

shall be unable to complete hearing the evidence of which notice has been submitted inside another six months, so that, having completed our investigations in the South Island and the East Coast area of the North Island, we have deemed it expedient to report this scheme to Your Excellency without further delay in this our second interim report.

Typical cases of the relative costs of transport of manure are :—					Per Ton.
					£ s. d.
(a) Low-country farm moderately near works	..	..	..	..	0 17 6
(b) Front hill country 100 miles from works	..	..	..	..	1 15 0
(c) Hill country 200 miles from works	..	..	..	..	2 9 6
(d) Distant hill country	..	..	..	..	5 0 0

The amount of return which can be expected from applications of manure will be relatively the same from similar soils and under similar conditions, no matter whether near to or distant from a fertilizer-works. The result is that, no matter how prices are varied, the hill-country farmer will always be at a disadvantage in endeavouring to increase his production.

Four methods of effecting a reduction in transport costs have been presented :—

- (a) A standardized price of, say, £8 10s. per ton throughout New Zealand so that the nearer farmer pays part of the costs of the distant farmer; or
- (b) Classification of the land which is marginal, and the application of a graded subsidy accordingly; or
- (c) The establishment of free railage points, as has been done in the South Island; or
- (d) The application of a freight maximum.

Alternative (a) is probably the ideal method, but we do not feel that it is practicable in the present conditions of fluctuating and uncertain costs of both manufacture and transport, as both these costs must be known, and also more facts in regard to the application of manure in various districts than are at present known.

Alternative (b) was recommended by the Agricultural and Pastoral Committee of the House of Representatives, but we do not consider it practicable to classify marginal land as recommended by that Committee. If it is not possible to classify such land easily and simply—and we cannot see any such possibility—the scheme becomes impossible of application.

Alternative (c) of free railage points does not solve the problem in the North Island, although it is reasonably satisfactory in the South. Except where there is a good railway network of both trunk and branch lines, free railage points would mean a premium only to lands near railways. As the bulk of the cost is road haulage, this would effect little improvement.

Alternative (d) of a freight maximum is simple of administration, though it means that some rich low-country lands will be included with the hill country. However, we feel that this anomaly is too small to constitute a defect in the scheme, and we consequently recommend it.

We have had a map prepared for us showing the approximate average freight costs—road, rail, and sea—in the various parts of New Zealand, and from it we consider that the application of a 30s. maximum for freight will provide the necessary relief. We attach hereto a map showing the approximate areas of New Zealand which will benefit under such a maximum.

We recommend, therefore, the fixing of a maximum freight charge of 30s. (thirty shillings) per ton to cover the combined road, rail, and sea cost of transport on artificial fertilizers, the farmer to pay the full costs of transport and to be reimbursed to the extent of any payments made exceeding 30s. per ton on production of his receipts, such payments to be a charge on the Consolidated Fund.