

carriage of our goods. Further, they have increased difficulty since the pre-war times, in that after the war the cargoes from New Zealand greatly increased. The boats that carried our produce also carried frozen meat, and the export of meat has been spread over a largely increased number of loading ports since pre-war times. There has been more difficulty in loading at this end than there was in pre-war times. All these things have combined to make it more difficult to get a regular despatch, and consequently there has been a considerable amount of dissatisfaction. I suggest to this Committee that as far as the two associations are concerned they have at no time neglected their duties in the matter of contracts with shipping companies, but have at all times impressed on them the necessity of carrying the produce with regularity, despatch, and in good condition. If there has been any fault in that respect it does not lie with the associations. If there had been in existence a Control Board which had absolute control over the produce, and the power to make contracts with the present or other shipping lines, there would be a far better chance of favourable terms being made in respect to rates and conditions of carriage than exists to-day. I do not think I need say any more on that point, as I think I have made it clear, and probably others will speak on the subject. I wish now to refer to a statement made this morning, which is the first meeting I have been able to attend, and which I want to contradict or explain away. I think it was Mr. Leonard who referred to the pay-outs of factories, and stated that the Midhirst Company had to pay 1s. 8½d. for butterfat without casein. Mr. Masters knows that that is incorrect, or he should know it. I had a statement made to me by the secretary of that company a day or two ago that they were paying 1s. 7½d. on butterfat, and 2½d. in addition on casein, and they would probably pay another ½d. They did not pay 1s. 8½d. for butterfat. Even supposing they paid 1s. 7½d., which is the figure the secretary gave me, it is easily explained. My people were aware this company had sold its autumn output, from February to March, at prices ranging from 1s. 6½d. upwards. They did not consign the whole of their butter. Factories who consigned butter are paying out something under the uniform price of 1s. 5½d. to 1s. 5½d., and those factories that sold are paying for butterfat according to the rate at which they sold their butter. Midhirst sold butter at from 1s. 6½d. to 1s. 7½d., and they had so high an opinion of it that they refused 1s. 8½d. for a portion of it. The Omata Company have been quoted as paying out 1s. 6d. They sold a quantity of autumn make at 1s. 7d. Mr. Gibson mentioned another factory, Tarurutangi, as having paid 1s. 8½d. this year. I want to know if Mr. Gibson can quote the overrun of that factory, because on the amount of the overrun depends the amount of their payments. Further, I would like to ask Mr. Gibson if they exported all their produce and consigned it? I am told that this company exported only one-fifth of their produce, the other four-fifths being sold on the local market. I would particularly like some information to be obtained as to the overrun of the Tarurutangi factory. Their overrun last year was 23·7: they do not publish the overrun in this year's balance-sheet—the suggestion is that the overrun is nearly 25. So that on that basis the payment might easily work out at 1s. 8½d., as the whole question of payment out is determined largely by the overrun and the condition as to sales. I do not think it is fair to bring forward this matter of the prices, for the reason that you have to take all circumstances into consideration.

*Mr. Masters:* It was done to combat Mr. Goodfellow's statement about his factory.

*Witness:* The factory Mr. Gibson mentioned has probably paid a higher figure than any other factory this year because so little of their produce has been exported, most of their butter having been sold on the local market, and because it might be also that their overrun is beyond all reason. Last year a supplier asked the question of the chairman at the annual meeting, and the reply was that it was 23·7. Mr. Masters knows well from his acquaintanceship with dairying that a company that has 23·7 of an overrun is not acting honestly by its suppliers. Mr. Singleton will tell you that no factory working on home separation can produce an overrun beyond 21·5 without doing injustice to its suppliers. As to the computation of these tests generally, the manager of this particular factory used to manage another factory in Taranaki, and he used to get 21 per cent. on all milk. Mr. Gibson has quoted his own factory at Rahotu, and states they have paid out 1s. 8d. this season; but I can put in to the Committee the balance-sheet of a Taranaki cheese-factory which consigned all its produce, and whose pay-out this year was 1s. 9½d. The chairman of the Normanby Factory informed me, when he handed me the balance-sheet, that their pay-out was 1s. 9½d., and it might yet be over 1s. 10d., because they took in butter which was unsold at 140s., and the cheese at 80s. He also said they were paying out over 1s. 10d. this year. So that the 1s. 8d. that Mr. Gibson said was the pay-out for Rahotu seems small in comparison with those figures. I do not propose to quote these figures for the purpose of putting forward any argument in support of the Bill: I will leave that to others. I am not one of the executive of the Dairy Council, although I am on the Council. The executive has the matter in their own hands, and I am not going to infringe on their prerogative in that respect. I do not propose to say anything about the Bill itself. I will, however, mention another matter in connection with shipping contracts. When the last pre-war contract was made in 1913 with the shipping companies practically the whole of the firms in New Zealand that exported dairy-produce issued a circular to all the dairy companies in which they roundly condemned that contract, for several reasons. The main condemnation of the contract on behalf of the exporters was that the exporters themselves had not been a party to the contract. This circular was brought before and discussed by a conference at Palmerston North two months afterwards, and the contract then received the unanimous approval of the industry, and the conference strongly resented the attempt on the part of the exporters to in any way interfere with the work of the associations. It also resented the action of the exporters in insisting that they should be consulted in the making of contracts. It also enforced the principle that all contracts in connection with the carriage of dairy-produce should be made entirely on behalf of the producers and suppliers. The full references to that discussion may be obtained. That was the last