

Committee feels that the present time is not propitious for recommending Government assistance in this direction, but that provision should be made for assistance to be granted by way of a loan to be repaid by amortisation.

(10) *As to the opening-up of new quarries in certain approved cases.*

Except in certain districts which are at present poorly served, the Committee is of opinion that no new quarries should be opened up adjacent to or in districts easily served by existing units. Applications should be dealt with on their merits under any new regulations which come into force.

(11) *As to heavy license fees on farmers' trucks.*

A departmental Committee is at present inquiring into this position, and its report is expected at an early date.

Subject to the note of warning sounded in its report, the Committee recommends that some measure of relief from heavy traffic license fees be considered to farmers using their own trucks.

(12) *As to Road Transport Schedule rates.*

The Committee has fully considered this subject and is convinced that any departure from a fixed schedule of charges would be a retrograde step, and recommends accordingly.

(13) *As to Legislative control.*

The Committee recommends that the industry should be controlled by legislation and that the Minister take appropriate steps to have this put into operation.

The Committee further recommends that an Advisory Committee, consisting of one representative of the farming community, one representative of the lime-manufacturers, one representative of the employees, one officer of the Department of Agriculture, and one officer of the Department of Industries and Commerce, should be appointed to advise the Government in regard to necessary alterations which may present themselves from time to time in the operation of the transport subsidy recommended in (1) above, to exercise control over the prices of agricultural lime, and to deal with all matters in connection with the registration of lime-manufacturers and other matters pertaining to this industry.

A précis of the principal clauses of proposed legislation is given in Appendix B.

G. A. HOLMES, Chairman.

JNO. BARRON.

J. J. SCOTT.

F. W. L. MILNE.\*

W. HORROBIN.

### 9A. MEMORANDUM OF DISSENT.

I agree with all the recommendations of the Committee as enumerated in its report with the exception of No. 1, being that relating to the most efficient and equitable manner in which Government assistance should be given to the production and consumption of agricultural lime. I have abstained from signing the report for the reason that the scheme recommended and providing for payment by way of subsidy on transport charges only is neither equitable nor will it overcome, in my opinion, those deficiencies in the existing system which are of chief moment to the Government.

There can be no question but that the granting of 100 miles free railage forty-one years ago has had a very marked influence on the increased usage of lime for agricultural purposes. It must, however, be remembered that at the close of the nineteenth century there were neither the efficient road vehicles we now have, nor, in fact, the roads on which to use modern transport. With the ever widening of the area of land used for agricultural and pastoral purposes made possible by these modern means of transport any subsidy based purely on rail transport confers the major benefit on those in close proximity to rail. Thus the entire community, per medium of the Consolidated Fund, is asked to subsidize one section only of the farming community.

During the last few years there has been a considerable increase in the number of lime-producing units, and this growth, dependent as it is on the free railage concession has led to what might almost be termed a chaotic state in the industry. Lack of adequate output per unit decreases efficiency, while distant farmer shareholders, good salesmanship, personal bias, and other factors have all tended to bring about a considerable amount of uneconomic haulage. This overlapping is a very serious and real problem, and, while a certain amount is unavoidable, due perhaps to the inability of the nearest works to supply at peak demand periods, much of it is preventable.

From railway freight statistics relating to the fiscal year 1938-39 I have worked out the overlap as 11,170,856 ton-miles. This figure takes account of "officered stations" only, but is, I think for all practical purposes, "near enough." If we take as an average freight charge nine-tenths of a penny per ton-mile which is the added rate per ton as between 60 miles and 70 miles we find that the additional cost to the State for this uneconomic haulage is £42,000. This is equivalent to 35 per cent. of the total subsidy paid, which in the year under discussion was £120,000. Much of this excess freight charge cannot be avoided for reasons given above, but if we assess the unnecessary haulage at 50 per cent. of this figure we have £21,000, which represents wasteful expenditure. Another pertinent fact is the tying-up of railway-trucks, and here we find that this uneconomic haulage of upwards of 11,000,000 ton-miles is responsible for tying up 17,000 trucks for varying periods over the twelve months.

That the Government recognizes that improvement might be effected is indicated in the order of reference, which reads, *inter alia* :—

"To recommend more efficient methods of distribution and marketing of lime.

"To investigate and report on the most efficient and equitable manner in which Government assistance should be directed so that *bona fide* farmers may receive the maximum benefit therefrom."

\* I agree that the recommendations of the Committee will introduce a degree of automatic zoning with a minimum interference with existing conditions. Should any reduction in the percentage of subsidy either on the rail or by road be considered, however, I would favour the adoption of a scheme of subsidy based on the cost of lime landed at the farmer's gate as adopted by the Land Fertility Scheme now operating in England. With reference to the proposed advisory committee, it would be preferable to limit the membership to, say, three. If a larger council is appointed the manufacturing interests should be reasonably represented.—F. W. L. MILNE.