

guaranteed, or unless he is allowed to purchase his raw materials on the open market, which we would much prefer. Wheat is our staple requirement in producing our supplies of eggs, and it is costing us more than we can be sure of getting in our return from the local market, with overhead charges added. We also wish to call attention to the cost in New Zealand of other foods, chiefly maize. We can buy it on the open market much more cheaply than it can be produced for in the Dominion. We ask the Committee to consider the maize question as well as that of wheat. I will ask Mr. Jennens to put before you some facts and figures.

PERCY JENNENS examined. (No. 12.)

*The Chairman.*] I understand you will state more in detail the case for the poultry industry?—Yes. I have been closely associated with the industry for the past eight years, and as chairman for some time of the Wellington District Poultry-farmers' Association and acting-secretary and honorary supervisor of the Levin Poultry-keepers' Association I have had ample opportunity to observe the many difficulties through which the industry has passed from time to time. Those troubles have been directly the result of the high cost of production, due to the costs of fowl-food; and, while subsidized export may be a palliative for a few weeks, the result cannot be satisfactory. The costs of production, added to the export costs, will absorb the full price realized on the Home markets. Export cannot extend over a greater period than three months unless much lower prices can be accepted. The producer is therefore faced with huge quantities of eggs on the New Zealand markets during the months of November, December, and January, and usually February, all of which are produced at a loss on feeding-costs only, without provision for labour or overhead charges. My personal conviction—and I believe I express the views of the majority of the poultry-farmers in the North Island—is that subsidy of this kind on export is wrong. Circumstances of other interests being protected may be the factor governing the need for the subsidy here; but I feel sure that poultry-farmers would gladly carry their own risks of export if the costs of production were based on free importation of the necessary foods; and it is questionable whether there should be any duty whatever on foodstuffs required in any of our primary industries. Costs of importation should be sufficient protection for any industry in conflict. High costs of production of eggs applies to the whole of New Zealand, but more particularly to the North Island, where transport costs of food from the South must be added. Prices of fowl-wheat and wheat by-products are apparently controlled, and it is claimed that the advancement of the poultry industry has secured for the wheat-owners a successful second-quality wheat that provides a better market to-day than milling-wheat had realized. Wheat grown in the North Island is priced in parity with South, plus costs of transport. With reasonable cost of production the poultry industry is capable of huge expansion. Climatic conditions are favourable, and with encouragement of small areas devoted to mixed farming the Home markets can absorb all the eggs we can export. The markets for pulp have not been tested under other conditions than prohibitive costs of production. Pulp could readily absorb the surplus after export was finished; and although export of pulp may not show a profit, even at 10d. per dozen, there is the advantage of relieving the local market. That is impossible to-day, because it is generally accepted in my district that production costs for food alone 1s. 2d. per dozen. It does not seem reasonable to suggest that elimination of poultry-farms is the solution of the difficulty when the high costs of production are the cause, and are due to the protection of another industry. So much capital has been invested in buildings and plant, mainly on small areas of land, yet the owners are faced with ruination if relief is not forthcoming. Little inquiry is made for such properties unless the portion of improvements applicable to poultry-farming is removed to enable sales to be made. Poultry-farmers' organization to buy food has been mentioned. I hardly need repeat that this question is centred around the protection granted to another industry; and whilst the holders of wheat and its by-products have that protection it is futile to suggest that poultry-farmers could deal any better than the commercial organizations which are already trying to obtain lower prices for the needs of poultry-farmers through trade competition. The fact that prices of wheat products are fixed in varying parts of New Zealand, and that, no matter how much transport charges may lessen the cost delivered from the port of origin, the fixed price at destination must be paid, surely indicates that wheat-holders have the key to the situation during the continuance of tariff protection, which bars competition. No explanation is offered for the rise of 2d., and in some instances 3d., per bushel which took place from the end of July, when "free" wheat finished. The situation is serious and demands early consideration. I am aware that the requests of the poultry-farmers will have the full support of dairy-farmers, pig-breeders, and others interested as users of the same commodities as the poultry-farmers. That the conditions are real, and not exaggerated, is substantiated by statements of account submitted to the Hon. the Minister of Agriculture. Statistics collected on behalf of the Agriculture Department will, I think, confirm my view of the financial misfortunes of the present-day poultry-farmers, one, at least, of whom is submitting his own statement and offers himself for examination of evidence. The day-old-chick trade has in the past been of assistance financially to the poultry-farmers whose business is extensive enough to enable them to cope with it in large quantities; but there is plenty of evidence that this year there is little business doing, owing to uncertainty and that lack of confidence which is regrettable in any industry. My conclusion is that relief is imperative, and the condition of the industry demands urgent consideration.

*Mr. Waite.*] What price do you consider that you would need to be able to get wheat for to enable you to export?—I should say a price round about 5s. 4d. or 5s. 6d., Wellington.

Could you do an export trade then, with wheat round about that price?—I think so.

Without a Government subsidy?—We are not asking for Government assistance. If we have free importation of wheat we do not want any subsidy in any shape or form. We are quite prepared to take our own responsibility.