

When the sliding scale of duties was instituted I was so convinced that the wheat-grower could not afford to risk the markets that I entered into negotiations with representatives of the millers throughout New Zealand to institute a general system of wheat-growing under contract, and I was able to convince them, after a lot of trouble, that it was essential to the wheat-growing industry that the grower should be guaranteed a definite price before the wheat was sown, and as a result of this new system some of the mills have contracted up to two-thirds of their total requirements for this year.

This year I have been trying to get contracts for my 1930 harvest before commencing operations, but the millers state that they are not prepared to enter into such contracts until they have some assurance that the existing sliding scale of duties will be continued. My position now is that I am ready to commence my wheat-growing operations, but I cannot afford to proceed unless I can get some guarantee as to price. The millers are those who should guarantee the price, and they are not prepared to do so until they know the Government's policy. I am faced with the prospect of having to alter my farming policy, and if I cannot commence wheat preparations now I must render my plant idle, reduce my staff, and go in for sheep.

Previously my farming policy has been to break up my wheat lands every three years. This is the most economical way to successfully farm in Canterbury, as all the land must be regrassed at intervals, and the wheat crop bears part of the cost of the grass-renewal. I have experimented with top-dressing and have watched the experience of other farmers in my district, and this, so far, has proved that top-dressing in Canterbury, owing to the low rainfall, does not give the same successful results as in Southland and the North Island.

Mr. Cockayne, of your Agriculture Department, in an address to farmers at Ashburton on the 8th instant, was most emphatic in his statements in support of this policy which I have been following.

To show the national position for a comparison of wheat as against sheep I submit the following:—

The climate in Canterbury and North Otago is unsuitable for intensive dairying, and the class of land offers two main avenues of industry to the farmer—wheat and sheep—and below are given some of the principal points when considering the relative returns of each on land of the same average value and an average wheat area of 250,000 acres.

Value of product from the farmers' point of view: Wheat—The average estimate yield per acre over a period of years is 34 bushels—total, say, 8,500,000 bushels. The average price on a stabilized market is 5s. 10d. on trucks—34 bushels at 5s. 10d. = £9 18s. 4d. per acre. 250,000 acres at £9 18s. 4d. = £2,479,167.

Sheep: The same class of land will carry approximately one and a half ewes per acre, which will yield, say, 100 per cent. lambs and 8 lb. of wool per sheep—one and a half lambs at £1 5s. = £1 17s. 6d.; 12 lb. wool at 1s. 3d. = 15s.: total, £2 12s. 6d. 250,000 acres at £2 12s. 6d. = £656,250.

This gives a balance in favour of wheat of £7 5s. 10d. per acre = £1,822,917. The farming members of this Committee will realize that I have allowed the outside return from sheep in these figures and have allowed nothing for death-rate of ewes and lambs.

Value of produce from a trade-balance point of view: Wheat—A yield as estimated above (34 bushels for 250,000 acres) will approximately fill the New Zealand requirements (8,500,000 bushels) and cut out the necessity for importing wheat. The cost to New Zealand for imported Australian wheat, estimated at 5s. per bushel if the duty were removed, would mean that New Zealand would have to find an amount of £2,125,000 to import its wheat from Australia, as against a revenue of £656,250 from the increased export of lamb and wool. This would leave a definite trade balance against New Zealand of about £1,468,750. The bran and pollard would also mean another £400,000.

No recognition is made in the above figures that flour would probably be imported instead of wheat, which would very much increase the balance against us.

*Employment of Labour.*—A very large proportion of the value of a wheat crop is absorbed by the employment of labour for the various processes—ploughing, drilling, reaping, stacking, &c.; whereas sheep require comparatively little employment of labour, except for shearing.

Taking my own case, with a possible acreage of approximately 2,500, my average work in a paddock sown in wheat is: One skim-ploughing, one cross-plough, two grubbing, two harrowing, one deep ploughing, two harrowing, one drilling, one harrowing, reaping, stooking, stacking, threshing, delivering.

During the harvest (approximately eight weeks) I would give continuous employment to over one hundred men, and for the threshing of my wheat I would expect to employ for my three threshing plants and three hauling plants about fifty men for six weeks. These men will average £1 per day and found, and are in addition to my regular staff of about sixty men.

The following is the cost of production of wheat according to the Canterbury Agricultural College figures, which are approximately correct from my own experience:—

*Cost of producing Wheat on Land valued at £40 per Acre.*

| (Estimated yield, 40 bushels per acre.)          |    |    |    |    |    | £  | s. | d. |   |
|--------------------------------------------------|----|----|----|----|----|----|----|----|---|
| Interest on land at £40 at 6 per cent.           | .. | .. | .. | .. | .. | .. | 2  | 8  | 0 |
| Land and local tax at 2d. in the £1              | .. | .. | .. | .. | .. | .. | 0  | 6  | 8 |
| Water rates at £2 per 100 acres                  | .. | .. | .. | .. | .. | .. | 0  | 0  | 5 |
| Waste land, fences, buildings, &c. (5 per cent.) | .. | .. | .. | .. | .. | .. | 0  | 2  | 9 |
|                                                  |    |    |    |    |    | £2 | 17 | 10 |   |

Contract prices: Rent (as aforementioned), £2 17s. 10d.; skim-ploughing, 7s. 6d.; disking and cultivating (two strokes), 6s.; harrowing, 1s. 6d.; deep ploughing, 12s. 6d.; cultivating, 3s.; harrowing, 1s. 6d.; drilling, 3s.; harrowing, 1s. 6d.; seed (1½ bushels at 6s. 8d.), 10s.; manure (1 cwt.), 10s.; spring harrowing, 1s. 6d.; fence-maintenance, 3s. 6d.; resow with grass and clover, £1; cutting and stooking, £1; stacking and carting, 12s. 6d., threshing (6d. per bushel), £1; carting grain at 2d., 6s. 8d.; sacks and twine, 2s. 6d.; supervision, interest on capital, incidentals, 10s.: total, £10 11s.

Any other form of protection, such as (1) a subsidy to the grower, (2) imposition of a dumping duty, (3) prohibition of importation under certain circumstances, (4) official control of wheat-marketing, are not to be compared with the sliding scale of duties. These have all been tried and have definitely failed owing to many practical considerations which affect the varying interests involved in the wheat-growing industry.

The present sliding scale of duties on wheat and flour is ideal, as it (a) ensures reasonable price to wheat-growers, (b) gives reasonable profit to millers and bakers, (c) does not raise price of bread to consumer, (d) prevents exploitation of any of the parties.

In view of the advantages to New Zealand on continuing the wheat-growing industry by (1) helping our trade balance by increasing our total value of primary products, (2) finding employment for a large body of labour principally unskilled, (3) continuing the successful farming of a large area in Canterbury and North Otago, I urge the continuation of the existing sliding scale of duties on wheat and flour.

It would be too late to prepare land for the 1930 harvest of wheat if the Government did not make a pronouncement until Parliament meets, and in our opinion the position should be cleared up at once, because unless it is there is a grave risk that sufficient wheat will not be grown for our own requirements for that year. As far as I personally am concerned, it is a matter of the utmost urgency to me, as well as to many other farmers in a similar position, that an immediate pronouncement be made.