

their capacity to deliver to England. It has been estimated that the ships would average about a trip and a half more per year if this difficulty could be overcome. I think that an attempt to hold up quantities of dairy-produce with a view to regulating our deliveries to the Old Country would increase our difficulties rather than minimize them, for the reason that a couple of months' notice to the shipping companies is necessary to enable them to make adequate provision. If during that couple of months marketing conditions should change, and bring about a desire to hold back shipments, it would be impossible for the shippers to keep their engagements with the shipping company, and that would confront the shipper with the possibility of penalty, or at any rate it would reduce the efficiency of the shipping organization, which would in itself be a very real penalty. On Friday and to-day I have referred to the reasons in support of the Bill, and have endeavoured to answer them—the good effect of the Meat-export Control Bill, the desire to get the same price as is obtained for Danish butter, the elimination of gambling in dairy-produce, to avoid fluctuations, and to deal with shipping. I submit that these as reasons in support of the Bill are fallacious. I should also like to represent to the Committee that the financial provisions of the Bill are inadequate. In the Meat Control Bill there is a provision that, following the exercise of control, the Government should give financial support to the meat industry; and I submit, if compulsion should ever be exercised in connection with the dairy industry, that Government support would become more urgently necessary than in the meat business, for the reason that the dairy business is mostly made up of small farmers who are more or less struggling, and inadequate financial provision would become a very serious embarrassment to a large number of the producers of the Dominion. I do not say that without Government financial support it would be impossible to organize a system of finance. To say that would not be correct; but it certainly is correct to say that the monthly advance to the producers of this Dominion in respect to their butterfat would be greatly reduced if the control should be exercised, and if the Board constituted under the Bill should attempt to finance through the Associated Banks only. The possibility of this position arising is not negligible. On Friday I referred to what appears to be rival factions amongst those who are seeking this Control Bill. Some of the factions are propounding a benevolent policy, others are declaring that Tooley Street should be entirely eliminated; and in the event of the latter faction assuming control and seeking to advance through the Associated Banks only, the ordinary banking rules would apply, Tooley Street credits would be eliminated, the individual credits of the dairy companies would not be available, and the result would be smaller advances—much smaller, I venture to say—and very great hardship to a large number of suppliers who have purchased land at high rates, and who would not be able to meet their interest charges if this position should arise. Further, under the Control Bill, I am of the opinion that there is at least as good a chance of the ultimate returns to the dairy-farmers being less rather than more. The dangers of the policy which it is proposed to follow are admittedly great. Control is in itself a sort of speculation, and if the speculation should turn out badly the dairy-farmer would suffer. Whatever the actual selling return, there would be deduction by way of export levy, reserve, and suchlike, and the result would likely be lower returns to the suppliers. There is no probability of the return being greater. Further, the passing of the Control Bill would eliminate financial assistance which has been open to the dairying industry of New Zealand from financial sources which have been available in the past. The biggest dairy company in New Zealand to-day became a co-operative institution as the result of the purchase of the business from the former proprietors on easy debenture terms and without any cash passing. The consideration of this financial facility was that the firm which put up the debentures was to have the selling of the goods under conditions which assured to the vendor company at least equal returns to those which were obtained by other vendors. Many other co-operative companies have been formed under similar conditions, while in times of stress financial assistance has been given which has been very greatly appreciated by the company which received it. This advantage would be eliminated if the extreme faction got possession under the Control Bill. I know of two recent propositions which were turned down owing to the uncertainty as to what the future holds, and the development of the industry has to that extent been retarded. I further deprecate the Bill on the grounds that the compulsory clause is not economically sound. A question was asked of Mr. Bond whether it is not a fair proposition that the majority should rule, and it was pointed out that British institutions had been built up on the rule of the majority. A student of history and economics would necessarily agree that that is substantially correct, but there has been in British institutions an underlying principle which has dominated even the consideration of majority rule, and that consideration has been the protection of life and property. This Bill, if it is enacted, may bring about the position that the property of thousands of persons in New Zealand might be commandeered by business rivals and handled more or less wisely. At any rate, the desire of an important section is that they should handle their own property, their own goods, and these do not think that a case has been established that the good to be derived by the industry would be a sufficient set-off for the departure from this well-established principle of respect of property rights. Even if the principle is benevolent, it is reminiscent of conditions in Russia, where some of the extreme policies which have characterized that country might be justified on the same grounds that they were well meant and were expected to contribute to the good of the whole. In the event of the extreme faction of the controllers gaining the ascendancy, and seeking to market their goods independently of the present established channels, it would bring havoc to the industry. Indeed, the uncertainty which has characterized the last few years has been a source of anxiety, and that anxiety should be stopped by the resumption of normal trading without any interference; and if the dairying industry of New Zealand does not have this advantage of established conditions we shall be confronted with the fact of antagonizing our customers, both wholesale and retail, and consumers, and that at a time when it is of the utmost