

## THE ADVANTAGES OF CO-OPERATION.

Mr. H. W. Gilling (Taranaki) read the following paper on "Co-operation":—

**CO-OPERATION.**

The acknowledged success of co-operative concerns in various parts of the world has caused both consumers and producers alike to look upon co-operation as the panacea for many of their woes. It is unnecessary for me to name particular concerns, and give figures to convince you that co-operation on the part of the consumers has resulted in a benefit to them. Neither is it necessary for me to prove that co-operation on the part of the producers has resulted in a benefit to them. We have around us abundant evidence of this in the successful co-operation of the dairy farmers. It is argued that it does not necessarily follow that because the dairy farmers can co-operate to advantage that the beekeeper can. We are deaf to the gloomy utterances of the pessimist, and we return again and again and try to get a clearer vision of co-operation amongst the beekeepers. Beekeepers everywhere, with but few exceptions, long for co-operation. We take up the report of the annual meeting of the National Beekeepers' Association, U.S.A., and we find on almost every page some expression of a desire for co-operation. Two co-operative Beekeepers' Associations have been in active operation in U.S.A. for some years with satisfactory results, and one at least—the Colorado Honey Producers' Association—is gradually but surely extending its operations. A more or less successful co-operative concern has been in existence in South Australia for about five years. Although the reports of this concern do not point to unqualified success, the lot of the beekeeper there has been greatly improved through this institution.

Beekeepers in New Zealand have through their existing Association been able to combine to advantage in the purchase of some of their requisites. But it is not possible for our Associations as at present constituted to transact the kind or volume of business we desire. Strictly speaking, it is not a fair thing for an unregistered association to incur liability, as in the eyes of the law it does not exist, and therefore has no remedy in our courts. Your instruction to the ingoing Executive last Conference to evolve some co-operative scheme is evidence that you are not satisfied with existing conditions. In accordance with your instructions, your Executive sought information from the Colorado Honey Producers' Association, the Western Honey Producers' Association, and the South Australian Beekeepers' Association, but the information gleaned was of no value to us in seeking to evolve a comprehensive co-operative scheme for New Zealand.

It has occurred, however, to a few of the beekeepers in Taranaki (the hot-bed of co-operation amongst dairymen) that there is no need to go so far afield for ideas regarding co-operation. Would it not do to simply follow the dairy farmer as far as his methods are applicable to our business? With that

idea, a few of the beekeepers there decided to attempt the formation of a Co-operative Honey Producers' Association. The Memorandum and Articles of Association of one of the most successful dairy companies was selected as a basis to work upon, and as far as possible that was adhered to, with the exception of the necessary alteration to make it applicable to the bee-keeping industry. A number of beekeepers were canvassed, and soon a sufficient number of shares had been subscribed to enable the Association to be registered and to make application for the certificate entitling the company to do business. On the receipt of this certificate the policy for the season's operations were decided upon, and supplies of tins and cases arranged for. In the absence of a bottling depot, arrangements were made with individual beekeepers to do the necessary bottling and tinning for the company. So far this concern has proved an unqualified success.

It is truly remarkable that we failed previously to notice the many lessons we might learn from the dairy farmer. What a vast difference co-operation and the establishment of the factory system has made for him. He no longer sets his milk in shallow pans and skims it with a skim dish, and weekly or oftener laboriously churn his cream into butter, journeying to town with the product to sell to his grocer at the best price he can bargain for. The coming of co-operation amongst bee farmers will too eventually work vast changes. He will no longer be at the mercy of the merchant and grocer. Under the present system all too often he is compelled because of financial difficulties to accept their price. Like the dairy farmer, he will deliver his honey and receive his cheque the following month, and will not be kept awake at night with anxiety lest he does not sell his honey. He will no longer feel in any sense a traitor to his brother bee-keeper, for he will no longer be compelled to cut prices to effect a sale, but they will both work together for the common good. Bottling depots will sooner or later be established. Our first thought is that this city will, of course, be the place for these, but I am not quite sure that such will be the case. We will need to go very carefully into all the pros and cons before jumping to that conclusion. At present I am disposed to think that on investigation it will prove best to follow the dairy farmers here, too, and put our bottling depots in the centre of the supply, which may be some distance from the city. Honey would be delivered to the depot in liquid form, the honey weighed in, and the supplier take back his empty cans. These will need to be strong, with large open mouth similar to a milk-can. On being received, the honey will be treated to hasten granulation, first exposing it to a heated atmosphere to raise the temperature with a view to clarifying. It will then be run into shallow tanks, and some partially granulated honey stirred in to act as a starter. Some means will be evolved for treating the honey to improve the grain. Stirring we know accomplishes this, but necessity, the mother of invention, will eventually lead to the discovery of better methods. I am satisfied that our honey can be improved by good manipulation. The establishment of bottling depots and the possession of capital

will provide the ways and means for experiments in this direction. In a few years' time the isolated beekeeper will find it as hard to compete with the co-operative company's honey as the isolated butter-maker finds it hard to compete with the factory product.

In conclusion, I venture to say that the whole outlook for the bee farmer will be much brighter. Taranaki beekeepers are now enjoying a foretaste of this. I think I can safely say that all associated with the co-operative concern there are satisfied with their prospects, and feel that, when the beekeepers of New Zealand as a whole realise the advantages of co-operation and join issue with them in the establishment of a co-operative concern embracing the whole of the Dominion, that the dawn of a better day will have come.

Mr. Jacobsen said that Canterbury had taken some steps towards establishing a co-operative scheme, but Taranaki had left them in the lurch. Canterbury would most likely fall in with what Taranaki had done, and endeavour to form one co-operative association for the Dominion. If they could get sufficient support and unity, that would be the solution of their difficulties. They would be able to demand a proper living and a good price for their honey. He moved a vote of thanks to Mr. Gilling for his able paper.

\* The motion was carried by acclamation.

Mr. F. C. Baines said that he was secretary of the company formed in Taranaki. He mentioned that he had recently quoted an Invercargill merchant 4d. per lb. f.o.b. for honey. The merchant said that he could get honey in Christchurch for 3½d. He (Mr. Baines) could imagine no stronger argument for co-operation than this sort of thing. Under co-operation also tins and other supplies could be obtained to better advantage. If merchants knew that the price for honey was 4d., and that they could not get it for less anywhere else, every beekeeper would benefit.

Mr. Ireland said that the advantages of co-operation were undeniable—every industry that wanted to keep abreast of the times had to adopt it. One great object of the Association should be to increase the consumption of honey. At present many families did not use it at all. He had not sold any honey in Christchurch that year for 3½d., but had secured 4d. and 4½d. If he could secure these prices, why should others take any less? There was no doubt that small prices were due to people who sold small lots, and a scheme would have to be evolved under which all beekeepers would be induced to sell through a depot. Canterbury intended to have a conference with Taranaki in regard to co-operation straight away, and he hoped that a Dominion co-operative scheme would be floated.

Mr. Moreland said that attempts to beat down prices were not unknown in Marlborough, and gave instances, but added that a sort of local co-operation prevailed, under which one pound was recognised as a standard price for a 56-lb. tin of honey.

Mr. E. G. Ward said he believed there would be no obstacle to Canterbury joining in with what had been started by the Taranaki Association. Taranaki had furnished the nucleus of a good scheme. His experience was that merchants had a fixed price, which they would not go beyond, and the smaller shops were doing something very similar. He was satisfied that the time was now ripe for the adoption of co-operation.

Mr. Isaac Hopkins emphasised the importance of maintaining steady supplies of honey, and also of maintaining standards of quality. People in New Zealand did not consume anything like enough honey. The export trade and the local trade must go on hand in hand. The price here would tend to rise in accordance with the price obtained at Home. Of course, beekeepers must undertake to place on the market, both here and at Home, an article ripened and matured properly. He cautioned beekeepers against using tanks that were too deep.

At Mr. Gilling's request, Mr. Hopkins gave his experience of a co-operative association started years ago in Auckland. Mr. Hopkins said that the concern was floated in the eighties (he thought in 1887). He was secretary. The grocers at once started to "get at" the outside beekeepers, and offered them a better price than they had been getting on condition that they did not join the Association. In course of time the grocers were able to sell honey at less than the depot price. The Co-operative Society then employed hawkers to go round from door to door. On this plan the Association did very well for a time, but in the end the grocers got hold of this trade, too, and knocked the Association into a cocked hat. Now they had a better lot of beekeepers throughout New Zealand. At that time they had all the riff-raff in the country.—(Laughter.) He believed that co-operation might very well be successfully established now. Mr. Hopkins' concluding remark was: "If you are satisfied with the National, go for that all you know; if you are satisfied with something else, go for that; but don't, for heaven's sake, split up."—(Applause.)

Mr. Jas. Allan said he suspected that there might be some difficulty in establishing co-operation in the same way as had been done in the dairy industry, but it should have an excellent effect in tending to make the price firm and in standardising the packages. Co-operation would probably help in getting honey put up in a way acceptable to the consumer, and if it introduced a proper regulation of price it would certainly do a great deal for beekeeping so far as the local market was concerned. He had been offered prime Canterbury honey in tins at 3¼d. per lb. If honey were more attractively packed the demand would largely increase.

Mr. W. E. Barker said that he was not sure that it was advisable that all the honey should be put through one firm. Why should it not be divided between two firms if their terms were equally satisfactory to the National? He thought some of the honey might be entrusted to the Bristol and Dominions Producers' Association.

Mr. Jacobsen said that to employ more than one distributing agent would result in unnecessary competition on the English market. Under that plan one parcel of New Zealand honey would sell against another, and the price would fall.

Mr. F. C. Baines said that the agents handling New Zealand honey this year had depots in all the principal centres at Home. Formerly merchants did not know where to look for New Zealand honey, but now they knew that by going to a particular firm they could always get it.

Mr. Gilling said that the Farmers' Co-operative Organisation Society was a purely co-operative concern, whereas the Bristol and Dominions Producers' Association was a proprietary concern. In the meantime they were supporting a business in which members of the National would eventually take up shares.

Mr. Bray contended that to send Home small parcels on consignment tended to steady and harden the market there, besides paying those who sold in this way.

Mr. G. Ward (Porirua) strongly dissented from this view.

Mr. Ireland said that agents in London sold all that they had bought outright in the first instance and afterwards the honey sent Home on consignment.

Mr. Clayton said he did not think they could hope to set up a honey depot of their own. In other countries associations existed to sell all sorts of produce, but in this country producers were a long way from central points. Co-operation on less ambitious lines might, however, be very useful.

Mr. Hutchinson said their aim should be to sell export honey through a co-operative agent, who would sell in their interest. In the same way their aim should be to sell in New Zealand through a co-operative concern. If they got that he was certain that they could put the price of honey up, and they could advertise that honey would be obtainable at a certain wholesale price in all the cities. Buyers would have to give this price or the honey would be exported. He thought there was a good deal in Mr. Gilling's idea of bottling the honey at a central depot. At the depot they could get cheap boy and girl labour. It was really the dairy system over again.

Mr. Gilling said that a good deal had been said which showed that there was not a clear understanding as to what could be done by a co-operative concern. Mr. Clayton thought that it was not practicable because there would not be enough business to make it pay. The concern which had been established in Taranaki engaged in various commercial undertakings, including the sale of engines and other plant. Bees also had been bought and supplied. These dealings had proved remunerative. Possibly they would be able to get supplies at reduced rates if they placed orders for large quantities.

Mr. Allan: Can you give any idea of the capital required for a company of that description?

Mr. Gilling said that he could not. In Taranaki they had started on somewhat unique lines—they started the company without any paid-up capital at all until the honey came in;

then they got it from the honey. He had been asked, "Why take up shares in a concern such as this instead of taking up shares in the Farmers' Co-operative Organisation Society?" One reason was that shares in that concern were of £10 each, and it was thought that this might discourage the small beekeeper. It was also thought that beekeepers would not provide enough capital to run the business on satisfactory lines if it were run as a department of the Farmers' Co-operative.

Mr. Baines said that a co-operative concern would be able to take the place of the merchants, and advance a fair amount on the crop.

Mr. Cotterell complimented Mr. Gilling on his paper and the Taranaki Association in taking the lead.

Mr. Moreland said that he had been asked by Mr. R. McCallum (M.P.) to wish the Conference every success, and to state that he would be glad to give his support to any proposal calculated to assist the beekeeping industry.

#### DEVELOPING THE LOCAL MARKET.

Mr. Jas. Allan addressed the Conference on "The Development of the Local Market." He said that after the last Conference Mr. Cotterell and himself consulted Mr. Kirk about grading. Mr. Kirk said that he was willing to do anything he could for them, and he (Mr. Allan) drew up a scheme which made it as easy as it could be made for the Department. Still, it was far too much for the Department to undertake. Consequently that scheme had been held over in the meantime. The idea was by some means or other to standardise the honey for the local market.

#### A HORRIBLE EXAMPLE.

An example of what was possible at present, Mr. Allan remarked, was supplied in a tin of honey which Mr. Brickell had bought in Dunedin.

The tin was placed on the table. The honey was dirty, evil-looking and sour, and elicited from those present expressions of disgust.

Mr. Brickell said that there were six hundred similar tins on the Dunedin market. It was Canterbury honey.

Mr. Kirk said that there was a very simple way of dealing with honey of that kind. The Health Department officer should have been rung up. He presumed there would have been a job for the destructor.

#### LOCAL GRADING.

At the request of delegates, Mr. Kirk made a statement on the subject of local grading. He had no hesitation in saying that in the present condition of the industry it was quite impossible for the Government to undertake the grading of honey for the local market. Even if it were possible, it was a matter of policy, and of course the Minister would have to be consulted. "Mr. Brickell winks at me," added Mr. Kirk. "He means that I have done grading that I had no authority to do."

Mr. Brickell: "No, I don't, sir!"