

To Mr. Luke: Our business has increased during recent years. Five years ago practically all the milk we made was consumed in New Zealand, and during the war period the supply increased to nearly 100,000 cases. At the present time we are manufacturing considerably more milk than can be consumed in New Zealand, and we are now finding export markets for the surplus. The fresh-milk supply, both as to volume and price, has been practically undisturbed by our operations. We would be prepared to guarantee to supply the local market at any reasonable market price. We do not control the price; cheese controls the price. We have to pay a higher price than cheese-factories pay to secure milk-supplies. I think there are over sixty co-operative cheese-factories within a twenty-five- or thirty-mile radius of Invercargill, and we have to compete against them and give a higher price in order to get the milk.

To Mr. Hudson: As to foreign companies and foreign capital, there is always the danger of dummy shareholders. I take it that the New Zealand Government before registering a company would have to be satisfied with respect to the shareholders: the position could no doubt be wriggled out of afterwards. I think, with reasonable provisions, such a regulation might be effective.

To Mr. Craigie: The only company that could possibly make a corner in condensed milk would be the Nestlé Company. In regard to the Nestlé Company crushing out Australian companies, I prepared a long statement for the National Efficiency Board two years ago. I will let you have a copy of that statement.

To the Chairman: We make no allegation that the Nestlé Company is a German company. We have our own ideas; but we make no allegation to that effect. The Milkmaid Company's milk, which is coming into New Zealand, is Australian-made. The duty is 25 per cent. *ad valorem*. We pay 2d. per pound exporting to Australia, and that works out at from 45 per cent. to 50 per cent.

E. RABBRIDGE, Waikaia Oil-shale Development Company, examined.

We would like to know if the Committee can help us in getting assistance from the Government to establish the industry of recovering oil from the shale. The company I am interested in has spent £1,000 at a place called Freshford, at Switzer's, near Waikaia. The work of boring was carried out by the Mines Department, for which we have had to pay. There is a proved deposit of 750,000 tons. The analysis at the Dominion Laboratory shows an average of about 40 gallons of crude oil per ton; and the company is now considering the best method of recovering it. We find it very difficult to induce any one to put money into the industry at the present time owing to the indefinite price and the labour conditions generally. We have discussed the advisability of asking the Government to give a bounty for the production of crude oil. There is a big market for crude oil. There is no actual demand for it in New Zealand at the present moment, but there is a market for it. It is not proposed by our company to be a refining company, because with the present output that could not be carried out. We wish to know if the Committee will advise the Government to establish a bounty for the production of crude oil.

To the Chairman: I could let you have a copy of Mr. Morgan's report. The bounty would be on the number of gallons produced. The shale is easily mined, and it is within 500 yards of the railway-line. If the shale had to be taken to a place like Orepuki the cost would be small. No one will at present give us the price that a retort will cost. Our company is a limited-liability company.

To Mr. Forbes: The seam of shale varies in thickness from 5 ft. to 18 ft. Boring showed that the whole quantity of shale is contained in an area of about 50 acres. The company has expended over £1,000 in boring, &c. We are now anxious to make a start and establish the business. There is equal to 22,000,000 gallons of crude oil at Waikaia. It seems too valuable to lie there.

To Mr. Sidey: Our company has been going for about eighteen months. We have thoroughly prospected the ground. Boring was done by the Mines Department. The only thing that the Minister did was to waive the charge of £50 for boring. Before we can induce people to put money into the company we desire to get some further assistance.

To the Chairman: Dr. MacLaurin's report is that the shale is similar to that at Orepuki—the analysis runs out about the same.

A. W. RODGER, Runholder, examined

I have to apologize for the absence of Mr. Macindoe, public analyst, of this city. In a paper he had prepared for the Committee he says, "Southland possesses in the Ohai Coalfield a possible industry of the highest value. Borings have been made under the instructions of Mr. Rodger, of Birchwood, to a depth of 500 ft. These borings have shown that the coal improves with depth. Numerous analyses made by me have shown the coal to be of good quality, low in ash and sulphur, and a blend of two deposits—one a fairly bituminous coal; the other, high in resin, produces a coke hard and compact." I wish to offer a few supplementary remarks to the suggestions made by Mr. Macindoe. The Ohai Coalfield dealt with by Mr. Macindoe has been proved to extend over an area of at least 3,000 acres, and there is every likelihood of the coal being found over twice that acreage. Means have been taken to open up this asset, and a temporary tramway has been constructed which will provide facilities for the marketing of the coal in comparatively small quantities during the construction of a permanent railway, which will be of the same calibre as the Government railways, such construction being about to commence. Mr. Macindoe has indicated in his report that one of the samples gave a much larger proportion of fuel-oil than did the other samples analysed by him. I believe the sample to which he refers is that