

Can you supply the Committee with a copy of the tariff relating to the subject? Each member of the Committee should have one.—Yes, sir, certainly. Well, with respect to the duty on wheat, it depends upon the current domestic value at the port of export to New Zealand, and the value of 5s. 6d. per bushel is taken as the basis. If the value is 5s. 6d. per bushel the duty is 1s. 3d. per bushel, and the duty rises and falls by $\frac{1}{2}$ d. per bushel for every $\frac{1}{2}$ d. by which the value falls or rises. With respect to flour, the duty again depends upon the current domestic value at the port of export to New Zealand: £13 10s. for a short ton is taken as the basis; when the value is £13 10s. the duty is £3 10s. per ton. The duty rises and falls by 1s. per ton for every 1s. by which the value falls or rises. There is one difference between flour and wheat. With respect to flour, if the difference between the current domestic value at the port of export and the f.o.b. export cash price is more than £1 5s., then the basis of duty is the f.o.b. price plus £1 5s. That is taken as the current domestic value.

Mr. Waite.] Would you mind stating that again?—In the case of wheat the duty is always determined by the current domestic value, and in the case of flour it is determined by the current domestic value in a strict sense, except when the difference between the current domestic value at the port of export and the f.o.b. export cash price is more than £1 5s., when the current domestic value is taken on that f.o.b. price plus £1 5s.

If the current domestic value at the port of export is £10 per ton you could not add more than the £1 5s.?—To the £10?

Yes.—That is right.

To assess the duty?—That is right. The current domestic value is the value at which the goods are sold for cash in the ordinary course of business for home consumption at the port of export, and at the time of export.

The Chairman.] That is the whole position?—Yes, sir.

Hon. Mr. Forbes.] What have been the duties during the last two or three years?—The average duty?

Yes.—I have that here. I have a return here. (See Appendix I.)

Will you put in that return?—Yes, sir; and I will read from it now. Prior to the sliding scale coming into force in 1927 the average duty was £3 per ton; in 1928 the average duty was £2 10s. 7d. per ton; and for the first six months of this year it was £2 19s. 7d. per ton. That is for flour. With regard to wheat, the average rate prior to 1927 was 2s. per cental; in 1928 it was 1s. 3d. per bushel; and for the first six months of this year it was 1s. 5 $\frac{1}{2}$ d. per bushel. The duty used to be 1s. 2 $\frac{1}{2}$ d. per bushel; in 1928 it was 1s. 3d., and for the first six months of 1929 it has been 1s. 5 $\frac{1}{2}$ d. I may say that, as a matter of fact, this duty has given us a considerable amount of trouble, and especially in connection with Canadian wheat and flour we have had difficulty in ascertaining the real facts.

Mr. Jones.] Would the Committee be right, Dr. Craig, in assuming that the present duty is practically the same as the previous duty?—Well, the average duty, as I have said, was originally £3 per ton on flour; in 1928 the average duty was £2 10s. 7d., and in 1929 it has been £2 19s. 7d. The duty on wheat was originally 2s. per cental—that is practically 1s. 2 $\frac{1}{2}$ d. per bushel. In 1928 it was 1s. 3d., and for the first six months of 1929 it has been 1s. 5 $\frac{1}{2}$ d. Those are the average duties. The duties vary according to the countries from which the wheat or flour comes. Those are the average rates.

What is the highest and the lowest?—I have a statement here showing the total quantity of wheat imported into New Zealand which paid duty under the present sliding scale of duty, and the amount of duty paid during the period 1st November, 1927, to 30th June, 1929. This return gives the number of bushels and the rates of duties, arranged in steps—under 3d., 3d. to 5 $\frac{1}{2}$ d., 6d. to 8d., and so on—and separating Australian wheat from Canadian wheat. (See Appendix I.)

Will you provide us with copies of those returns?—Yes, sir. How many copies do you want?

The Chairman.] Say, twenty copies.—Very well.

Mr. Jones.] So far as the duty is concerned, what is your opinion as to its effect on the wheat-grower?

The Chairman.] That is a question that I think can hardly be asked Dr. Craig. We can hardly ask Dr. Craig to answer a question of that kind. That is a question of policy. It is out of his sphere altogether.

Mr. Macpherson.] I would like to be clear on one point. Is the duty based upon the country of origin?—Yes, the domestic value at the port of export—Montreal or Vancouver in the case of Canada.

The Chairman.] With regard to the domestic value, how do you determine that?—It is determined by the value at which the exporter sells the wheat or flour on the home market. The exporter states that on his invoices; and we periodically investigate the prices and see that they are correct.

Then, the amount stated in the invoice would be sufficient?—Yes, if we know from experience that the exporters have been in the habit of making them out correctly.

Have you had any trouble in connection with that point?—Well, we had at first. As a matter of fact, we had to send a special officer over to Australia to find out exactly what the position was. He interviewed the various firms, and with the information he was able to give us we have been able to administer the duty with regard to Australia.

If there is no information available to the importer in this country, would he not have a difficulty in making forward contracts?—Well, in any case he does not know what the current domestic value is until it is exported.

If the duty were a straight out duty he would be able to make a forward contract with a greater certainty of carrying it out. Is the position as to home consumption available to the importer?—That is a question of fact. It is a question as to what price and what kind of flour is sold on the date of export on the home market.