

CHARLES EDWARD MACMILLAN examined. (No. 16.)

1. *The Chairman.*] In what capacity are you present?—I am here chiefly owing to the illness of Mr. Grounds, Chairman of the Dairy Council. I have not followed all the evidence taken by the Committee, but such of it as I have followed has more than convinced me that such a measure as the present Bill is necessary. On behalf of Mr. Grounds I wish to acknowledge all the kind things said by opponents of the Bill in recognition of his *bona fides* in the matter. Probably he will have an opportunity of addressing the Committee later on. With regard to Mr. MacEwan's evidence, and his statement that an effort should be made to get all the varying interests combined, I claim that that is exactly what the Bill is doing. In the Dairy Council we have two representatives of what may be called the opposing faction—two representatives of the proprietary interests. While they sit with us and hear all that we have to say, those interested in the promotion of the present Bill are not given any opportunity of hearing the views of the proprietary interests, because they meet more or less as a Star Chamber. I say therefore that we are carrying out the very thing that Mr. MacEwan says he wants to bring about. Provision is made in the Bill for the representation of all classes of interests—for a representation of the proprietary interests themselves, quite in proportion to the interests they have in the industry. Further, Mr. MacEwan said it was necessary and proper to his business to occasionally travel round the world. If that is the case why has objection been taken to a proposal which will enable the dairy industry to be watched on behalf of the people who prepare the produce? I think the evidence has clearly shown that the only person watching the interests of the dairy producer is Mr. Ellison, of the National Dairy Association. I think it has also been shown that he receives half his salary from the National Dairy Association. I leave it to the Committee whether it is proper that an industry worth up to sixteen millions a year should have absolutely no person on the other side of the world who can give information as to what is occurring at the other end. We know perfectly well that what Mr. MacEwan said as to it being to the interests of his business that he should go Home, and travel in other parts of the world, is quite true. We are asking in this Bill to have the right to have the same thing done for the dairy factories. The necessity for compulsion is that the dairy-farmers are not seized of the importance of this. Individually many of them do realize it. No dairy-farmer who is also an owner of stock would even send five cows to a sale and leave the selling of those cows to the tender mercies of the agents, and certainly no man who is in a big way would dream of sending £5,000 or £10,000 worth of stock to the market without following it up and seeing what happens. Yet with the dairy industry in New Zealand as it is now run, when our butter is once placed on the steamers nothing is known as to what happens except through people who are not solely interested in the sale of New Zealand produce. I do not know of one produce-merchant in the Old Country whose sole interest is in the sale of New Zealand produce—they deal largely in dairy-produce from other countries, and I take it that their first object in life is to make a living and pay twenty shillings in the pound, and make as much more as they can. What we are asking is that a Board shall be established in the Old Country whose duty it shall be to report to New Zealand what they consider is in the interests of the industry. There is no proposal, as far as I know as the representative of a dairy company, to work in antagonism to the present channels of distribution, but a decided effort is going to be made, if the present Bill becomes law, to see that proper information is obtained, and that we know exactly what occurs when our produce arrives at Home—how it is distributed, and into whose hands it should be given to distribute it to the best advantage. I think that that is a fair proposition. It is only reasonable that producers should have the right to look after their produce when they send it for sale. At all the conferences preliminary to the proposal coming before the House I have not heard a single representative of any dairy company, proprietary or co-operative, who has not said that the present condition of affairs is rotten. Most of the objections offered to the Bill on the ground that it is proposed to work in antagonism to the Tooley Street merchants come from members of the Council and members of the conferences who are opposed to the proposal. One very prominent man said at Palmerston North twelve months ago that he would support any proposal that would eliminate Tooley Street, and yet because he happens to be a member of the Council—although he was asked to resign—we are charged with wanting to work in antagonism to Tooley Street. I want it to be perfectly clear that there is no such intention, as far as my knowledge of the Council goes. With regard to freights, I say that they can be controlled, and that there is no use in saying that they cannot. I will show later on how it can be done. I do not think the opponents of the Bill know very much about the conditions under which freight is paid at the present time. I do not think they are aware that the old custom established years ago, when there was competition between the shipping companies, of giving local agents a commission for putting freights through certain lines, still obtains. The local agents have as much to do with the arrangements of freights as a man in Timbuctoo, and yet it is a fact that they draw fat commissions steadily. If the opponents of the Bill know that they do not disclose it. I presume that the reason for the continuance of these payments of commission is in view of the fact that some day things will become normal, and the shipping companies do not want to break their connections. Large commissions are paid, not for services rendered—because they are not rendered—but simply because it is possible to bleed the farmer and producer to that extent. I promised to show how shipping could be controlled. Let me give an instance of what we have done in my own district in a small way in regard to coastal freights, and I think that the same methods applied to overseas shipping can bring about similar results. In the Bay of Plenty district we have had trouble with our shipping company. That company had a monopoly. An effort was made to get the freights reduced, but there was no reduction. They said it was impossible to make any reduction. Eventually we purchased a boat of our own. Then the freights came down to half what they had been. We have run our boat successfully for three years, and now there is a freight war. Where other districts are paying up to 100 and 150 per cent. extra for having their produce lifted and taken to