £6 per ton, £7 10s.; grazing, 10s. Total produce eight years 97 12 0
(Beans are at present £6 per qr. but with wheat at 76s. and oats at 50s. are not likely long to be worth more than 80s.)
Deduct eight years' costs 81 15 6
Eight years' profit £15 16 6

£ s. d. This profit has to provide interest on capital (say £15 per acre), depreciation of machinery, remuneration for management, market expenses, &c.

Average annual profit per acre, £1 19s. 6d.

NOTE.—Since the above calculations were made (at Christmas, 1918) wages have been raised by 6s. 6d. per week. This would add about 5s. per acre per annum to the cost of cultivation, and it is now proposed to reduce the hours of work during summer by four per week; as this would curtail the hours of horse labour too, it would probably add about another 5s. per acre per annum.

Sept. 29th, 1919.

E. M. N.

D. PROFIT AND LOSS ACCOUNT, 1878 TO 1918 INCLUSIVE.

1878 to 1894.			1895 to 1913.		1914 to 1918.	
Year.	Profit.	Loss.	Year.	Profit.	Year.	Profit.
1878	£ 485	—	1895... ..	£ 605		
1879	—	359	1896... ..	694	1914... ..	£ 1,550
1880	290	—	1897... ..	1,108	1915... ..	2,157
1881	277	—	1898... ..	1,065	1916... ..	3,246
1882	2	—	1899... ..	900	1917... ..	970
1883	—	61	1900... ..	1,261	1918... ..	1,797
1884	—	26	1901... ..	690		
1885	10	—	1902... ..	1,002	Total 5 years ...	£9,723
1886	48	—	1903... ..	960		
1887	155	—	1904... ..	528	Average—£1,944.	
1888	487	—	1905... ..	1,131		
1889	461	—	1906... ..	765		
1890	245	—	1907... ..	1,146		
1891	253	—	1908... ..	476		
1892	42	—	1909... ..	516		
1893	49	—	1910... ..	438		
1894	215	—	1911... ..	559		
Total profits ...	3,030	£ 147	1912... ..	651		
Less Losses ...	447		1913... ..	772		
Net Profits, 17 years	£2,583		Total Profit, 19 years	£15,126		
Average—£151.			Average—£796.			

NOTE.—From 1878 to 1894 about 400 acres land was occupied (varying slightly at times), about half grass, half arable. Capital employed, £5,000.

From 1895 to 1913, 900 acres occupied, half Grass, half Arable. Capital employed, £7,000 in 1895 to £10,000 in 1913.

From 1914 to 1918, 740 acres occupied, 270 Grass, 470 Arable. Capital employed, £10,000.

The profit shown in 1916 is probably swollen by my having left a farm in that year (325 acres), and having received payment for Tenant rights, Engines, Threshing Machines and Fixed Machinery, taken over by the Landlord by agreement (having been taken from him when I took the farm), and which would probably be valued higher than I put them in my annual stock-taking, when I purposely always put a low value on them.

It will be seen that I have divided the 41 years into three periods—1878 to 1894, 17 years of falling prices, when I only made 3% interest on capital; 1895 to 1913, 19 years of very slowly rising prices, when I made 10% interest on capital—and 1914 to 1918, five war years of quite abnormal prices and conditions, when I made nearly 20% interest on capital.

Nothing has been charged for my market expenses, nor for my time and labour, nor for those of my son who has been with me on the farm since 1895.

(Sgd.) E. M. NUNNELEY.

E.—SUMMARY OF THE YEAR AND BALANCE SHEET FOR FIVE FAIRLY TYPICAL YEARS—FOUR BEFORE THE WAR AND ONE (1918) UNDER WAR CONDITIONS.

	1898	1903	1908	1913	1918	(31st December.)	1898	1903	1908	1913	1918
By amount received for—	£	£	£	£	£		£	£	£	£	£
Corn sold	1,706	1,016	1,697	1,116	2,427	Valuation 1st January ...	6,378	—	—	—	—
Hay and Straw, etc. ...	23	4	7	81	—	Live Stock	—	3,456	3,779	4,239	4,718
Live Stock	2,509	2,306	2,071	2,397	3,271	Dead Stock	—	3,111	3,769	3,071	4,104
Dairy Produce	67	88	56	71	172	Amount paid for—					
Eggs and Poultry ...	66	66	67	27	288	Rent and rates	678	753	753	834	1,041
Sundries	80	97	93	65	34	Labour	743	743	802	762	1,329
Accounts owing to Farm	7	25	12	—	20	Corn, Seeds etc., Manures, Cakes etc.	543	492	731	861	911
Valuation 31st December	6,627	—	—	—	—	Live Stock	1,404	792	454	417	1,017
Live Stock	—	3,634	3,833	4,275	4,566	Implements	84	103	74	23	72
Tillages, Dead	—	3,162	3,432	3,254	5,044	Sundries	69	88	188	202	628
						Accounts owing by Farm	120	110	240	105	205
						Profit on year	1,065	760	476	772	1,797
	11,087	10,411	11,270	11,290	15,825		11,087	10,411	11,270	11,290	15,825

NOTE.—During the first four of the above years the land occupied was 900 acres, 450 arable and 450 grass. In 1918, 470 arable, 270 grass.

APPENDIX No. III.

ACCOUNTS AND COSTINGS.

Return handed in by Mr. A. H. POTTS, of Felling-on-Tyne, as evidence-in-chief in connection with his evidence given at the instance of the Agricultural Costings Committee on 21st October, 1919.

1. RETURN MADE TO THE AGRICULTURAL COSTINGS COMMITTEE, 1919.

(1) Size of farm—

Arable	129	acres.
Pasture—Temporary	—	"
" Permanent	63½	"
Orchards, &c.	—	"
Downs and moorland	—	"
Wood, waste, and roads	9½	"
Total	202½	acres.

How farm is worked.

No. of steam engines	Nil*
" tractors	—
" horses	8

* Too wet and heavy.

Labour employed.

No. of horsemen	4
" cattlemen	Nil
" shepherds	—
" general labourers	—
" women	1
" boys	—

Name of Farmer—A. H. Potts.

Farm address—The Leam, Felling-on-Tyne.

County—Durham.

Distance from nearest railway station, three miles.

(2) Has the general condition of the farm been lowered during the war in the following respects? :—

If the figures 100 represented the standard of the farm in 1914, what figure in your opinion would represent its standard now?

	1914.	1918-19.
Hedges, fences, ditching and drainage ...	100	50
Foulness of the land	100	100
State of fertility (shortage of manure)...	100	80
State of repair of implements and equipment.	100	100

(3) What is your general system of farming, and are there any special local conditions which influence the system of farming? If so, please give particulars.

System.—Selling all off. Being within five miles of Newcastle-on-Tyne, all produce of 1st class quality is put on the market, and only a few, say 10 grazing beasts, kept to use up waste and surplus turnips. Manure is led daily from the town and deposited at convenient middens for fields next on turn.

The war has upset this system, as manure is not procurable in sufficient quantity. I am now returning to the stocking and feeding system.

(4) State in what respects, if any, the cropping and/or stocking for the year covered by your accounts submitted was not in accordance with customary practice in your system of farming.

Last year was under my usual system of selling off, but the farm has suffered for lack of manure. I was unable to change the system until this coming winter owing to war difficulties.

This latter system is much less profitable.

(5) General remarks—

If the following, or other similar items, are included in the accounts, please state below the amount in each case and under what heading they are included. Such items might be new implements, etc., bought, or other outlay for improvements, &c. Sales of implements, &c. Interest paid on loans. Interest on own capital invested. Any special provisions made in the accounts for depreciation. Income Tax or tithes. Amounts taken out of the bank and invested outside. Personal expenses of self and family. Other similar items (if any).

NOTE.—In keeping the farm accounts I treat it as a special business and no house and personal expenses

are included. No amount is set apart for my wages, but I would suggest that you take the Statutory amount fixed on Income Tax.

If no figure appears in the Accounts for the following items please state the approximate amount in each case.

Rent and rates of farm house, not including farm buildings £40
Value of farm produce consumed by the household £40
Value of labour for the year contributed by wife or family Nil

(In the case of Home Farms).

Value of supplies to and work done for estate owner Nil
Other similar items (if any) Nil

(1) Please say whether owner or occupier—Occupier.

(2) If occupier, annual rent paid ... £196 15s.

If owner, annual rent (if any) charged as an expense in your accounts £.....

If no rent is charged please state annual or rateable value £.....

(3) Date to which accounts are made up—1st June to 31st May.

(4) If accounts audited, please state by whom—No.

(5) Whether inventory made:—By self—Yes; or Professional valuer.....

(7) Inventory at the Beginning and End of the Year.

NOTE.—If you are unable to fill in the details specified below, show under main headings in total only.

	Number at Beginning.	Number at End.	Value at Beginning of Year, 1st June, 1918.	Value at End of Year, 31st May, 1919.
Live Stock—			£ s. d.	£ s. d.
Horses	11	10	700 0 0	690 0 0
Cattle	Nil	—	—	—
Dairy cows... ..	8	1	87 0 0	30 0 0
Sheep	Nil	Cattle 18	—	310 0 0
Pigs... ..	Nil	—	—	—
Other live stock	Nil	Nil	—	—
				1,030 0 0
Grain, Straw, and Roots—				
Grain and straw (oats for horses' consumption, £45; straw, £2)			47 0 0	75 0 0
Hay			—	—
(ditto; straw £30).			—	—
Roots		Nil	—	—
Sundry Stocks—				
Feeding stuffs			—	—
Manures and dung. A small quantity of dung (not kept)			—	—
Seeds			—	—
Other sundry stocks			—	—
Equipment—				
Machinery		Nil	—	—
Implements			—	—
Harness, wagons, loose tools, etc.			—	—
Implement shed... ..			108 0 0	100 0 0
Ford motor			—	80 0 0
				See † Note below.
Tenant Right—				
Tillages (including seeds and pastures)			—	—
Standing crops			—	—
Unexhausted manures } taken into account			—	—
Book debts			151 0 0	53 2 0
Totals			1,163 0 0	1,338 2 0

† Implements, etc.—These are added to, renewed, and kept in good repair, which allows for depreciation, and difference in value (apart from war) is unappreciable and therefore not accounted for.

Please state the basis of valuation (e.g., whether market values, cost, or other basis) and say whether the valuation was made on the same basis at the beginning and end of the year.

Market values taken; same basis throughout.

(8) Any further remarks you would care to make.

It should be noted that the past year must be

regarded as a most exceptional year for strong clay land, owing to the great crops of grain (especially wheat) at a war price. For the previous year 1917/18 the farm profits were £355, and taking the average of the three previous parts (all war years) the amount per annum was £530.

The small amount of stock is accounted for by the system of farming, see 3.

Dr.	B. PROFIT AND LOSS ACCOUNT.				Cr.		
1918.	£	s.	d.	1919.	£	s.	d.
June 1 To Stock	967	0	0	May 31 By Stock—	£	s.	d.
" 1 " Book debts	151	0	0	Implement shed	100	0	0
1919.				Ford motor	80	0	0
May 31 " Annual expenditure	2,629	0	7	8 draft horses	560	0	0
" 31 " Creditors' accounts	4	3	6	2 two-year-old horses ...	130	0	0
" 31 " Annual profits for 1918-19 ...	1,256	12	8	1 cow	30	0	0
				1 heifer, in-calf	30	0	0
				17 cattle	280	0	0
				Hay, Nil	—		
				Wheat "	—		
				Oats (for c o n - s u m p - t i o n) ...	—		
				Straw, 30 lds. @	30	0	0
				£1 ... { Same quantity kept over year.	—		
	5,007	16	9	" 31 By Book debts		1,240	0
				" 31 " Annual receipts		53	2
				1918.		3,645	17
				June 1 " Creditors' accounts ...		68	17
						9	3
						5,007	16
						9	9
				Profit as above	1,256	12	8
				Add Income Tax	16	0	8
				Rent and rates of house ...	40	0	0
				Produce consumed by household ...	40	0	0
						1,321	13
						4	4

Dr.	C. CASH BOOK.				Cr.				
<i>Income or Receipts.</i>			<i>Expenditure or Payments.</i>						
June 1st, 1918, to May 31st, 1919.	1. Live Stock—	£	s.	d.	June 1st, 1918, to May 31st, 1919.	1. Live Stock—	£	s.	d.
	Horses	303	4	6		Horses	67	0	0
	Cattle	160	6	6		Cattle	250	10	0
	Sheep	829	8	2		Sheep	719	18	9
	Pigs	25	5	0		Pigs	16	10	0
				1,323					1,053
				4					13
				2					9
"	2. Dairy			15	"	2. Feeding stuffs			224
"				0	"	3. Manures			74
"	3. Corn—				"	4. Seed			170
	Wheat	724	0	0	"	5. Wages			463
	Barley	—			"	6. Rent			265
	Oats	499	10	3	"	7. Rates—Annual total ...			39
				1,223	"	8. Repairs and maintenance.			269
				10	"	9. Sundry expenses—			
				3		Grazing out	10	8	0
"	4. Hay	520	11	10		Insurances	21	6	10
"	Straw	129	12	8		Postage, stationery and personal expenses.	18	19	10
				650		Licences (forage and motor).	20	16	0
				4		Subscriptions	3	15	6
				6		Income tax	16	0	8
"	5. Roots—								91
	Potatoes	215	14	0		Total expenditure			2,651
	Turnips	190	4	0		Balance—Receipts over expenditure.			1,016
				405					1
				18					11
"	6. Cottage rent, old material and sundry grazing			28					6
				0					7
				28					0
				0					8
				£3,645					17
				6					6

APPENDIX No. IV.

INTERIM REPORT submitted by Mr. H. G. HOWELL, Fellow of the Institute of Chartered Accountants, Director of Agricultural Costs in connection with his evidence given on 23rd September, 1919.*

On 455 Farm Accounts for the year ended Michaelmas, 1918 (or subsequently) submitted to the Agricultural Costings Committee.

(NOTE.—The figures should be regarded as interim figures only. Certain additional information has still to be received and the final corrected figures will be presented in a later Report.)

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Financial Results of Accounts	3	The Relation of Rent Wages and Profits	11
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Capital	5	Owner-Occupiers	13
Profit	6	Costs of Production	14
Receipts or Income... ..	7	General	15
Payments or Expenditure	8		

Paragraph 1.

Gentlemen,

The Accounts dealt with in this Report have been obtained by the Agricultural Costings Committee in accordance with your request, when I attended before your Commission on the 12th August last, that the Costings Committee should endeavour to obtain Accounts from those farmers with whom it was in touch, on the understanding that the information should be submitted confidentially to the Costings Committee, and be forwarded anonymously to you. The Accounts have accordingly been obtained by the Costings Committee on these conditions.

You desired the Agricultural Costings Committee to approach a limited number of farmers, *i.e.*, those with whom the Costings Committee was in touch, and you wished those farmers to be excluded who had been, or would be, approached by the National Farmers' Union, in pursuance of your prior arrangement with them to submit similar information.

Farmers were requested to furnish, in addition to a copy of their Accounts, certain essential information with regard to their farms.

Paragraph 2.

NUMBER OF ACCOUNTS RECEIVED.

As a result of the enquiries made by the Agricultural Costings Committee, 455 Statements of Accounts were received. It has been necessary in consequence of the guarantee of secrecy to abstract each account on to analysis sheets.

For the purposes of this Report these accounts have been classified as follows:—

	No. of Accounts received.	Total Acreage.
1. Tenant Farmers—England and Wales.	113	42,154
2. Tenant Farmers—Scotland	13	5,211
3. Owner Occupiers—England and Wales.	85	38,295
4. Owner Occupiers—Scotland	10	7,582
5. Home and similar Farms—England and Wales.	75	44,723
6. Home and similar Farms—Scotland.	8	8,463
	304	146,428
7. Institutions and Co-operative Society Farms.	12	Not stated
8. Market Gardens, &c. ...	11	Do.
	327	
9. Unsatisfactory	61	—
10. Not dealt with	67	—
Total	455	—

A number of these statements of account include more than one farm.

The Accounts dealt with in this Report are those in Classes 1 to 8 above and include 327 Accounts.

The Accounts of the Co-operative Farms are in some respects not in quite the same category as other farms. Implements, &c., are I am informed purchased on more favourable terms, and the farm produce is sold in the majority of cases either to the Retailing and Distributing Departments of the Society or to the Co-operative Wholesale Society. I understand that, generally speaking, these sales of produce are made on an ordinary commercial market basis. A few of these Co-operative Farm Accounts have been tabulated (Class 7) and others remain to be dealt with, if necessary.

With regard to the Accounts marked as "Unsatisfactory," it will be seen that the proportion of these accounts is somewhat high, and this indicates that there is room for improvement in the standard of account-keeping prevailing in the Industry generally.

As to the Accounts "Not dealt with," in order to submit this Report in time it was necessary to limit the number scheduled to those received up to 6th inst. The number of Accounts shown as not dealt with are for that reason being tabulated on supplementary sheets and will if possible be included in a later report.

Paragraph 3.

FINANCIAL RESULTS OF ACCOUNTS.

The results shown by the aggregate number of Accounts dealt under Classes 1 to 6 (304 in number) are as follows:—

	£	s.	d.
Total Capital invested in Stock Equipment, &c. (See Table B)	1,742,090	0	0
Total Capital invested in Stock Equipment, &c. per acre	11	17	9
Total Profits shown by the Accounts. (See Table C.)	190,562	0	0
Average Rate per cent. on the Capital invested... ..	10	94	%
Average Profit per Acre	1	6	0

The profits shown above are arrived at as follows:—

	Per Acre.	Total.
	£ s. d.	£
Commencing Valuations (See Table A)	10 2 2	1,480,273
Total Expenditure (See Table E)	8 14 3	1,275,843
Surplus or Profit (See Table C)	1 6 0	190,562
	£20 2 5	£2,946,678
	Per Acre.	Total.
	£ s. d.	£
Total Income (See Table D)	8 10 8	1,249,336
Ending Valuations (See Table A)	11 11 9	1,697,342
	£20 2 5	£2,946,678

* The examination of the witness has already been published in Vol. III. of the Minutes of Evidence [Cd. 391].

Taking Groups Nos. 1 to 6 by classes, the following information has been obtained :—

	No. of accounts.	Acreage.	CAPITAL.		PROFIT.		
			Amount.	Per acre.	Amount.	Rate per cent.	Per acre.
Tenant Farmers, England and Wales ...	113	42,154	£ 513,928	£ s. d. 12 3 10	£ 69,242	13·3%	£ s. d. 1 12 10
" " Scotland ...	13	5,211	82,678	15 17 4	16,310	19·7%	3 2 7
Owner Occupiers, England and Wales ...	85	38,295	547,351	14 5 10	50,232	9·2%	1 6 2
" " Scotland ...	10	7,532	40,177	5 5 11	5,749	14·3%	15 0
Home and similar Farms, England and Wales.	75	44,723	520,811	11 12 10	43,418	8·3%	19 5
Home and similar Farms, Scotland ...	8	8,463	37,055	4 7 6	5,611	15·1%	0 13 3
Total ...	304	146,428	1,742,000	11 17 9	190,562	10·94%	1 6 0

The results shown for the Institutions and Co-operative Societies tabulated were as follows :—

For 12 accounts, total capital invested in Stocks, Equipment, &c. ...	£65,966
Total profit ...	£15,402
Average rate per cent. on capital invested ...	23·2%

For the accounts of Market Gardens and special farms, &c., dealt with :—

11 accounts, total capital invested in Stocks, Equipment, &c. ...	£17,225
Total profits ...	£9,834
Average rate per cent. on capital invested ...	57·1%

Paragraph 4.

INVENTORY AND VALUATION.

The aggregate total of the valuations for all Accounts (Classes 1-6) at the beginning of the year is £1,480,273, and at the end of the year is £1,697,342, an increase of £217,069 or 14·7 per cent. (See following Table A.)

TABLE A.

Total Amounts of Valuations.

	Beginning of year.	End of year.	Increase.
Tenant Farmers—			
England and Wales...	£ 431,493	£ 490,170	£ 55,677
Scotland ...	71,869	78,031	6,162
Owner Occupiers—			
England and Wales...	475,741	542,349	66,608
Scotland ...	37,420	39,779	2,359
Home and Similar Farms—			
England and Wales...	430,816	513,441	82,625
Scotland ...	29,934	33,572	3,638
Total, all Classes...	£1,480,273	1,697,342	217,069
Per Acre ...	£10 2s 2d.	£11 11s. 9d.	£1 9s. 7d.

The profit shown by the same accounts is £190,562; but it is difficult to ascertain what portion of this profit is due to increased market prices only.

In the Schedules issued, the farmer was asked to state by whom and on what basis (*e.g.* cost price, market rates &c.) the valuation was taken, and it was found that in the great majority of cases the basis adopted was market value.

The Schedule also asked for particulars of the number and value of different classes of live stock on the farm at the beginning and end of the year. This information is still coming to hand, and the question will be further dealt with in a subsequent report.

In a number of cases, items such as Tillages, Sundry Stocks of Purchased Feeding Stuffs, Fertilizers, &c., are omitted from the valuation, the explanation being that many farmers appear to look upon this as a more or less constant figure each year.

Paragraph 5.

CAPITAL.

The total amount of capital employed on the various farms (Classes 1-6) at the close of the financial year was £1,742,000. (See Table B.)

TABLE B.

Capital Employed.

	Amount.	Per Acre.
Tenant Farmers—		
England and Wales ...	£ 513,928	£ s. d. 12 3 10
Scotland... ..	82,678	15 17 4
Owner Occupiers—		
England and Wales ...	547,351	14 5 10
Scotland... ..	40,177	5 5 11
Home and similar Farms—		
England and Wales ...	520,811	11 12 10
Scotland... ..	37,055	4 7 6
Total—all Classes ...	£1,742,000	11 17 9

Opportunity was given to each farmer to state, in Schedule A, what capital represented by cash at bank, debts due to the farm, &c. was employed on the farm, in addition to the live stock, equipment, &c., included in the valuation. This information was furnished in only a few cases and the amount of capital shown in Table B is therefore incomplete to this extent, and consists almost exclusively of the total of the valuations.

It is probable that in a large number of cases the accounts deal only with cash received and paid during the year, and that no account is taken of debts due to, or by, the farm which may remain unpaid at the date of opening and closing of the accounts.

The greater portion of the total capital shown represents the farmer's own capital, but there are a number of cases where capital employed on the farm has been provided from outside sources, *e.g.* by loan or banker's overdraft. Farmers were asked in the Schedule to state the amount of any such loans, but the information was given in a few cases only.

The remarks in paragraph 4 above as to the basis of valuation adopted, and the omission from the valuations in certain cases of Tillages, Stocks of Feeding-Stuffs, &c., also apply in considering the amount of capital employed.

In the case of owned farms the figure of capital does not include the value of the land and buildings, as a charge for rent has been made against the profit in all such cases.

Paragraph 6.

PROFIT.

The total amount of surplus or profit shown by the Accounts (Classes 1-6) is £190,562. (See Table C.)

TABLE C.
Surplus or Profit.

	Amount.	Per acre.	% on Capital employed.
Tenant Farmers, England and Wales	£ 69,242	£ s. d. 1 12 10	13·3%
Tenant Farmers, Scotland	16,310	3 2 7	19·7%
Owner Occupiers, England and Wales ...	50,232	1 6 2	9·2%
Owner Occupiers, Scotland	5,749	15 0	14·3%
Home and Similar Farms, England and Wales ...	43,418	19 5	8·3%
Home and Similar Farms, Scotland	5,611	13 3	15·1%
Total	190,562	1 6 0	10·94%

The figure of £190,562 represents the surplus of the receipts or income plus ending valuation, over the payments or expenditure and the commencing valuation.

The number of accounts here dealt with is extremely small compared with the number of holdings in the country, and it is not possible to say from these limited figures whether the results shown are typical of the industry generally.

The intention in tabulating these accounts was to arrive at the figure of profit on the basis detailed below and question 5 of Schedule B was designed in order to enable this to be done. Only a comparatively small amount of information was obtained in reply to this question, and it is consequently impossible to say how far the special items detailed below have been adjusted in arriving at the figure of profit shown.

As stated above the profit was to be arrived at after allowing all the usual and proper expenses including rent and depreciation, but before allowing anything to be included in the expenses for:—

- Interest on farmer's capital or on loans or overdrafts.
- Income Tax or tithes.
- Any charge for the farmer's own labour or management.
- Any charge for unpaid family labour.
- Private and personal expenses of the farmer or his family.
- Any payments of a capital nature, or for improvements, &c.
- Any special writing down of implements &c., over and above the customary depreciation found to be necessary, and similar items.

Paragraph 7.

RECEIPTS OR INCOME.

The chief items making up the total Receipts or Income are shown in the following Table:—

TABLE D.

	All Classes.	Tenant Farmers.		Owner Occupiers.		Home and Similar Farms.	
		England and Wales.	Scotland.	England and Wales.	Scotland.	England and Wales.	Scotland.
Live Stock	£ 594,897	£ 203,377	£ 31,596	£ 168,634	£ 14,733	£ 163,219	£ 13,338
Milk and Dairy Produce ...	1,7,193	74,596	7,450	68,579	8,532	37,269	767
Corn, Hay, Straw, Roots, &c.	366,305	127,748	22,519	127,965	4,038	76,148	7,887
Other Receipts	90,941	24,164	1,954	29,779	3,056	80,383	1,605
TOTAL	£1,249,336	429,825	63,519	394,957	30,359	307,019	23,597

The aggregate receipts amounted to £8 10s. 8d. per acre. During the period covered by these accounts the prices of a number of farm products were controlled.

In many cases, only the cash actually received is shown in the accounts and no account has been taken of the debts owing to the farm at the beginning and end of the year.

and after the farm had been credited with items such as:—
Rent and rates of the farmhouse.
Farm produce, fuel, &c., consumed by the household.
Supplies to, or work done for, the owner or the estate.

So far as the required information could be obtained from the accounts and from the replies to the specific questions in Schedule "B," the profit has been arrived at on the above basis.

It is probable that in many cases where farm accounts have in the past been prepared merely for the farmer's own use, it has not been found necessary to draw any strict line of demarcation in the accounts with regard to these special items. This will also apply to the rent of the farmhouse and farm produce consumed by the household, which may have been regarded as being roughly set off against the value of the unpaid labour supplied by the family to the farm.

If it be the case that during the year under review, necessary work of hedging and ditching, repairs, &c., has had to be deferred owing to lack of labour and other causes, and if the standard of fertility of the land has decreased, then the profit shown will be to this extent in excess of its true figure, and future years will have to bear these expenses.

The remarks in paragraph 4 above as to the basis of valuation adopted and the omission from the valuation in certain cases of tillages, stocks of feeding stuffs, &c., should also be borne in mind when considering the surplus shown.

In view of the fact that the accounts submitted cover only one financial year, only limited deductions must be drawn from the results shown, and it is not possible to draw any conclusions as to what the profits might be on these farms over a term of years.

In some cases farmers, when sending their accounts, submitted statements showing the profits or losses made over a term of years, and stated they were not willing for the one year's result to be considered by itself. The results shown by these statements will be submitted in due course to the Commission.

In other cases farmers have sometimes commented that this year had been for them an exceptionally favourable one, while on the other hand others have stated that their profits were abnormally low for the year. Among the reasons given for the favourable results are:—

that good crops were obtained, or that owing to the requirements of the Food Production Department, a larger acreage of corn than usual was sown, which it was stated was done at the expense of future crops.

As explaining the reduced profits, attention was called to the wet weather during harvest, the inferior quality of the labour during that year, losses in cattle owing to the indifferent quality of feeding stuffs, and losses incurred through compulsory ploughing of pasture.

Paragraph 8.

PAYMENTS OR EXPENDITURE.

The chief items making up the total expenditure are shown in the following Table :—

TABLE E.
Payments or Expenditure—Chief Items.

—	All Classes.	Tenant Farmers.		Owner Occupiers.		Home and Similar Farms.	
		England and Wales.	Scotland.	England and Wales.	Scotland.	England and Wales.	Scotland.
	£	£	£	£	£	£	£
Live Stock	353,837	147,991	13,534	100,632	5,170	80,135	6,435
Feeding Stuffs, Manures, Seeds, &c., &c.	295,608	85,442	13,950	105,162	7,416	79,714	3,924
Wages, Board and Allowances	310,843	84,835	12,319	103,667	5,382	99,172	5,168
Rent	126,304	42,916	6,335	38,288	2,721	33,197	2,797
Rates, &c.	20,113	5,979	571	6,894	377	6,077	215
Other Expenses	169,078	49,157	6,612	54,690	5,903	47,931	2,785
Total ... £	1,275,843	416,320	53,371	411,333	26,959	346,226	21,624

The aggregate expenditure amounted to £8 14s. 3d. per acre.

In many cases the expenditure represents only the actual cash payments made and no account has been taken of the amounts owing by the farm at the beginning and end of the year.

Paragraph 9.

RENT.

In many cases where the farm is owned, the owner has made an entry in the accounts charging the farm with a rent, and in order to reduce all the farms to a common basis, in the cases where the owner has not charged a rent against the profits, I have inserted such a charge, based on the annual or rateable value.

The total rents paid on the various classes of farms are, as shown in Table F below, £126,304.

Paragraph 10.

WAGES.

The total wages paid on the various classes of farms are, as shown in Table F, £310,843.

Schedule A sent to the farmers asked that the wages shown in the accounts submitted should include the total amount of wages, board and allowances, but it is impossible to say to what extent this has been done.

The rates of wages paid in the industry have been increased since the period covered by these accounts.

Where any charge appeared on the face of the accounts for the labour and wages of the farmer himself, the item has been eliminated.

Paragraph 11.

THE RELATION OF RENTS, WAGES AND PROFITS.

The following Table F shows the amounts of the above, and the rates per acre of each item.

TABLE F.
Rent, Wages and Profits.

	Rent.		Wages.		Profit.		Total.	
	£	Per acre.	£	Per acre.	£	Per acre.	£	Per acre.
Tenant Farmers—								
England and Wales	42,916	£ s. d. 1 0 4	84,835	£ s. d. 2 0 3	69,242	£ s. d. 1 12 10	196,993	£ s. d. 4 13 5
Scotland	6,385	1 4 6	12,319	2 7 3	16,310	3 2 7	35,014	6 14 4
Owner Occupiers—								
England and Wales	38,238	1 0 0	103,667	2 14 2	50,232	1 6 2	192,187	5 0 4
Scotland	2,721	0 7 7	5,382	0 14 0	5,749	0 15 0	13,852	1 16 7
Non-Resident Owners—								
England and Wales	33,197	0 14 10	99,172	2 4 4	43,418	0 19 5	175,787	3 18 7
Scotland	2,797	0 6 7	5,468	0 12 11	5,611	0 13 3	13,876	1 12 9
Total ... £	126,304	0 17 3	310,843	2 2 5	190,562	1 6 0	627,709	4 5 8

Paragraph 12.

GROUPING OF FARMS ACCORDING TO SIZE AND TYPE.

It has not been possible in the short time available to sub-divide the classes of farms dealt with into further groups. This will be done as soon as possible and further particulars furnished. It will be realised that without this classification the true value of the accounts can not be obtained.

The grouping will be arranged according to the size of the farm and the system of farming carried on, and information will also be furnished in most cases of the number of live stock carried, and the acreage of arable and pasture land.

The information shown on the first page of Schedule B with regard to the farm labour and equipment will also be furnished to the Commission in tabulated form as soon as possible.

Paragraph 13.

OWNER-OCCUPIERS.

I have endeavoured to discriminate (from information contained in the correspondence and Schedules), between—

- Owners who farm the land themselves with a view to profit.
- Owners to whom the question of profit is not of primary importance, and including the Home Farms.

The first class I have segregated, in dealing with the accounts, into a group designated "Owner-Occupiers", and the second are shown as "Home and Similar Farms."

These two groups of farms differ in some respects from the ordinary tenant farm.

In the case of Group (a) it may be, for example, that the owner has charged against the farm expenses such as

re, airs, drainage, &c., which in the case of a tenant farmer, would be borne by the landlord.

In the case of (b) the same remarks apply, and these accounts may also be affected by the allocation of expenses between the farm and the estate, by the price at which farm produce, &c., is supplied to the owner, and by such factors as the ready supply of capital, the requirements of the estate and the tendency of the owner to specialise in certain cases.

Paragraph 14.

COSTS OF PRODUCTION.

The Committee endeavoured to obtain Statements of Costs of Production from certain farmers who are keeping Cost Accounts.

In some cases they had already given evidence before your Commission, and in the others they have failed to return their figures. In many cases they have only recently started to keep Cost Accounts, and their results for a complete year have not yet been ascertained.

It is regretted, therefore, that no Statement of Costs of Production can be submitted meantime.

Paragraph 15.

GENERAL.

The Costings Committee is not in a position to verify the accuracy of the accounts received. No examination or investigation of these accounts has been made by the Costings Committee, except that corrections of the profit have been made in respect of inadmissible items shown on the face of the accounts, or where similar information has been furnished in reply to Question 5 in Schedule B.

They do not, therefore, accept any responsibility for the accounts dealt with. These have apparently been forwarded in good faith, and without ulterior motive, and purport to be copies of accounts which had already been

prepared in the ordinary course at the end of the financial year before the Royal Commission was constituted.

In a number of cases Schedule B and answers to questions have not yet been returned. It is possible, therefore, that the results shown in this interim report may be modified to some extent, but it is not anticipated that any material adjustment will have to be made.

The fact that only limited conclusions can be drawn from the financial results of one year emphasises the necessity for periodical returns of financial results being obtained on a wide scale, not only of farming generally, but of the chief systems of farming practised and of the results in the various areas of the country.

A general perusal of the accounts submitted indicated that the standard of account keeping in the industry is capable of improvement.

It is probable that the accounts that have been received have been prepared in a number of different methods, and some of the systems of account keeping adopted are not complete.

It also appears that in a number of cases the whole of the cash received is not paid into the bank intact, and no complete record kept of all the financial transactions.

Further, in many cases no ledger, or books to record purchases and sales, are kept.

The Costings Committee is preparing systems of accounts adapted to farms of various sizes, and for the different systems of farming, which may be of some assistance in arriving at a uniform method of accounting so far as that is possible.

These systems of accounts are being framed so as to be used with or without a full costings system, and the Costings Committee will do all in its power to promote the keeping of records throughout the industry.

The Costings Committee would like to express its appreciation of the ready manner in which the farmers approached have submitted their accounts, in spite of the fact that they were heavily handicapped by their harvest work.

H. G. HOWELL,

Director of Agricultural Costs.

APPENDIX No. V.

Final Report submitted by Mr. H. G. HOWELL, F.C.A., Director of Agricultural Costs in connection with his evidence given on 29th October, 1919.

On 476 Farm Accounts (representing 543 farms) for the year ended Michaelmas, 1918 (or subsequently) submitted to the Agricultural Costings Committee.

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(Note.—The foregoing paragraphs deal with all the Accounts in total before grouping.)

1.—FINAL REPORT.

An Interim Report dealing with such information as had been then received was, owing to the urgency of the matter, submitted on 17th September last.*

The figures given in this Final Report differ in a few respects from those of the Interim Report, as additional information which was pending at that date has since been received, and a few accounts then dealt with have since proved unsatisfactory in certain respects and have had to be deleted from this report.

Paragraph 1.—Accounts Generally.

1 (a)—Total number of Accounts received.

The total number of accounts received was 476, representing 543 farms, as follows:—

	Accounts.	Farms.
Received and tabulated at date of Interim Report.	301	325
Accounts since received and tabulated.	97	130
Market gardens, &c. .. .	11	11
Total accounts tabulated	409	166
Incomplete accounts	67	77
Total accounts received	476	543

* See Appendix No. IV.

1 (b)—Number of Accounts audited.

Of the 301 accounts which are dealt with in detail in this report, about one-third (97) are stated to have been audited. The particulars are as follows:—

	Audited.	Not Audited.	Total.
Tenant farmers—			
England and Wales	26	83	109
Scotland	1	13	14
Owner occupiers—			
England and Wales	25	61	86
Scotland	5	5	10
Home farms—			
England and Wales	39	35	74
Scotland	1	7	8
Total	97	204	301

1 (c)—County Distribution of Accounts.

It will be seen from Table 1 that of the 301 accounts—257 came from England, 12 from Wales, and 32 from Scotland.

Very few of the English counties are unrepresented, but there are a number of counties both in Wales and in Scotland from which no accounts have been received.

The county sending the largest number of accounts is Sussex, with a total of 22 accounts.

126 accounts were submitted by tenant farmers, 98 by owner occupiers, and 77 came from home and similar farms.

Some of these accounts represent the working of more than one farm.

It is apparent that a comparatively larger number of accounts have been received from owners and home farms than from tenant farmers, having regard to the relative number of holdings in the country occupied by these three classes respectively.

1 (d)—Dates at which Financial Years end.

The 301 accounts close their financial year at the following dates:—

September, 1918	...	...	57	Accounts.
October	"	"	30	"
November	"	"	8	"
December	"	"	50	"
January, 1919	"	"	8	"
February	"	"	6	"
March	"	"	51	"
April	"	"	31	"
May	"	"	34	"
June	"	"	24	"
July	"	"	2	"
Total	...	...	301	"

1 (e)—Whether these Accounts are representative.

In order to test to some extent whether the 325 farms here dealt with are representative of the holdings in the country generally, it has been thought advisable to compare the number of live-stock carried per 100 acres on these 325 farms (291 in England and Wales, and 34 in Scotland), with the equivalent figures for the whole country as given by the Board of Agriculture returns for 1918.

The results of this comparison are shown in Table 2.

England and Wales.

It will be observed from the Table that as regards England and Wales, the comparison works out as follows:—

Number of Live-stock per 100 acres—England and Wales.

Live-stock.	Per Board of Agriculture Returns.	291 Farms.
Horses	3.09	2.93
Cattle	16.69	16.98
Sheep	44.36	44.72
Pigs	4.57	3.75

There is no great difference in the number of live-stock per 100 acres carried on these farms and on the holdings in the country generally.

Scotland.

With regard to Scotland (34 farms), there is a noticeable difference in the comparison, as follows:—

Number of Live-stock per 100 acres—Scotland.

Live-stock.	Per Board of Agriculture Returns.	34 Farms.
Horses	.98	1.47
Cattle	6.34	9.87
Sheep	36.07	54.62
Pigs	.67	1.08

The proportion of cultivated land to the total area of these 34 farms is considerably higher than that obtaining over the whole of Scotland, and the numbers of stock on these farms is greater in all cases.

This comparison with the live-stock in Great Britain has been made on the basis of the total area and not the cultivated area, as in a minority of the 325 farms the cultivated area was not given.

A perusal of the figures received showed, however, that the results of the comparison would have been approximately the same if it had been worked out on the basis of the cultivated area.

The average size of the 325 farms (431 acres) is greater than that obtaining over the whole of the country.

Paragraph 2.—Valuations.

2 (a)—Analysis of the Bases adopted in making the Annual Valuations.

Farmers were requested in the Schedules circulated to them to state the basis on which the annual valuation was made, and the following are particulars of the various bases adopted. The requisite information was given in 224 cases, as follows:—

(1) Basis of market value	148
(2) Basis somewhat under market value and described variously as "Low Market Value," "Moderate Market Value," "Somewhat under Market Value," &c.	23
(3) Cost price, fixed price, pre-war figures, &c.	35
(4) Varying bases adopted for the different items in the valuation	18
	224
The basis of valuation was not given in	77
Total	301

Of the 301 valuations, 98 were made by licensed valuers, and of the 97 supplementary accounts dealt with in paragraph 15, 54 valuations were also made by licensed valuers.

With regard to the 77 accounts mentioned above where the basis of valuation was not given, in a large number of these cases the valuation was made by licensed valuers, and probably in the majority of them a valuation based on approximate market prices may be assumed.

As regards implements, &c., in 35 cases only the percentage of depreciation written off annually was stated, and the particulars are:—

5 per cent. written off annually	5 cases
7½ " " " "	3 "
10 " " " "	16 "
12½ " " " "	1 "
15 " " " "	1 "
Annual depreciation written off, but percentage not stated	9 "
Total	35 "

2 (b)—The Basis of Valuation and its Bearing on the Profits.

It will be seen (Table 13) that the increase in the amount of the closing valuation over the valuation at the beginning of the year (increase £212,724) more than accounts for the whole of the surplus or profit shown (profit £190,298), and the basis on which these valuations have been made (whether market value, cost price, &c.) is therefore of considerable importance in endeavouring to determine the amount of the true profit shown by these accounts.

Paragraph 3 of this report shows that the value per head of practically all the live-stock is greater at the end of the year than at the beginning; though this fact alone does not necessarily imply that the closing values have been unduly inflated.

It is, in fact, impossible from the information available in the accounts to state what is the amount of real profit shown. If for the same head of live-stock, e.g. working horses, breeding stock, &c., or for the same implements and machinery, an increased value has been taken at the end of the year, then to that extent a paper profit is included in the amount of profit shown.

It may be that a comparison of the values per head at the beginning and end of the year (in paragraph 3) with the general movement of costs and of market prices during the year, may throw some light on this point.

If the same values per head adopted at the beginning of the year had again been taken in valuing the live-stock at the close of the year, then the total value of all live-stock in the 237 accounts dealt with in paragraph 3 would have been about £675,000 instead of £710,302; a reduction of say £35,000 on the 237 accounts. The corresponding reduction in the value of all live-stock of the whole 301 accounts would be say £45,000; and if this adjustment followed through to the profit, the profit would be reduced to the same extent.

These figures are put forward merely as an illustration, and it is not suggested that this would necessarily be a proper basis for the valuation.

2 (c)—The Valuations Generally.

Tables 3 and 4 show details of the valuations at the beginning and the end of the year, and the amounts per acre.

The Scottish figures per acre are small, because of the relatively larger area of moorland and waste on some of these farms compared with the English farms.

In considering the total amount of the valuations on the 325 farms, as shown in Table 4, it must be remembered that in a large number of cases some of the dead-stock items are omitted from the valuations. This point has been further dealt with in paragraph 4 (a) of this report dealing with the amount of capital employed on the farms.

Paragraph 3.—Live-stock—Numbers and Values.

With a view to arriving at the average value per head of the live-stock valuation, farmers were requested to state the numbers and values of each class of live-stock on the farm at the beginning and end of the year.

The full information was submitted in 237 out of the 301 cases, and the following are the particulars of the numbers and values of live-stock as rendered in 237 accounts.

Live-stock.	Beginning of Year.			End of Year.		
	No.	Value.	Per Head.	No.	Value.	Per Head.
		£	£ s. d.		£	£ s. d.
Horses	2,824	161,775	57 5 8	2,925	177,775	60 15 7
Cattle	10,659	221,628	20 15 10	11,596	260,075	22 8 7
Dairy Cows	2,915	90,339	30 19 10	2,850	90,148	31 12 8
Sheep	50,618	158,377	3 2 7	51,272	164,478	3 4 2
Pigs	3,537	17,872	5 1 1	3,954	18,446	4 14 4
Total ...	70,553	649,991	—	72,597	710,922	—

The values—per head—of all stock are increased at the end of the year, with the exception of pigs. The greater part of this increased value arises in the case of the home farms.

The numbers of stock are increased at the end of the year in all cases except dairy cows.

Paragraph 4.—Capital.

The total amount of capital on 325 farms at the end of the year as shown by the accounts and schedules submitted and excluding the value of the land and buildings, was £1,726,876. (See Table 7.)

The average amount of capital *per acre* at the end of the year on the 325 farms was £12 6s. 6d.

The average amount of capital *per farm* (the average acreage being 431 acres) was £5,313.

The capital on the 325 farms was turned over during the year under review to the extent of 71·84 per cent., the total income being £1,240,636 and the total capital £1,726,876.

4 (a)—Probable omission of certain items.

In considering the total amount of capital employed on the farms at the end of the year, it must be borne in mind that in many of these valuations, no value was inserted opposite some of the dead-stock headings, as follows:—

Tenant Right.—No amount inserted in 103 valuations.

Sundry Stocks of Feeding Stuffs, Fertilisers, &c.—No amount inserted in 52 valuations.

Machinery, Implements, Waggon, &c.—No amount inserted in 21 valuations.

Grain, Hay, Roots, &c.—No amount inserted in 20 valuations.

In the majority of these cases it is probable that the figures were omitted from the valuations—not because there was no such dead stock on hand—but because of the common practice on the part of farmers to take no account from year to year of all or some of these items, which often vary very little from year to year.

The amount of the valuations on the various farms at the end of the year, £1,692,666, as shown by Table 4, is incomplete in respect of these omissions and the capital employed is also affected to the same extent. I have accordingly made a rough calculation with a view to completing the valuations in Table 4 in respect of these possible omissions, so as to obtain a figure approximating more closely to the actual amount of capital employed at the end of the year on the various farms.

2 (d)—Valuations—Per Farm—Average of 325 Farms.

At the beginning of the year, the average amount of the valuations—per farm—was £4,553, running from £3,739 tenant farmers, England and Wales, to £5,343 home farms, England and Wales.

At the end of the year the value of all the separate items in the valuation had gone up in the case of all the classes of farms.

The total amount of the valuation—per farm—at the end of the year accordingly becomes £5,208 instead of £4,553—live stock and stocks of grain, hay and straw showing the largest amount of increase.

These results do not include the items of dead stock which were omitted in some of the valuations.

In this calculation an amount has been added to the valuation, for each farm omitting to include any such item of dead stock, equal to the average value of that particular item, as shewn by those farms from which particulars have been received.

This adjustment is only approximate, as it assumes (1) that the farm omitting these items had, in fact, dead stock of that kind on the farm, and (2) that the actual value of the omitted dead stock would correspond to the average value I adopt for this purpose.

The effect of this adjustment would be to increase the total value of the different items of dead stock as shewn in Table 4 as follows:—

Corn, straw, hay, &c. increased by £21,000 to say £322,000.

Sundry stocks, food-stuffs, &c., increased by £22,000 to say £129,000.

Implements and machinery increased by £12,000 to say £181,000.

Tenant right increased by £42,000 to say £155,000, and to increase the total valuation at the end of the year by £97,000 to £1,789,000.

The total capital employed would be similarly increased by the above £97,000.

If it is desired to eliminate the value of the tenant right from the total valuations, the balance is £1,634,000.

This calculation, being made only on the valuation at the end of the year, is not meant to affect the amount of profit for the year shown by the several farms, but only the amount of the capital employed at the end of the year.

Further comments on the amount of capital employed are made in paragraph 5 of the interim report.

Paragraph 5.—Profits.

Of the 301 accounts (representing 325 farms) 227 accounts show profits and 74 show losses. These losses are further referred to in paragraph 6 of this report.

The aggregate profit on the 227 accounts is £223,007 and the aggregate loss on the 74 accounts is £32,709, making a balance of profit of £190,298 on the full 301 accounts.

It will be observed from Table 13 that the profit of £190,298 is made up of an increase of £212,724 in the

closing valuation, over the valuation at the beginning of the year, less an amount of £22,426 by which the expenditure on the 325 farms exceeds the income.

For the whole 325 farms the profits work out at £17s. 2d. per acre, which represents 11·01 per cent. on the capital employed, and the average amount of profit per account is £586 (the farms having an average acreage of 431 acres). See Table 7.

If interest at 5 per cent. on the capital employed be deducted from this average profit per farm of £586, the balance is £321, or a profit per acre of 14s. 11d.

Of the 227 accounts referred to above as showing profits:—

- 84 accounts show profits up to £500 each.
- 59 accounts show profits between £500 and £1,000 each.
- 84 accounts show profits of over £1,000 each.

Table 8 groups the profits according to amount, and shows the number of accounts falling within the limit of profit of each group.

In analysing the accounts submitted, the figure of profit has been arrived at before deducting interest on capital, or any charge for the services of the farmer, or for the unpaid services of his family.

Some general questions that arise in considering the amount of profit earned are discussed in paragraph 6 of the interim report.

5 (a)—Notes on certain Farms showing Large Profits.

I have investigated certain of the accounts which showed large profits to see if any special reasons were apparent on the face of the accounts.

It is somewhat difficult, from the accounts only, to ascertain the real causes, but the following are some typical notes on the various accounts:—

The following are some of the results:—

1. Dairy Farm—Home Farm—383 acres—Profit £2,334.

A largely increased value taken for the live stock; profit also made on selling Jersey cows.

2. Mixed Farm—Owner - Occupier—1,002 acres—Profit £3,595.

Profit said to be wholly due to increased acreage of corn; there are also heavy sales of sheep and cattle.

3. Mixed Farm—Owner - Occupier—288 acres—Profit £2,115.

Sales of milk and corn are heavy; the valuation is on a moderate basis and there are no special reasons shown by the accounts.

4. Mixed Farm—Owner - Occupier—1,032 acres—Profit £4,022

Increased value of live stock; the same number of horses are increased in value by £1,000 at the end of the year; the rent is comparatively low; there is apparently a big profit on selling cattle.

5. Dairy Farm—Owner - Occupier—400 acres—Profit £2,324.

Receipts are mostly composed of dairy produce; the rent appears to be low.

6. Mixed Farm—Tenant—595 acres—Profit £4,390.

Heavy sales of corn and stock; apparently a large profit on cattle sales.

7. Mixed Farm—Tenant—691 acres—Profit £3,845.

Chief sales are of sheep, cattle and oats; the valuation of the sheep per head is increased at the end of the year.

8. Sheep and Corn Farm—Tenant—712 acres—Profit £3,461.

The occupier stated that this was an exceptionally good year. The following are the reasons given by the occupier for the profit:—

- (1) Very good harvest, 2 qrs. of corn more per acre than the average for wheat, barley and oats.
 - (2) Good turnip crops and consequently instead of selling sheep was enabled to keep them.
 - (3) Small labour bill because it was unobtainable.
 - (4) Stock did well and had very few losses.
 - (5) Was unable to buy cake and feeding stuffs in anything like the usual quantities.
9. Sheep and Corn Farm—Tenant—1,056 acres—Profit £1,965.

Sheep and barley are the chief sales; the valuation of horses is increased at the end of the year.

10. Mixed Farm—Tenant—310 acres—Profit £1,572.

Chief sales are of cattle and sheep, which apparently make a profit; the valuation is on a moderate basis.

11. Mixed Farm—Tenant—739 acres—Profit £3,555.

The chief sales are cereals, sheep, and milk. Crops were good.

12. Sheep and Corn Farm—Tenant—788 acres—Profit £3,061.

Chiefly a stock-raising farm (cattle and sheep); big increases in the value of cattle at the end of the year; implements and tenant rights are admitted to have been written up at the end of the year owing to the dissolution of a partnership.

13. Mixed Farm—Tenant—224 acres—Profit £1,095.

Chief sales are of dairy produce; some of the live stock is increased in value at the end of the year.

14. Mixed Farm—Tenant—478 acres—Profit £2,076.

Dealings in Pedigree Stock.

Paragraph 6.—Losses.

Of the 301 accounts received, 74 shew losses on the year's working.

The aggregate amount of these losses is £32,709, and the Table below shews how these losses are distributed over Tenants, Owner-Occupiers, and Home Farms.

I have endeavoured to ascertain the reasons for these losses by examining somewhat closely the accounts concerned, and a subsequent Paragraph indicates some of the causes of the loss, so far as those causes can be ascertained from the face of the accounts.

Summary of Losses.

	No. of Accounts.	Amount of Loss.	Average.
		£	£
Tenants—England & Wales	24	9,381	391
Owners—do. do.	26	7,266	279
Home Farms—do. do.	18	13,136	730
Scotland	68	29,783	438
Scotland	6	2,926	488
Total	74	32,709	442

6 (a).—Notes on certain Farms showing Large Losses.

I have investigated a number of the accounts which shewed large losses to see if any special reasons were apparent on the face of the accounts.

It is somewhat difficult, from the accounts only, to ascertain the real causes, but the following are some typical notes on the various accounts:—

15. Mixed Farm—Owner - Occupier—257 acres—Loss £304.

This farmer went in for breeding Pedigree Stock.

16. Mixed Farm—Owner - Occupier—379 acres—Loss £874.

The live stock has apparently been written down at the end of the year.

17. Mixed Farm—Owner - Occupier—127 acres—Loss £349.

First year's farming; compulsory corn growing is said to have involved heavy loss.

18. Mixed Farm—Owner - Occupier—115 acres—Loss £359.

Poor crops; cost of feeding stuffs and wages is comparatively high.

19. Dairy Farm—Tenant—218 acres—Loss £526.

Deaths of cattle and horses; apparently conservative valuation of live stock at the end of the year.

20. Mixed Farm—Tenant—250 acres—Loss £487.

First year's farming admitted to be the cause.

21. Corn Farm—Tenant—200 acres—Loss £762.

Farm in bad order when taken over two years ago; now being improved.

22. Dairy Farm—Tenant—236 acres—Loss £475.

No special reason apparent by these accounts for the loss.

23. Mixed Farm—Tenant—317 acres—Loss £759.

Apparently a conservative valuation of live stock, &c., at the end of the year.

24. Mixed Farm—Tenant—400 acres—Loss £919.
This farmer entered the farm only eighteen months ago; this, and a very wet fall, the causes of the loss. Equipment was well written down.
25. Mixed Farm—Tenant—599 acres—Loss £831.
Compulsory breaking up of land for corn growing, and poor quality of labour obtainable, said to be the causes.

Grouping.

The foregoing paragraphs deal with the 325 accounts as a whole, without any grouping or sub-division.

In the following paragraphs (numbers 7, 8 and 9), the financial results of the accounts are grouped in three ways as follows:—

- Paragraph 7.—Grouped per *class of occupier* (tenants, owners, &c.).
" 8.—Grouped per *size of farm*.
" 9.—Grouped per *system of farming*.

Paragraph 7.—Financial Results.

Grouped per Class of Occupier.

The classes of occupier dealt with in this paragraph are:—

- Tenants—England and Wales;
Owner-occupiers—England and Wales;
Home and similar farms—England and Wales;
All Scottish farms.

The division of owned farms between owner-occupiers and home farms is explained in paragraph 13 of the Interim Report, and depends whether the holding is farmed primarily from a commercial standpoint with a view to profit.

7 (a)—Capital (see Table 7).

The capital per acre, over all the farms, is £12 6s. 6d., the limits being £14 9s. with owner-occupiers, England and Wales, and £4 7s. 6d. home farms, Scotland.

The average capital per farm for all the farms is £5,313, ranging from £6,438 on home farms, England and Wales, to £3,010 on owner-occupiers farms, Scotland.

As regards the *English Accounts only*. Tenant farms show a smaller capital per acre than either owners or home farms, while in the case of the Scottish accounts, tenant farmers have a higher capital per acre than either owners or home farms.

7 (a)—The Relation of Turnover to Capital.

In comparing the relation of the total income for the year to the total capital employed, it will be observed from Table 27 that, as regards England and Wales, 84·76 per cent. of the tenants' capital was turned over during the year, 71·35 per cent. of the owner-occupiers' capital, and 59·18 per cent. of the home farm capital. As regards the whole of the Scottish accounts 74·95 per cent. of the capital employed was turned over during the year.

7 (b)—Profits (see Table 7).

The profit per acre for all farms is £1 7s. 2d., and ranges from £2 7s. tenants, Scotland, to 13s. 3d. home farms, Scotland.

The percentage of profit earned on capital for all farms is 11·01 per cent., varying from 20·3 per cent. tenants, Scotland, to 8·3 per cent. home farms, England and Wales.

The average profit (per farm) over all the farms is £586, the highest profit being shown by tenants, Scotland (£1,252), and the lowest by owners, Scotland (£359).

Taking the accounts of *England and Wales only*, tenant farmers show the largest profit per acre (£1 12s. 9d.) and the highest rate per cent. earned on capital (12·9 per cent.). Home farms show the lowest figures in both respects (£1 0s. 11d. per acre and 8·3 per cent.).

Taking the *Scottish Accounts*, tenant farmers show the best results in all respects, not only of all classes of Scottish farmers, but over those of England and Wales as well. There is, however, only a small number of Scottish accounts.

The general results shown by Table 7 are—as regards England and Wales—that tenant farmers show better profit results per acre and rate per cent. earned on capital than either owners or home farms, but on a smaller amount of capital per acre.

As regards the Scottish accounts, the broad result is that, while tenant farmers here also show better results than owners or home farms, their capital also is greater than that of any other class.

"Labour Income."

If interest at 5 per cent. on the capital employed be deducted from the average profits of the various classes of occupiers, the result is:—

	Balance of Profit after deduction of Interest at 5 per cent.	
	Per Farm.	Per Acre.
Tenants—England and Wales ...	£ 344 0 0	£ 19 9
Do. —Scotland ...	945 0 0	1 16 0
Owner-Occupiers—England and Wales ...	303 0 0	15 0
Owner-Occupiers—Scotland ...	209 0 0	9 3
Home Farms—England and Wales ...	191 0 0	7 6
Home Farms—Scotland ...	471 0 0	8 10

Summaries of Income and Expenditure Accounts.

Tables 9, to 13 summarise the accounts of all the tenants, owners, and home farms respectively, and show how the profit is arrived at.

It will be seen from these several tables that the profit shown is composed of two elements:—

- (1) The surplus, if any, of income over expenditure; and
- (2) the increase (if any) in the closing valuation over the valuation at the beginning of the year.

Some of the classes of farms show a deficiency of income instead of a surplus, and such deficiencies must be deducted from the increased valuation before arriving at the profit.

Table 13 summarises in this way the composition of the profit.

All the Scottish farms show a surplus of income over expenditure. Of the English farms, only tenant farms show such a surplus, and both owners and home farms, England, have a deficiency of income. A large increase in the closing valuation is responsible in the cases of both owners and home farms for the profit shown.

7 (c)—Scottish Accounts per Acre, excluding Moorland and Waste Land.

It will have been observed that some of the Scottish results, when worked out on a "per acre" basis, are relatively smaller than those of the English farms. This has been probably due to the large area of moorland and waste which is included in the acreage of some of these farms.

I have accordingly worked out the capital and profit "per acre" of all types of Scottish farms—

- (1) based on the total acreage, and
- (2) based on the nett acreage, excluding moorland and waste.

The profit per acre on total acreage is £1 5s. 0d.—on the nett acreage £2 5s. 10d.—while the capital on the total acreage is £7 7s. 10d. per acre, and on the nett acreage £13 11s. 3d.

It is not suggested that the results on the "nett acreage" figures are necessarily accurate, because the excluded land should bear some rent, &c., and would yield some profit or loss. But the adjustment enables the nett Scottish figures to be more easily compared with those of the English farms.

Paragraph 8.—Financial Results Grouped per size of Farm.

The 325 farms have been grouped into classes according to the size of the farms, with the result shown in the following table.

Financial Results.

Grouped per Size of Farm.

Size—Group.	Number of Farms.	Average Capital per acre.		Profit per acre.
		Acres.	£ s. d.	£ s. d.
England and Wales—				
1 to 100 acres...	32	61	20 0 0	2 1 4
100 to 300 acres	101	190	16 9 7	1 8 0
500 to 500 "	72	362	10 13 2	1 13 1
500 to 1000 "	61	605	13 5 2	1 15 8
Over 1000 "	25	1,386	9 19 8	13 11
All Farms—Eng-land and Wales.	291	408	13 4 3	1 7 6
All Scottish Farms	34	626	7 7 9	1 4 11

The profit per acre and the capital per acre is greatest on the smallest holdings (1 to 100 acres).

On these farms of 1 to 100 acres, the fact that no charge is included among the expenses for personal services of the occupier would have a comparatively greater effect than on the larger farms, and would cause a relatively high profit to appear.

Average Acreage of Farms—325 Farms.

It will be seen from Table 14 that the average acreage of all the farms is 431 acres.

There are 115 tenant farms in England and Wales with an average of 341 acres.

95 owners, England and Wales, average 403 acres.

81 home farms, England and Wales, average 509 acres.

34 Scottish farms, average 626 acres.

The average of all the mixed farms (266 in number) is 408 acres, and of all the dairy farms (40 in number) 255 acres.

These figures shew that the smaller size of holding is not well represented in the accounts that have been received.

Paragraph 9.—Financial Results of Accounts—Grouped per type of Farm.

The types of farms dealt with in this paragraph are:—

Mixed,
Dairy,
Corn and Sheep,
Sheep.

Table 16 is a Final Summary of the accounts, grouped according to the type of farming carried on, and shewing how the profit is made up. The results disclosed are:—

238 Mixed Farms, England and Wales, show a Profit per acre of £1 7s. 2d., and Capital per acre £13 9s.

36 Dairy Farms, England and Wales, Profit £1 7s. 4d. per acre and Capital £15 7s. per acre.

16 Corn and Sheep Farms, England and Wales, Profit £1 14s. 2d. per acre and Capital £12 16s. 9d. per acre.

34 Scottish Accounts, all types, Profit of £1 4s. 11d. per acre and Capital £7 7s. 9d.

Table 17 shows the results of the Scottish Farms according to the type of farming.

The Relation of Capital to Turn-over.

It will be seen from Table 28 that in no case is the Capital turned over once in the year under review. 90.19 per cent. of the Capital of the Dairy Farms was turned over and only 57.29 per cent. in the case of the Corn and Sheep Farms.

In the most common type of farm, e.g., Mixed Farms, the turnover was 71.36 per cent. of the Capital.

Numbers of Farms of various Types—325 Farms.

The great majority of these farms (just over 80 per cent.) are Mixed Farms, and the particulars of the various types are shewn in the table below.

Numbers of Farms of various Types—325 Farms.

	Mixed.	Dairy.	Corn and Sheep.	Sheep.	Total.
England and Wales—					
Tenants	81	24	9	1	115
Owner-occupiers	86	9	—	—	95
Home farms	71	3	7	—	81
Scotland—					
Tenants	12	1	—	—	13
Owner-occupiers	9	3	—	1	13
Home farms	7	—	1	—	8
	266	40	17	2	325

Paragraph 10.—Details of Income, per Acre, and per cent.

All Farms.

Table "18" gives details of the chief items making up the total income. Each item is worked "per acre" and is also expressed as a percentage of the total.

This table is an extension of Table "D" in paragraph 7 of the Interim Report.

Taking the whole of the farms, it will be seen that 48 per cent. of the total income is received from live stock.

In each of the classes of farms the income from live stock is of course an important item, ranging from 43 per cent. of the total income in case of owner-occupiers, England and Wales, to 57 per cent. in case of home farms, Scotland.

The income from corn, hay and straw, &c. is next in order of importance; being, in the case of the whole of the farms, 29 per cent. of the total, and ranging from 13 per cent. with owner-occupiers, Scotland, to 35 per cent. with tenant farms, Scotland.

The income from milk and dairy produce is, on the average of the whole of the farms, 16 per cent. of the total.

Taking the "per acre" figures, the income on the whole of the farms works out at £8 17s. 1d. per acre; tenant farmers, England and Wales, shew the highest income per acre (£10 13s. 5d.).

The small value per acre represented in the Scottish accounts is caused to a large extent by moorland, waste, &c. on some of the Scottish farms.

"Other receipts" include, for example, sales of wool, grass keep, sporting rights, etc.

It is probable that in the majority of cases nothing is included with the income in respect of farm produce, fuel, &c. consumed by the farmer and his household. It is also likely that in a number of cases sundry receipts from eggs, poultry, &c. are not included.

Paragraph 11.—Details of Expenditure, per Acre, and per cent.

All Farms.

Table "19" gives details of the chief items making up the total expenditure. Each item is expressed as a percentage of the total and is also worked out "per acre."

This table is an extension of the table on page 8 of the Interim Report.

It will be seen that the combined expenditure on live stock, foodstuffs and manures, &c. represent, in each of the classes of farms, about 50 per cent. of the total, being highest in the case of tenant farms, England (56 per cent.) and lowest in the case of home farms, England, (46 per cent.)

Expenditure on live stock varies from 20 per cent. with owner-occupiers, Scotland, to 34 per cent. tenant farms, England and Wales.

Foodstuffs, manures, &c. vary from 18 per cent. with home farms, Scotland, to 27 per cent. with owner-occupiers, Scotland.

Included with the item "Rates" is probably some insurance and possibly a little Income Tax.

"Other expenses" include, e.g., repairs and maintenance, threshing, hire of tractors, carriage, &c.

Further comments on rent and wages appear in the next paragraph.

Paragraph 12.—The Relation of Rent, Wages and Profits.

12 (a)—Expressed in Percentages.

In Table "20" I have segregated these three items and shewed, by means of percentages, their relation to one another. This Table is an extension of Table "F" in the Interim Report (paragraph 10), which displays the corresponding figures "per acre."

It will be seen that, taking the whole of the farms, rent represents about one-fifth of the total, and varies from 18 per cent. with tenant farmers, Scotland, to 22 per cent. with tenant farmers, England.

Wages, for all the farms, is about one-half the total (49 per cent.), and the percentage varies from 35 per cent. tenant farmers, Scotland, to 57 per cent. home farms, England and Wales.

The profit, for all the farms, is 30 per cent. of the total, and varies from 24 per cent. with home farms, England and Wales, to 47 per cent. tenant farmers, Scotland.

12 (b)—Per acre and per farm.

Table "21" shows that the average amount available for rent, wages, and profit—over all the 325 farms—is £1,925 per farm, and £4 9s. 7d. per acre.

The average rent paid, over all, is £387 per farm, and 18s. per acre.

The average wages paid, over all, is £954 per farm, and £2 4s. 4d. per acre.

The average profit earned is £586 per farm, and £1 7s. 2d. per acre.

The Table shows the variations in the figures as between the different classes of occupiers.

12 (c)—Relation to Total Expenditure.

Table "22" shows, for all farms, the respective amounts of rent, wages, and all other expenditure—and in each case the percentage of the item to the total.

Taking all the farms into account, rent and wages together represent roughly one third of the total expenditure (34 per cent.). The proportion of these two combined items to the total expenditure varies from 30 per cent. with tenant farmers, England and Wales to 39 per cent. with home farms, England and Wales.

On the whole of the farms, rent is 10 per cent. of the total expenditure, and this percentage varies from 9 per cent. with owner occupiers, England and Wales, to 13 per cent. with home farms, Scotland. The item of rent probably includes in most cases the rent of the farmhouse itself.

Wages, on the whole of the farms, is 24 per cent. of the total expenditure. The lowest proportion is 20 per cent. with tenant farmers, England and Wales, and the highest, 29 per cent. with home farms, England and Wales.

Although farmers were asked in the Schedules to state the total cost represented by wages, board and allowances, it is impossible to state to what extent the value of board and allowances is represented in the figure of wages shewn.

The cost of horse labour cannot be ascertained from the accounts received.

Paragraph 13.—Farm Labourer and Equipment.

Result of 264 farms.

From Table 23—grouped per type of farming, it will be seen that—for the whole 264 farms—on every 100 acres, 2 men, 6 women and boys, 1·8 horses were employed.

The average numbers per farm—for the 264 farms were:—men 9·1, women and boys 2·7 and horses 8·2.

This Table shows similar particulars for each type of farming, e.g., mixed, dairy, &c.

Table 24—grouped per class of occupier—shows similar particulars for each class of occupier, i.e., tenants, owners, home farms, and Scottish Accounts respectively.

Table 25—total numbers, men, horses, &c.—shows the aggregate number of workers, horses, &c., from which the calculations in the foregoing tables have been made. It will be seen (*inter alia*) that on the 264 farms there were 2,165 horses, 2,405 men, and 716 women and boys employed. There were also on these farms 47 steam engines, 97 tractors and 19 oil engines.

Paragraph 14.—Comparative Condition of the Farms as to Fertility, &c., in 1914 and in 1918-19.

Results of 263 Accounts.

Farmers were requested to state the comparative condition of their farms in 1914 and 1918-19 as regards fertility, foulness of the land, &c. (See question 2, Schedule B).*

This information was designed to supplement similar information which was asked for by the National Farmers' Union of England in their Schedule (question 9†).

In order to obtain a statement of the comparative condition of the farms at the two periods, an index figure of 100 was taken to express the condition of the farms in

1914, and farmers were requested, in estimating the comparative condition of the farms in 1918-19, to indicate this by inserting an equivalent index figure opposite the various items.

Out of 301 accounts dealt with in the Report, 263 of them gave satisfactory replies to this question. The individual estimates naturally differ somewhat widely, but the combined average results of the 263 replies are as follows:—

	1914.	1918-19.
Hedging, Ditching, &c. ...	100	88
Foulness of Land ...	100	90
Fertility ...	100	94
Repairs of Implements, &c. ...	100	94

In these figures each farm has been taken as a similar unit, and the results are not "weighted" according to the differing acreages of the farms.

Paragraph 15.—Further Accounts Tabulated since Submission of Interim Report.

(See Table 26.)

97 Accounts, representing 130 Farms.

These accounts have been tabulated since the submission of the Interim Report, but it has not been possible to undertake so detailed an analysis of these accounts as of the 301 accounts already reported on.

Table 26 shows the financial results.

35 of the accounts are for co-operative farms, and 18 for municipal farms, &c.

Of the 97 accounts, 16, representing 22 farms, show losses, the aggregate loss being £5,582, an average of £254 per farm.

81 accounts, representing 108 farms, show profits; the aggregate profits being £88,975, and the average per farm £824.

On the whole 97 accounts, the balance of profit is £81,593, an average of £628 per farm.

Rate per cent. of profit on capital.

The rate of profit earned on the capital, over all the farms, is 14·42 per cent., as against 11·01 per cent., the average rate on the first 325 farms, but this comparatively high rate is caused largely, if not entirely, by the inclusion of the institutional and municipal farms.

It will be seen from the Table 26 that the rate of profit varies considerably in the several classes of farms, the highest rate (27·3 per cent.) being shown by the institutions and municipal farms, and the lowest rate (4·74 per cent.) by the accounts of owner occupiers, Scotland.

Out of the total profits shown by the co-operative farms (£30,883) about £13,000 of the profit has been made by four large societies.

Similarly with the institutional accounts of the total profit of £32,935, £13,391 was made by four large institutions.

Capital.

The total capital invested in these 130 farms is £565,940, an average of £4,353 per farm. The lowest capital per farm is found with tenants, Scotland (£3,311), and the largest amount of capital per farm is on some of the large co-operative farms (over £14,000).

Results per Acre.

The "per acre" results of the additional accounts are as follows:—

	No. of Farms.	Acreage.		Profit per Acre.	Capital per Acre.
		Total.	Average.		
England and Wales—				£ s. d.	£ s. d.
Tenants ...	16	8,296	518	0 9 10	6 7 6
Owners ...	12	3,652	305	0 13 10	14 11 8
Home ...	10	3,262	326	1 14 1	18 7 3
All Farms, do. ...	38	15,210	400	0 16 0	10 18 5
All Scottish Farms	9	2,505	278	2 4 10	14 6 11
Co-operative Farms	59	12,101	205	2 11 0	20 2 1
Institutional and Municipal Farms.	24	5,051	210	6 10 5	23 17 7
Total ...	130	34,867	263	2 6 9	16 4 7

* See Part B, Question 2, Appendix II.

† A list of questions contained in this Schedule will be published in Appendix I. to Vol. V., Minutes of Evidence.

Paragraph 16.—Financial Statements over a series of years.

As mentioned in the Interim Report, a number of farmers desired that one year's result should not be considered by itself, but only in relation to the profits or losses of a series of years.

I accordingly submit, in an appendix, for the consideration of the Commission, a number of statements showing the financial results of these farms over a term of years.

H. G. HOWELL,

Director of Agricultural Costs.

2.—TABLES REFERRED TO IN THE FINAL REPORT.

List of Tables.

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		Grouped per type of farming	28

TABLE 1.

County Distribution of Accounts (301 Accounts).

County.	Tenants.	Owners.	Home Farms.
ENGLAND :			
Bedford	—	1	—
Berks	4	6	1
Bucks	—	—	3
Cambridge	1	1	1
Cheshire	2	2	3
Cornwall	2	2	—
Cumberland	1	1	—
Derby	4	2	1
Devon	2	1	2
Dorset	—	1	—
Durham	—	2	2
Essex	2	6	2
Gloucester	5	2	2
Hants	6	6	4
Hereford	—	—	—
Herts	3	—	—
Huntingdon	—	—	—
Kent	6	6	1
Lancashire	5	2	—
Leicester	5	—	—
Lincoln	5	3	2
Middlesex	2	—	—
Monmouth	3	—	3
Norfolk	2	3	4
Northampton	4	2	3
Northumberland	1	2	1
Notts	2	—	1
Oxford	4	2	2
Rutland	—	—	—
Shropshire	1	2	2
Somerset	9	3	1
Stafford	1	1	3
Suffolk	1	4	2
Surrey	1	2	3
Sussex	10	9	3
Warwick	1	1	2
Westmoreland	1	2	1
Wills	1	—	2
Worcester	—	1	2
York	5	2	7
Total England ...	108	83	66

TABLE 1—continued.

County.	Tenants.	Owners.	Home Farms.
WALES :			
Anglesey	—	—	1
Brecknock	—	—	—
Cardigan	2	1	—
Carmarthen	—	—	—
Carnarvon	—	1	1
Denbigh	—	1	—
Flint	—	—	—
Glamorgan	—	1	—
Merioneth	—	—	1
Montgomery	1	1	1
Pembroke	—	—	—
Radnor	—	—	—
Total Wales ...	3	5	4
SCOTLAND :			
Aberdeen	3	—	2
Argyll	1	—	1
Ayr	1	2	—
Banff	—	—	—
Berwick	—	—	—
Bute	—	—	—
Caithness	—	—	—
Clackmannan	—	—	—
Dumbarton	—	—	—
Dumfries	1	2	1
Elgin	—	—	—
Fife	1	—	1
Forfar	1	—	—
Haddington	—	2	—
Inverness	—	1	—
Kincardine	—	—	—
Kinross	—	—	—
Kirkcudbright	1	1	—
Lanark	—	1	—
Linlithgow	—	—	—
Midlothian	—	—	—
Nairn	—	—	—
Orkney	—	—	—
Peebles	—	—	—
Perth	—	—	2
Renfrew	—	—	—
Carried forward ...	9	9	7

TABLE 1—continued.

County.	Tenants.	Owners.	Home Farms.
SCOTLAND—cont.			
Brought forward ...	9	9	7
Ross and Cromarty ...	2	—	—
Roxburgh ...	3	1	—
Selkirk ...	—	—	—
Shetland ...	—	—	—
Stirling ...	—	—	—
Sutherland ...	—	—	—
Wigton ...	1	—	—
Total—SCOTLAND ...	15	10	7

TABLE 1—continued.

Summary.				
	Tenants.	Owners.	Home Farms.	Total.
England ...	108	83	66	257
Wales ...	3	5	4	12
Scotland ...	15	10	7	32
Total ...	126	98	77	301

TABLE 2.

Comparison of Numbers of Live Stock carried per 100 Acres.

	BOARD OF AGRICULTURE RETURNS, 1918.			AGRICULTURAL COSTINGS COMMITTEE FIGURES.		
	England & Wales.	Scotland.	Great Britain.	England and Wales. (291 Farms)	Scotland (34 Farms)	Great Britain (325 Farms)
Total Area ...	Acres. 37,137,564	Acres. 19,069,683	Acres. 56,207,247	Acres. 118,822	Acres. 21,279	Acres. 140,101
Live Stock ...	Average per 100 acres.	Average per 100 acres.	Average per 100 acres.	Average per 100 acres.	Average per 100 acres.	Average per 100 acres.
Horses... ..	3·09	·98	2·38	2·93	1·47	2·70
Cattle	16·69	6·34	13·18	16·98	9·87	15·91
Sheep	44·36	36·07	41·55	44·72	54·62	46·22
Pigs	4·57	·67	3·25	3·75	1·08	3·34

TABLE 3.

Aggregate Totals of Valuations—Beginning of Year (325 Farms).

Description.	No. of Farms.	Live Stock.	Grain, Hay, Straw, &c.	Sundry Stocks.	Machinery Implements, &c.	Tenant right.	Total.	Per Acre.
England and Wales.		£	£	£	£	£	£	£ s. d.
Tenant Farmers ...	115	275,538	42,671	24,443	42,448	44,827	429,927	11 1 3
Owner Occupiers ...	95	297,487	68,695	34,967	40,247	35,063	476,459	12 8 5
Home and similar Farms	81	256,366	89,333	25,353	38,635	23,168	432,855	10 8 10
Scottish	34	102,143	16,240	4413	10,508	7397	140,701	6 12 3
Totals	325	931,534	216,939	89,176	131,838	110,455	1,479,942	10 11 3

TABLE 4.

Aggregate Totals of Valuations—End of Year (325 Farms).

Description.	No. of Farms.	Live Stock.	Grain, Hay, Straw, &c.	Sundry Stocks.	Machinery Implements, &c.	Tenant right.	Total.	Per Acre.
England and Wales.		£	£	£	£	£	£	£ s. d.
Tenant Farmers ...	115	286,423	66,939	25,570	59,085	38,952	476,969	12 9 7
Owner Occupiers ...	95	320,887	95,831	44,440	51,295	37,421	549,874	11 3 2
Home and similar Farms	81	288,033	120,607	31,375	47,066	27,360	444,411	12 8 11
Scottish	34	106,214	18,173	5956	11,695	9344	151,382	7 2 3
Totals	325	1,001,557	301,550	107,341	169,141	113,077	1,692,666	12 1 7

TABLE 5.

Average Value—per Farm—of the Valuation at beginning of Year (325 Farms).

	Live Stock.	Grain, Hay, Straw, &c.	Sundry Stocks.	Machinery Imple- ments, &c.	Tenant Right.	Total.
	£	£	£	£	£	£
England and Wales :—						
Tenant Farmers	2,396	371	213	369	390	3,739
Owner Occupiers	3,131	723	366	424	369	5,015
Home Farms	3,165	1,102	313	477	286	5,343
Scottish	3,034	478	130	309	217	4,138
Totals	2,866	667	274	406	340	4,553
Institutions	2,653	908	270	351	485	4,667
Market Gardens	146	483	481	93	33	1,236
	1,454	705	371	228	269	3,026

TABLE 6.

Average Value—per Farm—of the Valuation at end of Year (325 Farms).

	Average Size of Farm.	Live Stock.	Grain, Hay, Straw, &c.	Sundry Stocks.	Machinery Imple- ments, &c.	Tenant Right.	Total.
	Acres.	£	£	£	£	£	£
England and Wales :—							
Tenant Farmers	341	2,491	582	222	514	339	4,148
Owner Occupiers	403	3,378	1,009	468	540	394	5,788
Home Farms	509	3,556	1,489	387	581	338	6,351
Scottish	626	3,124	534	175	344	275	4,452
Totals	431	3,082	928	330	520	348	5,208
Institutions	—	3,116	1,203	15	391	779	5,504
Market Gardens	—	124	772	512	103	33	1,544
Total	—	1,685	997	252	253	422	3,609

TABLE 7.

Capital and Profit—All Farms.

Shewing (1) Amount ; (2) Per Acre ; (3) Per Farm.

Number of Farms.	Average Size of Farm. Acres.		Acreage.	CAPITAL AT END OF YEAR.			PROFIT FOR THE YEAR.			
				Amount.	Per Acre.	Per Farm.	Amount.	Rate per cent. on Capital.	Per Acre.	Per Farm.
115	341	Tenant Farmers, England and Wales.	39,270	£ 494,588	£ s. d. 12 11 10	£ 4,300	£ 64,253	12·9 %	£ s. d. 1 12 9	£ 559
13	533	Tenant Farmers, Scotland ...	6,924	80,040	11 11 2	6,157	16,280	20·3 %	2 7 0	1,252
95	403	Owner Occupiers, England and Wales.	38,309	553,529	14 9 0	5,827	56,342	10·1 %	1 9 5	593
13	453	Owner Occupiers, Scotland ...	5,892	40,177	6 16 5	3,010	4,671	11·6 %	15 10	359
81	509	Home and Similar Farms, England and Wales.	41,243	521,487	12 12 11	6,498	43,141	8·3 %	1 0 11	532
8	1,058	Home and Similar Farms, Scotland.	8,463	37,055	4 7 6	4,632	5,611	15·1 %	13 3	701
325	431	Total ...	140,101	1,726,876	12 6 6	5,313	190,298	11·01 %	1 7 2	586

TABLE 8.

Number of Accounts Showing Profits.
Profits Grouped, in Order of Amount.

							ENGLAND AND WALES.			SCOTLAND.	TOTAL.	
							Tenants.	Owners.	Home Farms.	All Classes.	All Classes.	
From	1 to	100	...	...	...	...	11	7	2	1	21
"	101 "	200	...	...	...	...	6	7	4	3	20
"	201 "	300	...	...	...	...	3	5	3	—	11
"	301 "	400	...	...	...	...	9	4	5	2	20
"	401 "	500	...	...	...	...	8	1	3	—	12
"	501 "	600	...	...	...	...	3	3	6	2	14
"	601 "	700	...	...	...	...	7	3	3	1	14
"	701 "	800	...	...	...	...	3	5	3	3	14
"	801 "	900	...	...	...	...	5	2	4	2	13
"	901 "	1,000	...	...	...	...	3	—	1	—	4
"	1,001 "	1,500	...	...	...	...	11	9	11	4	35
"	1,501 "	2,000	...	...	...	...	8	5	6	4	23
Over	2,000	...	...	...	...	...	7	11	5	3	26
Total accounts (representing 247 farms) ...							—	—	—	—	—	227

TABLE 9.

England, Wales and Scotland—All Classes of Farms
(325 Farms).

SUMMARISED INCOME AND EXPENDITURE ACCOUNT.

Expenditure.		Income.	
	£		£
Live stock ...	341,623	Live stock ...	586,197
Feeding stuffs, manures, &c. ...	295,608	Milk and dairy produce ...	197,193
Wages, Board and allowances ...	310,536	Corn, hay, straw, roots, &c. ...	366,305
Rent ...	126,104	Other receipts ...	90,941
Rates &c. ...	20,113	Total... ..	1,240,636
Other expenses ...	169,078	Closing valuation	1,692,666
Total... ..	1,263,062	Total... ..	2,933,302
Commencing valuation ...	1,479,942		
Profit	190,298		
Total... ..	2,933,302		

TABLE 10—continued.

England and Wales—Tenant Farmers—(115 Farms)—continued.

SUMMARISED INCOME AND EXPENDITURE ACCOUNT—continued.

	£	Per Acre.	Per Farm.
Excess of income over expenditure	17,211	£ s. d. 0 8 9	£ 149
Increase in closing valuation	47,042	1 3 11	409
Net surplus or profit	64,253	1 12 8	558

Acreage ... 39,270. Number of farms ... 115

TABLE 11.

England and Wales—Owner occupiers (95 Farms).

SUMMARISED INCOME AND EXPENDITURE ACCOUNT.

	£	£ s. d.	£ s. d.
Deficiency of income over expenditure	22,426	0 3 1	69 0 1
Increase in closing valuation	212,724	1 10 4	654 10 8
Net surplus or profit	190,298	1 7 3	585 10 7

Acreage ... 140,101. Number of farms ... 325

Expenditure.		Income.	
	£		£
Total expenditure	412,029	Total income ...	394,956
Commencing valuation	476,459	Closing valuation	549,874
Total ...	888,488		
Profit ...	56,342		
	944,830	Total ...	944,830

TABLE 10.

England and Wales—Tenant Farmers (115 Farms).

SUMMARISED INCOME AND EXPENDITURE ACCOUNT.

Expenditure.		Income.	
	£		£
Total expenditure	401,983	Total income ...	419,194
Commencing valuation ...	429,927	Closing valuation	476,969
Total... ..	831,910		
Profit	64,253		
Total... ..	896,163	Total	896,163

	£	Per Acre.	Per Farm.
Deficiency of income over expenditure.	17,073	£ s. d. 8 11	£ 160
Increase in closing valuation.	73,415	1 18 4	773
Net surplus or profit ...	56,342	1 9 5	593

Acreage : 38,309. Number of farms : 95.

TABLE 12.

England and Wales—Home and similar farms (81 farms).

SUMMARISED INCOME AND EXPENDITURE ACCOUNT.

Expenditure.		Income.	
£		£	
Total expenditure	347,056	Total income ...	308,611
Commencing valuation	432,855	Closing valuation	514,441
Profit ...	43,141		
Total ...	823,052	Total ...	823,052

TABLE 12—continued.

	£	£ s. d.	£
Deficiency of income over expenditure.	38,445	18 8	475
Increase in closing valuation.	81,586	1 19 7	1,007
Net surplus or profit ...	43,141	1 0 11	532

Acreage: 41,243. Number of farms: 81.

TABLE 13.

Composition of Profit (325 Farms).

As to (1) Surplus of Income over Expenses; (2) Increase in Closing Valuations.

Farms.	Acreage.	Surplus or Deficiency of Income over Expenditure.		Increase in closing Valuation.		Total Profit.		
		£	Per Farm.	£	Per Farm.	£	Per Farm.	
115 Tenants, England and Wales ...	39,270	Surplus ...	17,211	149	47,042	409	64,253	558
13 Tenants, Scotland ...	6,924	Surplus ...	10,118	778	6,162	474	16,280	1,252
95 Owner Occupier, England and Wales.	38,309	Deficiency	17,073	179	73,415	772	56,342	593
13 Owner Occupier, Scotland ...	5,892	Surplus ...	3,790	291	881	67	4,671	359
81 Home and similar farms, England and Wales.	41,243	Deficiency	38,445	474	81,586	1,007	43,141	532
8 Home and similar farms, Scotland	8,463	Surplus ...	1,973	246	3,638	454	5,611	701
325 Total, all classes	140,101	Deficiency	22,426	69	212,724	654	190,298	585

TABLE 14.

Average Acreage of various types of Farms (325 Farms).

TYPE OF FARMS.	TENANTS.			OWNER-OCCUPIERS.			HOME.			SCOTTISH.			TOTAL.		
	No. of Farms.	Total Acreage.	Average.	No. of Farms.	Total Acreage.	Average.	No. of Farms.	Total Acreage.	Average.	No. of Farms.	Total Acreage.	Average.	No. of Farms.	Total Acreage.	Average.
Mixed ...	81	24,137	297	86	35,663	415	71	33,210	468	28	15,487	553	266	108,497	408
Dairy ...	24	5,713	238	9	2,646	294	3	618	216	4	1,198	299	40	10,205	255
Corn and Sheep ...	9	5,993	666	—	—	—	7	7,385	1,055	1	946	946	17	14,324	843
Sheep ...	1	3,427	3,427	—	—	—	—	—	—	1	3,648	3,648	2	7,073	3,537
Total ...	115	39,270	341	95	38,309	403	81	41,243	509	34	21,279	626	325	140,101	431

TABLE 15.

Financial Results (325 Farms).

Grouped under Class of Occupier, e.g. Tenants Owners, &c.

	No. of Farms.	Average Size.	Com-mencing Valuation.	Total Expenditure.	Profit.		Total Income.	Valuation at End.	Capital.	
					Per Acre.	£			Per Acre.	£ s. d.
England and Wales:—		Acrea.	£	£	£	£ s. d.	£	£	£	£ s. d.
All Tenants ...	115	341	429,927	401,983	64,253	1 12 9	419,194	476,969	494,588	12 11 11
All Owner-Occupiers	95	403	476,459	412,029	56,342	1 9 5	394,956	549,874	553,529	14 9 0
All Home Farms ...	81	509	432,855	347,056	43,141	1 0 11	308,611	514,441	521,487	12 12 11
All Scottish ...	34	626	140,701	101,994	26,562	1 4 11	117,875	151,382	157,272	7 7 9
	325	431	1,419,942	1,263,062	190,298	1 7 2	1,240,636	1,692,666	1,726,876	12 6 6

TABLE 16.
Financial Results (325 Farms).
Grouped per Type of Farming (Mixed Dairy, &c.).

	No. of Farms.	Average Size.	Com-mencing Valuation.	Total Expenditure.	Profit.		Total Income.	Valuation at End.	Capital.	
					—	Per acre.			£	Per Acre.
England & Wales:		Acres.	£	£	£	£ s. d.	£	£	£	£ s. d.
Mixed Farms...	338	391	1,060,794	944,359	126,460	1 7 2	895,424	1,236,099	1,254,753	13 9 0
Dairy Farms...	36	233	131,477	116,770	12,325	1 7 4	124,793	135,779	138,362	15 7 0
Corn and Sheep	16	836	142,633	96,882	23,506	1 14 2	98,381	164,640	171,723	12 16 9
Sheep ...	1	3427	4,427	3,057	1,445	0 8 5	4,163	4,766	4,766	1 7 10
All Scottish ...	34	626	140,701	101,994	26,562	1 4 11	117,875	151,382	157,272	7 7 9
	325	431	1,479,942	1,263,062	190,298	1 7 2	1,240,636	1,692,666	1,726,876	12 6 6

TABLE 17.
Financial Results—Scottish Farms (34 Farms).
Grouped under Types of Farms (e.g. Mixed Dairy, &c.).

	No. of Farms	Acreage.	Com-mencing Valuation.	Total Expenditure.	Surplus.		Total Income.	Valuation at end.	Capital	
					£	£			£	£
Mixed Farms...	28	15,487	112,718	83,377	£	18,612	£	90,993	£	128,162
					(£1 4s. per acre)				(£8 5s. 6d. per acre)	
Dairy Farms ...	4	1,198	12,365	10,090	£	3,191	£	15,697	£	11,970
					(£4 6s. 8d. per acre)				(£9 19s. 10d. per acre)	
Sheep and Corn Farms	2	4,594	15,618	6,527	£	2,759	£	11,185	£	17,140
					(12s. per acre)				(£3 14s. 7d. per acre)	
Total Scottish Farms	34	21,279	140,701	101,994	£	26,562	£	117,875	£	157,272
					(£1 5s. per acre)				(£7 7s. 10d. per acre)	

TABLE 18.
Total Income—per Acre and per cent. (325 Farms).
All Classes of Farms.

	ALL CLASSES.		TENANT.				OWNER OCCUPIER.				HOME AND SIMILAR FARMS.			
	% of Total.	Per Acre.	England and Wales		Scotland.		England and Wales.		Scotland.		England and Wales.		Scotland.	
			% of Total.	Per Acre.	% of Total.	Per Acre.	% of Total.	Per Acre.	% of Total.	Per Acre.	% of Total.	Per Acre.		
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	
Live stock ...	48	4 3 8	45	4 18 0	50	4 11 3	43	4 8 0	48	2 10 0	53	3 19 2	57	1 11 7
Milk and dairy produce ...	16	1 8 2	18	1 18 0	11	1 1 6	17	1 15 10	28	1 9 0	12	0 18 2	3	0 1 10
Corn, hay, straw, roots, &c. ...	29	2 12 3	31	3 5 2	35	3 5 1	32	3 6 10	13	0 13 9	25	1 16 11	33	0 18 8
Other receipts ...	7	0 13 0	6	0 12 3	4	0 5 8	8	0 15 6	11	0 11 8	10	0 15 5	7	0 3 8
TOTAL ...	100	8 17 1	100	10 13 5	100	9 3 6	100	10 6 2	100	5 4 5	100	7 9 8	100	2 15 9

TABLE 19.
Total Expenditure—per Acre, and per cent. (325 Farms).
All Classes of Farms.

	ALL CLASSES		TENANT.				OWNER OCCUPIER.				HOME AND SIMILAR FARMS.			
	% of Total.	Per Acre.	England and Wales.		Scotland.		England and Wales.		Scotland.		England and Wales.		Scotland.	
			% of Total.	Per Acre.	% of Total.	Per Acre.	% of Total.	Per Acre.	% of Total.	Per Acre.	% of Total.	Per Acre.		
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	
Live stock ...	28	2 8 7	34	3 10 4	25	1 19 1	24	2 12 7	20	0 17 7	23	1 18 10	30	0 15 2
Feeding stuffs, manures, seeds.	23	2 2 2	22	2 3 6	26	2 0 4	26	2 14 11	27	1 5 2	23	1 13 8	18	0 9 4
Wages, board, and allowances.	24	2 4 4	20	2 3 0	23	1 15 7	25	2 14 2	20	0 18 3	29	2 8 1	25	0 12 11
Rent ...	10	0 18 1	10	1 1 10	12	0 18 5	9	1 0 0	10	0 9 3	10	0 16 2	13	0 6 7
Rates ...	2	0 2 11	1	0 3 2	1	0 1 8	2	0 3 7	1	0 1 3	2	0 3 0	1	0 0 7
Other expenses...	13	1 4 2	13	1 2 10	13	0 19 1	14	1 9 10	22	1 0 0	13	1 3 6	13	0 6 6
Total ...	100	9 0 3	100	10 4 8	100	7 14 2	100	10 15 1	100	4 11 6	100	8 8 3	100	2 11 1

TABLE 20.

The Relation of Rent, Wages, and Profits expressed in Percentages (All Farms).

	All Classes.	Tenants.		Owner Occupiers.		Home and Similar Farms.	
		England and Wales.	Scotland.	England and Wales.	Scotland.	England and Wales.	Scotland.
		Per cent.	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.
Rent	21	22	18	19	21	19	20
Wages	49	44	35	52	42	57	39
Profit	30	34	47	29	37	24	41
Total Rent, Wages, Profits	100	100	100	100	100	100	100

TABLE 21.

The Relation of Rent, Wages, Profits.(1) *Per Acre*; (2) *Per Farm*. Results of 325 Farms.

	Rent.		Wages.		Profit.		Total.	
	Per Acre.	Per Farm.	Per Acre.	Per Farm.	Per Acre.	Per Farm.	Per Acre.	Per Farm.
	£ s. d.	£	£ s. d.	£	£ s. d.	£	£ s. d.	£
Tenant Farmers—								
England and Wales	1 1 10	373	2 3 2	737	1 12 9	559	4 17 9	1669
Scotland	0 18 6	492	1 15 7	947	2 7 2	1252	5 1 2	2691
Owner Occupiers—								
England and Wales	1 0 0	403	2 14 1	1091	1 9 5	593	5 3 6	2087
Scotland	0 9 3	209	0 18 3	414	0 15 10	359	2 3 4	983
Non-Resident Owners—								
England and Wales	0 16 2	405	2 8 1	1224	1 0 11	526	4 5 2	2166
Scotland	0 6 7	350	0 12 11	684	0 13 3	701	1 12 9	1735
Total	0 18 0	387	2 4 4	954	1 7 2	586	4 9 7	1927

TABLE 22.

The Relation of Rent—Wages—and all other Expenditure.(1) *In £*. (2) *In Percentages*.*Results of 325 Farms.*

	ALL CLASSES.		TENANT.				OWNER OCCUPIER.				HOME AND SIMILAR FARMS.			
			England and Wales.		Scotland.		England and Wales.		Scotland.		England and Wales.		Scotland.	
	% of Total.	£	% of Total.	£	% of Total.	£	% of Total.	£	% of Total.	£	% of Total.	£	% of Total.	£
Rent	10	126,104	10	42,716	12	6,885	9	38,288	10	2,721	10	33,197	13	2,797
Wages	24	310,536	20	84,528	23	12,319	25	103,667	20	5,382	29	99,172	25	5,468
All other expenses	66	826,422	70	274,739	65	34,697	66	270,074	70	18,866	61	214,687	62	13,359
TOTAL EXPENSES	100	1,263,062	100	401,983	100	53,401	100	412,029	100	26,969	100	347,056	100	21,624

TABLE 23.

Summary of Farm Labour and Horses.(1) *Per 100 Acres*. (2) *Per Farm*.*Grouped, per Type of Farm, e.g. Mixed, Dairy, &c.**Results of 264 Farms.*

Type of Farm.	Number of Farms.	Acreage.	NUMBERS.						PER 100 ACRES.			AVERAGE PER FARM.		
			Horses.	Men.	Women and Boys.	—	—	Men.	Women and Boys.	Horses.	Men.	Women and Boys.	Horses.	
Mixed	215	91,997	1,719	1,930	582			2.1	.6	1.9	9	2.7	5	
Dairy	33	8,295	176	203	76			2.4	.9	2.1	6.2	2.3	5.3	
Sheep and Corn	14	12,043	260	258	56			2.1	.5	2.2	18.4	4	18.6	
Sheep	2	7,076	10	14	2			.2	.03	.1	7	1	5	
	264	119,410	2,165	2,405	716			2	.6	1.8	9.1	2.7	8.2	

TABLE 24.

Summary of Farm Labour and Horses.

(1) Per 100 Acres. (2) Per Farm.

Grouped per Class of Occupier, e.g. Tenant, Owner, &c.

Results of 264 Farms.

	Number of Farms.	Acreage.	Horses.	Men.	Women and Boys.	Per 100 Acres.			Per Farm.		
						Men.	Women and Boys.	Horses.	Men.	Women and Boys.	Horses.
Tenants	98	34,600	712	742	230	2·1	·7	2·1	7·6	2·3	7·3
Owner occupier	79	38,874	732	840	261	2·5	·8	2·2	10·6	3·3	9·3
Home farms	62	33,093	565	683	160	2·1	·5	1·7	11	2·6	9·1
Scottish	25	17,843	156	140	65	·8	·4	·9	5·6	2·6	6·2
TOTALS	264	119,410	2165	2405	716	2	·6	1·8	9·1	2·7	8·2

TABLE 25.

Aggregate Totals of Farm Labour and Equipment.

Results of 264 Farms.

No. of Farms.	No. of Accounts.	Class of Farms.	EQUIPMENT.				LABOUR.							
			Steam Engine.	Trac-tors.	Working Horses.	Oil Engines.	Horse-men.	Cattle-men.	Shep-herds.	General Labour.	Total Men.	Women	Boys.	Total Women & Boys.
98	90	E. & W. Tenants.	21	28	712	6	226	159	59	298	742	117	113	230
79	73	E. & W. Owner Occupier.	12	31	732	7	293	146	46	415	840	151	110	261
■	56	E. & W. Home Farms.	11	37	565	■	206	120	57	300	683	82	78	160
25	■	Scottish.	3	1	156	—	71	29	17	23	140	52	13	65
264	241	—	47	97	2,165	19	736	454	179	1,036	2,405	402	314	716

TABLE 26.

Financial Results.

97 Additional Accounts, Representing 130 Farms.

	No. of Farms.	Average Size Acres.	Profits.			Capital.		
			Total.	Per acre.	% on Capital	—	Per acre.	Per farm.
England and Wales:—			£	£ s. d.		£	£ s. d.	£
Tenant Farmers	16	518	4,072	0 9 10	7·68	52,977	6 7 8	3,311
Owner-Occupiers	12	304	2,526	0 13 10	4·74	53,255	14 11 8	4,438
Home Farms	10	326	5,564	1 14 1	9·29	59,896	18 7 3	5,989
All Scottish Farms	9	278	5,613	2 4 10	15·62	35,936	14 6 11	3,993
Co-operative Farms	59	205	30,883	2 11 0	12·69	243,261	20 2 1	4,123
Institutional and Municipal Farms	24	210	32,935	6 10 5	27·3	120,615	23 17 7	5,026
	130	268	81,593	2 6 9	14·42%	565,940	16 4 7	4,353

TABLE 27.

Relation of Turnover to Capital.

Grouped per Class of Occupier.

	Number of Farms.	Income.	Capital.	Per Cent. of Income to Capital.
England and Wales—		■	£	
All Tenants	115	419,194	494,588	84·76
All Owner-Occupiers	95	394,956	553,529	71·35
All Home Farms	81	308,611	521,487	59·18
All Scottish	34	117,875	157,272	74·95
All Farms	325	1,240,636	1,726,876	71·84

Note.—This Table was not before the Royal Commission when evidence was given on the Final Report.

TABLE 28

*Relation of Turnover to Capital.
Grouped per Type of Farm.*

	No. of Farms.	Income.	Capital.	Per cent. of In- come to Capital.
England and Wales:—		£	£	
Mixed Farms	238	895,424	1,254,753	71·36
Dairy Farms	36	124,793	138,362	90·19
Corn and Sheep	16	98,381	171,723	57·29
Sheep	1	4,163	4,766	87·35
All Scottish	34	117,875	157,272	74·95
All Farms	325	1,240,636	1,726,876	71·84

Note.—This table was not before the Royal Commission when evidence was given on the Final Report.

3.—APPENDIX REFERRED TO IN PARAGRAPH 16 OF THE FINAL REPORT.

Financial Statements—For a Series of Years.

No. 1. Mixed Farm	739 acres.	No. 5. Mixed Farm Tenant	599 acres.
No. 2. " " Owner Occupier	620 "	No. 6. " " Tenant	530 "
No. 3. " " Tenant	287 "	No. 7. " " Owner Occupier	750 "
No. 4. " " Owner Occupier	302 "	No. 8. " " Owner Occupier	835 "

No. 1.—Mixed Farm, 739 Acres.

	Receipts	Expenses.	Credit Balance.	Debit Balance.
	£	£	£	£
1909	2,716	2,697	78	—
1910	2,527	2,938	—	411
1911	2,527	2,841	—	313
1912	3,120	2,976	143	—
1913	3,238	3,013	224	—
1914	3,769	2,947	822	—
1915	4,826	3,181	1,644	—
1916	4,964	3,768	1,196	—
1917	4,667	4,284	382	—
1918	6,161	4,635	1,525	—

Note.—The Valuations are not taken into account in these figures.

No. 2.—Mixed Farm—Owner-Occupier—620 Acres.

Year ending	Stock at beginning.	Rents, &c. owing at end	Payments during year.	Total.	Receipts during year.	Stock at end.	Total.	Gross profit.	Gross less.	In- come tax.	Net profit.	Net loss.
	£	£	£	£	£	£	£	£	£	£	£	£
6th April 1913	—	1,570	8,783	10,353	3,725	6,398	10,123	—	230	15	—	245
" 1914	6,398	1,251	5,144	12,793	5,354	2,216	12,570	—	223	20	—	243
" 1915	7,216	1,382	2,927	11,525	5,155	6,816	11,971	446	—	30	416	—
" 1916	6,816	1,217	3,988	12,021	5,296	7,246	12,542	521	—	200	321	—
" 1917	7,246	1,312	3,803	12,361	7,155	7,557	14,712	2,351	—	220	2,131	—
" 1918	7,557	2,077	3,538	13,172	6,790	7,064	13,854	682	—	350	832	—
" 1919	7,064	1,126	5,266	13,456	10,428	5,715	16,143	2,687	—	750	1,937	—
Estimated 1920	5,715	1,000	5,500	12,215	6,500	5,700	12,200	—	15	750	—	765
Total	48,012	10,935	38,949	97,896	50,403	53,712	104,115	6,687	468	2,335	5,137	1,253
Average	6,001	1,369	4,868	12,237	6,300	6,714	13,014	835	58	292	612	157

No. 3.—Mixed Tenant (287 Acres).

	PROFIT.	CAPITAL.
June 30th, 1911	308 (Loss)	3,912
" 1912	134 (Profit)	4,380
" 1913	301 "	4,063
" 1914	99 "	3,650
" 1915	528 "	3,713
" 1916	87 "	3,446
AVERAGE PROFIT ACCOUNT.		
Year 1917	£ s. d.	
" 1918	156 6 0	
" 1919	216 15 3	
	3) 697 14 10½	
3 years' Average	232 11 7	
Deduct		
Interest A/c.	195 9 0	
	37 2 7	
CAPITAL ACCOUNT.		
June 30, 1916	£ s. d.	
" 1917	3,740 18 1	
" 1918	3,958 19 8	
	3) 11,727 3 7	
3 years' Average	3,909 1 2	
Five per cent. Interest on	195 9 0	
	£3,909 1s. 2d.)	

No. 4.—Mixed Farm—Owner-Occupier—302 Acres.

Year ending March 25th.	Profit.	Loss.
1910	£ s. d.	£ s. d.
1911	158 2 4	
1912	63 10 11	
1913	—	281 10 10
1914	361 12 7	
1915	479 4 0	
1916	359 2 5	
1917	688 2 3	
1918	1,362 5 5	
1919	1,592 12 5	
	1,641 4 11	
	6,655 17 3	
	281 10 10	
	£6,374 6 5 = 10 years' profits.	

The drought of the present summer is suggestive of 1911, which resulted in a loss on the year's accounts.

No. 5.—Mixed Farm—Tenant—599 Acres.
Expenditure and Receipts for 1913-14 and 1918-19.

Expenditure on	1913-14.	1917-18.	Receipts for	1913-14.	1917-18.
	£ s. d.	£ s. d.		£ s. d.	£ s. d.
Cake	252 0 0	280 0 0	Milk	1,249 5 11	2,271 1 2
Cotton cake	98 0 0	60 0 0	Beast	2,035 9 6	2,075 17 0
Dairy cake	230 0 0	68 0 0	Sheep	555 17 0	486 0 0
Bran	30 0 0	130 0 0	Horses	84 0 0	75 0 0
Grain	64 0 0	140 0 0	Corn	65 14 6	487 10 5
Labour	998 0 0	1,987 13 0	Wool	114 7 9	97 7 3
Rent	685 0 0	685 0 0	Sundries	13 6 0	—
Taxes	64 10 0	131 16 9			
Rates	64 4 0	77 18 0			
Tradesmen's bills	70 0 0	175 4 2			
Sundries	39 14 0	201 19 2			
Seeds, &c.	120 10 0	47 18 0			
Rail bills	86 4 2	96 2 4			
Purchase 1 Beast	1,027 5 0	1,569 5 9			
Road costs, &c.	50 13 0	—			
Implements	48 16 0	—			
Total	3,928 16 2	5,650 17 2	Total	4,118 0 8	5,492 15 10

Valuation.

Description.	1913-14.			1917-18.		
	Number.	Value per Head.	Total.	Number.	Value per Head.	Total.
Horses	18	£ s. d.	£ s. d.	11	£ s. d.	£ s. d.
Do.	—	45 0 0	810 0 0	6	60 0 0	660 0 0
Do.	—	—	—	4	50 0 0	300 0 0
Do.	—	—	—	—	30 0 0	120 0 0
Cattle—						
Cows	78	25 0 0	1,950 0 0	86	28 0 0	2,408 0 0*
Heifers	15	20 0 0	300 0 0	10	28 10 0	285 0 0
Fatting beasts	56	18 0 0	1,008 0 0	36	30 0 0	1,260 0 0
Do. do.	—	—	—	14	11 10 0	161 0 0
Sheep—						
Ewes	300	2 5 0	675 0 0	258	2 10 0	645 0 0
Lambs	313	1 10 0	469 10 0	148	1 15 0	254 0 0
Rams	5	5 0 0	30 0 0	4	5 0 0	20 0 0
Pigs—						
Sow	1	7 10 0	7 10 0	3	10 0 0	30 0 0
Poultry	140	0 5 0	35 0 0	150	0 6 6	48 15 0
Implements and machinery—						
Tractor	—	700 0 0	—	—	—	950 0 0
Engine and thresher	—	—	—	—	—	—
Milking machine	—	—	—	—	—	—
Other implements and machinery per acre. (Included in total.)	—	—	—	—	—	—
Tenant Right—						
Valuation	—	—	1,025 0 0	—	—	987 0 0
Much more hay and manures in 1914 than this year.	—	—	—	—	—	8,129 0 0
Floating capital						
	—	—	1,497 10 0	—	—	2,651 0 0
Totals			7,807 10 0			10,779 15 0

* Very poor this year.

No. 6.—Mixed Farm, Tenant (530 Acres).
 COMPARATIVE STATEMENT OF PAYMENTS AND RECEIPTS FOR THE YEARS ENDING MICHAELMAS 1914, 1915, 1916, 1917, 1918, 1919.

	RECEIPTS.											
	1913-14.		1914-15.		1915-16.		1916-17.		1917-18.		1918-1919.	
	£	s. d.	£	s. d.	£	s. d.	£	s. d.	£	s. d.	£	s. d.
Rent ...	500	0 0	500	0 0	500	0 0	500	0 0	500	0 0	500	0 0
Rates and taxes ...	63	11 9	72	5 11	133	12 6	164	6 4	83	12 3	332	2 10
Live stock bought ...	3,181	8 6	1,485	16 2	2,400	19 6	2,400	19 6	1,228	12 0	884	0 0
Seeds bought ...	131	14 4	99	0 0	202	14 7	196	18 7	364	19 3	227	5 4
Feeding stuffs ...	603	12 10	472	10 0	618	19 11	700	3 4	167	9 7	560	16 1
Labour ...	703	11 5	765	18 2	782	17 6	868	19 6	1,119	19 10	1,541	0 0
Insurance (N. Health, Fire, Employment, and Horses).	43	4 4	83	13 4	76	13 3	56	14 4	129	8 3	86	0 0
Tradesmen's accounts	409	18 7	393	0 5	261	7 3	306	5 0	356	1 0	679	2 2
Artificial manures ...	55	15 9	88	3 1	106	16 2	107	9 11	99	5 0	58	4 6
Poultry ...	8	5 0	—	—	—	—	—	—	5	5 0	15	0 0
Miscellaneous ...	7	0 0	17	11 7	6	13 1	0	13 6	5	5 0	15	0 0
Valuation ...	2,867	3 3	5,486	2 10	6,136	12 11	6,887	15 0	6,052	0 0	6,133	0 0
Profit ...	165	9 3	804	11 10	914	15 6	—	—	851	5 1	204	0 4
	8,740	15 0	9,773	17 8	11,226	18 10	12,190	5 0	10,957	17 3	11,220	11 3
									5,486	2 10	6,136	12 11
									—	—	—	—
									8,740	15 0	9,773	17 8
									11,226	18 10	12,190	5 0
									6,052	0 0	6,133	0 0
									41	12 7	—	—
									10,957	17 3	11,220	11 3

* With regard to the profit shown in the years 1914-15 and 1915-16, I should like to draw attention to the fact that this is not all realisable profit in cash. It is partly due to increase in the Stocktaking Valuation, as I gradually built up a good flock of breeding ewes.

No. 7.—Mixed Farm, Owner-Occupier (750 Acres).
 PROFIT AND LOSS ACCOUNT FOR THE YEARS ENDED MICHAELMAS, 1910-1918, INCLUSIVE.
 Expenditure.

	RECEIPTS.																	
	1910.		1911.		1912.		1913.		1914.		1915.		1916.		1917.		1918.	
	£	s. d.	£	s. d.	£	s. d.	£	s. d.	£	s. d.	£	s. d.	£	s. d.	£	s. d.	£	s. d.
To Part Valuation at Michaelmas	905	0 0	905	0 0	905	0 0	905	0 0	905	0 0	905	0 0	905	0 0	961	0 0	1,011	3 6
Rent, rates, tithes, insurance	641	2 9	659	14 7	702	10 4	660	9 6	678	11 6	789	7 5	899	15 5	966	14 10	1,141	17 10
Feeding stuffs ...	772	16 4	781	10 9	710	11 5	468	18 11	582	16 7	1,046	18 7	1,437	3 1	1,756	4 2	1,832	10 2
Wages and health stamps	592	3 10	560	10 4	468	5 7	441	15 3	458	0 6	433	0 1	480	7 6	618	18 11	1,064	3 4
Seeds and manure	286	13 2	153	3 7	284	14 4	200	12 2	388	2 3	332	5 8	321	10 11	712	12 1	642	6 3
Sundry expenses	82	3 7	57	17 1	56	18 7	139	10 8	64	9 0	45	3 10	55	6 2	81	5 6	191	0 2
Repairs and renewals	89	11 6	82	16 8	53	18 6	86	2 7	95	11 7	144	12 9	87	15 3	71	15 8	321	7 3
Interest and bank charges	53	19 0	58	18 0	81	10 0	84	13 4	87	8 4	87	5 0	68	14 2	33	14 5	212	0 9
Implements, depreciation	68	16 4	70	2 9	67	12 3	63	6 3	63	6 3	56	19 7	47	5 8	105	8 1	133	19 9
Fuel ...	39	3 0	44	11 6	27	8 1	30	11 11	31	13 4	46	5 2	36	14 0	113	18 2	286	0 11
Carriage ...	72	0 2	40	19 0	21	13 5	9	15 4	5	4 4	12	18 3	23	12 0	27	6 8	27	14 3
Steam threshing and cultivation	88	19 7	51	18 3	61	4 0	90	16 3	72	19 6	175	6 0	128	5 10	192	11 6	239	15 9
Balance being Net Profit	337	18 8	—	—	385	5 6	735	3 11	1,163	8 9	1,858	1 11	3,350	9 7	4,013	2 5	4,863	4 10
Total ...	4,030	7 11	3,467	2 6	3,777	12 0	3,906	13 9	4,596	12 5	5,932	19 3	7,841	19 7	9,654	12 5	11,468	4 9

Income.

	101	10	0	4	8	0	96	0	6	36	4	4	177	1	1	411	19	5	110	2	9	332	11	0	360	16	6
<i>B. y.</i> Horses, Gross Profit after Valuations have been Credited.	1,106	12	10	688	5	6	679	0	6	741	10	7	758	9	1	1,297	1	3	1,624	2	0	2,046	8	0	2,294	12	2
Cattle	329	5	4	213	10	7	528	15	10	397	14	8	648	6	5	681	19	5	723	15	3	478	6	9	702	11	10
Sheep	297	0	9	249	15	5	142	13	3	337	3	3	492	1	7	600	10	2	1,183	14	0	1,978	15	6	1,710	10	11
Pigs				4	10	0	10	5	11	97	18	3	19	11	6	21	5	3	26	7	8	59	9	11	1	8	5
Poultry	1,390	19	0	1,349	9	10	1,335	16	0	1,451	2	8	1,596	2	9	1,985	3	8	3,268	17	2	3,798	6	3	5,887	1	5
Crop account	905	0	0	905	0	0	905	0	0	905	0	0	905	0	0	905	0	0	905	0	0	961	0	0	1,011	3	6
Valuation apart from values taken in above accounts (ingoing).				52	3	2																					
Loss																											
Total	4,080	7	11	3,467	2	6	3,777	12	0	3,906	13	9	4,596	12	5	5,932	19	3	7,841	19	7	9,654	12	5	11,468	4	9

BALANCE SHEET FOR THE YEARS ENDED MICHAELMAS 1910-1918, INCLUSIVE.

Liabilities.

	875	11	5	1,316	17	9	1,340	11	2	1,330	17	3	1,359	4	8	1,366	15	9	4,077	5	5	4,077	5	5	3,889	15	9
Bank overdraft	862	1	5	557	14	1	802	3	9	655	13	1	1,175	4	3	894	8	4	784	6	0	784	6	0	1,088	16	10
Sundry creditors	4,068	11	5	5,209	19	5	3,384	7	4	3,747	7	1	4,458	17	11	5,909	17	7	12,042	5	7	12,042	5	7	16,905	15	4
Capital A/o at Michaelmas																											
Total	5,796	4	5	5,084	11	3	5,527	2	3	5,734	0	5	6,993	6	10	8,171	1	8	16,903	17	0	16,903	17	0	21,864	7	11

Dr.

Assets.

	560	10	0	618	4	0	619	9	0	705	10	0	910	0	0	772	0	0	1,112	0	0	1,120	10	0	1,426	14	0
Horses	1,355	10	0	892	0	0	1,082	10	0	1,053	15	0	1,255	10	0	2,348	15	0	1,797	0	0	3,124	2	6	3,981	0	0
Cattle	466	0	6	501	12	6	562	10	0	547	8	6	631	14	0	863	4	0	1,022	8	0	839	10	0	1,170	0	0
Sheep	202	15	0	81	18	0	160	15	0	206	5	0	245	5	0	342	5	0	372	0	0	799	0	0	526	10	0
Pigs	18	0	0	16	5	0	16	16	0	28	3	6	39	15	0	23	12	6	29	0	0	33	11	6	30	0	0
Poultry	235	8	6	98	0	9	170	15	0	171	2	9	273	17	10	295	8	6	337	8	6	260	0	0	709	0	0
Stock of seeds, feeding stuffs	1,225	10	0	1,289	6	0	1,349	16	6	1,425	16	0	1,833	1	9	1,965	10	0	2,739	7	0	3,500	10	0	5,647	3	0
Crop account	619	7	0	631	4	9	608	10	6	568	14	11	569	16	3	512	16	8	425	11	0	948	12	11	1,205	17	11
Implements	208	3	3	51	0	3	51	0	3	117	4	9	315	19	6	139	10	0	655	14	2	17	0	1	750	2	7
Sundry debtors	905	0	0	905	0	0	905	0	0	905	0	0	905	0	0	905	0	0	905	0	0	961	0	0	1,011	3	6
Insurance in advance																											
Valuation apart from above																											
Cash at bank																											
Land farm "A"																											
Land farm "B"																											
New building																											
War Loan 5% £1,500 @ 95																											
Total	5,796	4	8	5,084	11	3	5,527	2	3	5,734	0	5	6,993	6	10	8,171	1	8	9,475	3	5	16,903	17	0	21,864	7	11

Cr.

No. 8—Mixed Farm—Owner Occupier—(835 Acres).

Income.

RECEIPTS DURING YEAR.	1909.	1910.	1911.	1912.	1913.	1914.	1915.	1916.	1917.	1918.
Live Stock Sales—										
Horses ...	—	4 1 0	28 0 0	4 15 0	8 3 0	280 0 0	—	—	143 5 0	502 18 6
Cattle ...	2,883 17 3	2,759 12 6	1,899 9 4	2,509 4 8	5,532 15 4	3,881 18 8	2,917 13 4	3,233 8 3	3,579 9 2	2,965 8 9
Sheep ...	513 11 5	336 7 7	305 5 5	192 16 5	427 15 1	462 16 5	538 10 9	1,011 2 4	985 1 1	697 8 11
Other (P. G's) ...	787 17 11	872 9 1	466 7 3	832 19 10	743 7 0	903 12 3	1,206 11 1	1,939 9 10	1,229 19 0	1,260 12 8
Dairy produce and poultry ...	584 2 5	634 3 10	668 16 7	729 13 11	829 1 11	766 13 9	925 2 3	1,170 11 8	1,475 0 0	2,077 0 10
Corn—										
Wheat ...	99 9 9	224 13 4	204 0 6	189 7 11	125 18 5	411 16 5	597 14 6	843 19 1	145 19 9	115 18 4
Barley ...	8 7 1	24 2 4	29 14 9	4 12 3	8 2 3	64 0 10	154 16 6	54 3 5	288 17 11	416 9 8
Oats ...	104 13 6	105 12 0	74 5 0	180 2 3	3 13 6	208 15 6	270 8 0	115 0 4	123 19 9	175 0 6
Others ...	198 12 8	266 11 11	284 8 1	284 6 5	122 14 11	283 3 4	215 16 10	329 2 7	472 5 5	1,123 1 7
Hay and straw ...	723 5 6	583 15 6	658 7 1	1,274 6 2	968 9 0	335 13 2	1,315 14 8	571 4 11	1,405 7 0	1,073 8 6
Potatoes ...	116 13 3	152 3 10	202 19 10	169 8 6	275 11 0	129 16 9	270 7 6	557 15 8	767 3 5	1,013 18 8
Other Receipts—										
Manures sold ...	55 1 3	84 17 0	83 1 6	43 0 0	50 16 3	31 12 8	13 8 0	15 15 0	16 14 6	35 10 0
Grazing ...	41 8 0	37 5 0	37 5 0	35 2 0	54 19 0	41 10 6	78 2 9	72 10 6	67 15 9	102 17 6
Letting of machinery ...	48 17 0	32 10 0	1 10 0	2 0 0	1 10 0	4 14 0	31 11 6	37 0 0	41 13 6	53 12 3
Horse-hire earned ...	362 13 8	356 5 9	363 7 0	374 19 0	348 7 0	345 17 0	295 13 8	292 7 6	402 7 0	333 4 0
Letting of land for game rearing ...	30 0 0	35 0 0	54 0 0	57 0 0	50 0 0	50 0 0	—	—	—	—
Machinery and plant sold—										
Game damage ...	65 11 3	47 6 6	96 17 2	70 6 0	73 7 1	78 18 11	68 12 11	50 0 0	54 3 8	506 6 6
Sundry ...	57 17 9	91 9 8	—	—	—	—	—	37 9 6	—	49 15 1
Total receipts ...	6,682 19 8	6,638 6 10	5,457 14 6	6,954 0 3	7,624 8 9	7,781 0 2	8,900 4 3	10,335 0 7	11,200 7 1	11,602 12 3
Valuation at end of Year ...	8,567 19 4	8,014 14 8	8,797 3 7	10,963 3 7	10,069 8 2	9,692 17 9	9,418 17 4	10,635 3 4	11,580 18 0	12,894 15 1
Balance being Loss ...	400 13 1	352 17 4	656 12 0	—	1,042 11 2	274 2 9	—	—	—	—
Total ...	15,651 12 1	15,005 18 10	14,911 10 1	17,917 3 10	18,736 8 1	17,748 0 8	18,919 1 7	20,970 3 11	22,781 8 1	24,497 7 4

Expenditure.

EXPENDITURE DURING YEAR.	1909.	1910.	1911.	1912.	1913.	1914.	1915.	1916.	1917.	1918.
Valuation at beginning of year ...	8,449 16 3	8,567 19 4	8,014 14 8	8,797 3 7	10,963 3 7	10,069 8 2	9,692 17 9	9,418 17 4	10,635 3 4	11,580 18 0
EXPENDITURE DURING YEAR.										
Live Stock Purchases—										
Horses ...	76 0 0	87 17 0	190 0 0	—	93 0 0	135 0 0	104 0 0	89 10 0	353 3 6	913 10 0
Cattle ...	2,667 1 7	925 18 11	98 2 8	2,708 3 7	1,633 9 5	791 15 3	1,828 2 1	1,315 0 8	2,430 3 2	372 3 0
Sheep ...	135 0 0	179 16 3	84 19 6	247 1 0	177 13 6	327 4 8	415 11 5	464 5 10	483 19 10	485 13 6
Other ...	53 5 7	68 8 11	119 11 7	82 14 4	37 14 0	49 14 2	114 13 2	252 10 4	540 16 3	500 4 8
Feeding Stuffs ...	1,825 9 8	1,947 11 9	3,224 11 10	2,640 8 9	2,419 16 0	2,834 19 7	2,223 9 11	3,735 13 5	2,874 2 5	2,100 19 8

Manures ...	145 1 9	252 13 0	300 11 9	231 10 0	217 16 7	373 11 1	476 3 0	421 16 5	162 18 5	531 4 9
Seeds...	117 12 7	101 14 1	155 5 2	99 6 9	150 5 10	107 8 0	72 0 9	236 8 10	188 5 8	782 16 7
Wages (including Bailiff)	1,167 7 0	1,287 14 7	1,203 1 3	1,418 7 11	1,439 1 1	1,407 8 9	1,530 1 3	2,037 19 1	2,051 15 4	1,945 2 1
Rent ...	905 12 6	894 7 6	894 7 6	894 7 6	897 15 0	898 17 6	898 17 6	938 5 0	938 5 0	939 7 6
Rates...	148 15 0	134 0 1	139 3 5	131 3 0	172 6 8	162 1 2	166 7 0	156 12 0	117 6 11	141 1 10
Repairs and Maintenance—	230 11 7	294 18 3	377 3 4	314 11 5	230 11 6	271 4 8	254 6 1	244 11 0	402 19 10	473 3 10
Implements and Machinery (Purchases and Repairs).	8 17 9	4 14 7	8 17 2	8 1 10	9 17 0	10 17 6	20 5 8	33 12 4	53 5 1	46 7 9
Shoeing Bills	46 4 9	57 5 2	59 16 0	57 8 1	68 3 11	60 9 1	59 16 11	56 16 0	60 1 6	19 6 0
Other Expenses—	53 16 4	80 12 0	63 1 7	71 1 9	99 9 0	94 19 4	110 13 9	96 8 6	173 8 11	55 8 9
Electric Power	20 11 5	20 19 3	24 3 6	33 0 5	34 16 2	50 10 8	86 1 9	51 18 9	99 8 3	32 6 6
Coals...	25 0 6	84 1 6	10 15 4	26 2 9	23 9 3	20 14 6	13 16 7	37 3 10	—	23 4 4
Vet. Surgeons and Medicines	22 10 0	22 16 8	14 12 6	14 12 6	14 12 6	14 12 6	14 12 6	14 12 6	14 12 6	32 6 6
Horse-hire	—	—	—	—	—	13 15 0	—	—	9 1 6	896 8 0
Insurance	—	—	—	—	—	—	—	—	10 15 4	67 10 0
Hire of Machinery...	—	—	—	—	—	—	—	—	91 4 2	111 6 3
Binder Twine	52 8 10	42 10 0	28 11 4	40 0 4	63 7 1	53 9 1	39 10 8	51 2 2	—	—
Sundry	—	—	—	—	—	—	—	—	—	—
Total Expenditure	7,201 15 10	6,437 19 6	6,396 15 5	9,012 16 11	7,773 4 6	7,678 12 6	8,378 10 0	10,224 6 8	11,055 13 7	9,759 11 6
Balance being Profit...	—	—	—	107 3 4	—	—	247 13 10	1,326 19 11	1,090 8 2	3,156 17 10
Total ...	15,651 12 1	15,005 18 10	14,911 10 1	17,917 3 10	18,736 8 1	17,748 0 8	18,319 1 7	20,970 3 11	22,781 5 1	24,497 7 4

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	15,546,	15,551-15,559,	15,593,	15,618-
	15,620,	15,646-15,651,	15,668-15,670,	
	15,769-15,773,	15,827-15,833,	16,026-	
	16,029,	16,033-16,037,	16,040,	16,044-
	16,049,	16,659-16,672.		
Sales	15,551,
	15,790-15,792,	15,859-15,863,	16,022-	
	16,025.			
Tenure	15,509.
	15,510-15,512,	15,649,	15,793-15,803,	
	16,005.			
Machinery	15,581-15,583
Manures	15,871-15,874
Meat, guaranteed price	15,569-15,571,
	15,594-15,596,	15,738-15,742		
Milk, guaranteed price	15,738-15,742

WILLIAMS, THOMAS—*continued.*

National Farmers' Union	...	...	...	15,539-15,540
Overtime	...	...	...	15,936-15,945
Profits	...	...	...	15,864-15,867
Small holdings, Wales	...	...	...	15,506, 15,611-15,617,
	15,818-15,822,	15,884-15,886,	15,960-	
	15,965,	16,038-16,043.		
Stock breeding	...	...	...	15,673-15,674, 16,018-16,021
Transport	...	...	...	15,719-15,720
Unproductive farming	...	...	...	15,506, 15,697-15,704
Wages	...	...	...	15,587, 15,589-15,591, 15,675,
	15,804-15,807,	15,902-15,905,	15,911-	
	15,916.			
Wages, in kind	...	...	...	15,508, 15,624-15,635,
	15,680-15,684,	15,975-15,989		
Wales:				
1918 crop	...	...	...	15,865-15,866, 15,868-15,869
Class of farming, &c.	...	...	...	15,808-15,814, 15,817,
				16,049-16,050
Welsh Farmers:				
Account keeping	...	...	...	15,693-15,696, 15,966-15,971
Characteristics, &c.	...	...	...	15,506, 15,743-15,764,
				15,818-15,822, 15,958-15,959
Desire for removal of control	...	...	...	15,524-15,525,
	15,560-15,562,	15,568,	15,652,	15,972-
	15,974,	16,006-16,008.		
Feeling of insecurity	15,507
Wheat, yield	15,655-15,656, 15,711-15,718,
				15,851-15,856

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Appendices:—Total Number of Applications for, and Total Number of Applicants who have obtained Entry to, New Holdings and Enlargements; Area of Land under Crops (excluding Rotation Grasses and Clover) in each County in Scotland in 1917, with the Proposed and Actual Increase in 1918; The Killing of Deer (Scotland) Order, 1918; List of Orders under Defence of the Realm Regulation 2 R.; Regulations regarding the Central Agricultural Wages Committee; Regulations regarding the District Wages Committee; The Agricultural Wages Committee, Powers and Duties (Scotland) Order, 1918; Central Agricultural Wages Committee and District Wages Committees; Table showing the Minimum Rates of Wages in force at December 31, 1918; Imports and Exports of Wood and Timber during 1918; Table showing the Work done by the Board during 1918 under the Improvement of Land Acts, 1864 and 1899, &c.; Number of Samples of Fertilisers and Feeding Stuffs taken in each County in Scotland during 1918.

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ON

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