

Mr. JOHN WILLIAM COLLINS, Secretary, Department of Industries and Commerce, examined. (No. 5.)

*The Chairman.*] You are permanent head of the Department of Industries and Commerce?—Yes.

I take it the information you will give us will be more in regard to costs and prices?—Yes, my evidence will be on the commercial side. I have tried to place myself in the position of a member of this Committee and to imagine what information would be of most service to the Committee, and I have therefore prepared a fairly comprehensive statement for the information of the members of the Committee (see Appendix II), and in doing so I have assumed that the Committee do not know all the facts concerning the wheat industry and its allied industries. Many members are very well informed in regard to the problem, and therefore I may have supplied them with information with which they are already well aware. I do not propose to read the statement, as you have been supplied with copies of it; I just propose to point out the salient features. In the first paragraph of the statement I deal with the industry prior to the Great War, and in that connection I have, in the First Schedule, dealt with the wheat-yields of the Dominion from the year 1869 to the year 1914. The area of wheat is shown in thousand acres, and the total yield in thousands of bushels, the average yield per acre, and the exports and imports in thousands of bushels. That is complete information for that long period of years. Very briefly, in the first paragraph of the statement, I have dealt with the early history of wheat-growing in New Zealand. On page 2 you will notice that I deal with the industry during the war and post-war periods; and for general purposes I have divided the study of the industry during the war and since under three headings: thus, price-fixation, Government control from 1918 to 1922, and farmers' and millers' arrangements from 1923. Under each of those headings I have tried to give the prices of the commodity and the outstanding facts in connection with the industry. That takes us up to page 13 of the statement. On page 13 I have dealt with the flour-milling industry, showing the number of firms operating in New Zealand, the yearly output of flour, bran, and pollard, and the annual requirements of millers regarding wheat. The official statistical position of the flour-milling industry is also given as to the value of the land, plant, and machinery, number of persons employed, the wages paid, the value of the products, and the value added in the course of manufacture. I have also dealt briefly with the organizations of flour-millers, showing that in 1901 they formed their first association, and I deal with their later organization (known as Distributors Limited) in 1922 and its reorganization in 1927. On page 14 I refer to New Zealand's wheat requirements—that is, if we were self-sustained—showing the amount of wheat required for milling purposes, the quantity required for fowl feed and other purposes, and the quantity required for seed. I have given the estimated requirements of New Zealand for our present population and the yield of wheat from each of the different land districts in New Zealand. The return will demonstrate the dominating position of Canterbury, which, out of a total yield last year of the Dominion of 9,541,444 bushels, produced 8,086,015 bushels. I think the schedule attached to the statement will also be of very great value to the Committee. I have already dealt with Schedule A. Schedule B shows the average prices for wheat and flour per ton received from the year 1869 to the year 1914. Schedule C shows the prices of wheat, flour, bran, pollard, and bread under Government control from 1918 to 1922. Schedule D shows from 1914 to 1928 the area in wheat, the total yield, the average yield per acre, the exports of wheat, and from 1924 to 1928 the imports of flour, and the value of wheat, flour, bran, and pollard imported from 1924 to 1928. Schedule E shows from 1911 to 1929 the prices charged for New Zealand flour. You will see that information is given for each month of the year. At the foot of that schedule is also shown the amount of subsidies paid by the Government to the millers during the period of control. The lowest amount of subsidy was £1 10s. per ton on flour from March, 1921, to February, 1922, and the highest was £4 10s. per ton from March, 1920, to February, 1921.

Can we get the sum total of the amount paid?—The total amount is included in my statement. If you will look on page 9 of the statement you will see that the total amount paid by way of subsidy for the three years 1920, 1921, and 1922 was £1,029,931. In Schedule F is shown the wheat-prices f.o.b. Lyttelton for the present month (August, 1929), and the flour and bread prices in the four main centres in New Zealand for the same month. They can be taken as accurate for to-day. The last schedule (G) shows the wheat, flour, bran, and pollard prices in Sydney, New South Wales, the London parity per bushel f.o.b.; the ruling price of flour per ton in Sydney; the prices of bran and pollard per ton; the export prices in June, when the slump in the world's wheat-market sent the price of flour down to as low as £8 15s. a ton and wheat went down to 4s. 7½d. per bushel. There has been a very distinct rise in prices since then, and the value of flour in Sydney to-day is about £14 a ton. I submit this statement in the hope that it will be helpful to the Committee.

New South Wales is not the great flour-producing State, is it?—Victoria has been the main exporting country for New Zealand.

I think we ought to have the Victorian figures.—The New South Wales figures have been given because it is rather remarkable that in the last six months we have purchased more flour and wheat from Sydney.

If we had the Victorian figures it would be as well.—At the foot of Schedule G I have given the prices in Victoria on the 8th August, 1929.

Is that the whole of the statement you propose to make?—Yes. I am at your service as far as questions are concerned.

It might be as well for us to have a look through the statement and schedules before we ask any questions.

*Mr. McCombs.*] Could you give the added value in connection with the milling industry for pre-war and post-war periods?—That is the flour-milling section. I have only given you the most recent statistics for the period ended 31st March, 1928.