

Was there not a large quantity of wheat grown in 1922?—Yes. •

What was the factor operating?—The factor that operated was our price.

*The Chairman.*] What was the price?—I believe it was 5s. 6d. But, again, that is a matter that is on record. There was a gazetted fixed price.

The Government guaranteed 5s. 6d.?—There was a guaranteed price, and I think it was 5s. 6d.

*Mr. Waite.*] Was there not another factor also operating? Was there not the economic factor of what the land would produce if wheat were not grown on the land?—Yes.

What were the prices in 1921 and 1922 for wool, mutton, and beef?—Well, that was the period of the slump. Wool was then down about 3½d. a pound. At any rate, it was down pretty low.

What I want to get at is this: Are you of opinion that as a result of the two factors—a very low price for meat and wool, and a guaranteed price by the Government for wheat—that it then paid the farmer better to grow wheat? Was it the guaranteed price or the slump that made the Government control so successful in 1922?—I think it was the two factors operating together. The farmer was suffering from the effects of the slump and other things, and he knew he was absolutely dead-certain of getting his price for his wheat. He knew that as long as he produced the goods he would get the price. I should say it was about fifty-fifty between those two factors.

It was not entirely because of the Government control?—No. I do not think it was entirely because of the Government control.

Or the fixed price?—No, not entirely. But what I do want to say is this: that that fixed price gave him certainty. He was certain of that fixed price. He was absolutely certain he would get the money for his wheat.

*Mr. Jenkins.*] If there were no protection given, would it drive the wheat industry off the market?—I would not say it would actually drive the wheat industry off the market, but I think it would kill the wheat industry in New Zealand. It would kill the wheat-growing. But, at the same time, if there was free-trade in wheat to-day, and no protection either for wheat or flour, there would still be a certain amount of wheat grown. There would still be a certain amount of wheat grown even if the main object of the farmer in Canterbury is to produce prime Canterbury mutton and lamb. It is almost essential, especially on the heavier land, in order to bring the land into profitable use for pastoral purposes, to grow wheat. I would say that there would always be in New Zealand from 100,000 to 150,000 acres in wheat. But beyond that I do not think the farmers would grow wheat. At the present time there are over 300,000 acres in wheat.

You must realize that there must be a limit to the protection?—Yes. Our policy is mildly protectionist; it is not extreme protection.

Of course, you must realize that there are difficulties in connection with protection. Other countries might hit back. We have to export our dairy-produce to other countries, for instance. Our dairy-produce might be affected. Other countries might place a barrier against our butter?—I quite agree, sir.

During one of those years was there not a subsidy paid to the millers?—Well, that was not quite the position. The position was that we guaranteed a price to the farmers, but the cost of producing flour under labour difficulties and various other causes was such that we asked the miller to sell his flour at a lower price than he would be justified in selling it at, and we made up the difference to the miller.

Could we buy wheat from Australia on forward delivery?—I do not quite know what you mean by "forward delivery." We buy from Australia to a certain extent on forward delivery now, but not for twelve months hence. I do not think that would be much good under present marketing conditions.

But other countries buy on forward delivery?—Wheat might be bought on forward delivery largely during the season, but I do not think it would work at all to buy it for forward delivery twelve months hence.

Could we not get supplies of wheat from Canada? Are we bound to Australia? Canada is one of the greatest countries for wheat.—We have had very little from Canada. You must also take into account the fact that if you go to Canada you load your price with the freight.

I am looking at Canada from the point of view of an equitable exchange. Canada takes large quantities of our butter?—Yes. I am quite with you there if we had a clean slate to start with; but we have been committed to a policy of protection, or mildly protectionist, ever since I have been in the country, and I was born in it.

*Hon. Mr. Cobbe.*] When did you take over control of the wheat industry?—We took it over from the 1st January, 1918.

At a fixed price?—Yes.

What was the price?—I think for that year it was 5s. 6d. or 5s. 10d.

The position was somewhat different then?—Yes.

Are conditions more difficult now?—No; I think the conditions are easier to-day than they were then.

If the conditions are easier, as you say, do you think that the price at present paid is too high?—Well, that might be so. The farmers probably could do with a less price than what is being paid to-day.

It states here in the tariff [reading from tariff] that the duty on wheat is 1s. 3d. if the value at the port of shipment is 5s. 6d., falling or rising by ½d. for every ½d. by which the value rises or falls.—Yes; that is the imported price. The effect of the sliding scale—the present duties—is to stabilize the price of wheat round about 6s. f.o.b. Now that basis may be too high. You might effect your object if the basis of the price was in the vicinity of 5s. 6d. That is a matter of calculation. It is a matter of calculation as to what it should be. If it were 5s. 6d., that would