

127. You think that this organization which you suggest in support of the dairy industry could apply to other industries?—That is a question they would have to determine for themselves; but every one must see that in the organization of this industry you have to apply brains to it. If you put produce on the market without intelligent control in the interests of those for whom you are acting, then you will be more or less at the mercy of the marketing-conditions. That fact is being forced upon us from every point of view at the present time.

128. *Hon. Mr. Nosworthy.*] You are aware from what has taken place at this Committee and outside of it that there is opposition to the Bill?—We understand that that is so.

129. Assuming that the Bill was defeated and did not become law, do you think there would be a greater outcry from the producers throughout the Dominion as a consequence of not having the pool than is the case from the proprietary interests that are opposing it?—I may say that people are lying low at the present time. I have no doubt as to the volume of feeling.

130. If the Bill is not passed?—That is so. We recognize that a great deal of time must be taken up in connection with the necessary inquiries that will have to be made before really anything can be done.

131. You think that the proprietary interests' protest in opposition to the Bill will be as nothing to the protest of the producers if the Bill is not passed?—Yes. I think, however, that once the Bill is passed it will be in the interests of all the producers, and I do not anticipate there will be any friction when the Bill is passed.

132. With regard to the question of a reserve fund, you are satisfied that it is only reasonable to have a reserve fund in connection with the industry, and that it is only reasonable to have reserves provided in the Bill?—We think it is necessary to have the power to do so, that we may not be prevented from taking a sound course.

133. *Mr. Masters.*] Do you know how many Waipu factories there are in the Auckland District?—One.

134. There are two shown in the list which you have submitted?—It would appear to me as if there is a duplication. Mr. Brash probably can explain the position.

*Mr. Brash:* It seems as if a duplication has taken place.

(See Appendix at end.)

TUESDAY, 7TH AUGUST, 1923.

MR. J. R. CORRIGAN, M.P., continuation of examination. (No. 26.)

1. *The Chairman.*] The Committee has met this morning, Mr. Corrigan, to hear the continuation of your evidence?—Yes, Mr. Chairman. I will be as brief as I possibly can. I think when the Committee adjourned on Wednesday last I had just got up to what happened to us last April twelve-months in Taranaki. Now at that time butter had got down to a very low ebb, and then the merchants started purchasing the butter. As far as my memory serves me it had got down to about as low as 1s. 1d. per pound, and they started to purchase at 1s. 2½d. per pound. Well, they purchased practically the whole of the fresh butter made from April to end of September, and they finished up by giving 1s. 8½d. per pound for it. They went up from 1s. 2½d. to 1s. 8½d. per pound. And that butter all went away side by side. That butter which was bought at 1s. 8½d. per pound went away side by side with the butter which was bought at 1s. 2½d. per pound. It all went to the same grading-works, it went through the same grading, and it was all shipped together. Now, our contention is this: that if one lot was worth 1s. 8½d. per pound, then the whole of it was worth 1s. 8½d. per pound. Now, it was practically one firm that bought the whole lot. The agents purchased the butter, but it was ultimately transferred to that one firm. Now, I estimate that that firm cleared about £70,000 out of those shipments of butter. Well, that was during the four slack months of the season. That was only about one-seventh of the yearly production of Taranaki. I presume if the same thing had happened over the whole of the year the exporters would have made about £490,000—nearly half a million of money. And that was in Taranaki alone. That is one of the reasons why we want this Dairy Control Bill—to save ourselves from ourselves. The producers at present send their produce through too many different channels, and we feel that if we could get the Dairy-produce Control Bill into operation it would have the effect of making the produce all go through the one channel, and prevent one portion from being used to hammer the other portion with. We do not wish to inflate values. It is not the intention of the Dairy Council to inflate values. All we want is to stabilize market prices, and get what the produce is really worth. Now, I will tell you what happened in 1920-21 at the finish of the Government commandeering. At the finish of the Government commandeering I was one of the Committee which was called together here in Wellington. There were 32,000 tons of butter that the Imperial Supplies had at Home. There were 20,000 tons of Australian butter and 12,000 tons of New Zealand butter. This butter had cost the Imperial authorities 2s. 6d. per pound. Butter had then been forced down from about 18s. per hundredweight to about 10s. per hundredweight. The merchants at Home knew that all this Government butter was coming on the market. The Imperial Supplies Control Board at Home wanted to clean up the commandeering business: they wanted to get rid of it. The best offer that they could get from the merchants at Home for that butter was 92s. per hundredweight. Well, they knew that that was going to disorganize the whole of the dairy-produce position on the market at Home, and they cabled out the position to us here. We had a meeting here in Wellington, and we decided that the New Zealand producers would purchase the balance of the New Zealand butter at Home, 12,000 tons, and Australia agreed to purchase her 20,000 tons. We waited upon the Prime Minister here, and he gave us the assurance that the Government would stand behind us for finance; and the Australian Government did the same for their share. Well, we had this butter under offer till the Friday at 105s. per hundredweight, and we completed the arrangements for purchasing it on the Wednesday