

the bother in connection with the labour question, he might be prepared to take a smaller profit on sheep.

*To Mr. Luke:* The Australian miller has a much bigger outlet for the offal, and without Government restriction the price of bran and pollard in Australia rises to a fairly high level. The big demand for bran and pollard in Australia I consider is owing to the large number of stud farms for breeding sheep, and the dairying industry has developed to a big extent. The climatic conditions are different, and they have to go in for heavy feeding. The first deal made by the New Zealand Government was with New South Wales, but they found that the quality was inferior, and they arranged that future shipments should be from Victoria. From the competition I have found amongst the millers there would be very little danger of the farmers being at the mercy of the millers. The Government would prevent the rigging of the market to the detriment of the small farmer. My impression is that the competition for wheat amongst the millers has given the farmer all that the miller can afford to give him. In addition to employing more labour, wheat takes more out of the land. Quite a number of the small farmers do the ploughing and the bulk of the work themselves, and thus save expenses. I think that in the case of the small farmer who has been growing wheat for the last twenty years it has taken him all his time to come out of it. What I am looking to is the future, and if the future is allowed to take care of itself and Australia is allowed to dump flour into New Zealand, you can imagine what the position will be. A number of the more progressive mills in the Dominion are quite up to date.

*To Mr. Hornsby:* As to the statement that New Zealand wheat is not good for biscuit-making, I may say that Hudson and Co., of Dunedin, have their own flour-mills and manufacture their own biscuits, and they have a very good name. Aulsebrook and Co., of Christchurch, use largely New Zealand flour, and they have a good name. A fairly big quantity of our flour is sent to Griffin and Co., of Nelson, and their product is known throughout New Zealand. I have found that biscuit-makers can use the Australian flour, but if they can get the New Zealand flour cheaper they will not take the imported flour. I should say that it is not true that New Zealand flour is not suitable for biscuit-making, but at the same time I would not contradict the statement of an expert biscuit-maker if he went into figures on the point. I know that the statement is made that a good deal of pollard is composed of bran. After the flour is taken out of the wheat the balance is separated by the bran and pollard separators: what goes through the sieve is pollard and what goes over the sieve is bran. [Witness further described the process in detail.] I quite believe that there is more bran in the pollard now than there used to be; that has been done to meet the demand. As to the distribution of the wheat that was brought into this country, first of all the millers were asked to put in signed statements of their trade for the three previous years—their trade in flour; and the supply of wheat was issued on the warrants according to the average of the previous three years. Some of the mills bought up all the New Zealand wheat they could. The shortage trouble came along with strikes and the epidemic, and the boats were held up, and the Government could not get enough Australian wheat in to satisfy some of the millers. There has been a shortage. For that reason some of the Dunedin and Oamaru mills have been closed down. I believe there is a boat arriving in Dunedin to-day. I believe that as far as possible the Government distributed the wheat fairly. I think no fairer arrangement could have been made. In some cases, of course, the question of finance comes into the matter. Last year millers had to buy New Zealand wheat during the first four months to last for the twelve months. The northern mills bought largely Australian, and I think were pretty well treated by the Government in regard to the shipments of Australian wheat. I should say that they were rather handsomely treated, if you put it in that way.

*To the Chairman:* As to the price fixed for flour for 1919 by the Government, I have not got the information officially, but unofficially I understand that the price is £15—that is 10s. less than last year. I cannot say officially whether the difference of £3 is to be made up by the Government, but I understand it is to be made up. The £15 is the f.o.b. price, less 2½ per cent., and the price should be £18, less 2½ per cent. I understand the difference to be made up by the Government would be £2 17s. 6d. That is a new departure. It was no move on the millers part to bring this about. This arrangement is going to give the bakers flour 10s. a ton cheaper than last year. I do not think it will reduce the price of bread. It may be thought that the flour-miller makes a good thing out of it, but I would like to explain that he does not. The risk we take must be remembered. I want to explain that the baker has increased costs to meet. The new drivers' award adds considerably to the cost of bread; and my opinion is that he is entitled to the difference. 120,000 tons are used in the year—that is £360,000. I understand that the prices of bran and pollard have been fixed at £5 10s. bran and £7 10s. pollard, but I cannot say so officially. I could give you the freight on wheat in 1914 and 1919 to Auckland later on. To-day the cost is approximately 8d. a bushel. There is no Government regulation in regard to the quality of pollard we put through; that is left entirely to the miller and the consumer. Dreadnought wheat has been on the market about four years. I do not know where it originated; it is of the Tuscan variety. I should say that the men who have been fortunate enough to get good yields of Dreadnought wheat have probably made a good profit. It is difficult to say whether it will be largely grown in this district in the future. New varieties sometimes come in, and then after a few years they disappear. As to Australia discriminating against New Zealand, they publish it in their official quotation. The fact of Australia raising the price when the New Zealand price was raised may have been a coincidence, but you have to draw your own conclusion. The Wheat Board is run by men who know their business, and if I were on that Board in Australia I would say, "New Zealand is short; charge them more." The duty asked for on flour of £2 10s. a ton is the same as Australia is charging us, and the duty on their bran and pollard