

In addition, New Zealand was free to supply 500 tons of butter and 500 tons of cheese to any destination that she might decide upon. Australia was put on a similar basis. Quantities exported by New Zealand are set out under the heading of "Quantities of Butter and Cheese exported."

DAIRY PRODUCTS MARKETING COMMISSION

It appears desirable to open this section with the address of the Right Hon. the Prime Minister to the Dominion Dairy Conference on 17th April, 1947, when the proposals for a Commission were considered by the delegates :—

The Prime Minister said he was very glad to have the opportunity of meeting the representatives of the dairy industry from the whole of the Dominion, and to discuss with them matters of fundamental importance not only to the dairy industry, but to the whole Dominion, and, further, not only to New Zealand, but to the Mother-country as well. At the present moment the Mother-country was in difficulties, and he felt sure that they all wanted to rally round and help her. The Government would shortly be announcing a contribution towards a fund for the relief of those who suffered the very extensive flood damage in Britain. The flooded areas in Britain—and they were mostly rural areas—were very hard hit, and he hoped it might be possible for the farming industry in New Zealand to help their fellow-farmers in the United Kingdom.

It would be very difficult to exaggerate the importance of the work of the Conference, or the importance of the Government's proposals which had found favour with the Conference. The Government went to the country with a programme contained in the election manifesto, and was re-elected by a small margin. Part of that programme was that the question of marketing of dairy-produce should be reconsidered, and the present methods realigned and altered. It would, he thought, be worth his while reading the policy with regard to the dairy industry on which the Government went to the country. That section of the Labour Party's election programme read as follows :—

"The basis of the Labour Government's policy towards the dairy industry continues to be the guaranteed price, which in the years since its inception has brought to dairy-farmers a degree of prosperity and economic security without parallel in the industry's history. The Labour Government believes that the dairy industry as a whole desires to retain the guaranteed price as the sheet-anchor of its welfare.

"As a result of experience over the last few years, however, the Labour Government believes that two beneficial changes can be made in the guaranteed price set-up. The first of these changes is in the direction of removing the actual fixing of the price from an atmosphere of bargaining and negotiation. The essence of the guaranteed price is that it should be adequate to cover the farmers' costs and to provide them with a reasonable standard of living—a standard of living which will rise steadily along with the general living standards of the community as a whole. Investigations into the cost structure of the dairy industry have now been carried sufficiently far to make it possible to hand over to an independent tribunal the task of determining the guaranteed price from season to season. It is accordingly the Government's intention to set up for this purpose a tribunal consisting of two industry representatives and two Government representatives, with an independent Chairman.

"The second change proposed concerns the marketing of dairy-produce. It is the Labour Government's desire that the representatives of the dairy industry, who have a wide and valuable knowledge of its problems, should participate directly in marketing. It is therefore proposed to set up a Dairy Produce Marketing Authority, to which will be appointed Government representatives and representatives chosen by the dairy industry. The Chairman of this Authority will be appointed by the Government after consultation with the industry. Since the Government bears the main financial liability in connection with the guaranteed price, it must retain its voice in marketing; but the new arrangement proposed here will be the means of inaugurating a fruitful partnership between the Government and the industry in the marketing of dairy products.

"The details of these proposed changes will, of course, be discussed with industry representatives before being put into effect."

That was the election programme on which the Government was returned, continued Mr. Fraser. It was incumbent on the Government to discharge its obligations undertaken to the electors of the country in regard to the dairy industry at the earliest opportunity. That opportunity arose when he (Mr. Fraser) received a letter from Mr. Hale that the industry wished to discuss matters with him, mainly prices, particularly in view of the extension of the principle of the forty-hour week in many directions. The urgency of the need for discussion was stressed in the letter. He (Mr. Fraser) thought, and Cabinet concurred, that the receipt of that letter would give an opportunity for reviewing, if the representatives of the dairy industry were agreeable, the whole position in respect to the purchasing and marketing of dairy-produce, and the relationships between the Government and the dairy industry.