

question of what may be the success of the finance under the Bill: have you considered it very deeply?—Do you mean in the event of the compulsory clause becoming operative?

66. Yes?—I have considered it from this point of view: that in the event of the compulsory clause becoming operative, and in the event of the machine being controlled by what I have designated the extreme faction who are determined to work quite independently of Tooley Street, the monthly advances would inevitably be less.

67. You make that statement after full consideration of the question?—After full consideration of the position, and, I believe, with a knowledge of the trade and practice as wide as that of any man in New Zealand.

68. You heard Mr. Goodfellow's evidence, did you?—I heard part of it only, in which he advocated working through Tooley Street; and while you work through Tooley Street this position which I deprecate does not arise.

69. *Mr. Forbes.*] In connection with the Board, do you agree with the Government appointing two members to it, seeing that under the Bill the Government do not assist at all or guarantee anything?—I think the industry should be able to manage its own affairs. If there is to be a Board, I think that a Producers and Exporters Board advantageous as against Government nominees. I do not feel strongly on that subject, but that would be my preference.

70. You would think, at any rate, that it should be kept free from political issues?—Yes.

71. Considering that the Government are doing nothing under this Bill for the industry, they should not have their fingers in the pie to the extent of putting on two representatives, and one on the London Board?—If the Government were going to give financial support to the dairy industry, as it does to the meat industry, I should say it was entitled to participate in the control, but not otherwise.

72. What is the reason why the same conditions have not been extended to the dairy industry as were extended to the sheep-farmers—that is, in the way of Government guarantee of their finance?—I am not much of a politician myself and I am afraid that is beyond me. As a representative of the dairy industry I reckon we have cause of complaint in that we have not been given the same promise of financial backing.

73. Was it discussed at all? Did you have anything to do with this Bill at all before it was introduced?—No.

74. You know nothing about the negotiations that led up to the Bill being introduced?—I was not a party thereto and have not any internal knowledge.

75. In your position you have no doubt followed the record of New Zealand produce for a good many years. Has the difference between the price of New Zealand butter and Danish butter been such during that time that you have thought that New Zealand has been suffering from want of organization? Do you think the difference was more than it should be under similar conditions?—The difference has in recent years been greater than in pre-war days. I have never thought it was due to the manipulation of markets, but rather to the operation of economic conditions.

76. You did not ascribe a good deal of the advantage to the Danish system of control?—No. I do not think the Danish system has been an important factor.

77. Taking the price of New Zealand butter and the price of Danish butter over a number of years, do you think that New Zealand butter has received a fair price in comparison with the Danish?—I think it has been a fair price, having regard to all the circumstances. I dealt with that matter rather fully on Friday last—I refer to the reasons why Danish butter commanded a higher price than ours. One of those reasons is that the Danes dairy all the year round. Their exports are almost the same all the year round, and because one can always get their butter they get a premium for the services they render in addition to the payment they get for the butter. That gives them an undoubted advantage over us.

78. *Hon. Mr. Ngata.*] It is not a matter of quality?—No, but facility.

79. *Mr. Forbes.*] Would not that strengthen the argument that if shipments were controlled here and we could put our butter on the London market all the year round in regular supply it would improve the position?—I do not think so. I gave my reasons in my main evidence.

80. You think that the regular supply of Danish is largely responsible for the good price the Danes get, but you do not think that the regular supply of New Zealand butter would operate in the same way?—If we could dairy all the year round and do what the Danes do we should get the benefit which they get; but I am of opinion that the end cannot after a year or two be attained by a system of control, for the somewhat lengthy reasons which I gave on Friday.

81. *Hon. Mr. Nosworthy.*] As you seem to be so doubtful about the men that would be appointed to the Board of Control, assuming that this Bill became an Act of Parliament, do you not think it is quite a reasonable thing that the Government should have some representation on that Board, so that the Government would be conversant with everything that was being done in connection with this big industry? Do you not think it is quite a reasonable thing that the Government should take that live interest in it by having representatives on the Board?—I think it is desirable that business should be carried on without Government control.

82. That would not be Government control?—I said "control" because I did not want to use the word "interference." It did not sound so nice.

83. We are not so sensitive as you?—Had the Government financial responsibility under the Bill—a contingent responsibility—I should certainly agree that it was fair that they should have representation on the Board; otherwise I think the less Government interference—if you will pardon the word—with business the better.

84. The Government naturally would have as much interest as anybody in seeing that the industry was conducted in a right way and the marketing and everything done as it should be. It