

aspect of the industry. The vendors who ascertain the requirements of the consumers arrange the production and fix the principal terms of the contracts. The producer-vendors, many of whom augment the milk they produce by purchases from other dairy-farmers, find a community of interest with other vendors in purchasing for as low a price as is consistent with obtaining the supplies they need. The largest treating and vending company has two forms of contract that it adopts in its purchases from dairy-farmers. The one form adopts the principle of the "winter quota." Under this form of contract the producer receives throughout the year the town-milk-supply price for quantities equal to those produced during the previous winter months and factory-supply price for the excess. The other form adopts the principle of the declared quantity, under which the dairy-farmer is bound to supply the declared quantity throughout the year and is paid town-milk-supply price for that quantity and factory-supply price for the balance. Though this latter form would entitle the vendor to pay factory-supply rates for the excess in the winter as well as in the summer it is understood that in practice the full price is paid for all winter supplies whether in excess of the declared quantity or not. The latter form has the advantage that it enables the farmer to gain an advantage during the summer from an anticipated increase in the following winter. The "winter quota" contract and the "declared quantity" contract both tend to stimulate winter production and to induce an all-the-year-round level supply.

Experience in Christchurch shows how suspicion, mistrust, and sometimes even antagonism are consequent upon control by commercial enterprise. Instances were brought to the notice of the Commission of feeling sufficiently acute to have very disturbing effects upon the relations of producers and vendors and upon the interests of the industry as a whole. However the responsibility for the disputes may be apportioned, hardship has at times resulted and discontent has been engendered.

One respect in which the disorganized condition of the industry is likely to have serious effects is in the lack of control over the various activities. In its submissions to the Commission the Christchurch City Council made the following observations:—

"At the present time control is very much divided. The Department of Agriculture is responsible for the production of the milk on the farm. This Department's functions cease at the farm-gate. From then on the Health Department is responsible under powers conferred upon it under the Sale of Food and Drugs Act, and regulations under the Health Act, to ensure that the milk delivered to the consumer complies with a given standard and in such a manner as is laid down by various regulations.

"The Christchurch City Council was responsible merely for the licensing of the actual vendors who distributed within the city area, including both the itinerant milkmen and the shop dairy. Considerable dissatisfaction arose some time ago at the lack of supervision by the Health Department, and the City Council agreed, at the request of the Medical Officer of Health, to loan Council officers for the purposes of collecting milk-samples for the purpose of analysis. This arrangement was on account of shortage of staff at the Health Department. When zoning came into force on the 1st June last year the Health Department withdrew its supply of transport, and to ensure that an adequate number of samples were being taken the City Council bought a motor-car, and detailed an officer for the sole purpose of sampling. The Medical Officer of Health has the whole say as to what action should be taken in the event of a sample not complying. The Council feels that it owes this service to its citizens as consumers, despite the fact that it has no legal obligation to operate under the Sale of Food and Drugs Act.

"The Council administers the regulations within its area as to the structural conditions of dairies, but there is a serious weakness where vendors and producers are living in different areas outside of the city and merely distributing milk in the area under the Council control—that is to say, a vendor could purchase milk from a producer in the Paparua Council, store it in the Riccarton Borough area, and distribute it in Christchurch. It would be necessary for him to hold a producer's license and a distributor's license. There is no license required in the outside local bodies as regards storage. It has been suggested that all local bodies should have by-laws controlling the storage of milk, and this may be desirable, but vendors feel that there are too many licenses required—for example, a Mr. Wright produces milk in the Waimairi County; he holds a license from the Department of Agriculture to produce, he would require another one from the Waimairi County Council to store. He distributes his milk in the Waimairi, Halswell, and Paparua Counties, also in the Riccarton Borough, and probably some in the city. The multiplicity of these licenses, besides being irksome, would not necessarily tend towards efficiency in inspection.

"To overcome this it has been suggested that a Metropolitan Milk District be formed, under the jurisdiction of the Christchurch City Council, with representation from other local bodies within the metropolitan area. This would have the effect of standardizing the control and any by-laws and fees, and it would ensure regularity of inspection, aimed at a high standard of hygiene. It is felt that many methods, appliances, and buildings at the farms are obsolete, and that the time has now arisen when the milk industry should raise the standard of its product. It is considered that persons producing and distributing milk should be subject to some form of regular medical supervision."

SUPPLY

Natural Conditions

The metropolitan district of Christchurch is favourably situated so far as the natural conditions of milk-production is concerned. It is almost surrounded by a broad belt of land eminently suited for dairy-farming. This belt extends approximately 30 miles to the south-west and 35 miles to the north. The greatest distance from the area boundary of any dairy-farm from which town milk is drawn is about 20 miles. The present needs of the area could be fully met from farms situated within a distance of 12 miles. As the city grows and land on its margin is required for housing or for industrial purposes or for growing vegetables, dairying can be extended more deeply into the surrounding belt; and milk to satisfy all the area's requirements for many decades should be readily available.

The soil is fertile, immediately accessible, and easily worked. It produces good pastures and abundant winter feed. In a normal season the spring flush commences about the middle of September and there is good growth until the middle of January. A short period of poor growth follows, but