

The percentage of cream, from 13 to 18 per cent., was very large. In America 10 or 12 per cent. was considered a very high percentage, and the result here obtained was evidence of very good pasture. The amount received per cow nearly came up to what he had told them; and this money had come out of the soil, and would not have been available but for the factory.

The Chairman said the factory was doing good in another way, by creating a demand for pigs. This demand would be regular during the summer months, and he trusted the supply would be kept up. There was no more profitable branch of farming.

Captain Steele said it would be observed that his cows had earned £8 2s. during the few months he had been supplying milk; but in addition to this he had reared most of the calves. Some of the cows had been giving milk for a month before the factory commenced operations, and some of them were still giving milk. He considered that each cow had given a return of about £10, without counting the calves. He was quite sure that 10 to 15 per cent. of the cows at present used were not dairy cows at all. What they wanted to get was a few good cows, some Ayrshire bulls, and better feed. With these there was no reason why we should not get from £10 to £12 per cow each season. They had demonstrated the fact that dairying would pay, and that, to say the least, was eminently satisfactory.

Mr. Coates said no mention had been made of the Sunday's milk, which was a very important item. He had sold £20 worth of butter made from the Sunday's milk.

Mr. Knox said it would be interesting to shareholders to know that, though there still remained some cheese in the factory, it was there only because it was not fit to be moved. They had orders for every pound. They would also be glad to learn that not a single cheese had been sent back as bad.

Captain Runciman said it was worthy of note that those suppliers who had been engaged in dairying operations before got the best returns from their cows. Many had laboured under the disadvantage of being obliged to buy cows in the open market without knowing much about their qualities. Some of his own cows, for instance, were the progeny of animals that had been in his family for twenty-five years. On the other hand, many of them had been suckling calves for years before the factory opened, and others were young and had to be broken in. All these things militated against the success of the undertaking for the first year.

Mr. Coates remarked that his cows last year calved about July and August, but of course he would see that such would not occur again.

Mr. T. G. Sandes said he had visited the factories in the district, and had taken a very deep interest in the industry, and, so far as his experience went, he could speak most highly of the management of the Waikato Factory.

Captain Steele thought the members of Parliament should be asked to urge on the Government the propriety of granting a loan for the building of factories all over the country. The local factories had already done a vast amount of good, but they ought to be able to send large monthly consignments to foreign markets, and so secure better profits. There was no reason why butter factories should not be started in the district. They could be erected and worked at a much lower cost than cheese factories, and, unlike cheese, which had to be kept some time, the butter could be sold out of hand. He hoped the business people of the district would see it to their interest to assist in the development of these industries. He would like to see them multiply everywhere, and so circulate the money.

Mr. Coates said the high rate of freights took a great deal of the profit off the cheese. The railway charge was 45s. per ton from Hamilton, and 50s. from Te Awamutu to Auckland; while the cost of sending to England was 1d. per pound.

Mr. Knox said that in the success of the factory he had been amply rewarded for any little service he might have rendered. His object, and that of his fellow-directors, had been to keep the expenditure as low as possible, and in illustration of this he would tell them how the directors put their ideas into practice. Some time ago they sent away seven tons of cheese to England. If they had had to employ labour to pack this cheese the cost would have been considerable, but the directors got together and actually made the boxes and boxed the cheese themselves.

Mr. G. French said he had heard it mooted that none but shareholders were to be allowed to supply milk. He was not a supplier himself, and had taken shares in the company with a view to push it ahead; but he thought it would be hard on small settlers who were unable to invest in shares if they were not allowed to supply milk.

Mr. Coates said very little money was required to purchase an interest in the company.

Captain Steele said the directors strongly objected to take milk from people who were in a position to buy shares but would not. It was not fair that they should, because those people wanted to get the profits without sharing the risk. No man too poor to buy shares would be excluded from the benefits of the company. The object of the directors was, if possible, to relieve people like Mr. French, who had taken shares merely from a desire to assist the enterprise, by inducing farmers to become shareholders.

On the motion of the Mayor (Mr. Peat), seconded by Mr. T. G. Sandes, a hearty vote of thanks was accorded the directors.