

But I doubt very much, as I said, that the inducement that the Government is offering in these prices is going to create very great enthusiasm, and I am doubtful if the area grown this year will be repeated.

*To Mr. Craigie:* Certainly I think we should grow enough wheat for ourselves in this country. My view is that either one or two courses is open: either to guarantee a sufficient minimum price with a free market, or to throw over the whole control, and let us go back to the old state of things—which I do not think the State will do—and give us protection from Australia up to, say, 5s. 6d. a bushel, with perhaps a decreasing duty after that.

*To the Chairman:* As to Australia, I mean, to prohibit altogether until the market rises to 6s. here; the duty should then decrease; it should be subject to a sliding scale of duty.

*To Mr. Craigie:* I think I would rather have the minimum price, providing it is sufficiently strong. The trouble is this: that the market will be a fluctuating one. I think by having a minimum price you will have a minimum price and a certainty. The position in regard to the necessity for differentiation in regard to the different varieties of wheat has been fully recognized. I should think the cost of production now as compared with five or six years ago is nearly double. If you go in for grazing you must have a larger area of land; you could not get a living on a small bit of land. I do not think that compulsion of farmers to grow wheat would be practicable.

*To Mr. Sidey:* I do not see how it is possible in respect to the cost of production to go back before long to pre-war prices. It was generally recognized before the war that something over 4s. a bushel paid to grow wheat. As I have said, I think it would require 6s. now. I reckon that it would require quite one-third more—that is an average price. I think it would be better to have a two-years guarantee at a minimum price; from the farmers' point of view I think it would be a very good thing. If the Committee suggested a three-years guarantee I should think 6s. should be the minimum price. But I would like to say that I cannot speak authoritatively. We have not had a meeting of the farmers: I have given you my own opinion. I think 6s. and an open market. Abandoning the open market, and taking a three-years term, I would hardly like to say what the price should be. Too much encouragement of wheat-growing might result in doing much mischief: it might result in turning over land to grow wheat that should be used for other purposes. I do not think that 6s. would be too much. I think a minimum price of 6s. would be a fair price. It would be possible to establish granneries so as to tide over the surplus of one year to the next, but it is not a good policy to hold wheat very long. It might be held for two or even three years, but it has been shown in Australia that it has deteriorated very much. I do not think that financial institutions care to make advances to farmers purely for wheat-growing purposes.

*To Mr. Hudson:* If the Government commandeered the wheat I think the price should be 7s. 6d. or 8s.

*To the Chairman:* Circumstances have altered since April last. If the price offered by the Government were sufficiently high, then I presume that a straight-out price would be better, but I could not name it. I do not think the industry can continue without either Government assistance or Government protection against Australia. Bread is still the cheapest article of diet, but there seems to be such a tremendous difference between the price of wheat and the price of bread. The farmers will grow wheat if you will pay them. I do not see that there is any moral obligation in connection with it. Take a £20,000 farm, at something like £20 an acre: the land-tax alone is 3s. an acre; there is no concession made to the farmer in the way of taxation.

A. G. HART, Farmer, examined.

I take it that this Committee wishes to collect evidence from those engaged in important industries, which are necessary if this Dominion is to carry on and pay its huge indebtedness. As far as the agricultural industry is concerned it will be necessary to bring about intensive cultivation in order to increase our production, and it is going to be very hard to give advice when we realize that the general trend of farmers at the present time is to drop cultivation as far as possible and go in for permanent pasture. This, at any rate, is the opinion of the grain-producer. There are three reasons for this, and they are—(1) Unfavourable climatic conditions, which have caused trouble and loss to the farmer; (2) unsatisfactory and expensive labour conditions. The farming industry was depleted of its competent men to a greater extent than any other industry.

*Mr. Hornsby:* I do not think that is correct.

*Witness:* We take that as correct. Our most able and competent men went to the front. It cannot be denied that the men who were left, competent and incompetent, took advantage of the occasion, and consequently the labour with which the farmer has been trying to produce wheat has been both expensive and unsatisfactory. (3.) Panic legislation and political jobbery by the Government.

*The Chairman:* Draw it mild!

*Mr. Hornsby:* It is easy to make assertions but difficult to prove them. Give us proof.

*Witness:* I will give you proof. When the Minister of Agriculture met the farmers in conference last April he agreed to 6s. 4d. as a minimum price for wheat, and he also promised a free market. It is generally understood there are three varieties of wheat—(1) Lower grade, or Tuscan; (2) Velvet, or kindred varieties; (3) Pearl and red chaff. Our Chairman says that Mr. MacDonald broke faith, but I hardly put it that way. The Minister offered us 6s. 4d. as a minimum, with a free market; but he took away the free market by giving us 6s. 6d., and the grades of wheat were dropped altogether. I claim that that is a breach of faith.

*To the Chairman:* Well, I may have been wrong, and if so I withdraw it. The Minister also promised to get the Government to put the Australian tariff on wheat on a level with our own.