

give New Zealand their very best efforts. And every man I met, whether it was in England or in Scotland, said, "You are giving us an article of good quality; you are giving us a fairly good service; we are prepared to do the best we can for you." On the question whether we should extend our shipments to all the year round, I asked various heads—heads of these big marketing houses. I asked, "Do you recommend that we imitate the Danes and give you butter every week or every fortnight throughout each twelve months?" And I believe that these men almost without exception said, "The subject is such a big one that we would like time for consideration." That is another point. If you are going to regulate shipments, if you are going to attempt to get regular weekly or fortnightly arrivals in Great Britain, I believe the question will have to be investigated from the British end, where you have all these big interests, people very keenly interested in our produce, realizing how good our quality is and recognizing also that we are part of the Empire. I say this in conclusion: I believe that if we can adopt a method along the lines I have indicated, instead of compulsion; if we can stop this sectional feeling that certain units of interest are not being properly protected; if we can adopt some other method, I believe we shall make much greater progress in the next five years than we shall do under compulsion or control on the lines suggested.

4. *Mr. Hawken.*] Do you think that the grading system has been an advantage to New Zealand?—Without doubt.

5. It has had an effect on the quality of the produce?—Without doubt.

6. You would not advise that grading should be carried on in any other way than at present?—No, sir.

7. You spoke of the team work and the big meetings they have in Canada of the settlers and the merchants and all concerned. Is it not a fact that in Canada they have never been able to agree as to a grading-system?—I understand that it has been adopted and put into force on the 1st May of this year. I received a letter by the last mail from Mr. Ruddick, and in it he said that the grading-system there had been started smoothly and satisfactorily.

8. It is a fact, of course, that in New Zealand the Government brought in grading compulsorily?—Yes, sir.

9. Many years ago?—Yes.

10. And there was at the time a good deal of objection on the part of factories to the system?—I believe that is right.

11. Do you not think that that alone is a factor in deciding as to the necessity for such a Bill as this? Is it not a fact that the Government by compulsion can sometimes move an industry into a better position and do it quicker than by agreement among the suppliers themselves—having in view, of course, New Zealand and Canada?—A question of domestic interest such as grading cannot be classified with an export one, such as compulsion in marketing. In local grading you are not taking away an individual's right to control of their produce: you are only exercising an influence over all for good. Of course, experience has shown that those who may have been in opposition at the time did not realize what it would mean, did not realize what a grading-certificate meant in the markets of the world, even in making sales and in arranging contracts. Possibly that was not foreseen. I emphasize that in my view domestic legislation such as grading and branding cannot be classified with the principle that is at stake in this Bill—taking away the control of a person's goods. Possibly that will enable you to see what I have in mind.

12. You spoke of a committee from the interests here going to Canada and to England and trying to arrange about shipping. You have heard the evidence here. Do you think that all the factories would contribute to the expense?—I think so.

13. You have heard the objections to even the slightest levy being put on the producers?—Yes.

14. Do you not think that this Bill provides in a much better and quicker way for such a committee?—It provides for a committee possibly in a quicker way but in a most objectionable way. Speaking for the proprietary factories, I say that we fail to believe that, except in an emergency, an enactment can be passed through this House which will take the control of our goods away from us.

15. I acknowledge that it is quite a recent innovation. Now, nothing has been done so far except the appointment of the National Dairy Association. Is it not a fact that the National Dairy Association has no real power to make a shipping contract that is binding on every factory?—Technically I should say Yes, you are right.

16. That is, a factory can break away from the National Dairy Association at any time and from their contracts and ship on its own account?—Well, no; it cannot ship on its own account, I am sure, because in the contracts which have been arranged in recent years the contracting party had control of all space. At least, I understand so.

17. In the event of another ship—a single ship—coming into these waters, would it not be possible for it to break away?—Possibly.

18. So that in reality the National Dairy Association has no power to make a binding contract?—I say that in reality the association has every power, but not technically.

19. That being so, do you not think the National Dairy Association is in a weak position in making its contracts with the shipping companies?—I would prefer that the National Dairy Association should answer that. I have felt for many years, if I may say so, that the weakness in the organization of the National Dairy Association has been that none but those identified with co-operative interests could occupy positions on their executive.

20. I will put it in this way: supposing that, as is proposed under the Bill, they have absolute power to say to the shipping people, "We will agree that you ship all our produce, at a certain price"—do you not think they would be in a better position than the National Dairy Association?—Yes.