

REPORT

To His Excellency Marshal of the Royal Air Force Cyril Louis Norton Newall, Knight Grand Cross of the Most Honourable Order of the Bath, Member of the Order of Merit, Knight Grand Cross of the Most Distinguished Order of Saint Michael and Saint George, Commander of the Most Excellent Order of the British Empire on whom has been conferred the Albert Medal of the First Class, Governor-General and Commander-in-Chief in and over His Majesty's Dominion of New Zealand and its Dependencies.

MAY IT PLEASE YOUR EXCELLENCY,—

Your Excellency's Commission, dated the 10th day of March, 1943, with which you were pleased to favour us directed us to inquire into and report upon the then present circumstances of the supply of milk to the four metropolitan areas of Auckland, Wellington, Christchurch, and Dunedin, and to such other areas as might be directed from time to time by the Minister of Agriculture and upon other specified matters.

Your Excellency's further warrants dated respectively the 30th day of June, 1943, and the 4th day of August, 1943, extended the time within which we were required to report to the 16th day of August, 1943.

The Commission decided that the most satisfactory procedure to adopt would be to invite submissions in writing from the persons, firms, companies, and the local bodies in the four metropolitan areas who were engaged in the liquid-milk industry and from organized bodies of consumers and to hold public sittings for the purpose of hearing evidence tendered by witnesses in support of such submissions.

Sittings for taking evidence were held in Wellington, Christchurch, Dunedin, and Auckland, and a large number of witnesses were examined. The Commission held conferences with the Stabilization Commission and with the Price Tribunal and with representatives of the Armed Forces and of the Joint Purchasing Board. Valuable information was obtained from Government departmental officers and from the Director and staff of the Dairy Research Institute.

Visits were paid to the two agricultural colleges and to a number of dairy-farms in the districts supplying each of the metropolitan areas. All the processing plants in the four cities were inspected. The information gained on these visits proved to be of valuable assistance to the Commission in the conduct of its inquiry.

The Commission has enjoyed the co-operation of the interested parties and of their counsel and witnesses in each of the areas. It acknowledges with thanks the assistance rendered by the officers of the Government Departments and particularly by those of the Department of Agriculture, who devoted much time to conveying members of the Commission around the supply districts and in preparing data. The Commission desires also to record its appreciation of the helpful evidence and advice given to it by Professor Riddet and Dr. Whitehead.

In preparing its report and making its recommendations the Commission has followed the order in which the several matters of inquiry are set out in the order of reference supplied to it, except that it has found it convenient to consider under the separate headings of "Organization" and of "Prices and Margins" some of the questions arising under the specified headings of "Methods of Supply," "Methods of Collection," "Methods of Treatment," and "Methods of Distribution."

The Commission is satisfied that there is need for alteration and reorganization in many of the methods now established in the industry and that in some important respects that need is one of urgency.

The Commission regrets that it has not been possible to reach unanimous decision in all the matters raised in its inquiry. Two of the members are in agreement on all matters and submit a majority report. The third member finds himself in complete agreement with the report made on the present circumstances of the industry in each of the four metropolitan areas and in substantial agreement with all the recommendations save that upon one matter. Upon that one matter, however, he is of opinion that further recommendations for reorganization of a fundamental nature ought to be made, and he has set forth his views on this matter.

The Commission wishes to express its appreciation of the co-operation and valuable assistance rendered to it by Mr. W. A. Cowell and Mr. L. C. Nisbet, who were attached to it as Technical Officer and Investigating Accountant respectively, and of the services of the Secretary, Mr. B. Sinclair-Lockhart, and of the efficiency, diligence, and ready assistance of Miss Scott, Miss Richardson, and the other young ladies who acted as stenographers and typistes.