

TUESDAY, 17TH SEPTEMBER, 1929.

MR. WALTER NASH examined. (No. 33.)

*The Chairman.*] What is your full name, Mr. Nash?—Walter Nash.

And you represent?—I am representing the National Labour Legislative Committee, which consists of delegates from the Alliance of Labour, the Trades and Labour Councils Federation, and the New Zealand Labour Party.

Will you proceed with your statement, Mr. Nash?—Yes, sir. I will not take up the time of the Committee for a lengthy period. The purpose I have in coming here this morning is to make two points in particular, although there may be one or two other points that may be made incidentally. The first point I wish to make is that whatever protection you give to the wheat industry or any other land industry will ultimately be reflected in an increased price for the land. There may be one or two other qualifying factors, but, in the main, if you cause an increase in the price of any commodity that is produced from the soil of the Dominion, then automatically the land-prices will increase. I say that because, as probably every member of the Committee is aware, the price of land is determined by the net return that the average man can get from it in the average year. There may be other minor factors, but, in the main, that is how the price of land is determined. Having said that, I want to point this out: If the duty as at present in existence is continued, then that duty of 1s. 3d. on the sliding scale will automatically be reflected in increased land-values, and when the land is sold by the present occupier he will sell it at a price to the other man which will be very much higher because of the fact that the duty is there. That does not mean, of course, that there should not be any protection for the wheat-grower. There is quite a lot to be said for the wheat-grower having some protection to-day, because there is the fact that he has had protection in the past, and he may have bought his land on the protection advantage, and if you take the protection away from him you will be robbing him of something that has been given to him in the past. That is because of the fact that the duty has been sold to the present occupier of the land either by way of the added return to himself or because of the fact that the previous owner has transferred the land to somebody else at an enhanced price. That is one point I wanted to make. Another point is that it has been suggested that we should grow all the wheat that we require for this Dominion in the Dominion, because of some suggestion that we have to send away some mythical sum of £2,000,000 or £2,500,000 to other countries overseas if we do not grow it in this country. Every member of the Committee knows that the only way that we can pay for any goods imported into this country, or the only way that any country can pay for any goods imported into that country, is by exporting goods to pay for the goods that they import. One other fact that has been mentioned is that we should grow our wheat here because of the danger in war-time—the danger of a conflict between the nations endangering our food-supply. That may be so; but I think that the danger to the food-supply would be just as great to the people of the North Island during times of conflict if the wheat was all grown in the South Island as it would be if the wheat was grown in Australia, because the wheat would have to be transported by sea from the South Island to bring it here. Then, it has also been stated that there is a danger to the food-supply, if the wheat is imported from Australia, because Australia sometimes suffers from droughts, and we may not be able to get the necessary wheat from them. That may be quite correct, but if you take the average of all the countries you will find that when one country has a shortage another country has a surplus. That is generally the position. I would say, then, summarizing the points, that we ought to grow the wheat we require here because of the fact that the farmers have been given protection for many years, and if we take off the existing duty, leaving them with no measure of protection, they will suffer unjustly. I would say that it is quite reasonable to give them a measure of protection in some form, provided steps are taken to prevent them selling the measure of protection that is given to them. Another factor why we should continue some form of protection, of course, is the displacement of labour that would take place if we did not, which would create hardships in a number of homes in the Dominion through the people now engaged in the various agricultural occupations in connection with wheat-production and flour-production being put out of employment. There would also be some difficulties, probably, for the other industries which are connected with the wheat-farming industry. The poultry and other industries might suffer through shortages of bran, pollard, and other by-products which come from the growing of wheat. The other point I want to make—and this is the main point—is that a duty on wheat is one of the most unfair methods of taxation that could be found, the reason being that wheat, in the main, is used for the production of flour, which again is turned into bread; and bread is the main ingredient in the food-supply of the majority of the people, and the more so in connection with the poorer people than any other section. To substantiate that statement I have worked out some figures from a memorandum supplied to the British Board of Trade many years ago, in 1904; but the figures are relatively valuable to-day. In 1904 the British Board of Trade set up a Committee of Inquiry, and they obtained budgets from 1,944 families. Of those families 261 had an average weekly income of £1 1s. 4½d.; 289 of them had an average weekly income of £1 6s. 11½d.; 416 of them had an average weekly income of £1 11s. 11½d.; 382 families had an average weekly income of £1 16s. 6½d.; and 596 families had an average weekly income of £2 12s. 0½d. The point I want to stress in connection with these figures is that to the extent the family income is low, so a greater proportion of the income is expended on food. It is automatic. You must have food. It is not so necessary to have a nice house. It is not so necessary to have clothes as to have food, and that is substantiated by the investigation of these figures. Where the average income is £1 1s. 4½d. weekly, 14s. 4½d. is spent on food; out of the average weekly income of £1 6s. 11½d. there is 17s. 10½d. spent on food; out of the average weekly income of £1 11s. 11½d. there is £1 0s. 9½d. spent on food; out of the average weekly income of £1 16s. 6½d. there is £1 2s. 3½d. spent on food; and