

tically all of this employment would be lost by giving up wheat-growing in New Zealand. Is it not worth while encouraging an industry which shows a gross return of about £2,000,000 and requires so much labour in its production? By the time the crop arrives at the seaboard in the form of flour, bran, pollard, and fowl-wheat it is worth—120,000 tons flour, £1,800,000; 23,000 tons pollard, £161,000; 30,000 tons bran, £150,000; 500,000 bushels fowl-wheat, 500,000 bushels seed-wheat, £300,000: total, £2,411,000. In 1918 it is impossible to arrive at a comparison of what Australian flour would have cost, as there are no quotations available. The following is a comparison between Australia and New Zealand for 1917:—

<i>Australia.</i>						£	£
120,000 tons flour	...	...	...	...	...	1,860,000	
23,000 tons pollard	...	...	...	...	...	184,000	
30,000 tons bran	...	...	...	...	...	225,000	
Extra freight on 12,000 tons bran and pollard transhipped to New Plymouth and other ports	...	...	...	...	...	8,700	
Extra freight on 24,000 tons flour transhipped to New Plymouth, Nelson, West Coast, and other ports	...	...	...	...	...	17,400	
							2,295,100
<i>New Zealand.</i>							
120,000 tons flour, c.i.f., North Island	...	...	...	...	...	1,770,000	
23,000 tons pollard	...	...	...	...	...	167,900	
30,000 tons bran	...	...	...	...	...	124,500	
						£2,062,400	
Less 40,000 tons flour consumed South Island, on which there is no freight	...	...	...	...	...	£29,000	
Less 15,000 tons bran and pollard consumed South Island, on which there is no freight	...	...	...	...	...	10,900	
						39,900	2,022,500
Thus the saving to New Zealand by growing our own food requirements is							£272,600

In addition to which all the labour expended contributes to the benefit of our own people. The foregoing is a comparison with Australia in a year when they had a good rainfall, and they were manufacturing large quantities of flour for export. Yet the demand for mill offals in Australia exceeded the supply. If we had actually drawn our requirements of bran and pollard (53,000 tons) our buying would have advanced the price in Australia and made the comparison still more in favour of New Zealand. Where would we look for bran and pollard in the event of a drought in Australia? The New Zealand Government bought Australian wheat in 1918, which cost them approximately 6s. 5d. per bushel landed in New Zealand without duty, against the New Zealand price, to the grower 5s. 10d. per bushel. Australia knew we were short, and dictated a price that was higher than ours, knowing that we must accept it. This year New Zealand has advanced the price to our farmers to 6s. 6d. per bushel. Australia has responded with an advance correspondingly equal to 6s. 9½d. landed. It appears that, although we have a large surplus of wheat almost at our door, we are forced to pay a high price for it. In normal times, before the war, when a shortage took place in New Zealand it was made up principally with Australian flour, because the Australian miller received a higher price for his bran and pollard, and could thus sell flour at a lower price than the New Zealand miller. Even last year, to encourage the Australian miller to make flour for New Zealand the Wheat Board quoted the Australian miller wheat 1d. per bushel lower than to New Zealand millers. We can expect the same competition as soon as wheat-control in New Zealand is abandoned, and an influx of Australian flour. To counteract this, New Zealand wheat must be bought below the price of Australian to the difference in the value of Australia's bran and pollard as compared with New Zealand. Australia is nearly always short of bran and pollard. Let New Zealand give up wheat-growing and we will require to import at least 53,000 tons of bran and pollard. If we draw it from Australia, where they are always short, we immediately cause the market to advance, and raise the price on ourselves. We predict that if ever the time comes when New Zealand gives up wheat-growing, any saving we make in buying Australian flour will be lost in the extra price we pay for bran and pollard. In times of drought Australia has paid over £10 per ton f.o.b. New Zealand for our offal, but this will be of no use in later years if New Zealand wheat-growing declines; in fact, a drought in Australia under these circumstances will place the New Zealand dairyman in a very awkward predicament. Australian millers have the markets of the world as an outlet for flour, and have large mills to cater for this trade; but when trade is slack it quite often happens that they will sell to New Zealand at £1 per ton less than they sell in their own market. To dump 10,000 tons of flour in the North Island is nothing to these large mills, as they are clearing their stocks and making their profit out of local trade; but it can be imagined what effect this has on the New Zealand trade. Our market then becomes oversupplied, New Zealand mills close down, and then there commences a scarcity of bran and pollard. This refers to the time before New Zealand and Australian wheat was taken over by the various Governments; but if Australian millers can again secure a good price for flour in their own market, and if New Zealand millers are later squeezed out there is no reason why Australia should not get the same good price from New