

26. I do admit it freely. Do you not think it would be a wise precaution to tackle that side of the matter before we start out after the reorganization of the marketing and control? Is it not wise to go warily in these matters, especially where you have so much involved?—Well, you have heard the expression about the mountain being in labour and producing a mouse. That would be exactly the position. This is the second year of the effort. Every dairyman who has ears to hear knows something of the sort is being discussed. It is being discussed throughout the length and breadth of New Zealand. If a board of dairy company directors have not put the proposal directly before their shareholders it is because they are satisfied that silence gives consent. I do not think there could be a greater upheaval in the industry than this has been. If after so much stir we cut everything out, and only agree to arrange about shipping, it will be a real case of the mountain in labour producing only a mouse.

27. What is your view in regard to the levy: do you think it is reasonable, or too small, or too large?—I think it ought to run the affairs of the Board satisfactorily. I may say that the levy was suggested at the figure given because it brought in about  $\frac{1}{2}$  per cent., which we understand is paid at present to the local agents by Tooley Street.

28. It would raise about £100,000 on the basis of this year?—Well, we are paying that now.

29. Do you not think it is an unduly heavy levy?—Very good. Then there is provision made later in the Bill that if there is a surplus it can be carried forward. But why should it be an unduly heavy charge when it is the charge that has been paid to the predecessors of the Board, when it was recognized as quite a proper charge when it was paid to the proprietary interests?

30. Are you going to do away with that commission?—I hope so—the local commission. The £100,000 is to be payment for actual work done. There are too many people at the game in the various centres of shipment. The shippers have to keep their staffs, and staffs will have to be engaged if this Board comes into operation. It is absurd that in each centre there should be eight, ten, or twelve staffs representing the different consigning houses and drawing good salaries. The £100,000 is the maximum, but it is no more than we are paying at present.

31. I have a circular from the Dairy Factories Union, and I should say that by the time all the amendments they ask for are made there will not be much of the Bill left. Did they strongly support the Bill?—I cannot say. You can get better information from Mr. Cobbe, who represents the Dairy Factories Union.

32. *Mr. Langstone.*] The dairy industry is a big business, is it not?—Well, I may be prejudiced, but I think it is the most important in New Zealand, when you consider the number of people dependent upon it.

33. Is there not something like £1,200,000 a year paid in freights on dairy-produce, estimating it at about £10 per ton?—That may be an exaggeration. I think it is estimated that about 125,000 tons of dairy-produce leave New Zealand every year. You seem to be basing your calculation as if it were all butter.

34. On an enormous sum like that, you think that quite a large saving could be made by having proper control and being able to make decent contracts?—Yes.

35. With regard to marketing, I think a commission of  $2\frac{1}{2}$  per cent. would run to something like £500,000?—Yes.

36. And you would possibly be able to get some reductions there?—That is likely. I do not think any member of the Council would object to 2 per cent. to a man who is doing 2 per cent. worth of work, and perhaps more. It is quite possible that there may be a reduction.

37. Tooley Street merchants are wanting produce from New Zealand?—They need it for their business.

38. By putting the Tooley Street merchants in competition one with another for so large a volume of trade, would you not be able to deal more satisfactorily as far as the New Zealand trader is concerned?—The idea, as I understand it—you must bear in mind that at present our ideas are more or less theoretical—is to give every Tooley Street merchant as much of our produce as he can handle. If it is found by experience that certain firms regularly return better prices than others, naturally you will feed those firms. At present we do not know where we are.

39. Do you think that since the New Zealand Dairy Association became a co-operative concern it has given better results, and given more satisfaction to the farmers, than when it was a proprietary concern?—I am not a member of the association, but I think that it has had to contend with proprietary interests in a way that other companies perhaps have not. We know that if anything is keeping down the returns of the New Zealand Dairy Association to its suppliers it is the fact that they have large sums of money locked up in dried-milk factories. And who brought that about? Probably you know that it was the competition of the proprietary companies that did it. Take the case of Cambridge, where there is £120,000 locked up. If it had not been for the competition of a proprietary company none of that money would have been sunk. It is the fear of what the proprietary interests will do that is making the banks close up on the co-operative companies. Sixteen years ago I obtained an advance of £3,500 on the security of a factory with 300 shares applied for, and £100 share capital paid up. The banks now ask for one-fourth of the amount in cash, and from one-third to one-half of the shares applied for, besides a joint and several.

40. Do you think the reason for the opposition of the proprietary concerns to the Bill is the fact that you will be able to clip their wings, so that they will not be able to harass the co-operative concerns in the way they have done in the past?—That is an involved question. I cannot say. But I do think they must have something to fight for that we know nothing about, or they would not be fighting in the way they are.

41. *Mr. Burnett.*] Seeing that it is such an immense industry, how long do you think it would take the Board to function properly in its exercise of the compulsory clause?—That all depends upon