

is the same as ours. In the figures I have given as to growing wheat and sheep I do not show the net profit to the farmer. I do not pretend to enlighten the Committee as to whether it is more profitable for the farmer to grow wheat at these prices or not.

To Mr. Craigie: I would not object to giving 6d. per bushel more for Velvet wheat, because we like to have it; it strengthens our flour; it makes a livelier flour.

T. McMURTRIE, North Otago Union of Flour-mill Workers, examined.

The wheat-growing and flour-milling industries mean the distribution of an enormous amount of money. In comparison with sheep-growing there is a very large additional amount of labour employed in wheat-growing and flour-milling. There is the ploughing and harrowing of the land, the sowing and reaping of the wheat, and then there is the threshing and the milling. The flour-mill in which I am working employs about fourteen hands, and there are three or four mills in this district employing about the same number of hands. If that labour is thrown out of employment it means that the men will have to look for billets elsewhere. I urge that wheat-growing should be continued.

To Mr. Craigie: I think it would be disastrous to the employees if the industry were stopped, and the consumer would have to depend on the Australian market, and strikes and droughts have to be reckoned with.

To Mr. Hudson: If there was no other remedy I would certainly advocate a moderate duty being put on imported flour. I do not know the number of men employed in the flour-mills of New Zealand.

To Mr. Luke: In a great many instances the wages remain the same as they were before the war; a bonus has been given in some cases. Our union is now before the Arbitration Court asking for a new award. What I have stated is the view of the union which I represent.

E. EVANS, North Otago Union of Flour-mill Workers, examined.

I endorse what the previous witness has said. The statements which have been made come from the flour-mill workers; we speak on behalf of them. There are between thirty and forty members in our union.

TIMARU.

FRIDAY, 28TH FEBRUARY, 1919.

J. TALBOT, South Canterbury Farmers' Union, examined.

I have been connected with the wheat-growing industry for the last fifty or sixty years. I should like to say that we do not come to you with any thought-out or deliberate opinions of the union as a whole; our opinions may be looked upon as individual opinions. The wheat position appears to me to be this: For a considerable number of years before the war started the wheat-growing industry was in a languishing condition in Canterbury. This is the centre of one of the most important wheat-growing districts. In 1913-14 the area under wheat dropped down to something like 160,000 acres, which was altogether inadequate to supply the demands in an ordinary season. It would take from 250,000 to 300,000 acres to do that. Last year the area was not sufficient to meet the demand. Before the war started we were in a languishing condition, due to the large importations of wheat from Australia. There they are able to grow wheat much cheaper than we can, and also keep their mills going and send out the offal and flour, and completely cut us out. Since the war started, to a very large extent the cultivation has increased owing to the Government's action, and more especially from motives of patriotism and an endeavour to keep the country going. Now, the question arises whether it is worth encouraging the industry under the different conditions that will arise, and what is the best thing to do under the circumstances. The question will be largely, Will the steps which have been taken by the Government induce the cultivation of a sufficient quantity of wheat now that the demand from patriotic purposes has dropped out and as we go back to normal conditions?—that is, whether the offer and the conditions now stated by the Government of 5s. 6d., 5s. 8d., and 5s. 10d. for next year's crop is going to be a sufficient inducement to carry on the cultivation of a sufficient area for our supplies.

The Chairman: Has that offer been made by the Government?

Mr. Talbot: I understand it has been made for next year's crop. Whether the Government is making any further reply from the farmers I do not know, but I understand that that is their offer, and I presume it rests with the farmers to say whether that is sufficient to induce them to grow wheat or leave it alone. I am inclined to think that this offer is not going to be very enthusiastically received. There are several reasons for that. There is considerable distrust with the Government's actions altogether in the way they dealt with us this year, which leads us to have a very considerable feeling of doubt as to what may be done during another year. My reason for saying that is that an agreement was reached at the conference held in Christchurch in April, at which the Government offered to give us a minimum price of 6s. 4d. for this year's crop, with a free market.

The Chairman: Will you tell us what Minister made the offer, and how the offer was made?

Mr. Talbot: It was made by the Minister of Agriculture. There was a large conference of representatives of the Farmers' Union, and they all had their mandate from their own union to ask for a straight-out price—7s. a bushel, without a free market. The Government, through Mr. MacDonald, said they could not give that, but they would give us 6s. 4d., with a free