

people take exception to the term "compulsion," I believe that if they got together honestly and formulated some scheme, compulsion would to a very great extent be necessary, because I foresee that if there were no compulsion we would have the very men we want to cast off our backs running the business.

23. Are you not on the wrong side?—No. I still object to the Bill.

24. Well, you agree with the principle of compulsion?—Under certain conditions, but not under a Bill of this kind.

25. *Mr. Forbes.*] How could Mr. Grounds say that we were not going to cut out Tooley Street? Whom does he speak for? I understand that a Board is to be appointed which will determine the policy under the Bill?—Mr. Grounds speaks, I understand, as one of the promoters of the Bill—as one who has brought it into existence.

26. But the Bill provides that there shall be nine persons representing the producers, and two are to be appointed by the Government. Can Mr. Grounds speak for what those men will do?—Mr. Grounds, I take it, speaks for the men who have pushed this Bill. We cannot take into consideration what may be in the minds of others who may come on the Board. The fact remains that they would be governed by the Bill, and all the powers in the Bill would be granted to any one who might succeed them.

27. But would not those Boards be composed of men who are independent as far as the organization is concerned? If the producers considered that they could cut out Tooley Street, they would not be bound by what Mr. Grounds would think?—I am not in a position to say what they would think. I am only here to give you an actual statement.

28. But you said that under this Bill they are going to continue Tooley Street, and continue local agents, and really not interfere with anything. But that is not the actual Board. The Board is not elected. You cannot tell what their policy will be until they are elected?—I understand that there is a Council or Board in existence at the present time in connection with the Control Bill.

29. Are they self-appointed, or what?—Probably some one who knows the thing more closely than I do can answer that question. There is some body in existence now, I am sure.

30. Somebody that is able to say what the policy of the Board will be?—Yes.

31. Is it the National Dairy Association?—Members of the National Dairy Association, I understand, are also members of the Board that is behind the Bill.

32. You think they can speak for the policy that will be carried out?—Undoubtedly. We have to accept their statements now.

33. So the policy is really "cut and dried" before the Bill is passed?—That is my feeling in the matter.

HERBERT EDWARD PACEY examined. (No. 6.)

1. *The Chairman.*] What interest do you represent?—I am a director of the Taikerea Co-operative Dairy Company, and speak with the approval of my colleagues in expressing opposition to the Bill. One of the grounds of opposition is that there is no sufficient mandate from the producers, who are immediately concerned. Such expression as has been given is approximately two to one in favour of the Bill. Some of the statements which have been made, however, seek to express the opinion for and against on a butterfat basis, which is not, I think, a proper basis, for the reason that many of the companies who express themselves in favour of the Bill do not represent the whole of their shareholders and suppliers. In that respect they are in the same position as Mr. Timpany, who spoke against the Bill. The point is that the producers themselves, who are most immediately concerned, have not given a real expression of opinion. The nearest expression which has been given by the producers themselves was taken by the *New Zealand Dairyman* when the Bill was before the House last year. The editor of the *Dairyman* invited those of his readers who were producers to express their views, and there were considerably more than ten to one against the Bill. I do not suggest that the producers as a whole would be divided in that proportion, but what I do say is that the producers have not expressed their will, and therefore there is not an adequate mandate. In support of the Bill there has been quite an assortment of propaganda. In the early stages of the movement the propaganda definitely sought to discredit Tooley Street, impeached the honour of Tooley Street, and by an appeal to prejudice undoubtedly raised strong emotions among some of the companies. Those emotions are still the driving force in favour of the Bill, although the more recent expressions have been of a more benevolent kind. They have admitted that Tooley Street is well fitted to serve the industry, and have expressed the opinion that that channel of distribution will continue to be used. Mr. Cotter in his evidence spoke of a statement which had recently been published concerning the Tooley Street merchants. I believe that the reference made by Mr. Cotter was to a recent cablegram which stated that a number of produce houses, which were named, had met and had agreed to form an association to co-operate in promoting the interests of the New Zealand producers, subject to the provisions of a letter which was put before the meeting giving an assurance that there would not be any disturbance in the existing channels for the distribution of dairy-produce. It has been implied that this is an indication from Tooley Street in favour of the Bill; but that, clearly, is not intended to be implied. Even if it were implied, and if the promoters of the Bill and the merchants of Tooley Street were in league in this matter, there would still be an important section of the producers in New Zealand who would object to the Bill being enacted. The trouble is that the Bill is a very drastic one, and would serve the purpose of either section of propagandists to which I have referred. It is the Bill itself that I wish to criticize, because manifestly it is what can be done under the Bill that matters. As far as the propaganda is concerned, there has been a want of candour, or otherwise the