

7. *Mr. Field.*] If the farmers in your company could be assured that under the working of this proposed Board they would get advances of 90 per cent., would that dispose of your main objection to the Bill?—I do not know.

8. That seemed to be your main objection?—It is the main objection, but I do not know that they would be content with 90 per cent., because we have often got 100 per cent.

9. If they could get the same advances under the Control Board as at present—how then?—No, because we could not get finished up in the time. We would probably have to wait six months for the finish-up.

10. If the Board could satisfy you on that point, would that remove your final objection?—No, I do not think it would.

THOMAS MARR TIMPANY examined. (No. 4.)

*Witness:* I represent nine companies in the South Island. The statement I am going to make is simply from a Southland point of view—the district from which I came—and from the standpoint of a director and an individual supplier. One member of the Committee was very anxious to know what the producer thinks has led to the bringing-in of the proposals in the Control Bill. Getting down to the actual facts concerning this matter it all boils down to the different views of the different companies about consigning and selling. You are all aware of the great advantage of the commandeer, of the good prices realized, and the money that it brought into New Zealand. During that commandeer the same argument turned up, perhaps from the same source, as these pools have originated: they wanted a free market. We will go back, then, to the first year of the lifting of the commandeer. The Southland factories, our own company in particular, had several offers of 14½d. per pound for our cheese. At that time the Marketing Association scheme came in and was taken up and fostered both by the National Dairy Association and by the South Island Dairy Association. Any person of sound business judgment at that time must have known that the good prices offering were very payable and did not warrant any risk in going further to chase the little bit perhaps that might come. Several factories, exercising their own good judgment and acting upon the advice of their financial advisers, accepted that price. Several decided to follow the fate of the Marketing Association, and they followed it through with disastrous results. The following year the very same thing occurred. We were offered the payable price of 11½d. My own company sold half its output at 11½d. As business people we did not feel justified, when we had a good payable price offered, to risk the returns to our suppliers to any further extent. We accepted. Other companies did likewise. A good many refused the price, consigned their produce, and suffered a disastrous result. It all resolves itself into a matter of business failure. The very people who were so anxious to consign their produce to the London market and realize the last farthing “missed the bus” both times. Then, after they had been offered the price, the whole blame fell upon Tooley Street—“Tooley Street worked this, Tooley Street worked that.” Those are actual facts. Then come along these agitations for the pool schemes. First was the one fostered by Mr. Goodfellow, which was rejected, and now we have this one. The companies which I have the honour to represent first and foremost oppose this Bill by reason of the compulsory clauses which make provision for usurping from them the right of selling their own produce. If there is an important duty cast upon the directorate of dairy companies and placed in their hands by the suppliers it is that. It is the most important, because on it depends the success or failure of the season to the dairy-factory suppliers. If you frame a proposal to take away the selling-rights of the directors and place it in the hands of other people, you are seeking to usurp the rights of the directors of a properly constituted company, who are responsible to the suppliers for the return. It is bad enough to feel that you have suffered for your own mistakes, but it will be worse in the future to think that you are perhaps going to suffer for the mistakes of others. I question very much the right of a chairman voting and giving the consent of the suppliers to this Bill, even supposing that the directors decided to give the consent of the company to the Bill. I take it that as a dairy-factory director I was elected to see the management of that company through, and I was entrusted by the individual suppliers to sell their produce to the best advantage; and I would be doing what I consider is contrary to my duty as a director if I took upon myself to hand that task into the hands of other people. Let me go back to the commencement of this season, when cheese reached the price of 1s. 3d. on the London market. It was the opinion of my company that the purchasing-power of the people at Home did not warrant such prices, and we undertook to sell our output to the best advantage. Whether we were right or wrong remains to be seen. But yesterday, to bear out the judgment of our directorate, the paper issued by the London Chamber of Commerce came into my hands, and if you look that paper up you will see in it a report bearing out what I am saying about the purchasing-power of the community at Home. That report intimates that the purchasing-power has fallen considerably, and that the exporters of raw produce to the United Kingdom will have to be prepared to accept lower prices in the future. This affects not only New Zealand but every country that is exporting to Britain. It is a world-wide matter, and time, and time alone, is the factor that will repair it. Now, who would be so bold as to suggest that the industry at the present time and in the past has not prospered with the existing channels and the existing system of marketing? It is more an accident than anything else, I suppose, that New Zealand produce has at the present time such a hold on the British market. When the war came on and the different continental countries were forced out of the market, that was New Zealand's golden opportunity, and she got in. She got there by good will, and I maintain that she must retain her position by good will. If one takes Dalgety's latest report showing the shipments of produce entering London for the last four months and looks over it to see the different countries that are exporting to the United Kingdom at the present time as well as New Zealand, one will find that there are four or five continental countries again able to send produce to Britain. We