

Pool C, Pool D, and Pool E respectively. The council has supplied returns which show the following facts with regard to surplus and payout of these pools :—

	1940.		1941.		1942.	
	Surplus.	Pay-out.	Surplus.	Pay-out.	Surplus.	Pay-out.
	Per Cent.	d.	Per Cent.	d.	Per Cent.	d.
Pool A .. .. .	15·025	10·94	7·741	11·21	2·08	11·69
Pool B .. .. .	11·284	10·76	2·34	10·78	2·349	12·24
Pool C .. .. .	21·17	11·33	8·69	11·96	7·4	12·15
Pool D .. .. .	14·856	10·91	14·003	10·85	6·62	11·21
Pool E .. .. .	38·557	9·55	38·395	9·57	24·28	10·15

On the face of it this return seems to indicate success on the part of the first-mentioned pool in securing a good price for its suppliers and a failure on the part of Pool E to do so. But this return needs to be considered in relation to another one showing the use by the respective pools of milk drawn from each other and outside factories. So far as drawings from and supplies to each other are concerned the information supplied by the separate pools for the year ending 31st March, 1943, show that during the twelve months Pool A drew from other pools 255,377 and supplied 65,502, a balance of drawings over supplies of 189,875; Pool B drew 126,255 and supplied 301,290, giving a balance of supplies over drawings of 175,035; Pool C drew 59,966 but did not supply any; Pool D drew 207,715 and supplied 25,713; Pool E supplied 409,808 and did not draw any.

Returns for the same period show that Pools A, B, C, and D also drew from suppliers to outside factories nearly 450,000 gallons. Other returns show that milk supplied (including cream computed as milk) to these pools from the factories as follows :—

	Gallons.
1938 .. .. .	42,648
1939 .. .. .	437,435
1942 .. .. .	203,393
1943, February to 31st May (inc.) ..	680,576

From this it will be seen that the pools that had the smallest surpluses and the highest pay-out depended most on milk that they could draw from other pools and outside factory suppliers; and that all four Pools A, B, C, and D draw directly or indirectly on Pool E; and that so far as Pools A, B, and D were concerned these drawings were heavy except in the year 1940-41, a year of altogether exceptional productivity and the best in the history of the Dominion. Evidently those pools have needed more milk than their pool suppliers could supply. It is to be noted that the producer-vendors did not meet all their own requirements, but also drew upon the pools for portion of their supplies. Of the 3,721 gallons per day they sold in 1942 they purchased 1,427 gallons. An attempt has been made to adjust the position by the issue of licenses to supply during the off season only. Strenuous efforts have been made to obtain more, but these efforts have met with partial success only. One of the company's managers stated in evidence that 75 per cent. of those approached wanted permanent licenses. Despite the efforts to obtain new suppliers, the heavy drawings from other pools has continued.

The truth is that owing to irregularities in demand and to seasonal variations in production a surplus must be provided. Some authorities put the necessary surplus over anticipated demand at 20 per cent., and a surplus of not less than 10 per cent. over requirements in winter seems necessary if the needs of the community are to be adequately met. It is clear that that surplus has been necessary in Auckland. The surpluses mentioned in the table above do not mean a month-by-month surplus, but only a total surplus, including the flush production. A winter surplus of 10 per cent. would involve even under conditions of reasonably level production an annual surplus of 20 per cent. The figures quoted indicate by how great a percentage all the pools other than Pool E failed to achieve self-sufficiency in supply. Had the surplus not been provided by Pool E the shortage in Auckland would have been disastrous in all years save 1940. Each of the other pools depended on a surplus, but did not provide it. They protected their suppliers at the expense of Pool E. As Pool E is fully co-operative it is not certain that the suppliers in that case were worse off than suppliers to other pools, but the fact remains that Pool E supplied a surplus to meet the needs of consumers drawing from all pools, and that in four out of the last six years even that drawing has proved insufficient to meet requirements.

As Pool E has consistently had a large surplus the Milk Council has repeatedly refused to grant licenses to applicants who wished to supply it, though they have been willing to grant the same applicants licenses to supply the other pools. Where suppliers have refused to supply other pools their supplies have been lost to the city. A moment's reflection will discover serious possible effects of this policy unless they can be countered in some way. A surplus is necessary. The first reserve on which any pool can draw is the surplus that it itself arranges. Its next reserve is any excess over their needs arranged by the pools other than Pool E. In Auckland Pool E provides the last reserve of a duly licensed supply. With that supply limited as a matter of policy some other reserve must be established if disaster is to be avoided. There are at least three changes that appear to be urgently needed—

- (1) More licenses to supply milk must be granted;
- (2) Winter production must be stimulated; and
- (3) The cost of the surplus necessary to ensure adequate supply must be spread fairly over all producers.

#### SUPPLY

##### *Natural Conditions*

The climate is mild, and in no part of the year are the conditions rigorous either for farmers or cattle. There is an abundant rainfall, but in normal years the distribution of that fall leaves a difficult dry autumn period, and in exceptional years, as in 1943, the dry period is sufficiently