

He gave us to understand that he was at one with us. He said he agreed with every word we had said, and he added that he believed Mr. Massey did the same. We agreed to the 6s. 4d., believing that the Government would help us with the tariff. But after the farmers had got their crops safely in the Government broke faith with them by adding 2d. per bushel to the minimum and making 6s. 6d. the highest price a farmer could get. As a matter of fact, for 2d. per bushel the Government bought our free market, and instead of getting more duty on wheat it has been taken off altogether, or suspended for a time. That is one instance for you, Mr. Hornsby.

*Mr. Hornsby:* You do not call that political jobbery, do you?

*Witness:* I do, but I may have used the wrong word. New Zealand farmers have to pay heavy taxes to grow wheat, while the Australian farmer can trade his wheat in New Zealand without paying any taxation. Then, the North Island farmers have been given 4d. per bushel more than the South Island farmers, which is neither just nor fair. That is another piece of jobbery. The next point is this: When the farmers were asked to put in wheat they were informed by Mr. MacDonald that the price would be governed by the quantity sown, but now that the wheat is grown and pretty well harvested we are told that the price will be based on the price at which wheat could be procured from Australia, duty-free. If that is not political jobbery I would like to know what is. When war broke out we had 166,000 acres in wheat, and owing to the appeal for patriotic wheat the area was last year increased to 300,000; but now that the war is over farmers are going to farm so that they can pay their way and meet the big and unjust land-tax, which is a tax on industry and on a man's debts. If grain-growing is to be encouraged there are two ways in which the State can help, namely—(1) put our duty on a parity with that of Australia, and keep it on; (2) fix a minimum price for all milling-wheat of good quality, and give the farmer a free market to dispose of his wheat. Before the war 6s. per bushel would have been a fair minimum price for wheat, but now the cost of producing wheat has doubled. In the farming community it is estimated that the cost of producing wheat has increased 100 per cent., about 80 of which is taken up in the increased cost of labour and 20 per cent. in the increased cost of things necessary on the farm. Oil, bags, twine, and everything have gone up. At the present time it costs at least £7 per acre to produce a crop of wheat, and as 25 bushels is a fair average crop, at 6s. per bushel a man would net 10s. per acre if he was lucky enough to get the average. The Minister is fully aware of the fact that more than two-thirds of the farmers lost money last year on growing wheat. The whole trouble in the past has been that at times farmers have had to sell wheat at a good deal less than it cost to produce it, and the consumer has been fed at the farmer's expense. This, however, must stop. The farmers have never shown that they wanted to shirk the position, but the Government have never met them in a reasonable and fair spirit. I was going to suggest that the minimum price should be 5s. 6d. per bushel, with a free market. Some of my colleagues may think it is not high enough. I think, however, we would accept 5s. with a free market if we were only dealing with some one whom we could absolutely trust. I quite agree that the people must have bread and that the farmer must provide it, but it is wrong that the whole burden of producing the bread should fall on the farmer's shoulders.

*The Chairman:* I do not think that is the case. The Consolidated Fund will have to pay £2 17s. 6d. for every ton that is milled, and consequently the farmer is not bearing the whole burden.

*Witness:* They have not done it yet.

*The Chairman:* They are doing it now.

*Witness:* I would not like to say they have done it yet.

*The Chairman:* I want you to be sure of your statement when you say the farmer is bearing the whole burden.

*Witness:* From what has been said it looks like threatening the farmer that if he will not grow wheat he will be made to grow it.

*The Chairman:* No one on the Committee has threatened it.

*Witness:* Well, I may have taken it up wrong, and I beg pardon. I say that it is surely better for the Government to pay for wheat grown in New Zealand than to send gold to foreign countries and make up the loss out of the Consolidated Fund. If anything has to be taken out of the Consolidated Fund the farmer and those labouring with him should be entitled to get something instead of sending it all out of the country. When Australia was short of wheat the Government there did not suspend the duty—they kept it on, and asked the farmers to grow wheat, and they got it. A question was put to Mr. Talbot in connection with the Government's offer for next season's wheat. The Farmers' Union have had nothing authoritative on the matter, but at a meeting of the union in Christchurch a few weeks ago Mr. MacDonald was asked whether the offer of 5s. 6d., 5s. 8d., and 5s. 10d. for next season's crop would be ratified. The Minister replied, and, of course, left the question on one side altogether.

*The Chairman:* There was no answer?

*Witness:* He never answered.

*The Chairman:* Then we can understand that no definite offer has been made?

*Witness:* No, no definite offer has been made, and I doubt whether anything definite has been done as far as this year's wheat is concerned. The merchants in Timaru have no authority to buy wheat at any price.

*The Chairman:* It will be gazetted almost immediately, and will come into force on the 1st March.

*To Mr. Craigie:* Three years ago the yields of wheat in South Canterbury were small. Many were 15 bushels to the acre, and I heard of some that were down to 6. Others did not get their seed back. I am afraid that, no matter what is done between now and sowing-time, the return