

amount of exception is taken of the fact that a few men interested in produce of the annual value of £16,000,000 should get a bare crust, or perhaps a little more, for looking after the interests of their business at the London end. Mr. MacEwan told the Committee that it paid him to make these trips, and I say it will pay the dairy industry well to have a Board in the Old Country to look after its interests and report regularly to the producers in this country. Exception has been taken to two representatives of the Government being placed on the Board. That is only another red-herring drawn across the scent. This industry is so large that there are many interests concerned in it apart from the producer: there is the interest of the man who has advanced money on mortgage, the interests of the owners of property, and the interests of the banks. In my judgment it is right that there should be Government representation. There should be representatives of the people of the Dominion through the Government. I can take no exception to the fact that the proposal provides for two Government representatives. It would be different if every dairy-farmer owed no one anything—if he held his property free of encumbrance. If such were the case it might be said that the Government should not come in. I think the Bill is right in having some provision by which the interests of the general public, and the other interests which are not necessarily in conflict with these, can be watched.

2. *Mr. Forbes.*] Can you tell us why, in the matter of finance, the same provision is not made in this Bill as was made for the meat-producing industry?—Some of the members of our committee asked for that—I will not say of the committee of the conference—but it was through their not knowing the whole of the facts of the case. It was quite right, in my opinion, for the Government to come in behind the meat-producers, because their whole business had collapsed. If there were any suggestion that the Government guarantee should be placed behind the dairy industry it would almost amount to an admission to the world that New Zealand's principal industry had collapsed, and I do not think it is necessary. I am also given to understand that until the Government came in behind them the meat-producers could not obtain any advances on their products, either on the hooks or anywhere else. That is not the position with regard to the dairy industry. Exception has been taken to the assertion that the chairman of the associated banks had made a certain statement. As a matter of fact, the Tooley Street merchants and the associated banks are competing, if this Bill comes into operation, to get the financing of the dairy industry. I say that as the result of the competition you will have better financial arrangements than we have ever before known in New Zealand.

3. You think you will not require anything in the way of Government assistance?—I do not think we shall. Indeed, I think it would be calamitous if we did. I may also say that if you fix the freights, and fix regular departures from the ports, you will fix the finances so far as advances are concerned. We can get, say, 90 per cent. as an advance on the produce when it is shipped. Accounts are taken on the 20th of the month. As a result of regular shipments you will have 90 per cent. on all the butter you produce. Take the month of October: you would have 90 per cent. of the value of the butter for that month, and twenty days into November. The Board would not want more than that to gamble with—for there would be a temptation to gambling. To do so would be to ask for more than was reasonable—it would be asking for frenzied finance. Once get your shipments regular and your finances will be regular. In the past, if the boats did not leave regularly—and they often do not leave satisfactorily—the dairy companies could draw from the banks up to 1s. per pound against their store warrants. It is possible that if you wanted more the banks would give you more than that. This matter of finance is an absolute bogey. The banks and the financiers of the Old Country make their revenue by lending money. Are they going to lock it up? They are only too glad to lend it; but of course they do want the best terms possible. In the House objections were taken, and rightly, in my opinion, to the fact that the banks were charging an extra  $\frac{1}{2}$  per cent. to companies which did not put their exchange through them. The Prime Minister said that he had put that matter right. How did he? Was it because he was William Ferguson Massey? Not at all; but because it was known that he had the "big stick" behind him.

4. *Mr. Masters.*] Mr. Corrigan said it was he that put it right?—In that case it was Mr. Corrigan that had the "big stick." To say that a director of any dairy company put it right would be ridiculous. But a Board of the description proposed in the Bill will be able to put matters right.

5. *Mr. Forbes.*] Do you advocate having a Board to market the produce, to exercise the powers given in the Bill, to take over all the butter and cheese and market it on behalf of the producers?—You must define what you mean by "marketing."

6. I take it that "marketing" means that you have power to take over the produce and sell it on behalf of the producer, and make returns to him. The Bill proposes to give power to do that?—If you mean by "marketing" that the Board will take over and market the produce in a revolutionary manner—contrary to what has been done in the past—I do not anticipate that anything of the sort will occur. I do not think the Tooley Street merchants will allow such a thing to happen. But if you mean by it taking over and controlling the sale through the advice of the London agency, I say I think that may occur. I think some fourteen Tooley Street merchants have already stated that they are prepared to work in co-operation with any organization formed in New Zealand.

7. Has not the idea been put before meetings that this Board would take control of the whole output, and supply the London market at regular intervals with what was required, and that by doing that it would be able to get a better price for the producer? Has not that been a strong argument in favour of the Bill?—It has been stated that such a state of affairs might be possible. Sir Thomas Clements is recognized as more or less of an authority, and his statement was that the ideal conditions of sale in the Old Country would be a fifty-two-weeks period—that is, supply all the year round. Theoretically and actually that is the best period, provided you have fresh stuff to deliver. Sir Thomas also said that it was not advisable for the producers of New Zealand to store their produce