

Do you think the farmer gets the benefit of the present protection?—Yes, I do. I am absolutely certain of that.

How can you account for the fact that wheat in Melbourne is 5s. 9d., and in New Zealand the average price is 6s. 3d. There is only a difference there, at most, of 6d. a bushel?—I do not like taking those figures without a good deal of critical examination. One of the difficulties in comparing Australian figures with New Zealand figures is that there is a difference in charging for the sacks. The New Zealand figure to-day, as far as I remember, is 6s. 3d. f.o.b.

That is the average?—Yes, that is the average. But on to that you must add the price of the sacks. The New Zealand quotation is “sacks extra”; the price quoted in Australia is “sacks in.” That might make a difference.

It is 5s. 9d. on rail in Melbourne, not f.o.b.—Then, it will cost 1d. to bring it from rail to port, or it might be more.

You are firmly of opinion that the farmer benefits to the full amount of the protection?—Yes, to the full amount.

Well, there is only a difference of 6d. a bushel between the two?—I would not like to admit that without dissecting the terms and conditions. Take sacks alone: The Australian farmer sells his wheat “sacks in,” and the New Zealand farmer sells his wheat “sacks extra”; that might easily make a difference of 4½d. or 5d. a bushel.

Well, how do you account for this: In Melbourne the wheat is 5s. 9d., and in Melbourne the flour is £13; in New Zealand the wheat is 6s. 3d., and the flour down south is £15 16s. 10d.?—There again I would not like to express an opinion without knowing all the conditions.

Those figures are supplied by a Government officer.—What I say is that it is impossible to express a definite opinion unless you know the conditions. If I buy flour in Australia at so-much, and if I want delivery, then a delivery charge is put on to it. That does not occur in New Zealand. If I am living at Sumner and I buy my flour at £15, it is delivered at Sumner. In Melbourne if I bought it at £15 I would have to pay a delivery charge if I did not pay cash on the nail.

Does not that apply in New Zealand?—No, it does not apply in New Zealand.

The farmer here gets protection, and yet the farmer there gets the same price.—That is not so. I say the farmer here gets the full benefit of the protection. He is getting more for his wheat.

How do you account for the difference in the price of bread: In Melbourne the 4 lb. loaf is from 8½d. to 9d. In New Zealand the 4 lb. loaf is 1s.?—You can buy it in Dunedin at 10d., and you can buy it in Wanganui at 9½d.

It is 1s. 2d. in some places?—Yes.

You rather suggested that the Government scheme in connection with the production of wheat was successful when you were in charge?—Yes, I think so.

You mentioned the price as being 5s. 6d. a bushel?—5s. 10d.

Did it not get up to 7s. 6d.?—Yes.

One lot was 7s. 6d.: was not that the reason for the increased acreage?—No. Each scheme was self-contained for one year; at the end of each year we had a fresh bargain with the farmers.

According to the figures we have here, the price originally was 5s. 10d., and it rose to 8s. a bushel, which was probably largely responsible for the increased acreage.—We never paid 8s. a bushel.

Was the offal—the bran and pollard—controlled at the same time?—Yes.

You said that control was abolished in 1922. You are aware, of course, that the Government paid the millers heavy subsidies at the same time that those high prices were in vogue?—Yes, that may be so.

That must have made things pretty expensive in 1920?—That was because we were fixing the price of bread below the economic price of wheat.

To subsidize the cheap loaf?—Yes, to subsidize the cheap loaf.

*Hon. Mr. Forbes.*] What was the price of the cheap loaf?—I think it was 1s. 3d. in those days.

*Mr. Bitchener.*] What quantity of wheat do you say would be grown if there was no protection?—150,000 acres.

Are you not too high in your estimate? At the present time there is about 260,000 acres grown. Are you not too high in your estimate as to the probable acreage?—It might be too high.

My point is that you are overestimating it?—I may have been overestimating it, but I have some reason for my estimate, on account of the pre-war figures. You will find that the lowest pre-war acreage, when the protection was very small—on the basis of £1 a ton on flour—was, I think, 163,000 acres.

Would you be surprised to know that there was 158,000 acres in 1914, 177,000 acres in 1920, 166,000 acres in 1925, and 151,000 acres in 1926. I think you will agree that, on those figures, your estimate is too high.—It probably is so. I gave that evidence offhand. What I want to say is that without protection you would still have some wheat.

*Mr. Macpherson.*] Would it not be asking the farmer to make a very big sacrifice if he is placed in the position of having to grow wheat without protection?—I think it would be confiscation to now ask him to grow it without protection.

*Mr. McCombs.*] There is one point I would like to have cleared up. Do you say that the price of flour in Australia is about equal to the price of flour in New Zealand?—No.

Let us get that point cleared up.—Let us estimate on the basis that the price of wheat in Australia is 5s. and that the price of flour is £12, and that the price of wheat in New Zealand is 6s. and the price of flour is £15 10s. f.o.b.

It is more than that in Auckland?—Oh, yes; what I am doing is comparing those two prices. One would think, on the price of wheat, that the New Zealand price should more closely approximate to the Australian price: that is the argument.