

9. RECOMMENDATIONS.

In dealing with the numerous aspects of the industry under the various subheadings set out in the body of the report the Committee has endeavoured to discuss as briefly as possible :—

- (a) The position of the industry and the farmer as it appears to-day :
- (b) The main suggestions for correcting existing anomalies or overcoming difficulties.

At the same time advice has been offered on several points which cannot be dealt with in the recommendations. The Committee feels that it has covered a wide field in its investigations, and in doing so has given due consideration to all representations made by interested parties. Districts and works which were not visited and where representatives had not the opportunity of tendering evidence duly came into consideration before any final decision was made.

The diversified conditions under which the industry labours rendered the task of the Committee, from the outset, a difficult one. If it had been possible to generalize to any degree, the Committee feels that some reorganization within the industry would have been possible and would have been reflected in better conditions both within and outside of the industry. Under the circumstances the Committee's hands have been somewhat tied. Despite these adverse factors, a series of important decisions have been formulated which will be fully detailed in the recommendations to the Minister set out hereunder.

The Committee is of the opinion that if these recommendations are adopted the changed conditions following their being brought into operation will be of the greatest benefit :—

- (a) To the Dominion from the point of view of both national production and prevention of deterioration of land :
- (b) To the farming community as a whole :
- (c) To the agricultural-lime-producing companies.

Recommendations follow in detail :—

(1) *As to the most efficient and equitable manner in which Government assistance should be given to the production and consumption of agricultural lime.*

The Committee is of the opinion that the present system of subsidy by way of free railage on agricultural lime is inequitable in that it benefits only one section of the farming community, also that it is uneconomic in its present form in its encouragement of over-lapping in railage. To correct the first anomaly the Committee considers that a subsidy should also be paid covering a proportion of the cost of transport other than by rail. After due consideration was given to all possible alternatives, the Committee is of the opinion that the most efficient and equitable manner in which Government assistance should be directed would be by the granting of a subsidy on transport costs only.

The percentage of subsidy recommended by the Committee is 75 per cent. on rail transport and 60 per cent. on other methods of transport.

It is estimated that the cost of the scheme to the Consolidated Fund will, in the first year, amount to £170,000 based on an output of 500,000 tons. This figure may be expected to increase in subsequent years due to the stimulating effect the subsidy is expected to have on the demand for agricultural lime.

A tabulated statement is appended showing how the cost of agricultural lime landed at the farm gate under the suggested plan compares with the cost under the present system of free railage. A precis of the principal conditions of the suggested scheme is given in Appendix A.

EXAMPLES OF THE COST PER TON OF LIME UNDER THE NEW SCHEME OF SUBSIDY AS COMPARED WITH PRESENT COSTS.

Take 14s. as the cost of lime per ton. Railage figures actual. Transport figures based on No. 4 Transport District Schedule rates.

(a) *Where Rail Transport only is used.*

|                       |    |    | Miles. |       |       |       |       |       |       |       |       |
|-----------------------|----|----|--------|-------|-------|-------|-------|-------|-------|-------|-------|
|                       |    |    |        |       |       |       |       |       |       |       |       |
|                       |    |    | 10.    | 20.   | 30.   | 40.   | 50.   | 60.   | 80.   | 100.  | 120.  |
| Railage costs         | .. | .. | s. d.  | s. d. | s. d. | s. d. | s. d. | s. d. | s. d. | s. d. | s. d. |
| Total costs           | .. | .. | 2 6    | 3 10  | 5 3   | 6 0   | 6 8   | 7 4   | 8 10  | 10 2  | 11 8  |
| Cost under old scheme | .. | .. | 16 6   | 17 10 | 19 3  | 20 0  | 20 8  | 21 4  | 22 10 | 24 2  | 25 8  |
| Cost under new scheme | .. | .. | 14 0   | 14 0  | 14 0  | 14 0  | 14 0  | 14 0  | 14 0  | 14 0  | 17 10 |
|                       |    |    | 14 8   | 15 0  | 15 4  | 15 6  | 15 8  | 15 10 | 16 3  | 16 7  | 16 11 |

(b) *Where Road Transport only is used.*

|                             | Miles. |       |       |       |       |       |
|-----------------------------|--------|-------|-------|-------|-------|-------|
|                             |        |       |       |       |       |       |
|                             | 5.     | 10.   | 15.   | 20.   | 25.   | 30.   |
|                             | s. d.  | s. d. | s. d. | s. d. | s. d. | s. d. |
| Cartage costs .. ..         | 5 0    | 8 4   | 12 0  | 15 0  | 17 6  | 20 0  |
| Total costs .. ..           | 19 0   | 22 4  | 26 0  | 29 0  | 31 6  | 34 0  |
| Cost under old scheme .. .. | 19 0   | 22 4  | 26 0  | 29 0  | 31 6  | 34 0  |
| Cost under new scheme .. .. | 16 0   | 17 4  | 18 10 | 20 0  | 21 0  | 22 0  |