

## Industry Seeks Fair Play

## The Guaranteed Price

★ Although the dairy industry has all along indicated its preference for a plan under which costs would be stabilised, recently granted increases in wage rates have affected the farmer's position to such an extent that the guaranteed price must be increased. The Dairy Board and Dairy Industry Council have put the case before the Government and have asked for its urgent consideration.

**R**IGHT from the outbreak of the war the dairy industry has been consistent in its attitude regarding the guaranteed price, and has sought stabilisation of costs and prices rather than a steady increase in both. Prior to the war, in fact, when the then Minister of Marketing, the Hon. Walter Nash, sought to get an agreement from the Federation of Labour to stabilisation of wages, the dairy industry's representatives had indicated that they approved of the policy. Since the war they have stated consistently that they desired to make no profit from the war situation, but to have increased costs covered. Unfortunately other sections of the community have not taken the same attitude, and there has been a steady movement upward in costs, a movement which has been considerably accentuated by the two increases of 5 per cent., each granted by the Arbitration Court to all award workers.

The second increase, granted a few weeks ago, came as a bombshell to the industry which had assumed that the Government was now determined to carry through a policy of stabilization, and it made imperative some move to obtain justice for the dairy-farmer. On a previous occasion, when a 5 per cent. increase was granted the workers, the then Minister of Marketing, the Hon. Walter Nash, had made it clear that he considered that if any further increase were granted the dairy industry's price would have to be adjusted, and industry leaders realised that though suppliers had been carrying on willingly under difficult circumstances, the additional 5 per cent. granted by the Arbitration Court, made it essential to have the guaranteed price adjusted. Without such adjustment, the industry would simply be making steadily downhill with suppliers' net returns showing a decline month by month as additional costs were piled on.

## Dairy Board Meets the Minister.

**T**HE Dairy Board met on April 8 and the Dairy Industry Council the next day, and both bodies gave full consideration to the guaranteed price in accordance with the changed conditions, after which they sought and obtained an interview with the Minister of Marketing, the Hon. J. G. Barclay. The case for the industry was put forward by the chairman of the Dairy Board, Mr. W. E. Hale, who outlined the situation as it now existed, and who then presented a written memorandum to Mr. Barclay setting out the position.

This written statement read: "The dairy industry, through the Dairy Board, the Dairy Industrial Council, and the Dominion Conference, has repeatedly approached the Government to amend the guaranteed price to cover increases in costs. The

Dairy Industry Council met this week and has given serious consideration to the present position of the industry, and is of opinion that there is every justification for requesting the Government to give the same consideration to dairy-farmers as is extended to certain other sections of the community.

"In 1938, the Government set up an Advisory Committee which unanimously recommended a price basis which was regarded as fair and just in the then existing conditions. The committee's report was based on an average per cow production of 240lb. butterfat. The Minister increased this to 250lb. During the 1940-41 season a complete survey of the butterfat production per cow for the Dominion was made, and in spite of the fact that the production figures show an average of 232lb. in what was undoubtedly the best season the industry has ever experienced, the price basis still remains on the structure of 250lb. butterfat per cow. The Honourable Mr. Nash as Minister of Marketing also varied the committee's standards in giving a labour return of 8.84d. per lb. butterfat as against the committee's unanimous recommendation of 9.22d. The industry accepted the Government's price under protest, and, as previously stated, made repeated applications for an increased price to offset increased costs.

"Owing to the war the industry has endeavoured to co-operate with the Government in the stabilisation of costs and prices, but today the position is both unsound and unjust insofar as the Arbitration Court has granted various increases in wage rates plus two cost-of-living bonuses of 5 per cent. each, whereas the dairy-farmer, whose price allowance was based on an estimated wage of £4/5/- per week, has received no adjustment to offset both his increased cost of living and his increased costs of production. If it is considered right and proper to give these increases to wage earners there can be no element of justice between various sections of the community if the dairy-farmer is not similarly treated.

"We now therefore request an increase in the guaranteed price on all butter and cheese graded as from May 1 next of 5 per cent., and 5 per cent. on the labour reward of 8.84d. per lb. butterfat as set out in the Hon. Mr. Nash's statement of the price to be paid for the 1938-39 season, with such further additions to the price as will cover other increases in costs to the dairy-farmer to the extent that these may be ascertained by a committee to be appointed by the Government and the industry to inquire into this matter.

"In presenting this request for your consideration and, we hope, your favourable recommendation to the Government, we take this opportunity of recording statements made on behalf of the Government to Dominion conferences of the industry as follows:—In April, 1939, the Hon. Mr. Nash, at the Dairy Board's Dominion Conference in Wellington, requested the industry to accept the 1938 price for another year because he desired to get stability, and he said that he proposed to request the Federation of Labour to agree to a stay-put in wages. The price to the dairy-farmers was not increased, but in August, 1940, the Arbitration Court granted the first General Order of a 5 per cent. cost-of-living bonus. In October, 1940, the

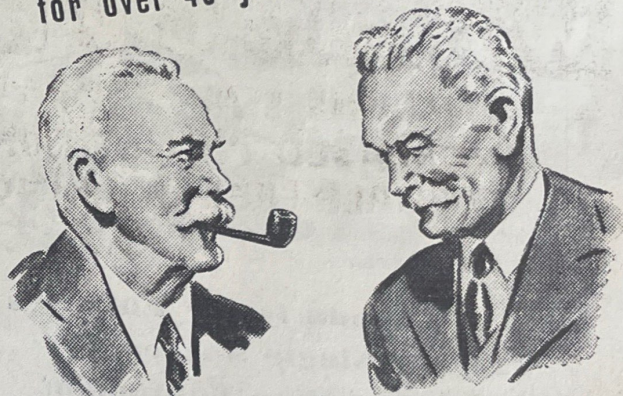
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