

resulted in a practice of diminished manuring of marginal country, which can only lead to rapid pasture deterioration. Such deterioration should be viewed as a national disaster to-day.

A new scheme has been introduced for subsidy on the cost of lime, and we consider that this scheme should be tried before further consideration is given.

(5) We consider that the price of superphosphate should be brought back to a relatively cheap price, and we consider, further, that under present conditions such price should be £7 per ton ex-works. As this figure is below the present cost of manufacture, we recommend the reintroduction of a subsidy scheme to reduce the current price to £7 per ton, the cost of such subsidy to be a charge on the pool accounts of the farming industries. This will create a desirable cycle of increased production, which will in turn put increasing surpluses into the pools.

We are aware that some farmers are satisfied with the present arrangements, but we are confident that farmers generally will place considerations of national welfare, and the particular necessity of maintaining our hill pastures as a national asset, above other sectional considerations. The faith and aim of the New Zealand farmer has always been in the maintenance of pastures, and we hope and trust that this will continue to guide his decisions.

We consider, also, that some additional assistance will be required by the back-country farmer on marginal land to reduce his high costs of transport of fertilizer, and that such assistance should be paid out of the Consolidated Fund; but we prefer to leave the recommendation of a scheme until we have seen typical examples of all such conditions throughout New Zealand on which to base our consideration.

We have also considered evidence placed before us in regard to losses in high-country areas largely arising from snow risks. We believe that the tussock grasslands of the South Island form an important part of the sheep industry and that the high-country farmer cannot be expected to continue farming his land under conditions which give him little prospect of continued security. That insecurity arises partially from the losses due to the heavy snows which come periodically in hard winters. It is known that in the years of such snows some farmers will face heavy losses of stock. These losses are reflected in either (a) heavy financial outlay to replace lost stock in the comparatively rare instances where replacements are available, or (b) diminished returns or even recurring financial losses over a few years until he can breed his flock up again.

We are of the opinion that a high-country farmer liable to snow risk should be able to offset his losses by setting aside some of his profits in good years in order to minimize insecurity arising from snow losses. To enable this we recommend:—

(6) That the High Country Committee of Federated Farmers and the Director-General of Agriculture should, upon application, draw up a list of the high-country farmers liable to suffer snow losses of sufficient magnitude to warrant assistance, and that such list, when agreed upon, should be submitted to the Commissioner of Taxes and the Director-General of the Post and Telegraph Department.

(7) That the farmers on such list should be enabled to open a special Snow Losses Reserve Account in the Post Office Savings-bank and be authorized to pay into such account at any time such sums as they deem desirable, provided that the total of the account should not at any time exceed 10s. per sheep as returned at 30th April nearest to date of authorization.

(8) That such accounts should receive ordinary Savings-bank interest.

(9) That any sums paid into such accounts should be free of taxation in the year in which paid in.