margin of risk, and as a consequence we could come into the position of being able to advance a larger percentage of the ultimate realizable value of the produce. So that while we shall be able to utilize any of the existing methods of finance that prove to be the best, we maintain that by this improved organization we shall be in a position to reduce the margin of risk, and as a consequence make better advance payments than can be made under the present system. Now, Mr. Dear said that their company, acting separately, had been able to save money on exchanges in London. Now, gentlemen, it is impossible for us to deal with anything in the nature of a report of how many companies have been able to sell their exchanges. But you will be aware that the Associated Banks have decided to charge an additional ½ per cent. on their overdraft rate to those companies who are not utilizing the banks for the transference of their surpluses from London, because they recognize that this is an essential part of their business. Now, while we perhaps may not agree regarding the level of charges that are made by the banks for these services, yet I think there is no one who will urge that it is a sound proposition for any separate individual factory to trade and make the best arrangement it can regarding its exchanges. What individual factories would make in dealing with their exchanges on London would be as trifling as to be not worth present consideration. We want to organize to be able to get these things at the lowest possible rates, and I submit that there is no way of doing that like the consolidation of the whole of the interests of the industry.

5. *Mr. Field.*] Do you suggest that no one has sold their exchanges ?—No, I do not. A few of them have. But what they have secured by these trifling sales is a mere peppercorn when compared with the general improvement which would be secured to the industry by a consolidation of its interests. Now, Mr. Dear said that they had also been able to get their money from London at 5 per cent., whereas the New Zealand bank rate was 6½ per cent. Well, that was a statement which was very misleading, seeing that practically all the dairy companies have been in the same position. They have been getting their money at London rates, or rather in excess of London rates. The London firms have been prepared to provide as finance money at 5 per cent. As a matter of fact, the New Zealand Dairy Company, which is the only company that has been able to hold back supplies to steady its market, has been able to get money from London on a 3-per-cent. basis, which shows that money can be got much more cheaply by a consolidation of the interests of the industry. Now, Mr. Dear, accountant as he was, took a very strange course in explaining the principal gains and losses that might accrue as a result of the establishment of the Control Board. It will be remembered that when he was running over the probable gains he said there would be a probable gain of 10s. per cwt.—that is the disparity between the New Zealand and Danish prices. He then proceeded to say that it would amount to "slightly over 1d. per pound," but with surprising inexactitude for an accountant he straightway proceeded to drop the amount that was over 1d. per pound. I remember, sir, that you asked Mr. Dear what those figures amounted to in the aggregate, and he said that he had not worked them out. Well, gentlemen, I have worked them out, and I submit these figures to you as indicating the measure of the importance to the industry for action of this sort. Now, Mr. Dear, as I say, stated that there would be a gain of 10s. per hundredweight——

6. *Mr. Langstone.*] Did he not say 10s. 4d. ?—No; I think he said 10s. I have worked my figures out even upon the 10s. And then after that he proceeded to speak of the 1d. per pound gain, and possibly of another ⅛d. per pound gain on shipping. He said there would be 1⅛d. per pound gained in that way. Now, that is a little bit wide of the mark. What he had dropped was an amount of no less than $\frac{1}{14}$d. per pound in his calculation at 10s. per hundredweight. Now, $\frac{1}{14}$d. per pound is not very much on a pound of butter, but when it comes to our exportation of over 60,000 tons it means £40,598. That is what the little bit amounted to that he dropped overboard. Last year we exported 2,435,896 boxes. Now, that amount at 10s. per hundredweight means £608,974. I have already submitted to you, sir, figures of the comparative loss that has taken place between New Zealand and Danish butter—that is, taking shipment by shipment, which give the most accurate figures possible to arrive at. I have submitted those figures to you, sir, which show plainly that the 10s. per hundredweight is not sufficient to cover what has been actually lost. I have shown you that we have lost actually £796,000 as compared with Danish. Mr. Dear then stated there would be a gain of possibly ⅛d. per pound on ocean freights. Now, ⅛d. per pound on ocean freights on our last year's freightages amounts to £139,820. I submit that Mr. Dear was altogether too moderate in his estimate of a saving of ⅛d. per pound. We are paying at the present time 5s. a box on butter, and 1$\frac{1}{16}$d. plus 10 per cent. per pound on cheese——

7. *Mr. Brash.*] 1$\frac{1}{16}$d. ?—Yes. Now, that works out at 11s. 6½d. per hundredweight on cheese and 10s. per hundredweight on butter. Last year the exportation was 63,963 tons of butter, and at 10s. per hundredweight that means £639,630. The amount of cheese exported was 55,883 tons, and that at 11s. 6½d. per hundredweight amounted to £704,983. Our total freightage last year cost us £1,344,613. The pre-war charge was 5s. per hundredweight on butter—2s. 6d. a box—and 4s. 8d. per hundredweight on cheese. It has been submitted to the shipping companies, as a fair basis for present freightages, that the charge should be 50 per cent. above pre-war rates, and that is a fair basis upon which estimates can be made now. 50 per cent. upon pre-war rates makes butter 7s. 6d. per hundredweight, and cheese 7s. per hundredweight. On that basis it makes a reduction of exactly ⅜d. on the ocean freightages, instead of the ⅛d. that Mr. Dear estimated that we might secure. Now, ⅜d. upon butter and cheese means a matter of £419,460—that is not taking into consideration any possible loss that has been incurred by the hold-up of cheese last year. It has been stated by some that this is a buttermakers Bill only, and yet every cheese factory in the country was impressed with the fact that they made very heavy losses owing to their inability to get their cheese to the market during the earlier part of last season, and the merchants in London have maintained that if the supplies had been kept steady there would have been no reason for the fluctuation in values that was experienced, and no reason for the consequent recoil that had been experienced. I have made