The results obtained from treatment of the data collected were as follows :—

(*a*) A reliable estimate was made of the truck mileage involved in the present system of cream-collection in the two selected areas.

(*b*) The butterfat-production within each square on the plotted maps was ascertained, and the location of each factory in relation to the roads was plotted. Technical information was also obtained regarding the cream-carrying capacity and operating efficiency of the different classes of motor-trucks.

It was then possible to estimate the truck mileage and the cost involved in the collection of cream, firstly, if cream were transported to the nearest factory, and, secondly, if a measure of rationalization were applied to the present system.

251. Conclusions of Transport Department :

The conclusions of the Transport Department based on the investigation may be summarized under the headings of "Present Costs," "Costs under a Rationalized System," and "Costs under a Zoning System." Under a rationalized system of cream-collection, suppliers would continue to supply their present factories, but avoidable overlapping on roads and duplication of collecting-services would be eliminated. Under a zoning system, suppliers would be required to supply their nearest factory. The following estimates were made by the Transport Department :—

(*a*) The *present costs* of cream-collection are—

	Cost per Truck-mile.	Cost per Pound of Butterfat.	Total Transportation Cost.
	d.	d.	£
Manawatu	7·13	0·260	19,666
Waikato	8·33	0·287	36,478
Total			£56,144

(*b*) The estimated costs of cream-collection under a *rationalized system* of road transport are—

	Cost per Pound of Butterfat.	Total Transportation Cost.
	d.	£
Manawatu	0·210	15,871
Waikato	0·222	28,293
Total		£44,164

(*c*) The estimated costs of cream-collection under a *zoning system* are—

	Cost per Pound of Butterfat.	Total Transportation Cost.
	d.	£
Manawatu	0·181	13,062
Waikato	0·214	22,028
Total		£35,090

Thus, a rationalized system of transport would result in a saving of £11,980, or 21·5 per cent., and a system of zoning of supply would effect a saving of £21,054, or 36·5 per cent., on the cost of the existing system of transport in the two areas investigated.

Applying these percentages to the total cost of transport of cream from farms to dairy factories for the whole Dominion, the approximate result would be as under :—

	£
Cost under present system	411,000
Cost under rationalized system	323,000
Cost under system of zoning of supply	261,000

That is, the saving under a rationalized system of transport would be approximately £88,000, and under a system of zoned supply it would be approximately £150,000.

252. Comment on Conclusions of Transport Department :

It should be mentioned that the savings calculated by the Transport Department are based on the assumption that complete rationalization or zoning of cream-collection is practicable. From the evidence submitted to the Commission it is clear that the problem bristles with difficulties, and that no complete single system of rationalization is at present possible. Much, however, can be done to minimize overlapping by one or other of the methods suggested in the recommendations that follow.

The investigation carried out by the Transport Department and briefly summarized above is most valuable in proving the need for action appropriate to the particular circumstances existing in different districts.

It is difficult to determine accurately the loss through overlapping, and difficult also to estimate the extent to which the industry will benefit from rationalization; but it is not improbable that