

election on that Council, had he been successful would have been piloting this Bill as hard as any other man, but because he did not get elected to the Council he was disappointed. I have a knack of analysing these things out for myself. In connection with a certain dairy factory, which is a very large factory, I may say that that factory is in favour of control. Every supplier and every director is in favour of it, but they cannot show their hand because they owe a certain firm about £22,000, and that firm has a grip on them. That firm has been handling their produce for years, and I was told as late as Saturday last that if they could get somebody to put up the money for them they would have a change in their agents—

2. *Mr. Langstone.*] They have overdrawn to that amount?—Yes. They are indebted to the firm they send their produce to to the extent of £22,000. I do not know of anything else that you want to know. I am here honestly to do the best for the industry, and I would like any of the members of the Committee to ask any questions they desire, because these things want to be threshed out.

3. *Hon. Mr. Nosworthy.*] First of all, what do you think the position would be from this point of view—you know there is a certain amount of active opposition against the Bill to-day?—Yes, there is.

4. Now, what would be the position if the Bill is not passed?—It would be the worst calamity that has ever come over the whole of the industry in New Zealand.

5. Will there be an outcry if the Bill is not passed?—Of course there will be. I honestly believe that 90 per cent. of the men who milk cows want this Bill. Take my own factory for instance. It has been said by one man giving evidence before this Committee that the Hawera Dairy Factory did not have a meeting of its suppliers. I would like to tell you this: that during the last four months I had to call the whole of our suppliers together for altering the articles of association and for the purpose of confirming them, and at both meetings which were held I put this proposition to the suppliers, and they were unanimous about it. Then, the other day at the annual meeting I put it before them again—that is, 150 suppliers—and they were unanimously in favour of it.

6. *Mr. Field.*] What date was that?—On the 27th July last.

7. *Mr. Forbes.*] You said there was a good deal of money made over the purchase of butter last year?—Yes.

8. You said that some butter was bought at 1s. 2½d. and some at 1s. 8½d.: did not that depend upon the value of the butter local market price?—No. We depend upon the London price. The London price is really the parity. The local market is controlled practically by that.

9. Who are the speculators? Are they the Tooley Street people?—Well, there are brokers there. It was really the brokers who bought that butter. Last year in Taranaki there were four different people buying. But I found out after all those sales were made that the produce was all transferred to the one firm. The whole of that butter bought in South Taranaki last year went to the one firm at Home. You can get a certain insight in these matters up to a certain point, but after that they only let you know what suits them.

10. You say you have no intention of disturbing the present system of distribution?—We never had any intention of disturbing the present channels of distribution, because we knew very well that we would be up against a stone wall. What we want to do is this: we want to be the dog wagging the tail. The tail at the present moment is wagging the dog.

11. You don't want to cut the tail off altogether?—No. To make it grow, a straight tail.

12. How are you going to get over the speculation difficulties? How are you going to stop the speculators?—Well, we realize that our butter is worth all that the consumers at Home can afford to pay for it. If the consumers at Home can afford to pay 2s. for it, then we ought to get at least 1s. 8d. or 1s. 9d. f.o.b. here. Sometimes when the price at Home is up to 2s. we now only get 1s. 1d. When we have the whole of the channels of distribution taking their quotas from the Control Board we will then have one working against the other in the interests of the industry. If, for instance, there are four agents or firms all working in connection with the produce, and one of them does not show such good returns as the others, then that agent or firm could not expect to get any of our produce next time. Therefore we could use one firm against the other to get what the produce is worth on the open market.

13. Then, you will make it impossible for people to buy butter here outside of a certain number of agents you appoint?—No. We do not intend to interfere with the local trade in New Zealand at all.

14. Under the system of distribution you would not allow outsiders to come in?—It could be done in this way: we would set up an Intelligence Board at Home, and that Board, I submit, should consist of three members. You would have to get the best men in the trade who live in London, and you can get good men provided you pay them sufficiently well. Then, the Board should consist of what is known as a cheese-broker and a butter-broker, and those three men would comprise the intelligence department. They would know all that was going on, and they would be able to advise the Dairy Control Board here as to the position in the Old Country. I may say that the men in the business at Home are the smartest business men in the world, because they are in a position to tell you how much cheese and butter is afloat and where it is going to. I may say that the efficiency of the intelligence department of a firm I have in mind was astounding to me, and we want the same thing for the Control Board here. Assuming for the moment that a certain factory was offered 1s. 8d. per pound, it would not be allowed to sell at that price without first referring the matter to the Control Board. Then if the intelligence department of the Dairy Control Board at Home advised the Board here to sell that would be the end of it and they would sell. As a matter of fact, something must be done to protect the producers, because they have been got at. I myself have been got at, and thousands of others have been got at, and we have been got at through the lack of an organization.

15. *Mr. Hawken.*] Lack of knowledge?—Yes.

16. *Mr. Field.*] You spoke about the conditions existing in England when you were there in 1912, and you said Mr. Goodfellow found the same conditions existing in 1921?—Yes.

17. Can you give the Committee information as to what those conditions were?—I have practically given that information in answer to Mr. Forbes.