

New Zealand's Appreciation of British Proposals.

Mr. Massey: I desire to commence my remarks by expressing appreciation of what the British Government is proposing to do in connection with the extension of Empire preference in favour of a number of the commodities produced in the oversea Dominions.

System of Subsidies in New Zealand not a Success.

But first I want to say a word or two about the report of the Food and Materials Committee, a memorandum in connection with which has been placed before members of the Conference. I want more particularly to refer to the last two paragraphs. I do not think it will be news to many people when I say that in New Zealand we had considerable difficulty during the war, and even more serious difficulty after the war, with regard to certain articles of produce. We gave the principle of subsidies a thoroughly good trial in connection with these articles, but I am bound to say that we were not particularly successful. They cost the Dominion a lot of money, for which I cannot help thinking we did not get value.

Reduction of Profit Margins possible.

So far as the keeping of profits down to a reasonable rate is concerned, it is possible to prevent exploitation, and we proved it. I hope that effect will be given to the suggestion contained in the last paragraph but one of the report of the Food and Materials Committee. I will not quote the whole of it, but the Committee say, "While, for all these reasons, the Committee have felt compelled to reject all the alternatives they have been asked to consider, they emphatically agree that it is in the interests of both producer and consumer that profit margins should be as small as is reasonably possible. This is a common interest of the Home and the Dominion producer." With that I agree absolutely.

Problem of marketing Beef in Great Britain.

The Prime Minister of Australia gave an instance of what is going on in connection with the marketing in England of Australian beef. I can endorse what he said. When I was in England in 1921—I am bound to say that matters have improved a little since then—a shipment of beef to this country was sent from a farm with which I was acquainted. About one hundred and fifty carcasses were sent over, and they realized 3½d. per pound. The cost of sending them, including slaughtering and other charges, was 3½d. per pound. That left ½d. per pound for the producer—practically nothing. I am glad to say the position has improved a little since then; and, so far as New Zealand is concerned, we are trying the experiment of chilling beef. I do not know whether the experiment will be successful, but a shipment of chilled beef is on its way now from New Zealand in the hope that our producers will be better able to compete with South America, and particularly the Argentine. I agree with the Prime Minister of Australia that the problem with regard to beef is the most serious in this connection that the British Government have to tackle, and at present I do not quite see the way out of the difficulty, unless it be by a further extension of preference—and I know what that is likely to mean when it comes before the British Parliament.

Margin of Profit on New Zealand Apples in Great Britain.

There is another illustration I want to supply as to the necessity for something in the way of limitation of profits. Since I have been in England on the present occasion I have had some correspondence from a firm who found it necessary to purchase a number of cases of New Zealand apples. We have been placing New Zealand apples on the British market for some time past. The price which this firm—I have not the correspondence with me here—paid for the apples was at the rate of 25s. per case of 40 lb. I think that works out at 7½d. per pound for apples which were purchased by the case in the London market. Apple-growing is with us a struggling industry, though I have great hopes for it, and the Government have been encouraging it for a number of years past. But this is what has been happening in New Zealand: In order to encourage export we guaranteed the apple-growers 1d. per pound net. Last year we had a considerable deficit. I think we went to the bad about £12,000, but, at all events, the best that could happen to the New Zealand producer in connection with the price of the apples was 1d. per pound. That was all he received. The same apples were sold here in London at 7½d. per pound. I think the margin is too large.

It is not for me to suggest what the British Government ought to do, but if there is no legislation already on the statute-book to deal with such a case as that, then I think it ought to be placed there, and that matters such as this should be looked into. I do not mind a reasonable profit to the trader—not in the very slightest—I think he should get a fair and reasonable profit, but anything of this sort is little short of exploitation. I do not say the same about beef, because I am not so well up in that. What I mean is that I do not know the retail prices of beef at present.

Co-operative Marketing a Possible Solution.

The Chairman: Price-control, even if you could apply it, would not give your man a better price. Is not what the producer has to do to go into the market and, by co-operative methods, sell himself?

Mr. Massey: That is exactly what they are proposing to do. I have had notice of some of the legislation for the next session of Parliament, and I understand they will ask for the necessary power for the control of the marketing of their own produce. I hope it will have as good an effect in connection with apples as it has had in connection with the export of meat. When I say "meat," I mean mutton and lamb. I am not speaking now of beef.

The Chairman: And your dairy-produce, too?