

## BUTTER FACTORIES AND AMALGAMATION.

To the Editor.

Sir,—The discussions and disputes on butter factories amalgamation are becoming among dairymen quite a regular part of the dairying season, particularly at its beginning. And every year these disputes are more insistent and more heated than the year before. It is a very hopeful sign of a healthy and growing industry. But when all the arguments for and against amalgamation are examined, one surprising feature is prominent, and that is that there are hardly any arguments against amalgamation.

What is misnamed as opposition to amalgamation is really not opposition to the principle, but disagreement in a matter of detail, i.e., the factories to be absorbed are instinctively cautious, and, in spite of their judgment, don't rush for amalgamation and do their best to prolong the status quo. The very principle of amalgamation is never attacked. It is settled and accepted by everyone that the more centralised butter production is the bigger return will it give to the dairyman.

But is it so? Is there no limit to useful centralisation? The question has never been analysed in Tasmania. Yes, there is a very definite limit, after which centralisation becomes almost as wasteful as the production by very small factories. In regard to dairying, we must take the example of Denmark as almost infallible. Anyhow, it will be our ideal for a long time yet to come. And what do we see there? We see there that all the factories are moderate in size, something between 200 and 400 tons producing factories. Either very big or very small factories don't exist. Were there any virtue in large factories, nothing would prevent Danish dairymen from amalgamating to any extent whatever. With dense population and highly organised and educated farmers, only a very small in-

ducement would be wanted to effect amalgamation, but there is no inducement, and Danish dairymen stick to moderately small factories, which are considered the most economic.

Mr. R. Crowe, the Victorian Exports Superintendent, commenting on the problem of amalgamation, states that there are no butter factories nearly as large or having as big an output in Denmark as many factories in Victoria. He further stresses the policy adopted by large dairying companies in N.S.W. and Victoria, such as the Norco Company in N.S.W. and Colac Company in Victoria. Both of these companies have a number of factories, and if the principle of amalgamation were sound it is obvious that they would have fewer factories.

New Zealand is another country that went through the fever of amalgamation and disappointment, and finally settled for good on moderate size

factories and disappointment, and finally settled for good on moderate size factories; the country, we must remember, whose dairying standard is almost as high as that of Denmark.

In view of these glaring examples it is hardly comprehensible that there should be any dispute on the matter in Tasmania at all. The only plausible explanation of the general craze for amalgamation is the incredible innocence of the disputants, ignorant of the facts quoted above; they are thinking quite seriously that they are discovering America, not being aware that America is already discovered.

No doubt, some or other Commonwealth commission, whose duty was to find the cause of Tasmanian disabilities, contributed very much to the false conception of what constitutes an efficient dairying industry. Well, they had to find a cause, and failing that to invent it. Besides, no one could expect a commission of officials to be omniscient, and particularly to have any knowledge in such a rustic industry as dairying. So that their blunder in respect to the dairying industry is quite excusable. But the public mind was already prepared to accept this sort of blunder. We are permeated with the idea of mass production efficiency, and, superficially regarded, amalgamation seems to be almost synonymous to mass production. Probably, it is the principal reason why dairymen were so easily taken with the idea of amalgamation. Lacking sufficient knowledge of the dairying industry in other countries, and particularly the evolutionary part of it, they were easily led to think that the more the industry is centralised, the more efficient will it become. It is a pretty subtle sophistry in the confusion of ideas. But butter production is only a simple operation, and cannot be compared to the complicated production of motor cars. It is rather compared to axeman's work. If twenty trees can be felled by one axeman a day, a hundred trees will require five axemen; a thousand, 50; and so on. The work on a big scale doesn't bring any saving at all. Comparing butter production to felling trees, I take for a unit, not one pound of butter, but a factory: a well-equipped, up-to-date factory, not too large to avoid complications, and staffed with efficient men. If it takes for such a factory the whole working day to perform its regular work, at full capacity of the machinery and men, it is the acme of efficiency. No efficiency in butter production can go beyond it.

One might say that it is possible to work two shifts in the same factory and thus effect saving. Of course. But it would mean two complete staffs. Apparent saving on machinery is a very doubtful gain, and duality of management and cream grading would bring in its train quite serious evils.

And so we see that the experience of leading dairying countries, adopting moderate-size independent factories as the most efficient medium for butter production, is quite comprehensible and justifiable from the logical point of view. It is just as evident that a

JUSTIFIABLE FROM THE LOGICAL POINT OF VIEW. It is just as evident that a large factory is bound to bring artificial complications in the simple operation of butter production, and, gaining on one part of work, will lose on the other. It might maintain the standard of efficiency of a moderate-size factory, but it will take all its time to do it. As regards very small factories, one hardly could expect from them efficiency. If a factory is turning out, say, fifty tons of butter, and the same staff and machinery are capable of turning out a hundred or even two hundred tons, the extent of inefficiency is both evident and shocking. But even

such small factories might be justifiable in out of the way, isolated places.

There is a feature peculiar to Tasmania in connection with butter production that should not be tolerated. It is cream collection by different factories on the same roads. It is such an undeniable waste that it much contributed to dairymen taking to the idea of amalgamation. Obviously, amalgamation would do away with this waste. And so long as dairymen were seeing in amalgamation the cure of all evils, they were to some extent justified in waiting for that cure. The expected amalgamation, most probably, never will come, and to eliminate waste in collecting cream dairymen have to take the matter in their own hands. Most dairymen are supporting one or the other factory for very flimsy reasons, and mostly for no reasons at all. If they called meetings not by parishes or districts, but by certain roads, and passed resolutions to support only one of the factories collecting cream on that road, it would put the end to this waste once and for all. But anyhow, this evil is not permanent and will disappear in a natural way by survival of only the fittest factories.

The majority of dairymen realise quite clearly that in case of amalgamation the most of the present-day independent factories will continue functioning, if not for ever, at least, for a long time to come. Yet, in spite of this, they can't shake off the spell of the magical word "amalgamation," and they try to perceive in it some hidden undefined benefit that will drop on them like manna from heaven. "There will be at least, a central management," they put forward as their last argument. Yes, gentlemen, certainly, there will be a central management, and you will pay for it. And you will pay not only for the central management, but for all the evils that the central management will bring. Don't be surprised, gentlemen. It is so simple.

Every factory now is doing its best to surpass other factories in regard to efficiency; to produce the best article, and to produce it in the cheapest way. It is honest and healthy competition. Nothing but good comes of it, and no one is benefiting by this competition more than the dairyman. You hear a

more than the dairyman. You hear a factory boasting that its two men are doing the same work as three men in a neighboring factory. Probably it is not quite true; might be, not true at all; but there is no doubt, the factory is trying to make it true. Will it try to do it, if all the factories are amalgamated? There would be no earthly reason for it! On the contrary, there will be all the reasons to do the work by four men, where two men can easily perform it. It will be not a factory staff working for the dairyman, every factory competing against each other to give him the best service, as it is now; it will be the dairyman working for a comfortably-established and easy-going factory staff, exactly as in the case of our railways. Our huge losses on railways don't affect the railway staff at all; they are just as comfortably off as they would be if the railways were earning millions.

Desiring to throw some light on the problem of butter factories amalgamation and to correct the common misconception on the subject, I believe it is the most opportune time for it, as the matter for practical steps towards amalgamation is at the present in the hands of the executive of the Agricultural Bureau. The ability and integrity of the members of that body are well known, their services to the farming community are invaluable, and no other body in Tasmania could better perform the difficult task of considering amalgamation than the executive of the Agricultural Bureau. They might go straightaway for it. But I am almost certain they will not be rash. And I hope that before embarking upon amalgamation they will pause and answer the question: "Is amalgamation desirable?"

—Yours, etc.,

E. SUTCHKOFF.

Edith Creek.