

5. I take it that if the farmers were to manage their own business it would not be in the interests of proprietary concerns?—No. I would like you to come down to the Canterbury District and see what is going on there, and I think you will admit that healthy competition is always good for trade. I may say that I take no notice of co-operative concerns down Christchurch, because we have none.

6. *Mr. Masters.*] What do you mean when you say that you have no co-operative factory in the South Island?—A lot of shares are held by bond or dry shareholders—that is, they do not milk the cows themselves.

7. Does that apply to every factory?—To every butter-factory. I may say that the proprietary companies were the pioneers of the dairying industry in Canterbury and elsewhere.

8. *Hon. Mr. Nosworthy.*] Do you consider that the Ashburton Co-operative Factory is a dry one?—Absolutely, sir: and a very dry one, too. With your permission, Mr. Chairman, I would like to refer to a particular point with reference to the statement made by the Hon. Mr. Nosworthy. Last year we got a Bill on the statute-book which made it compulsory for every factory to state the quantity of butter they manufactured and the quantity of butterfat they bought. It was particularly pointed out by the Hon. Mr. Nosworthy that they were “up against” the proprietary companies. I may say that the Ashburton Co-operative Factory’s balance-sheet last year did not show it.

9. They can be made to show it?—Anyhow, they did not, and I maintain that last year’s balance-sheet of the Ashburton Dairy Company did not contain the figures of the butter nor the cheese manufactured, nor the amount of the butterfat bought.

10. *Mr. Masters.*] In connection with the voting in the South Island, you show, according to Mr. Grounds’s figures, eighty-nine for the Bill and thirty-eight against the Bill: does that represent the votes of the people, or is it the actual vote of the factories? You say there were 186 for the Bill and 136 against the Bill?—Yes, that is so.

11. You got two votes against the Bill?—Yes. There are gentlemen on the other side who got two votes, and they represent only one factory.

12. I take it that these figures are not altogether reliable?—No, sir. There are thirty-eight factories in the South Island who have not given any evidence or voted one way or the other.

13. But that is more than the total number of factories in the South Island?—We nearly all have two votes, sir, but one or two small factories only have one.

14. *Mr. Hawken.*] Do you export butter?—Yes.

15. Is there anything else you wish to say before you conclude your evidence?—I wish to place on record the following letter that was written to the Right Hon. Mr. Massey from my company, dated the 10th October, 1922:—

Sir,—

10th October, 1922.

Butter Pool.

On behalf of our suppliers, who number about four hundred and fifty, representing approximately 400 tons of butter, we are requested to protest against any dairy-produce export control.

Circulars have been sent to every one of our suppliers, a number of whom have already communicated with you by telegram or letter protesting against any compulsory control; and we might also state that every reply received expresses the same opinion as those already communicated to yourself.

Commending this matter to your careful consideration.

We are, &c.,

THE KIWI DAIRY COMPANY (LIMITED):
L. HANSEN, General Manager.

The Right Hon. the Prime Minister, Wellington.

And I would like to place on record the following reply received from the Right Hon. Mr. Massey in connection with my representations with respect to the butter pool:—

Sir,—

Prime Minister’s Office, Wellington, 12th October, 1922.

I have the honour to acknowledge the receipt of your letter of the 10th instant, entering on behalf of the suppliers of the Kiwi Dairy Company (Limited) a protest against any proposal to control by legislation the marketing of dairy-produce exported from New Zealand, and in reply to say that your representations in this matter have been duly noted. I might state that a Bill dealing with this subject was introduced in the House of Representatives recently, and has been referred to a Select Parliamentary Committee, which will have the right to call evidence in regard to the proposal.

I have, &c.,

W. MASSEY, Prime Minister.

The General Manager, Kiwi Dairy Company (Limited), 222 St. Asaph Street, Christchurch.

I have here an article which appeared in the Christchurch papers in connection with the dairy industry, which I would like to have included in my evidence. It reads as follows:—

[*Lyttelton Times*, 5th July, 1923.]

THE DAIRY INDUSTRY.

In a communication which we publish in our “Commerce and Finance” page this morning, Mr. L. Hansen, manager of one of the large Canterbury dairy factories, suggests that dairy-farmers, especially in this province, instead of agitating for Government control of their industry on the semi-syndicalist lines of the Meat Control Board, should pay attention to certain fundamentals of their industry. He makes the point that whereas a governmental marketing bureau, even if it knew its business and could prove itself cleverer than the merchants of Tooley Street, might add a halfpenny a pound to the price gained for New Zealand dairy-products, there are much larger gains to be looked for through a possible improvement in the butterfat-producing capacity of the stock used in the industry. Last year this country exported 2,281,396 cwt. of butter and cheese, and a halfpenny a pound on that quantity would amount to a little over half a million sterling. Mr. Hansen gives it as his opinion that twenty times that amount can be gleaned if the dairy herds are improved. He says his company is prepared to assist farmers to improve their herds, and we take it that such assistance would be given by many other dairy-factory companies if the necessary ambition on the part of the farming community could be created. The dairy industry in New Zealand owes its existence very largely to governmental guidance and supervision. The development of this industry was one of the practical aims of the Liberals, and the success of their enterprise is now a matter for which Conservative politicians and Conservative newspapers are to-day assuming the credit. Surely Conservatism is bankrupt of ideas when its only plan of helping the agrarian community is comprised in schemes for making the taxpayers assume the trading risks of the farmers. We agree with Mr. Hansen that the best way to assist the dairy industry is to help it to equip itself with better stock,