

producers, and I submit, sir, that New Zealand should be as ready now as the Food Ministry was then to accept the help and business ability that these men are offering, and not seek to hamper their efforts by useless legislation. Under war conditions control may have been necessary. I submit, however, that under peace conditions it is unnecessary. Control as we saw it in Great Britain led to the accumulation of vast stocks of butter and cheese, with a consequent disastrous results. The system at present existing secures prompt consumption and quick return, and it should not be hampered or interfered with. The proposed Bill implies a policy of withholding stocks of produce to influence market prices. The powers conferred on the Food Ministry resulted in 69,467 tons of butter being thrown on to the London market in March, 1921—a disastrous result of control which brought ruin to many farmers in New Zealand. I may say that one of the promoters of the present Bill stumped the country advocating a free market. That same gentleman is now asking for a repetition of control. This seems to me to be a piece of most flagrant inconsistency on his part. I have to call the attention of the Committee to the fact that there are serious differences of opinion among the promoters of the Bill. Mr. Grounds, who has taken a leading part on public platforms in advocating the Bill—the whole Bill, with all its provisions for shipping, absolute control, marketing, and financing—is reported in the *Ellesmere Guardian* of the 6th June last as saying at the Leeston Town Hall: “It has never been said that finance has to be arranged by letters of credit set up by the London merchants. As a result of inquiries made by himself and two other members of the Council from the Associated Banks, they had been assured that there would be no difficulty in arranging the Board’s finances through the Associated Banks.” This statement can only be taken to mean that it is in the mind of Mr. Grounds that the Board, acting under the powers of clause 11 of the proposed Bill, would finance the payment for the produce through the Associated Banks. I believe Mr. Grounds to be perfectly sincere, and he is no doubt full of missionary zeal; but these very qualities make him the more dangerous. I think I would be correct in saying that Mr. Goodfellow flatly contradicted Mr. Grounds. Mr. Goodfellow’s remarks in connection with the question of finance were sound, and they were correct in every detail of the methods in operation, and proved, as every business man knows, that existing methods must continue. The Associated Banks of New Zealand could not—and I doubt whether they would if they could—finance the proposed Board. The fact that so prominent a man as Mr. Grounds is at variance with his colleague Mr. Goodfellow convinces thinking men that the Bill is an ill-considered measure. The statement so clearly set out by Mr. Goodfellow that existing financial methods must continue will commend itself to the Committee, and show that the proposed Bill has nothing in finance to offer to the industry to justify its enactment. The important facts ably set out by Mr. Dear—an opponent of the Bill—and endorsed by the leading supporter of the Bill need no further comment from myself. Members of the Committee will form their own conclusions as to the vital importance of maintaining the confidence of our present clients—namely, the Tooley Street houses. Mr. Hawken rightly asked a witness, “Would any sane body of men take over the finance of the industry and put the control clauses into operation?” My answer to that question is unhesitatingly “No”; and I believe Mr. Hawken will now agree with me that it is not in the interests of the dairy industry that Parliament should include these clauses in the Bill already under discussion. It has been stated that an organization such as the proposed Board would stabilize the prices of the New Zealand dairy-produce. The words “stabilize the prices of New Zealand dairy-produce” are not mine: they were used as a question put to a witness last week, and, moreover, they were used on many occasions by Mr. Goodfellow before his last trip to England, when he affirmed that his object in going Home was for the purpose of stabilizing the prices of the New Zealand dairy-produce. The result of that gentleman’s efforts in regard to prices is a matter of history; but he does not use these words now. I submit that it is not in the power of any single organization to stabilize the prices of produce. It is doubtful if even an Empire combination could accomplish it, for it depends on the economic conditions of the world. If this, “to stabilize the prices of New Zealand produce,” be the object of the Bill I feel sure the Committee will recognize that the attempt is futile. The Bill has its relation to the price of butter on the local market. It is recognized as a dominating factor in fixing the price of butter and cheese for local consumption that the local price should be as near as possible to the parity of the London price plus the extra local cost of marketing and distributing. If the effect of the proposed Bill should be the raising of the price of butter and cheese—and that is its objective, although I do not admit that it will have that effect—but if it should realize its intention and the price for local consumption is thereby increased would not Parliament be in danger of enacting legislation for the benefit of one class at the expense of the rest of the community? I am sure this phase of the question will have the careful thought of the Committee. I have heard Mr. Grounds on three occasions—namely, at Auckland, Hamilton, and at Palmerston North. On each occasion his speech was lengthy and detailed, and he has a quiet persuasive way with him. I have noticed, however, that Mr. Grounds was compelled to alter his views considerably as he progressed, and his last interpretation of the proposals and intentions of the Board were very different from his first and from the statements of the Bill itself. His excursions into the realms of business have taught him a great deal, and I am convinced that he is not so sure now that the proposed Bill is exactly what he wants. The clauses relating to control and the question of finance proposed by Mr. Grounds are recognized to be at least dangerous; but it is maintained that the measure is justifiable if it improves shipping alone. In this connection it is interesting to analyse Mr. Goodfellow’s statement. Mr. Goodfellow informed us that his company controls one-fourth of the dairy-produce of the Dominion, of an annual value of four and a half million pounds sterling, and he stated that depression of prices is caused by simultaneous arrivals in the London market of large quantities from New Zealand, Australia, and the Argentine; and, furthermore, he stated that his company had been successful in raising prices