

48. The price of butter is regulated very largely by the London prices ?—That is so.
49. You are doing principally an exporting trade there ?—We do a considerable trade with outside markets other than London—South Africa, Vancouver, and San Francisco.
50. The greater part of your product goes to the outside market ?—Only for three or four months in the year.
51. But during those months the greater amount of your product is exported ?—The surplus that this market cannot eat is exported.
52. In the flush of the season is that greater than the local demand ?—Yes.
53. *The Chairman.*] How many butter-factories have you ?—Only two—Oamaru and Dunedin. We have fifty-four creameries in the country, and from these creameries the butter-fat is sent to the two factories. All the butter is made at the two factories to ensure uniform quality.
54. You have not had any understanding with other suppliers to limit the price ?—No.
55. There is no reserve in the statement that you are always fighting ?—No. We have absolutely nothing to do with any firm.
56. What was the total amount you paid as a bonus last year in addition to dividend ?—We paid no bonus last year. In fact, we had to take £1,600 out of reserve to pay the dividend of 6 per cent.
57. How much reserve have you got ?—I can supply you with a balance-sheet.
58. How many shareholders have you ?—About 90 per cent. of the two thousand suppliers will be shareholders.
59. What proportion of the suppliers hold shares in the company ?—90 per cent.
60. *Mr. Hall.*] Suppliers are not compelled to be shareholders ?—No.
61. *Mr. Robertson.*] What is the greatest number of shares held by one supplier ?—A man generally takes a share a cow.
62. *Mr. Hall.*] What is the nominal value of the shares ?—They are £1 shares, 15s. paid up. They are worth par on the market.
63. *The Chairman.*] What proportion does the bonus bear to the dividend generally ?—Last year, although the butter-men got no bonus, the cheese-men got a bonus because their produce gained more for butter-fat than the butter-men did. We take out a balance-sheet for each cheese-factory and give each one back the profit for that factory. If one factory gives a big supply it can be worked cheaper than a factory with a small supply.
64. With regard to the creameries, do you give a higher price where large quantities are supplied than where only small quantities are received ?—No, not in that sense. If there is a factory with a small supply it is charged working-expenses. A big factory is not put under that ban.
65. In some centres if the supply exceeds a certain quantity they increase the price per gallon or per pound ?—Yes; ours is practically on the same basis.
66. *The Chairman.*] How long have you been connected with this class of trade ?—Twenty years.
67. Has there been an increase to any extent in the price of milk during your experience ?—Yes, there has. There has been an increase of 8 per cent. in the last ten years.
68. *Mr. Hall.*] Is any of this 8 per cent. due to the increased cost of distribution in towns ?—The only matter in that is wages; but feed and other things have been high.
69. Distribution has increased in cost ?—Yes.
70. *The Chairman.*] In spite of improved methods the cost of distribution has increased ?—Yes.
71. *Mr. Robertson.*] Improved methods do not affect the distribution very much, do they ?—Improved methods have helped to increase the whole cost. People are demanding pasteurizing, and that increases the cost.
72. *Mr. Fairbairn.*] There is a law regarding moisture in butter for export: is there also a law dealing with moisture in butter for local consumption ?—Yes.
73. Is farmers' butter subject to that law as well ?—I cannot say.
74. *Mr. Hall.*] Do you pasteurize all the milk supplied for the local market ?—No; 80 per cent.
75. What is the extra cost of pasteurizing ?—I could work it out for the Commission.
76. *Mr. Robertson.*] The law regarding moisture in butter came into operation in October last. Previous to that regulation coming into force, do you know if it was the custom to add a higher amount of water for local consumption than to butter for export ?—A lower amount. The law allows 16 per cent., and we have never given more than 10 per cent.
77. Do you know if it is the practice in the trade to put a higher amount in butter for local consumption than for the export trade ?—I have never known it done in this district.
78. Your company also supplies a great deal of butter direct to the consumer from the carts ?—That is so.
79. You charge just the ordinary retail price ?—Yes.
80. *Mr. Macdonald.*] What is the highest price you have got from the London market ?—Last season our highest price was 138s. That works out at 1s. 1½d. At the same time we were wholesaling locally at 1s. 0½d.
81. What does it cost to place on the London market ?—12s. a hundredweight.
82. *Mr. Fairbairn.*] Does that cover all charges ?—Yes.
83. *Mr. Macdonald.*] Has there ever been an artificial scarcity in New Zealand through overexport ?—I do not think so.
84. You only send the surplus to London ?—That is so. If the public could eat it all they would get it, but in the flush months they cannot, and it has got to go out.
85. Can you explain this big difference: Your highest price to the public was 1s. 6d., and your highest price on the London market was 1s. 1½d. ?—Butter was not being exported at all when we were getting 1s. 6d. locally.
86. Is it not a common thing to store butter when there is a plentiful season ?—Stored butter is a different thing. Its price is 2d. to 3d. under that of fresh butter. People will not take stored butter.