

the port of final departure by rail and other means, we have succeeded in making a reduction to pre-war rates, and done it at a profit. But, as I have said, there is a freight war on, and it is possible that the East Coast Shipping Company, which is the rival company, will have to cease operations because freights have been reduced to such an extent that they are not now a payable proposition. I am convinced that the same methods applied to the whole of the Dominion's dairy-produce would give the same satisfactory result. The promoters of the Bill do not advocate the purchase of any line of steamers, but I think they are advocating such a state of affairs that when they come before a Committee such as this they will be able to give reliable information as to what is occurring in regard to freights as well as other matters. At present the Committee has not got it. There is no authority to which either the Committee or the producers themselves can turn to get reliable information on the subject. One can only get information from people who are interested, and whose interests may be to a certain extent not in accord with those of the producers. That position is to my mind a strong argument in favour of the Bill. Some people say that improvements could be made by a Committee sent to the Old Country to deal with the shipping companies. But if your Committee went to the Northern Steamship Company at the present moment and began to talk about freights to the east coast the first question they would be asked is, "How much freight have these people to offer?" That is exactly the position when you go to the Old Country now. If you were to go to the Old Country you would be asked for the same kind of information. I think there are gentlemen in this room now who have been to England and looked into the question. They have investigated the question as far as their limited opportunities permitted, and every one of them came back with the report that something has got to be done. Let me give a case in point. One gentleman who is very much interested in the dairy business went Home and made inquiries. Instead of going to the Tooley Street merchants he went to a retailer. The retailer was very courteous to him indeed until they got, as you might say, to grips. As soon as they came to the question whether the two could not deal to mutual advantage he was told to "call again to-morrow." When he called the next day he was told that it was inconvenient for the head of the firm to see him at all. What is the use of sending people Home to represent nothing? To get real answers to questions it must be known to the people from whom information is sought that if there is reason to believe that anything is being kept back the information-seekers have power to prevent the others from getting supplies. I cannot see how any reasonable objection can be offered to the Bill as it stands. With regard to the method of election, a great deal has been made of the fact that there can be a direct vote in the matter of representation. In my opinion that would be a great mistake. It has been suggested that you have your board of directors, who are in close touch with your suppliers, and are elected annually. They elect the Council, and then the Council elects the Board, and the Board, in its turn, reversing the process, reports to the Council. The Council—which is to have as nearly as possible geographical representation—reports to the various boards of directors, and so it gets back to the suppliers. If you cut the present Council out and have a direct vote by the suppliers you have nine men elected from all over New Zealand, and no means by which information that is of value can be conveyed to the suppliers except by calling occasional large meetings together, and the possibility is that the Board would be far too busy looking after the affairs of the industry in other directions to be able to attend such meetings and give the information. The idea is that the reports to the Council on the Board's actions shall be open to criticism by the Council. The members of the Council can go back to their districts and report to the dairy companies, and then the dairy companies can report to the suppliers. The whole of the actions of the Board are thus open to the criticism of the suppliers. I cannot find any better method of election than that. It is also suggested that this will involve an extra charge upon the farmer. I submit that it will not, in support of which I will supply to each member of the Committee a copy of a circular which I sent to the suppliers in each of the districts with which I am concerned where I have not been able to address a public meeting. In it I state: "I can confidently assert that financial arrangements will be made by the Board, if it comes into being, whereby the charges at the British end will be adjusted so that the expenses incurred by the Control Board, the Dairy Council, and the London agency will not be a further charge upon the supplier. A slight reduction in the present London commission charge will recoup to the supplier all he is asked to meet by way of levy, leaving as net profit any advantage obtained by reduction of freight charges, regular shipments, and better and less irritating delivery to the consumer, resulting in better prices being obtained." Quite recently we had a visit from Sir Thomas Clements, who occupies, I think, the position of chairman of the Produce Committee of Tooley Street. He addressed meetings in various parts of the Dominion. One of his addresses was given to the Dairy Control Board on the 25th April. We had no quarrel with the suggestions he makes. Sir Thomas stressed the point that there was a great deal of goodwill attached to a particular brand of butter. He said he knew from personal experience that different retailers asked for particular brands. Very well, I agree with that, and I asked him this question: "Under the present system can you guarantee any continuity of supply of a particular brand to any particular consigning agent?" He answered "No." The Tooley Street houses do not get butter or cheese under the present system in proportion to their ability to handle them: they get them in proportion to the ability of their local agents to secure it for them. It is well known that many Tooley Street merchants with some of the best channels of distribution have been stranded in New Zealand without obtaining a ton of butter under the present system. It is the policy of the gentlemen who come to the disposal meetings to talk themselves into the favour of the directors, and secure the butter for the Tooley Street merchants. I put it to Sir Thomas Clements—"Don't you think some method should be devised, in the interests of the buying trade, by which a continuous supply can be obtained, and how can you get that without control?" Sir Thomas shrugged his shoulders and could not answer me. No matter how capable a man may be of selling your stuff, you have no guarantee that he will get it next year. This is far