

But that is not the difference in the prices of wheat?—That is quite easily explainable by the fact that the miller in Australia buys his wheat “sacks in,” while the New Zealand miller buys his wheat “sacks extra.” I went into those figures in detail some years ago, and I found that there is not the disparity that appears on the surface.

Mr. J. G. RUDDENKLAU examined. (No. 10.)

*The Chairman.*] What is your full name, Mr. Ruddenklau?—J. G. Ruddenklau.

And your address?—Waimate.

Will you proceed with your statement?—I would explain that my evidence is offered simply on my own account as a wheat-grower. I understand that the Wheat Pool is also submitting evidence, but as I am not a member of the Pool I do not know what evidence they are giving. I thank you for agreeing to take my evidence on the wheat industry, and I respectfully submit the following for your consideration, and I might mention that during recent years I have probably been one of the largest individual wheat-growers in the Dominion. I have divided my arguments under the first four headings of the order of reference and will deal with them in that order.

(1) *The advantages from a national standpoint of the policy of the Dominion being self-supporting as far as its wheat requirements are concerned.*

(a) *Foodstuffs.*—If we do not consistently grow sufficient wheat for our own requirements we become automatically dependent on outside sources for one of the most important of our foodstuffs, and in a time of a general shortage or any national or industrial upheaval quite outside the Dominion our population would be liable to serious exploitation and might be faced with bulk purchases of flour-supplies at famine prices, while the violent fluctuations that are continually occurring in the world's main wheat-markets would be immediately reflected in our own trade and cost of bread. As New Zealand has proved itself to be quite capable of producing its own bread-supplies at a price that is certainly quite reasonable, that it should continue to be self-contained and independent in this respect is, I think, a statement of fact that does not require enlarging upon.

(b) *Trading Balance.*—On broad principles the more we produce ourselves the less we require to import and the greater will be our proportion of exports to imports. The wheat requirements of New Zealand appear to be about 8,500,000 bushels, which, at an average price of 5s. 10d. on trucks, is approximately £2,500,000. If, on the other hand, instead of New Zealand producing this amount of wheat, it imported its equivalent in flour, the value of its imports would be proportionately greater. Should our wheat-growing lands, which are practically confined to Canterbury and North Otago, be used instead for the production of lambs and wool (it is not suitable for dairying, as in the case of similar high-priced land in the North Island), the increased value of our products from these would fall far short of the above amount. I have set out this argument in more detail in a statement I submitted to the Minister of Customs on the 14th January last at Dunedin, and I propose to submit a copy of this statement to you for your consideration.

(c) *Labour.*—The costs of wheat-growing are very largely the result of wage payments to workers, and quite a large proportion of these workers are comparatively unskilled. I propose to submit to you later on in my evidence a schedule of costs for the production of wheat, and you will see what a large sum is represented in the wages paid to workers when New Zealand is producing sufficient wheat for its own requirements.

(d) *Allied Trades.*—In addition to the actual farming for the production of our wheat requirements, the following trades and industries are either wholly or partly dependent on such production: Milling, grain and milling stores, pig and poultry raising, threshing, railage on wheat, hauling, blacksmithing, draught-horse breeding, saddlers, agricultural-machine manufacturers, binder-twine, and so on; and it is difficult to place any exact boundary as to which allied trades are not affected.

(e) Small farms in the wheat-growing area can be profitably worked if wheat is grown in scientific rotation as a profitable crop. These areas are not suitable for intensive dairying, as in the North Island; and if wheat is grown the small farmer can not only earn a fair living himself, but can provide employment for members of his own family who would otherwise require to seek employment elsewhere.

(f) It would be a great mistake for the whole of New Zealand to confine her principal production almost exclusively to dairying and sheep if a further important product can be produced economically in a specified area, as this gives a certain amount of stability to general trade in the event of the world's markets for dairy and sheep products receiving a serious set back for any reason. And although, for reasons which I shall give later on, I have changed over my own operations from wheat to sheep, it is yet to be proved if this will be profitable or the reverse. In fact, I have seen quite a number of statements made by experts that it is impossible to carry on sheep-raising exclusively at a profitable figure on land capable of producing wheat.

(2) *Whether the wheat-growers of the Dominion require protection or State assistance to enable them to market their product in competition with the importations from other countries.*

(a) Wheat can be grown principally in Canterbury and North Otago. The climate in other parts of New Zealand is less suitable for wheat-growing, and even in the two districts named the climate is such that the grain matures much more slowly than in Australia. This one factor alone renders it inevitable that under normal conditions the costs of production in the Dominion are infinitely higher than in Australia. In New Zealand the climate makes it imperative that the wheat crop be cut, stooked, stacked, and threshed (four separate operations); while in Australia combined harvesting (one operation) gives the same result, as the grain matures while the crop stands.