

SESSION II.
1921.
NEW ZEALAND.

BOARD OF AGRICULTURE

(REPORT OF THE) FOR THE YEAR 1920-21.

Laid on the Table of the House of Representatives by Leave.

REPORT.

The Hon. the Minister of Agriculture, Wellington.

SIR,—

Board of Agriculture, Wellington, 30th June, 1921.

I beg to submit the following report of the work of the Board of Agriculture for the year ended 30th April last.

The close of this period marks the first year's operations of the Board for its third term of office. Three conferences of producers and allied interests were convened by the Board during the year under review. The conference of 27th May, 1920, dealing with the meat-export trade and the wool and shipping questions was fully dealt with in our report of last year. Another conference was held on the 18th August, 1920, to go into the wool position, particularly as regards the disposal of stocks on hand, shipping-space, also financial assistance to those growers who needed it. The third conference was held on the 31st March, 1921, when freight contracts and freight rates, refrigerated shipping and markets for frozen meat, realization of wool stocks, and the proposed establishment of a Board of Mercantile Shipping were dealt with. In addition to these conferences we met on several occasions to consider the various matters referred to us from time to time.

It is with deep regret that I have to record the untimely death of Mr. Allen S. Orbell, of Waikouaiti, who since the inception of the Board represented the Otago District, and rendered great services to the farming community of the Dominion during that time. Mr. James Begg, of Dunedin, was elected to the vacancy on the Board caused by Mr. Orbell's death.

THE WOOL POSITION.

Perhaps the most important of the many duties coming before the Board has been the consideration of the wool position—first as the result of the termination of the Imperial commandeering, and secondly as regards the realization of the present and future clips in the light of the accumulated stocks now on hand. It may perhaps be as well to give a *résumé* of the Board's deliberations in conference with producers and allied interests, as well as at its own meetings from time to time.

At the request of the Right Hon. the Prime Minister, a conference of representatives of wool-growers and allied interests was convened by the Board on the 18th August, 1920, to discuss the position. Besides the members of the Board and the Producers' Committee, there were present representatives from the Sheepowners' Federation, Farmers' Union, agricultural and pastoral associations, freezing companies, Woolbrokers' Association, and the New Zealand Frozen Meat Exporters' Association. The conference was attended by the Right Hon. the Prime Minister and yourself, and Dr. Reakes (Director-General of Agriculture) and Mr. Lees (Controller of the Department of Imperial Government Supplies) were also present.

The Right Hon. the Prime Minister explained the position to the conference, and read cablegrams which had passed between the Government and the Imperial authorities regarding the stocks of wool on hand in Great Britain, Australia, and New Zealand, also comments of the Home authorities on the position.

After a lengthy discussion of the existing position and the outlook for the new clip in the light of the information furnished by the Prime Minister, the following resolutions were passed and forwarded on to you :—

Draft on Wool.—“ That this conference of the wool-growers of New Zealand condemns in every way the iniquitous custom of ‘draft on wool’ existing in the British wool-market, whereby the grower is defrauded of 1lb. per hundredweight of the wool he sells there. Through this impost the New Zealand wool-growers are losers of over £100,000 a year. The only defence for this dishonest system is that it is an old custom. This conference of Dominion wool-growers therefore asks the Prime Minister to give his powerful assistance to do away with this abuse by instructing the High Commissioner to endeavour, in conjunction with the other High Commissioners in London, to use every means in their power to have this custom abolished.”

Shipping-space for Wool.—“ That, with a view of allowing wool-sales to be conducted in New Zealand, the Overseas Shipowners’ Committee be asked to inform brokers what amount of shipping-space will be available for wool during the months of November, 1920, to March, 1921, inclusive.”

Shipping of Produce.—“ That the Imperial Government be urged to provide the utmost number of refrigerated ships to lift meat and other refrigerated produce, and that wool be shipped if sufficient other general cargo be not available.”

Continental Woollen-mills’ Output.—“ That the British authorities be requested to lend all possible assistance to enable Continental woollen-mills to increase their output, and to inform the New Zealand Government if there is any way in which it can assist in bringing this about.”

Financial Assistance for Wool-growers.—“ That this conference expresses its hearty appreciation of the attendance of the Prime Minister at the meeting. It thanks him for the valuable information furnished, and trusts that the Government will be able to afford financial assistance in such a manner as it may be able to arrange to those wool-growers who are obliged to hold over their clip during the ensuing season.”

Wool-growers’ Representatives on Standing Committee.—“ That an effort be made to have Messrs. Bennett and Mabin, as representing the Woolbrokers’ Association, appointed to the standing committee which has already been set up to deal with financial and other matters connected with the disposal of New Zealand produce consequent on the termination of the Imperial Government’s purchasing contracts.”

Representatives of New Zealand Wool-growers in London.—With reference to the appointment of two representatives of New Zealand wool-growers in London to confer with the Imperial Ministry of Munitions as to the disposal of the remainder of Government stocks of wool, this conference recommends that an effort be made to secure the services of Mr. W. D. Hunt (now in Great Britain) to act as one representative, and that the other representative be selected by the High Commissioner in London. Failing Mr. Hunt’s services being available for the purpose, this conference recommends that Sir James Allen be requested to make the necessary arrangements to select both representatives.

At our meeting in November last we again conferred with the Producers’ Committee regarding the wool position.

Dr. Reakes (chairman of the committee) informed us that “ after a lengthy and careful discussion of the various aspects of the question it had been decided to draw up a report setting out the position, which would be published, so that growers would be able to grasp the whole situation.”

The tone of the discussion at this meeting was of a hopeful character, though the need of caution and the necessity for not depreciating market values by panicky selling was strongly emphasized.

The question of finance was discussed at length, and, after hearing the whole of the facts of the position, the Board came to the conclusion that the opinion of the committee, “ that the time was not immediately opportune for fixing any definite basis for advances,” was a sound one, seeing that at the time it was impossible to form an opinion as to what would be the actual market selling-values of the various classes of wool when the new clip came forward for sale. The Board noted with satisfaction that the stock and station agents, and, it was understood, banks also, would be willing, as heretofore, to make advances to their respective clients up to such amounts as were reasonable under the circumstances; and, having regard to the fact that the Government was prepared to stand behind the producers, the Board fully coincided with the opinion of the committee. It seemed evident that wool-growers would provide themselves a better future outlook if they withheld their wool from sale in preference to selling it at once at low figures, especially as there was ample storage accommodation for wool in the Dominion.

The following resolutions were passed at this meeting :—

“(1.) That the Board of Agriculture, in conference with the standing Producers’ Committee, are of opinion that the British Government should be requested to hold over for as long a period as possible any sales of coarse crossbred wool, so as to enable the market to re-establish itself.”

“(2.) That the woolbrokers of the Dominion (principally those selling the coarser grades of wool) be requested to agree amongst themselves as to the minimum prices which they are prepared to advise their clients to accept for their wool.”

Mr. Bennett, chairman of the Woolbrokers’ Association and a member of the Producers’ Committee, offered to circulate the foregoing resolution amongst the woolbrokers of the Dominion.

“(3.) That the Board of Agriculture, after hearing the whole of the facts regarding the wool position, is in agreement with the recommendation suggested by the Producers’ Committee as to the publication of a statement setting out the position for the information of the wool-growers of the Dominion.”

At the beginning of this year we held another meeting with the standing Producers’ Committee to hear the views of Mr. W. D. Hunt (on his return to New Zealand from England and Australia) regarding the wool position, and to discuss certain proposals for dealing with the surplus stocks of New Zealand wool in the hands of the Imperial Government, some matters connected with the meat position, and the terms of a freight contract with the shipping companies.

It was finally resolved, "That, after full consideration of the situation regarding the carry-over of our wool, and seeing that the Australian realization scheme is likely to be accepted and thus leave the realization of the New Zealand wool in the hands of the Munitions Department, the abolition of which is clamoured for and likely to be effected, it is advisable that arrangements as suggested by the Imperial Government be entered into with the British-Australian Wool Realization Association to dispose of the carry-over of New Zealand wool, on the understanding that proper safeguards are provided, including adequate representation of New Zealand on the association."

In view of the importance of this resolution, it was decided that the Right Hon. the Prime Minister be waited on and the terms of the resolution conveyed to him. This was accordingly done.

The meeting placed on record its appreciation of the valuable services rendered by Messrs. Hunt and Wilson in London in connection with the subject, and heartily thanked Mr. Hunt for the information furnished by him.

The following resolutions were also passed :—

"(1.) That, owing to the necessity of protecting the New Zealand wool-growers' interests, this conference urges the Government to use all possible means to have the matter of realizing accumulated stocks of wool settled as promptly as possible."

"(2.) That, by reason of the fact that arrangements are pending which, if brought to fruition, will ensure the present carry-over wools being strongly held in the interest of wool-growers, and which will also ensure that the market will not be demoralized by the sudden realization of surplus stocks, but result in current clips obtaining first consideration, this conference of the Board of Agriculture and the New Zealand Producers' Committee is of opinion that as soon as these arrangements are completed and their effect generally understood the result will be a feeling of confidence that does not now exist being restored in the wool industry. This conference thinks, therefore, that there is no need for vendors to sacrifice their wool at low rates. As, however, fairly satisfactory prices are forthcoming for the finer qualities, it would appear as if growers of these qualities have nothing to gain by withholding from the market."

Another conference of producers and allied interests was convened by the Board on the 31st March, 1921. At this conference, as at the previous one, in addition to members of the Board of Agriculture and of the standing Producers' Committee, representatives of the following were present: The Sheep-owners' Federation, the Farmers' Union, agricultural and pastoral associations, freezing companies, the Woolbrokers' Association, the National Dairy Association, as well as private individuals.

The disposal of the New Zealand wool-clip, 1920-21, also the New Zealand wool held by the British Government, and the attitude of the New Zealand producers towards the British-Australian Wool Realization Association's scheme, were again discussed at length, and the following resolutions were passed and forwarded on to you :—

"(1.) That all Dominion sales be postponed for a period not exceeding two months to enable negotiations to be undertaken as hereinafter specified.

"(2.) That the Dominion Government, by Proclamation, prohibit sales of wool during that period either by auction or private treaty.

"(3.) That negotiations be undertaken with the British Government, the B.A.W.R.A., and the Wool-importers' Association, London, to provide for limitation of offerings in England and Australasia to correspond with the monthly consumptive demand.

"(4.) That the allocation of wool to be offered as specified in (3) be in proportion to stocks held, as follows: (a) Australian wool held by B.A.W.R.A.; (b) Australian wool-clip, 1920-21; (c) New Zealand wool held by British Government; (d) New Zealand wool-clip, 1920-21.

"(5.) That minimum reserves be placed on all wool so offered on parity basis, such to be agreed upon between the B.A.W.R.A., the Wool-importers' Association, London, and the Council of the New Zealand Woolbrokers' Association.

"(6.) That, on account of the altered market conditions of late, efforts be continued to secure representation on the B.A.W.R.A., with full power; but, failing such, that the representation as offered be accepted, leaving Mr. Massey to endeavour to correct the matter on his arrival in London.

"(7.) That a representative with full Government recognition be sent to Melbourne forthwith to confer with the B.A.W.R.A. on the foregoing lines."

It was further resolved, "That this conference wishes to affirm the principle that Mr. Massey, while in England, be given an absolutely free hand to deal with the question of the wool profits held by the Imperial Government on account of New Zealand producers, without the necessity of further reference of the matter back to New Zealand."

The Government subsequently commissioned Mr. A. E. Mabin (of Levin and Co., Wellington, and a member of the Producers' Committee) to visit Melbourne for the purpose of conferring with the British-Australian Wool Realization Association. We understand that Mr. Mabin, on his return to the Dominion, submitted his report to you, and that this has been dealt with by the Producers' Committee.

HANDLING AND SALE OF PRIMARY PRODUCTS.

In July, 1920, the Right Hon. the Prime Minister forwarded the Board a copy of the following report of the Producers' Committee, and asked for our comments :—

"The committee which was set up (as the outcome of the conference held in Wellington on the 27th May last, at which matters connected with the frozen-meat industry, wool, and shipping were discussed) for the purpose of considering how best to meet the position regarding the handling and sale of our primary products, principally meat and wool, which will arise as a consequence of the termination of the Imperial Government's purchasing contracts, met in Wellington on the 29th June. There were present representatives of the Government, producers, and freezing companies. No representative of banking institutions attended the meeting.

“The committee had before it the resolutions from the conference above mentioned, which were used as a basis for discussion. After having fully considered these, the Committee passed the following resolutions :—

“*Form of Contract for Meat and Meat Products for Shipment to the United Kingdom and America.*—That the two freezing companies’ representatives be appointed a sub-committee to draft, with the assistance of the Crown Law Officers, a form of contract for meat and meat products to be shipped to the United Kingdom and America, and that the co-operation of the National Dairy Association be sought in this connection ; such form of contract to be afterwards submitted to this committee.

“*Freight Rates on Free Exports.*—That the Government be requested to provide, so far as possible, that, for the duration of the requisition upon ships, the rates of freight upon free exports should not be increased beyond the rates per pound now current, without its concurrence ; and that a strong effort should be made to reduce the present charges.

“*Government Guarantee for Advances to Growers or other Interested Holders of Meat of 1920–21 Season’s Output held in Store* (to be dealt with at such time as the Prime Minister thinks fit).—That if the grower or other interested holder wishes to forward his meat under the suggested arrangement calling for Government assistance he will inform the freezing company accordingly, and in that case the following provisions shall apply :—

“ (1.) That all meat shall be certified by the Government Veterinary Inspector, as at present, on a classification to be agreed upon.

“ (2.) That this committee, or some other body appointed by the Government, shall from time to time assess the net value of the meat delivered at the works.

“ (3.) That the company shall advance to the grower, or other interested holder, 75 per cent. of such net value, with recourse against the person to whom the advance is made.

“ (4.) That the bank will similarly advance to the company, or to the grower or holder, on receipt of the company’s certificate, 75 per cent. of such value, and will in addition advance such sums as will cover charges for freezing, railage, bagging, putting f.o.b., freight, insurance, exchange, and all London storage and selling charges, taking as security store warrants, bills of lading, or other documents of title.

“ (5.) That the Government will guarantee the bank for the full amount of such advance, taking as security a lien over such documents of title.

“ (6.) That the above arrangement shall apply to the whole of the 1920–21 season’s output.

“*Shipment of Free Meat with Imperial Government Meat.*—This committee attaches great importance to the resolution of the conference recommending that if it can be secured the producers and exporters should have the right to substitute free meat shipment, carcase for carcase, with the Imperial Government meat purchased.

“*Sheep-skins Requisition.*—The producers’ representatives on the standing Committee approve of the proposal to endeavour to get the sheep-skins requisition extended to the 30th September, 1920.”

The committee’s report was fully discussed by us, and the Prime Minister was advised as follows :—

“ (a.) The Board of Agriculture views with satisfaction that in the resolution *re* the form of contract for meat and meat products the Producers’ Committee recommend that the co-operation of the National Dairy Association be sought. The Board deems it essential that the contract for transport of our produce should embrace all our perishable products, and therefore hopes that the contract, when drafted, will be submitted to the National Dairy Association and those representing the dairy industry ; and, further, that they be asked to join, so that one contract only shall be entered into between the shipping companies on the one hand and the producers’ representatives on the other, to terminate at one specified date.

“ (b.) The Board fully approves of the committee’s resolution *re* freight rates on free exports, and agrees to the resolutions *re* shipment of free meat, carcase for carcase, with the Imperial Government meat purchased, and the proposal to have the sheep-skins requisition extended up to the 30th September, 1920.

“ (c.) The Board agrees to subclauses (1), (2), and (3) of the committee’s resolutions *re* Government guarantee for advances to growers, but is of opinion that, while the banks would no doubt advance such sums to the company for charges, &c., at their discretion, the Government should not guarantee more than 75 per cent. of the cost of such charges.”

FREIGHT RATES.

We also brought before Mr. Massey in July of last year the question of the increase of freight rates which had been recently announced, and Mr. Massey informed us that he proposed to refer the question to the Agricultural, Pastoral, and Stock Committee of the House to inquire into. In view of the urgency of the matter, the Board sent the following letter to Mr. Massey :—

“ DEAR SIR,—

“ Wellington, 29th July, 1920.

“The Board of Agriculture have made a comparison of the freight rates for produce charged under—(1) pre-war conditions, (2) war conditions, and (3) post-war conditions.

“They find that while the war rates were high, the post-war rates are higher, and the imposing of these will be a most severe tax upon shippers of produce now that they have to make their own arrangements about getting it away. From the attached table it will be seen that post-war rates are more than three times as much as pre-war rates, while it is known that charter rates are falling.”

“The Board therefore request that you would, on behalf of the producers of the Dominion, cable an earnest protest against the suggested increase of rates, for the reason that, as mentioned above, it amounts to a serious tax upon shippers now that the Imperial contract is completed.

“ Yours faithfully,

“ JAMES G. WILSON,

“ President of the Board.”

Freight on Frozen Meat.

	60 lb. Sheep.		35 lb. Lamb.		800 lb. Bullock.	
	Rate per Pound.	Amount per Carcase.	Rate per Pound.	Amount per Carcase.	Rate per Pound.	Amount per Carcase.
Pre-war ..	$1\frac{1}{8}$ d. less 5%	s. d. 3 3	$\frac{3}{4}$ d. less 5%	s. d. 2 1	$\frac{9}{16}$ d. less 5%	s. d. 35 7 $\frac{1}{2}$
War ..	$1\frac{13}{16}$ d. plus 5%	9 6	$1\frac{15}{16}$ d. plus 5%	5 11	$1\frac{11}{16}$ d. plus 5%	118 1 $\frac{1}{2}$
Post-war ..	$1\frac{3}{8}$ d. plus 10%	10 3 $\frac{3}{4}$	2d. plus 10%	6 5	$1\frac{3}{4}$ d. plus 10%	128 4

Post-war Rates as compared with Pre-war Rates.—Sheep, approximately $3\frac{1}{10}$ times as much; lamb, approximately $3\frac{1}{10}$ times as much; bullocks, approximately $3\frac{3}{8}$ times as much.

FREIGHT CONTRACT AND BILL OF LADING.

In conference with the Producers' Committee we discussed the proposed draft freight contract and bill of lading to be entered into between the freezing and shipping companies.

It was reported that this freight contract had been submitted by the committee to the shipping companies, and, after certain minor alterations had been made, had been placed before the various freezing companies. It had been arranged that the matter regarding meat could be proceeded with quite apart from the dairy companies' negotiations in connection with dairy-produce.

At the conference of representatives of the producers and freezing companies convened by the Board in Wellington on the 31st March, 1921, the matter of freight contracts and shipping rates was again carefully considered. It was pointed out to the gathering, which was a thoroughly representative one, that the Board of Agriculture had looked upon the different sections of the agricultural community as one, but it felt there had sometimes been a cleavage between different sections, and it had endeavoured to bring them together, particularly those who used refrigerated steamers to send their produce out of New Zealand. It was thought that the only possible way whereby the position with the shipping companies could be met was by all sections of the agricultural community combining together and presenting a united front. In the past they had all lost ground for the want of a common plan of action. Although there might be great differences of opinion, it behoved the conference to look upon the situation in a sensible way and come to some terms if they found the circumstances warranted such a course. It was impressed upon delegates that unity was their best weapon in the effort to secure improved terms for the shipment and marketing of their produce.

The chairman of the standing Producers' Committee presented a report of the committee's work since its inception. This report stated that the committee had dealt with various matters affecting the interests of the producers, these being almost entirely in connection with frozen meat, wool, and shipping freights, representations having been made by the committee to the Government from time to time concerning these matters.

In connection with frozen meat, the committee had passed a resolution to the effect that failing decontrol of meat-prices in Great Britain the control price should be raised 2d. per pound on lamb and 1d. per pound on mutton, and that representations should be made to the British Government accordingly. This resolution was conveyed to the Right Hon. the Prime Minister, who in turn made representations to the Imperial authorities, but was unable to get them to agree to this being done.

The committee at its first meeting also dealt with a proposal under which provision was made for affording some financial assistance to producers, in the event of market conditions rendering such action necessary. The course of the market for some months afterwards was such that no need for assistance arose. At a recent meeting of the committee, however, a resolution was passed to the effect that, in the event of banks discontinuing advances against store warrants for meat, the committee suggested that the Government give consideration to the resolution forwarded to it previously, and take such action as circumstances permit on the lines of those proposals, with such modifications as are necessitated by the changed conditions existing at present.

With regard to shipping and freight rates, a sub-committee had been appointed to draw up a form of freight contract and bill of lading for use after the Imperial Government control of refrigerated shipping ceases. The sub-committee had several discussions with the shipping companies' representatives, and a special agreement was come to regarding the details of the freight contract, with two important exceptions, one of these being the period for which the contract should be operative, and the other the rates of freight to be charged. The shipping companies were informed that the Producers' Committee were limited in their scope of inquiries to a one-year contract. The companies nevertheless indicated rates for a five-years contract, but, after further negotiations, came forward with a three-years contract on better terms than those quoted in the five-years contract. They also quoted for a two-years contract—that is, for the balance of this year and for next season's output. The companies definitely declined to enter into contract obligations extending over only the balance of this season, stating that the shortest possible period for which a contract could be made would be for the balance of this season and the whole of next; in other words, a one-and-a-quarter-years contract.

The committee asked for the decision of the conference on the following points: (1) as to whether a freight contract should be entertained or not; (2) as to whether, if the decision was in the affirmative, a one-and-a-half-years contract or a two-and-a-half-years contract was approved of; (3) as to whether the committee would be authorized to instruct freezing companies that they may proceed to negotiate contracts accordingly.

The Right Hon. the Prime Minister and the Hon. Mr. Guthrie (Minister of Lands) attended the conference, and the Right Hon. Mr. Massey addressed the meeting. In the course of his address he stated that, in spite of the present market position, he wanted to strike a note of good hope for the immediate future, which he thought he was justified in doing. He pointed out what had been done under war conditions, and stated that the Dominion need not fear to face peace conditions. The important thing was to maintain production at a high level.

A very lengthy discussion regarding the questions of freight rates and contracts, shipping, and markets ensued, and it was finally decided that the representatives of the freezing companies and a committee of producers should confer separately; both to report to the full conference at a later stage of the meeting.

After deliberation, the representatives of the associated freezing companies presented the following report:—

“That, until the producers and freezing companies have independent resources for self-protection in the matter of freights, a contract of some sort is inevitable. That no movement by producers and freezing companies to obtain such independence can be effective until after the next freezing season. That approximately 4,250,000 freight carcasses are anticipated to be in store in June next. To make no provision to lift this volume of output, together with the next season’s addition, is not safe or prudent business, and would very seriously hamper if not prevent c.i.f. rates, to the further detriment of the producers. For these reasons the freezing companies recommend that the shortest-term contract possible, upon the lowest rates obtainable, should be accepted to cover the balance of this season and the whole of next season.

“C. A. de LAUTOUR,
“Chairman of Meeting.”

The report of the committee of producers was that it had considered the proposals made by the freezing companies’ representatives, and there was some difference of opinion about it. The two representatives of the dairying interests did not vote, as their shipping arrangements for the present season had been fixed some time before.

After a lengthy discussion a vote was taken of the producers’ representatives only. This resulted in the conference agreeing to enter into a contract for one year and a half, and authorizing the committee to instruct the freezing companies to negotiate a contract on the lines laid down in the report the freezing companies presented to the conference—namely, for the shortest term possible, and upon the lowest rates obtainable—such contract to cover the balance of this season and the whole of next.

PRODUCERS’ MERCANTILE SHIPPING BOARD.

This matter was brought up at the conference convened by the Board in March, before mentioned, when the following proposals, which had been brought before the meeting of New Zealand freezing companies the previous week in Wellington, where they had received favourable consideration, were considered:—

“(1.) That the Government, having first obtained the assent of the farming and dairying interests through their respective organizations, be requested to provide by legislation for the establishment of a Board of Mercantile Shipping, with powers sufficient to enable it—

“(a.) To provide, *inter alia*, for the overseas carriage of exports and imports:

“(b.) To enter into any contract for such carriage with any shipping company or companies:

“(c.) To acquire suitable ships by way of charter, purchase, or construction:

“(d.) To utilize any ships, howsoever acquired, in any manner whatsoever; to fix rates to be charged, and to prescribe conditions and priorities for carriage by such ships:

“(e.) With the approval of the Minister, to make by-laws for the regulation of all matters incidental to the administration, control, and supervision of such shipping:

“(f.) With the approval of the Minister, from time to time to borrow moneys as may be required by way of fixed loan, debentures, overdraft, or otherwise;

“(g.) With the approval of the Minister, to receive moneys from producers’ organizations, freezing companies, or any other bodies or persons whatsoever, by way of voluntary contribution, from time to time required in order to accumulate a capital fund, or to provide interest or sinking funds for any loan or loans.

“(2.) Any fixed loan approved by the Minister to be guaranteed by the Crown or raised as a Government loan.

“(3.) The Mercantile Shipping Board to be constituted so that at least one-half of its members shall be elected by the representatives of the principal exporting industries, and the remaining members be nominated by the Crown, one of such nominees being nominated as president, with a deliberate and casting vote. The numbers and constitution of the Board and time and method of election of the elected members to be fixed by Order in Council.

“(4.) Provided Government representation as herein provided is approved, a subsidy upon all contributions received by the Board in any year as voluntary contributions under clause (1), subclause (g), should be granted by the Crown.

“(5.) That all moneys accumulating in the hands of the Board and not required for the purposes of immediate administration be invested at short call with the Public Trustee or in New Zealand Government securities.”

After the matter had been fully discussed it was agreed, “That the proposals for a Mercantile Shipping Board be referred to the Producers’ Committee already appointed by a former conference, or any of its successors that may be appointed to-day for further development. The committee to report from time to time to the organizations concerned, but to have full power, with the concurrence of the Minister, to take definite and immediate action.”

It was further agreed to add the following names to the standing Producers' Committee: Messrs. B. Tripp, W. Perry, W. J. Polson, T. R. Lees, A. Morton, and J. R. Thacker, the two last-named gentlemen representing dairying interests.

This matter is now being dealt with by the Producers' Committee, and a report of its opinion has been sent to the Hon. Sir Francis Bell, for the Prime Minister, and he has stated that the suggestions made would be considered by Cabinet.

ABOLITION OF PREFERENCE TO UNIONISTS.

The question of the delay occasioned in the loading of produce on overseas vessels through the action of the waterside workers was also fully discussed by the March conference, and it was agreed:—

“That, in view of the fact that the country is being subjected to great loss by the work of the waterfront being so frequently interrupted by trivial disputes, as no other solution seems to be possible, the Government be urged to repeal the legislation giving preference to unionists.

OPENING UP OF NEW MARKETS, AND SHIPPING OF PRODUCE THERETO.

We received a letter from the Provincial Secretary of the Farmers' Union at Palmerston North, reading as follows:—

“In reply to your letter of 14th June, this Provincial Executive has considered the question, and is of opinion that it is most important to foster new markets for our products, not only to relieve the congestion at Home, but also to provide fresh avenues for our trade. It therefore strongly urges that representations should be made by the Board to the Government to bring still further pressure to bear on the Imperial Government in order—

“(1.) That extra ships, additional to the ships already promised for the British trade, may be provided to enable us to open up foreign markets;

“(2.) That inquiries, either through recognized agents or British trade representatives, may be at once made in the East, North American Continent, Northern Europe, and any other likely part of the world, having for their object the disposal of parcels of New Zealand meat, the Imperial Government to be asked to agree to release meat to make up the quantities in the event of insufficient free meat being available up to the 31st December.

“(3.) It is to be pointed out that the object of this movement is to relieve the glut at Home and meanwhile assist the New Zealand farmer in obtaining a payable price.”

We went into the question with Dr. Reakes, Director-General of Agriculture, who mentioned that the High Commissioner in London had written out stating that efforts had been made to have New Zealand meat admitted into Sweden. So far, however, this had not met with success, but further representations were being made in the matter. Dr. Reakes also informed us that outside of North America it seemed hardly likely we should find a market, but that it would be useless to send meat there on consignment. To make it a successful venture it would be necessary to have a big company to act as purchaser and distributor of the meat. He thought it would be a wise thing to send a Commissioner to North America to look into the whole question and advise as to the prospects there. We wrote to the Farmers' Union at Palmerston North, advising it what had been done by the High Commissioner regarding a market in Sweden for our meat, and stating that the Board was in sympathy with the representations regarding the opening-up of new markets in North America and other countries, and that steps had already been taken to give effect to the union's suggestion. We also agreed that inquiries should be made to ascertain whether, in the event of new markets being found for New Zealand produce, the Imperial Government would release sufficient shipping to carry it, and we wrote to you on the matter.

TRADE COMMISSIONER.

You will doubtless remember that we discussed with you the advisability of a Trade Commissioner being appointed to visit likely markets for our produce, and to advise producers as to overcoming whatever difficulties might present themselves. We finally passed recommendations on the subject, which were submitted to the Council of Agriculture for its endorsement. These recommendations were as follows:—

“(1.) That a Commissioner or Commissioners should be appointed to make full inquiries as to possible trade for our meat and wool in the American or any other markets; and

“(2.) That it would be preferable that such Commissioner or Commissioners should be appointed and paid by the farmers themselves, but, as the matter is so extremely urgent, and of such vital importance to the producers, the Board would be glad to receive any suggestions as to the best way of raising the money required to give effect to the proposal.”

A sub-committee was also appointed by the Board to interview representatives from the Council of Agriculture, Farmers' Union, and Sheepowners' Federation, with reference to sending a Trade Commissioner abroad to inquire into new markets for our produce. This sub-committee reported that the Sheepowners' Federation had declined to take any action in connection with the proposal, stating that the American market was open, and all that was required was to take advantage of it; therefore they did not deem it necessary to make any move in the direction indicated by the Board. The Farmers' Union delegates stated that they were bound by the resolution of the Dominion Conference, which was “That the Government be asked to find the funds for such a national project, as the movement was one to benefit the whole country.”

Later the sub-committee of the Board, with other delegates from the Farmers' Union, waited on the Prime Minister and placed the position before him, requesting that the Government take the matter

in hand, and depute an officer to visit America with a view of making inquiries regarding markets for our produce, and also with a view of endeavouring to get into touch with some business firms dealing with meat, outside of the Meat Trust, who would be prepared to handle and sell New Zealand meat on the American market.

The Prime Minister stated that he was in sympathy with the proposal, and would give it consideration, and see what could be done to meet the wishes of the Board.

At a later meeting Dr. Reakes reported to us that, in conformity with the Board's request for the appointment of a Trade Commissioner to make full inquiries as to possible trade for our meat and other products in the American and other markets, Sir Thomas Mackenzie had been requested to visit New York and other centres in the United States of America on his way from London to New Zealand, and to report to the Government.

AGRICULTURAL INSTRUCTION.

Dr. Reakes reported that the subjoined recommendations with regard to rural education that the Board had made to the Council of Agriculture at their 1920 conference had been brought forward and discussed at a conference held in Wellington between the Department of Agriculture and the Education Department in August of last year, and that this gathering had practically endorsed the suggestions made by the Board.

"The Board of Agriculture realizes, as every one must, the necessity of increased production, and this must necessarily come largely from the land; it has therefore discussed the means by which this can be brought about. It realizes that education must play a great part in demonstrating to the farmer the means by which the production can be increased, and would lay before the Council of Agriculture a scheme of education to be aimed at, as follows:—

"1. The Board views with satisfaction the cordial co-operation that exists between the Education Department and the Agriculture Department in *re* agricultural education, as shown by the success of the short farmers' courses carried out by officers connected with both Departments at Ruakura, and urges that these classes should be established wherever possible. If an experimental farm is not available, arrangements might be made to hold such classes at the farm of some well-known farmer, where accommodation for those attending could be obtained nearby.

"2. The Board, having watched the good work of the field instructors connected with the Agriculture Department, is of opinion that their number should either be increased or assistants be appointed so that experiments or demonstrations could be greatly increased in number covering farm operations in the various districts.

"3. That where possible farm schools should be established.

"4. The Board desires to impress upon the Minister the great need of a fully equipped agricultural college, with sufficient land connected with it for all the necessary requirements, and urges that immediate steps be taken to utilize the money so patriotically bequeathed to the State by the late Mr. Josiah Howard to provide such a college.

"5. That in connection with such agricultural college there should be appointed (1) a bacteriologist, (2) a chemist (who should be a bio-chemist), and (3) a plant pathologist for investigation and research purposes, with a sufficient area of land set apart for their use.

"6. Thus steps would be provided so that any student could gain both scientific and practical knowledge of the farming operations. To complete the educational structure it would be necessary that a Chair of Agriculture in connection with some University college should be established, so that a degree in the science of agriculture could be taken, and thus give a standing to the teachers who would take such a degree. Bursaries should therefore be provided to enable students whose parents were not able to give them this advantage to attend classes and sit for the agricultural degree, the practical work being taken at any appointed agricultural college.

"7. Further, that to encourage young people, either at schools or farms, those agricultural and pastoral associations who are prepared to conduct competitions for the young, in raising crops and the breeding and rearing of animals, should be subsidized to enable them to carry out such competitions, as these have been found to be of great service in the States and Canada in awakening an interest in improved methods of raising crops and live-stock.

"8. District committees representing agricultural and pastoral associations and County Councils to act in conjunction with the agricultural instructors of both the Department of Agriculture and the Board of Education to work up interest in agricultural education generally.

"These committees to arrange practical experiments to demonstrate the best use of the various manures and lime.

"If the Council of Agriculture endorses these proposals the Board considers that the recommendation should be forwarded to the Minister of Agriculture jointly from the Board and Council; and, further, that the Board would ask the various agricultural and pastoral associations to set up the above-mentioned district committees of farmers to work with and assist the various Government officials connected with experimental and demonstration work."

All of these recommendations were subsequently endorsed by the Council of Agriculture excepting No. 6.

The following resolutions in the matter, which were passed at the above-mentioned departmental conference, were afterwards dealt with at a meeting of yourself and the Hon. Minister of Education with the heads of both Departments, on the 26th October, 1920, with results as shown in notes by the Minister of Education:—

"1. That the function of Education Board instructors lies in work in primary, secondary, and technical schools; that of Agriculture Department instructors with farms and farmers and with lads requiring practical training after leaving school. That, pending the securing of a sufficient number of instructors to meet requirements, the field officers and instructors of the two Departments work in co-operation."—(Confirmed.)

" 2. That, with a view to securing an adequate number of trained instructors in the various branches of agriculture, either for the Department of Agriculture or for the Education Department, the following steps should be taken :—

" (a.) That facilities for teaching the subjects required for the B.A. pass in agricultural science and for advanced agricultural science for the B.Sc. degree should be provided at each of the University colleges."—(*Confirmed.*)

" (b.) That special encouragement in advance of present arrangements be given to students of training colleges who show a special aptitude for agricultural work to proceed to an agricultural college to complete their training."—(*Confirmed.*)

" (c.) That a bureau of information and guidance should be established under the Education Department in co-operation with the Department of Agriculture in order to induce lads from secondary and technical schools, as well as teachers and other persons, to pursue a course of study in agriculture, and to advise them concerning the steps they should take."—(*Confirmed.*)

" (d.) That both Lincoln College and any agricultural institution of suitable standing to be established in the immediate future by the Agriculture Department make special provision for the training of agricultural instructors and experts."—(*Deferred pending Mr. Nosworthy's visit to Lincoln College.*)

" (e.) That to enable Lincoln College to fulfil more completely its function as a University school of agriculture, and to provide the necessary instruction for students of the type required, substantial financial provision be made for the necessary buildings, equipment, and additions to staff."—(*Deferred.*)

" 3. That in the opinion of this conference any area of agricultural land in excess of what is necessary for small plots to demonstrate essential scientific principles is not required and should not be provided in connection with any secondary or technical school."—(*Confirmed.*)

" 4. That, in regard to agricultural clubs for boys and girls, the resolution passed by the Board of Agriculture and the Council of Agriculture at their recent meetings be confirmed by the conference, with a suggested addition to the effect that where clubs are already in existence conducted by organizations other than agricultural and pastoral associations these be continued as at present, but that an endeavour be made to link them up in each case with an agricultural and pastoral association."—(*Confirmed.*)

" 5. That one school of agriculture of University rank should be established as sufficient for the present requirements of the Dominion."—(*Deferred.*)

" 6. That farm schools should be established in connection with Government experimental farms, under the Department of Agriculture, wherever the demand for instruction warrants such establishments."—(*Confirmed.*)

In connection with the farm schools, the following recommendations are made :—

" 1. That one man be in charge and responsible for everything on the farm, and that he be given such assistants as are necessary for the efficient conduct of both the practical farming and the instructional work."—(*Confirmed.*)

" 2. That one member of the staff undertake the immediate control of the students' welfare and general behaviour."—(*Confirmed.*)

" 3. That, in addition to practical work in all branches of agricultural and pastoral operations, instruction be given in—

" (a.) Elementary science and mathematics bearing directly upon practical farming-work.

" (b.) Instruction in English, history, and civics on general lines calculated to make the students good citizens in after-life—in this connection a good library to be provided.

" (c.) Instruction in practical matters indirectly bearing on farm-work in New Zealand—*e.g.*, saddlery, farm carpentry, farm blacksmithing, concrete-work, &c."—(*Confirmed.*)

" 4. That if any charge is made for board and lodging of students it should be at a low rate, to be reduced for the second year."—(*Confirmed.*)

" 5. That in all cases a bond should be entered into by the parent or guardian undertaking that the student shall not be removed without adequate cause until his course is completed."—(*Confirmed.*)

" 6. That the course of instruction be for two years."—(*Confirmed.*)

" 7. That in order to properly co-ordinate their work, and to receive a short refresher course, agricultural instructors should meet together each year for at least one week at some place centrally situated for both North and South Islands."—(*Confirmed.*)

After some discussion the following resolution was passed in the matter and forwarded to you : " That the Board views with satisfaction the conference which has taken place between the Department of Agriculture and the Education Department, which has defined the work of each Department in connection with agricultural instruction, and hopes that the recommendations made to the Government will be given effect to as soon as possible.

BOYS' AGRICULTURAL CLUBS.

The Board also discussed with Dr. Reakes the best methods to be adopted to bring the agricultural and pastoral associations and other farmers' organizations into this movement, and we advised you that—

" The Board of Agriculture is of opinion that to encourage competition by boys in connection with agricultural clubs—

" (1.) An organizer should be appointed and a sum of money set aside for that purpose and for the allocation of prizes.

- “(2.) Where any agricultural and pastoral society or societies, farmers’ union, or other established organization, combined or otherwise, of a district, or the Governors of a high school, desire to have a boys’ agricultural club started, the organizer should be invited to their district for the purpose.
- “(3.) He should then call a meeting in the district of those interested in the movement (and personally invite as many as possible) for the purpose of forming a committee to assist in the proper carrying-out of the club’s competitions, and the Department’s agricultural instructor should be also associated with such committee.
- “(4.) That the agricultural and pastoral associations be invited to co-operate in the movement by opening classes and offering prizes for the best animals or produce exhibited by members of these clubs.”

SUGGESTED LEGISLATION FOR PRESENTATION TO PARLIAMENT.

Copies of the Seeds Bill, the Noxious Weeds Amendment Bill, the Rabbit Nuisance Amendment Bill, and the Fertilizers Bill, which you forwarded to the Board and asked for our views as to the proposed measures, were carefully discussed with Dr. Reakes.

SEEDS BILL.

A copy of the Seeds Bill which had been brought before Parliament was fully considered. We were informed that the seed-merchants were objecting to clause 11 in the Bill, dealing with the sale of seed by farmers to other farmers for sowing. After having gone fully into the matter with Dr. Reakes, the following resolution was passed :—

“That, having heard the objection of the seed-merchants to clause 11 of the proposed Seeds Bill, the Board of Agriculture is of opinion that some provision should be made to prohibit the sale by one farmer to another unless the seed offered for sale is either submitted to the Government Biologist for examination or that the seed is certified to have been machine-dressed.”

Later Dr. Reakes reported to us that a conference had been held by the Department with representatives of the seed trade and the farmers, for the purpose of discussing in detail the provisions of this Bill. At that meeting there was great difference of opinion, and finally the following resolution was passed, which practically amounted to the abandonment of the Bill :—

“In the opinion of this meeting the bulk of the seed trade is being carried on on sound and satisfactory lines. The passing of legislation on the lines proposed will hamper both seed-merchants and growers, and result in inconvenience and additional expense. The committee thinks that steps should be taken under existing legislation to prosecute known unscrupulous seed-dealers, and that an educational campaign should be carried out to impress on all farmers the advisability of buying only high-grade seeds and demanding guarantees of the germination and purity of all the seed they buy.”

After we had discussed the altered position we agreed to defer further consideration of the Bill to a later meeting, the members of the Board in the meantime to ascertain the feeling of farmers and others interested in their respective districts as to the measure.

FERTILIZERS BILL.

We also had before us a rough draft of an amending Bill controlling the sale of fertilizers, but full consideration of this was deferred pending further particulars being supplied.

LEGISLATION FOR THE CONTROL OF FIREBLIGHT.

We were informed by Dr. Reakes that it was proposed to introduce an amendment to the Noxious Weeds Act providing for the inclusion of hawthorn in the schedule to the Act which gives power to the local authority to declare weeds to be noxious weeds within its jurisdiction. After having heard the explanation of the proposals, the Board endorsed the Department’s suggestions in regard to the control of the disease, it being optional on the part of the local body to bring it into force if deemed necessary.

NOXIOUS WEEDS AMENDMENT BILL AND RABBIT NUISANCE AMENDMENT BILL.

Some alterations in the provisions of the Noxious Weeds Act and Rabbit Nuisance Act, as suggested by the Department of Agriculture, were agreed upon.

SHIPPING-SPACE FOR STOCK AND FRUIT TO NORTH AND SOUTH AMERICA.

At the request of a number of fruitgrowers and prominent stockbreeders, the Board felt the urgent necessity of further steps being taken to have the South American markets made available for New Zealand producers, and therefore passed the following resolution, which was sent on to you : “The Board of Agriculture is of opinion that further efforts should be made to secure shipping-space to South America for stud stock and for fruit, and recommends that the Hon. the Minister of Agriculture take the necessary steps to give effect to this.”

We are pleased to note that arrangements were made to ship New Zealand produce and stock to South America, and that another steamer is now scheduled to leave New Zealand for the Argentine about the middle of July, 1921.

CHAMPIONSHIP SHOW.

The question of organizing a Royal Championship Show, to be held alternately in the North and South Islands, so that visitors in search of stud stock would be able to see the best of the New Zealand breeds, which had been referred to the Board by the Council of Agriculture, was fully discussed. After consideration, you were advised that it had been agreed—

“That the Board of Agriculture recommends that, in order to establish an annual championship show,—

- “(1.) The Government be asked to give £1,000 for the champion prizes, the following to be the qualifications of any association desiring to hold a champion show: (a) The minimum prize-money offered for the previous two years shall have been at least £1,000 a year; (b) the minimum prize-money offered at the champion show to be at least £2,000; (c) membership to be not less than 1,200 members; and (d) the association applying must satisfy the committee appointed for the purpose that the showgrounds and buildings are fully adequate for the requirements of a champion show.
- “(2.) The champion show to be held alternately in the North and South Islands.
- “(3.) A ballot to be taken between the North and South Islands for the first show.
- “(4.) A ballot to be taken between eligible societies in either Island for the first show.
- “(5.) A sub-committee, consisting of Sir J. G. Wilson, Mr. W. Perry (of the Board of Agriculture), and Dr. Reakes (or a responsible officer of the Department of Agriculture deputed for that duty by Dr. Reakes), to be set up—(i) to receive in each year applications from societies desiring to hold the championship show, and to ascertain whether such societies are eligible for the purpose; (ii) to arrange for the ballots mentioned in (3) and (4); and (iii) to draft a suitable schedule and prize-list in connection with the championship classes.”

We received your reply to our representations on the 30th April last, in which you stated that the proposal had been carefully considered by the Government, and that it had been decided, in view of existing circumstances, that it must stand over for a time.

NOMINATION AND ELECTION OF MEMBERS OF BOARD OF AGRICULTURE.

The Board made certain suggestions to you regarding the amendment of the regulations under the Board of Agriculture Act, 1913, for the nomination and election of members of the Board. These were discussed with Dr. Reakes, who promised to recommend that the alterations suggested be adopted by you.

TESTING FOR SOUNDNESS OF BREEDING-CATTLE OFFERED FOR SALE.

A proposal that the Government be recommended to take steps to have all breeding-cattle submitted for public sale tested for soundness was also carefully considered at the request of Dr. Reakes, when the Board expressed the opinion that it would be impossible to test for soundness all breeding-cattle submitted for sale as recommended; but that in the case of stud cattle, if any breeder desired to have his herd tested, the Department of Agriculture should make the necessary arrangements to do so. It was also thought that if there was any desire on the part of the various breed associations to make a rule, that in the case of sales by members of these societies a test for soundness should be made of the cattle so offered for sale, the Department should endeavour to meet their wishes in the matter if it were practicable.

NAURU AND OCEAN ISLANDS.

We had a lengthy discussion with Dr. Reakes and Mr. Ellis (New Zealand Commissioner), on his return from London, with regard to both Nauru and Ocean Islands phosphates, when Dr. Reakes gave us particulars concerning the negotiations regarding the sale of Nauru and Ocean Islands and the arrangements that were being made by the Department of Agriculture to distribute the supplies of phosphates throughout New Zealand. Mr. Ellis also gave us much valuable information regarding the output at the islands, and the cost of landing phosphates in New Zealand. He also issued a warning note with regard to the low quality of some of the basic slag now being offered in England for shipment overseas.

We suggested that the Department should reprint (in pamphlet form) the articles published in the *Journal of Agriculture* by Mr. Ellis, on Nauru phosphates.

IMPORTATION OF BIRDS FOR ACCLIMATIZATION PURPOSES.

Communications were received from the Department of Internal Affairs, through the Director-General of Agriculture, asking for the Board's opinion regarding requests from two acclimatization societies for permission to introduce some Indian partridges, Argentine partridges, and the Martinetto bird. The Board stated that the inquiries made supported the claim that there was no objection to the importation of Indian partridges, and advised the Department accordingly. In connection with the proposal to introduce Argentine partridges and the Martinetto bird, it was thought necessary to make further inquiries, and it was decided to write to the Argentine for information before expressing an opinion.

MISCELLANEOUS.

Amongst other matters dealt with were: The advertising of New Zealand produce in Great Britain; the giving of preference to the shipment of meat of 1920-21 season's killings; the allotting of shipping-space for free meat after termination of the Imperial commandeer; proposed amendment of Orchard and Garden Diseases Act; English control prices of imported meat; preference to farm

labour and domestic servants in Government immigration scheme ; free entry of Indian coolies into New Zealand ; exchange of produce and open market for wheat ; representation of agricultural and pastoral associations at conferences affecting the farming interests ; live-stock-branding schemes ; examination of stallions ; High Commissioner's weekly market cablegram ; judging demonstrations on farm live-stock ; encouragement to importers of pedigree stock ; and importation into Great Britain of New Zealand stud stock.

The Board has at its meetings had the advantage of your presence and assistance, and desires to express its thanks for your careful consideration of the many points of a confidential nature which have arisen during the discussions. The Board owes much to the fact that the Director-General of Agriculture has been present at all our meetings. His experience and sound judgment have been of great advantage in furthering the business the Board had to deal with. The discussions regarding the internal working of the Department have been necessarily of a confidential character, but we are not without the hope that these have been of assistance to Dr. Reakes in helping him in the successful reorganization of the Department since he has been Director-General of Agriculture.

I have, &c.,

JAMES G. WILSON,

President of the Board.

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