

in order to spread it over the fifty-two weeks of the year. He advised that what we should aim at under the present method of dairy-production was about a forty-weeks period—that we should try to have the distribution during those forty weeks as equal as possible. He was talking from the point of view of a man who comes in contact with the consumers of butter at Home. He pointed out that it was not difficult to switch a consumer over from New Zealand butter to Danish, and then back again to New Zealand. He said that that meant only two turnover in the year, and was not very difficult to bring about, but that under the present system you have to turn them over about every six weeks to keep the market going. Here is his statement, copied from a paper called *Budget*: “Without controlling your shipping you do not know where you are with regard to prices.”

8. Has not that condition been very prevalent? Very prevalent. It is a fact that in the time of the slump butter was selling in the Old Country at 180s. per hundredweight. The shipping companies want butter in the bottom of the vessel. Vessels were overloaded with meat, and there was no place ashore in which to put it. There was storage for it at Southampton which could have been used, but when they were asked to get the meat out in order to get at the butter they refused to do it. There was no penalty clause. Sir Thomas Clements told us that the Argentine have an agreement with the shipping company with which they deal which is so binding that the boat has to arrive at a given time and be unloaded within three days of her arrival. If the boats arrive on a Friday they must have their hatches open and start unloading on Saturday, and the whole of the produce is in the hands of the consignees on the following Thursday.

9. *M. Field.*] Do not the Tooley Street merchants both act as agents and buy produce?—Yes.

10. If they act as agents and charge 2½ per cent., or some other small and reasonable commission, I suppose there is not much exception to be taken to that?—Not at all.

11. Where it is a question of their buying, are any of their methods objectionable?—I think I have stated to the Committee that there is no possible way of finding out. You simply have to accept what they tell you as correct; but I should say that as a general thing they are strictly honest men. Buying is one of the greatest difficulties. In the season before that which closed on the 30th June, 1922, there was considerably over a million pounds lost to the dairy companies who accepted the buying-prices. The secretaries and directors of dairy companies had no place to turn to for information in considering the buying quotations. One thing I want to see avoided is the danger of the business turning into a gamble. It is not a matter whether this or that factory makes or loses. We have to consider the question from the point of view of the whole Dominion.

12. You think control would have the effect of checking the gambling element?—I am certainly of opinion that it will, if it is properly run. I think every safeguard should be adopted to see that it is properly run.

13. Would you be in favour of utilizing the Tooley Street merchants as channels of marketing?—Absolutely. I do not see any other way. The antagonism towards the scheme does not come from Tooley Street; it comes from the agents in New Zealand.

14. *Mr. Masters.*] You stated that the present condition of affairs in regard to shipping arrangements was rotten?—I state more than that. I state that I have not heard any person at any of our conferences, whether he was an opponent or a supporter of the scheme, who did not say that they were rotten.

15. What do you mean when you say that they are rotten?—I refer to the system by which the boats come and go, and load, just when they like. That system is not a sound one.

16. That is the only thing you consider rotten?—And the charges are rotten. The method in which the agreements are made is rotten.

17. Are you not on the National Dairy Association?—No.

18. Do you know the last contract that was made by the National Dairy Association?—I have a bowing acquaintance with it.

19. Did they not enter into a contract with the shipping company on these conditions: that in the event of their getting a reduction from another company the contracting company was to give them that reduction?—I quite believe that.

20. Was not that a good business method?—It was a good move on the part of the shipping companies, knowing as they did that no offer would come forward.

21. Do you think it was likely that another company would make an offer when they knew that that offer would first have to be submitted for acceptance by the company that had already made the contract? Are they likely to make an offer?—No.

22. Then it was not a very businesslike contract, was it? I do not know that. I think the National Dairy Association did not concern themselves in the least as to who made the lower freight. It was not worth the paper it was written on, that clause in the contract.

23. How can you account for the increased opposition that is given to this Bill?—To begin with, I deny that there is increased opposition. It has not been proved. Also, there is a very large district on the east coast of which very little cognizance is taken here. To a great extent, that is my fault, or my misfortune. I was laid up with what threatened to be pleuro-pneumonia before I came to the House, hence resolutions have not been confirmed by twelve companies that represent the East Coast Dairy Association supporting control.

24. Would you call the Poverty Bay district the east coast? No, I speak of the Bay of Plenty. Opoiki has a large company which sells most of its product in the Auckland market. It is entirely due to a domestic quarrel that that company is in opposition.

25. I think it is generally recognized that there is dissatisfaction as far as the shipping arrangements are concerned. Even the most bitter opponent of the Bill admits that?—I am glad you admit that.