

32. The information we receive once a week relates to the price of produce in London: is that not a sufficient help to us?—There is an institution at Home called the Home and Foreign Produce Exchange which every broker and every merchant in Tooley Street will tell you they do not belong to. However, they meet every Friday morning and discuss prices, and they also put out these reports. As a matter of fact, the High Commissioner gets his report from there, and others get their reports from there. At any rate, that is what they did in 1912 when I was in England. The Home and Foreign Produce Exchange is just as you go over the London Bridge. When I was there I was having a cup of morning tea with a friend of mine in the locality of the Home and Foreign Exchange, and I said to him, "I hope you do not belong to that big place over there," pointing to the Home and Foreign Produce Exchange, and he said he did not belong to it. I then asked him the question how it was that his head broker was chairman of it, and when I said that, it paralysed him, so to speak, and he said that I knew too much for him. Of course, I was on a holiday, and I was able to find out quite a lot of things because I was not known.

33. You think, then, that the particulars cabled out from the Old Country are not sufficient for us to sell our produce here?—No. I maintain that the men who come here are not philanthropists, and they are not here to buy for the sake of the producers. They are out here on business for themselves, and to buy for themselves, and to make money for themselves, and I do not, under the conditions pertaining now, blame them for doing so. If I were out of a job to-morrow there are two things that I would go in for. I would either start a proprietary dairy company or be an agent for dairy-produce in Tooley Street.

34. They are two payable concerns. You spoke of being offered 1s. 2½d. for your butter, and you thought it was not wise to sell, and afterwards you got 1s. 5d.?—No; four days afterwards I got 1s. 4½d. from certain agents. I thought I was doing well, but on the following day another man got a higher price.

35. Have you ever had the reverse happen to you—that is to say, it has been suggested that you were once offered 11½d. for butter and eventually it was sold for 9d.?—No; that is the wrong end of the stick. At the annual meeting of the Hawera Dairy Company two years ago I received a cable from a certain firm offering us 11½d. for 2,000 tons of cheese. That offer stood good until 6 o'clock in the evening. I may say, sir, that I do not want to divulge the firm's name now. At any rate, at the annual meeting I put the offer before the suppliers and recommended them to take it, and it was turned down by three votes, over a hundred and fifty suppliers were present. We had been consistently dealing with Messrs. H. A. Lane and Co. for over ten years. This particular firm that made the offer I have already referred to had something in view, and I submit that it was a deliberate attempt to get into our business at any price. Supposing the market had gone down and they had bought 2,000 tons of cheese at 11½d., they could have beared down the price of cheese to 7½d., and they could have brought 6,000 tons at 7½d., and ultimately they would sell it at 9d., and consequently would have made a good profit. By marketing manipulation they can always do that. To the man who is not behind the scenes he would naturally think they were making a loss, but I know they are making a huge profit.

36. In connection with the intelligence agents that you spoke about, do you think we could get not only capable men, but honest men for this work?—I think we could get men just as honest in the industry in the Old Country as is the case in any other industry; but if you want the best men, you have to pay them salaries commensurate to what they are worth. I have no reason to think that the Board could not get hold of honest men to do its work, and who are as alert as other men in the business.

37. You think that if this Bill passes and the Board gets to work it could enforce fair dealings from Tooley Street and confine them to their legitimate business?—It is not a question of forcing them, but a question of confining them to their legitimate business. We will have to get over the question of speculation.

38. *Mr. Hawken.*] Referring to the question of the small dairy companies, to your knowledge do they ever send cables to find out how the butter is being sold in London?—What happens is this: We will assume, for the sake of argument, that Mr. Jones is the agent for a certain firm in Christchurch and you are the chairman of the dairy factory. Mr. Jones goes along and meets the directors—there may be twenty-five agents at the disposal meeting. Mr. Jones gets the output, and he takes up letters of credit and everything in connection with the business is fixed with the factory and Mr. Jones's firm in London, and they send us out every month for every shipment the account sales. In the meantime the factory has, of course, drawn against them on bills of lading.

39. When they get the returns how do they know they get the market value?—We have no means of checking it until we see the High Commissioner's cables. Of course, the High Commissioner's cables compare with those from the Home and Foreign Produce Exchange, because they give the information to the High Commissioner.

40. There are considerable variations to your knowledge even within a day or two?—Yes, and some of them will tell you that you were unlucky, because your produce was at the bottom of the hold, and consequently did not realize such good prices. They have all sorts of excuses ready to give you.

41. What has been the extent of the variations on the same day in London that you have known of?—In the same shipment?

42. Yes?—In one case this year that I am aware of in connection with a quantity of cheese one factory received 8s. more than another factory in the same shipment.

43. *Mr. Forbes.*] Was it the same grade?—Yes, and on the same boat. The excuse offered was that the market was going down and the produce on the top realized the high price, and the other was not sold until the market was falling; but I know when I was at Home myself how these shipments were sold.