

The Committee was specifically directed to consider “to what extent the utilization of back-country and marginal land may be retarded by the lack of adequate applications of lime and/or fertilizer at the new costs”, and it is in particular reference to this matter that most of its evidence was taken and to which its recommendations are directed.

Having considered all the evidence, the Committee is of the opinion that the abolition of the subsidies on fertilizer and on the railage of lime have operated inequitably over certain sections of the farming community. Some farmers, particularly those on first-class and developed land will receive, through the increases in the prices of meat and butterfat, as much as or more than they previously received through the operation of the subsidies. Other farmers, and particularly those on marginal and undeveloped land, will not receive adequate compensation for the increased costs. It would therefore appear that developmental work on these lands will in many cases be handicapped and hindered, with a corresponding decline of production from these marginal lands.

The Committee is of the opinion that the prosperity of the whole of the primary industries of New Zealand is bound up with the development of our marginal lands. It therefore views its own work in studying the question of lime and fertilizer as merely part of a much wider problem of the full utilization of the resources which are available for development in our back country. The Committee feels, however, that the recommendations it has to make, if carried out, will be a worthwhile contribution towards this.

The Committee's recommendations deal separately with the questions of lime and fertilizer.

Lime.

The Committee recommends:—

- (1) That the free railage on lime up to 100 miles be not restored.
- (2) That in order to assist particularly those areas where transport costs are high and where developmental work has still to be undertaken, a new system of subsidy on a graduated scale, covering both rail and road transport, be introduced, namely:—

Rail: The farmer to pay in full for the first 25 miles of all carriage of lime by rail, and a subsidy of 50 per cent. of the charges be paid on any distances between the 25th and the 75th mile, the subsidy being increased to 75 per cent. on distances beyond the 75th mile.

Road: A flat subsidy of 4d. per mile.

(NOTE.—As road haulage charges are proportionately higher for shorter than for longer distances, the effect of the subsidy will be of correspondingly greater benefit for the longer distances.)

- (3) The Committee further recommends that because the benefit of these subsidies will go mainly to those engaged in the meat and dairying industries, the Government discuss with the representatives of these industries the appropriate means of meeting their cost.

Fertilizer.

The Committee recommends:—

- (1) That the former subsidy be not restored.