

60° F. or lower. That is a very wide power, and that power has enabled the Government to bring about certain improvements in the supplying of the raw material to the dairy factories. The Government never actually enforces that Act to the extent of cooling to 60°. It is the administration of the Act that counts. The Dairy Industry Act has been administered, we believe, wisely and well, and we believe that the Board set up under the Bill will also act wisely and carefully, and always remembering this: that no action will be taken without the most full investigation and consideration of the position. We claim that unless the Board has full power to market our produce—that it has full control over the produce—that the shipping cannot be arranged satisfactorily.

6. *Mr. Hawken.*] Has there been any butter or cheese shipped outside of the National Dairy Association?—Not much since there has been a shortage of space; but there has been a certain amount shipped outside all the time, and considerably more prior to the war when space was available.

7. Who were the factories that shipped this butter?—Well, it was shipped by Messrs. J. B. McEwan and Co., who are opposing the National Dairy Association in the shipping. But during the last two years there has been a shortage of space, and most of the produce has had to go through the National Dairy Association, or else it did not get away at all.

8. How is the National Dairy Association supported?—The factories pay an annual subscription based on their tonnage. The small factories pay a small subscription and the larger factories a larger subscription—that is, so far as the shipping is concerned. The association has from time to time made profits in connection with its trading operations. It has a certain amount of capital made out of the trading business, and that capital helps to carry on the trading business. So far as the shipping is concerned, the annual subscriptions go towards paying for work done in that connection.

9. Have any of the factories refused to pay their subscriptions?—Yes. We have had a number of cases where factories have only agreed to pay their subscriptions when forced to do so more or less at the point of the pistol in connection with the shortage of space.

10. Do you find that the opposition to this Bill comes, as has been suggested by the South Island witnesses, from the proprietary factories mostly?—I would not like to say that with respect to certain other parts of the country. Take Taranaki, for instance. One could not say that the bulk of the opposition comes from the proprietary factories in Taranaki. In the South Island possibly that is the case. And in Canterbury also that may be the position. But in Taranaki I would not say that it was.

11. Is it the smaller factories that are opposed to the Bill, or the larger factories?—In Taranaki the greater number of the smaller factories are in opposition. In North Taranaki it is mostly the smaller factories that are opposed to the Bill. Of course, some of the larger factories are also in opposition.

12. Now, talking about control. A little point has occurred to me in connection with white and coloured cheese from the different factories. How do the factories arrange the proportions that they consign Home. Is there any general knowledge at all?—There is a general knowledge as to the requirements of the Old Land. A certain percentage of coloured cheese, and a certain percentage of white cheese, is required in different parts of the Old Land. But each factory here is kept advised on that matter by its own individual agents, and the result is that sometimes too much white cheese is sent to one part of the country or too much coloured cheese. If there was combined control that sort of thing would not happen to such an extent as it does at present.

13. That means a loss?—Yes, it certainly does.

14. Under the Bill that would be regulated?—Well, it certainly could be improved. It would be a difficult matter to regulate it altogether. Certain districts in the Old Country want coloured cheese, and certain districts prefer white cheese. But the Board would have an opportunity of doing something in that connection.

15. As far as you know, all the proprietary companies are against the Bill?—Absolutely.

16. That is in the North Island?—Yes, and in the South Island.

17. What about Tooley Street?—We do not anticipate much difficulty so far as Tooley Street is concerned. The evidence from that quarter is that they are prepared to work in with any organization set up on behalf of the industry. The position is different with the agents. They naturally come into the business by way of a commission. We do not wonder at their opposition, but that is where the opposition is coming from.

18. Do not some of these agents make very large salaries?—Yes, it has been reported that some of them make very large salaries.

19. Then you think that it is the agents who are opposing the Bill, and not the merchants?—Certainly. I may say that I know of at least two agents who have been cabled to by their principals in London not to oppose the Bill.

20. Are they opposing it?—Not actively in those cases.

21. *Mr. Field.*] What does it cost to run the National Dairy Association?—£12,000.

22. What does it work out at per pound of butter and per pound of cheese?—1d. per pound on butterfat would amount to over £900,000. It is a very small fraction.

23. A very small fraction?—Yes. Might I add to that that as far as the association is concerned the whole of the expenses in recent years have been paid by the trading business of the association. I may also say that not one penny of capital has ever been paid into the National Dairy Association by the dairy factories. And yet if we were wound up to-morrow there would be something like £25,000 to distribute among the dairy factories.

24. There has been no charge on the suppliers at all?—No. There was one heavy loss a year ago, but otherwise we have been able to put away a small margin of profit every year.

25. With respect to the market in the East, can you tell us anything more about that?—Some of the larger dairy companies are sending small quantities regularly to the East. The people of the Eastern nations are gradually coming into line with Western ideas of living, and the demand for butter as a necessary universal food will gradually grow.