

110. Quite so. I am referring particularly to factories?—Well, the difficulty I have found is this: that the people want such a lot of money for the milk. There are not very many butter-factories. There are some private butter-factories, but there are not many public factories. As soon as a butter- or cheese-factory starts the owners of the cows say, "We want 3d. or 3½d. per gallon for our milk;" and you cannot pay that price and make cheese-making pay. We can do it in the colonial market very well indeed, but we cannot do it with large quantities to sell in Sydney and at Home. Some factories, of course, only take a proportion of their milk for their cheese and put the rest of it into butter.

111. What is your opinion as to graded cheese?—My people tell me it is a mistake to send anything but full-cream cheese. When I was at Home I went into this cheese business. I was anxious to go to Canada, and my people were anxious that I should go; but I could not spare the time. I found out, however, and was perfectly satisfied that, as regards cheese, the people we have to compete with are the Canadians. If we want to get good prices we must make full-cream cheeses, the same as they do. When I came back, in conjunction with another man, I took the Cook County Dairy-factory, and I went up there to tell the man exactly what sort of cheese he ought to make. He went on making cheeses till he made one to my satisfaction, and I may say I have not sent any cheese to the London market that has been reported badly on since.

112. *Mr. Mackenzie.*] What have you got for your cheese?—£2 to £2 16s.

113. Net price?—That is the price at Home, we get £2 16s. at Glasgow. Fifty-two shillings is the highest we get in London, and I have never heard of anybody who has got higher or as high this year. We have been getting £2 5s. and £2 6s. for a good deal of it, but this has gone Home as ordinary cargo, and not shipped in the cool-chambers, and this makes a corresponding reduction in the cost to equalise the reduced price got at Home.

114. *The Chairman.*] This price you obtained from your factory has been remunerative to you?—I think so. It is one of those cases in which you cannot see at any moment how it is turning out. We estimate that on our work for the year it ought to pay us.

115. What price were you paying for your milk?—We were paying 2½d. and 3d.

116. *Mr. Valentine.*] You found, I suppose, by conversation, that 3d. would pay the farmer for his milk?—Oh, yes.

117. Pay quite well?—You see, of course, that would depend to some extent on where the place is—the value of the land the farmer is, as it were, producing his milk from. For instance, at Taranaki the average value of the land would be £9 per acre. Well, 2½d. would pay the owners of that land. In Gisborne the average value of the land is £20 per acre; and the farmers there cannot afford to sell at 2½d. I may say, if it was not for the pigs, I do not think the concern would pay at all.

118. Do you keep your pigs far away from the factory?—Not very far; not far enough, to my mind.

119. Could you hazard a statement as to whether, in your opinion, butter- or cheese-making is likely to be the most profitable, so far as these factories are concerned, considering all the circumstances?—That is a hard question to answer. I am of opinion that cheese-factories, if managed properly and worked on the mutual co-operative system, would pay best.

120. It is a very material one?—It is a very hard question to answer. It is purely a matter of opinion, and I must own to have been somewhat vacillating on it. During the last two or three years I have changed my mind on several occasions about it. I should like to consider the matter before I gave an answer. One thing I may mention, and that is in connection with the shipping of butter here. I had a very long interview with Mr. Richardson in connection with this butter business before the House sat—in fact, one or two interviews—and I particularly drew his attention to this fact: that damage was done to the butter coming down in the coastal steamers. Mr. Ferguson drew your attention to it. I think it will become necessary that the butter should come down by rail. At present the rate of freight is very high coming from New Plymouth. I have been to see Mr. Richardson; he has promised to go with me to see the Railway Commissioners about it, and try to get the rate reduced if possible. Another thing I drew attention to was this: Whether the Commissioners could not arrange to run special trains down to meet the different steamers and collect butter on the way.

THURSDAY, 14TH AUGUST, 1890.

Mr. JAMES McKERROW, Chief Commissioner of Railways, examined.

*Witness:* With regard to the accommodation, we have got what we call ventilated vans. The construction of them is shortly this: There is a double wall with an interval between the walls. The outside wall is perforated, and the air passes through, especially when the van is in motion. There is thus a constant current of air passing through, keeping the interior as cool as the ventilation of the air permits. Then, while on the journey, the guard takes care at each stopping-place to see that the door is a little ajar, so as to give the additional ventilation obtained by that means. The department is of opinion that these cars are quite safe and quite suitable for the transit of butter, and that it in no way is injured in its passage on the railway. Any injury that takes place in land-transit is at the port, before its gets into the cool-chamber of the ship. From inquiries that I have made this morning of Mr. Gear, who has given considerable attention to this subject on account of his particular business, and also on account of his recent visit to England, he informs me that he thinks the arrangements on board ship are very inadequate—that there is no special cooling-apparatus in connection with the butter-chamber; that it is simply placed alongside the mutton refrigerating-chamber, and that the temperature ranges between considerable extremes. He stated that the steamers trading to Melbourne had a special arrangement for cool air for the butter-chamber, irrespective of its locale in the ship. The steamers trading from