

them that a project was on foot having for its object the protection of the interests of colonial producers. Mr. Massey and Sir Joseph Ward stated that the Imperial authorities had practically guaranteed that they would step in if it was found that the shipping interests were extracting undue charges from us. Well, on the strength of those assurances the farming interests decided to stay out and await the result. Well, now I am of opinion that we are not receiving as fair protection or as fair treatment as we should receive at the hands of the shipping interests. But in that connection you might say, "Well, what can you recommend?" and that, I take it, is what you want to get at.

4. *The Chairman.*] Yes?—Well, you know as well as I do that the whole thing bristles with difficulties. I would hesitate, of course, to urge upon our producers to embark upon a shipping venture for a country like this. The lines upon which we proposed to work if we found it necessary to go on with our scheme were to take in the capital subscription according to the flocks, on a somewhat similar basis to that on which milk-suppliers are dealt with in relation to their respective little dairying concerns. We thought it out and could think of no better basis upon which the capital subscription could be fixed. That phase of the question was fully discussed at the conference, and it was unanimously agreed that, in the event of a company being formed, the subscription should be in that manner. Personally, I may say I believe that if we can bring pressure to bear upon the powers that be—that is to say, the shipping companies—it would be better to do that rather than run the risk of forming a new company here practically owned by the producers, because there would be a serious element of risk in such a venture. The shipping at present is, as you know, in the hands of very powerful concerns, and I should hesitate very seriously before I would urge our people to subscribe their capital towards such a venture, particularly when the trade is so peculiar as it is at present. You see, the farmers do not ship their meat. It goes Home, but it goes through other people's hands. Then take the wool: no better system, as far as I am able to see, both from the trader's point of view and from the farmer's point of view, could obtain than that which obtained under pre-war conditions. Our wool-sales were held in the main centres, and I believe that, when you consider freights and other charges, the rates of payment obtained by the producers were on a parity with the rates of payment obtained by those who exported their wool. I think that a majority of our farmers recognized that we received fair treatment at the hands of the representatives of the wool-buyers. Now, with respect to the farmers themselves, there are very few who are absolutely unencumbered. They are all more or less indebted to one firm or another, or to their various associations. Take my own concern, for instance. We have ramifications all over the country. We have branches and saleyards in all the centres, and we look to the farmers who are indebted to us to adjust their accounts from time to time through the medium of their sales of surplus stock. We find them buyers for their produce, and we sell them what they require, through the medium of our several branches and yards. Now, all that is working splendidly, and the farmers are perfectly satisfied. Mr. Jones there is well acquainted with our methods, and I am sure he will support me in my statement that in the main they are perfectly satisfactory. Is not that so, Mr. Jones?

*Mr. Jones:* Yes, perfectly satisfactory.

*Mr. Relph:* Just imagine for a moment what the position would be if we had a farmers' shipping concern, which would be owned and controlled by what we will call the farmers organizations. What is the good of having ships unless you have the cargo for them? You go to the farmer and say, "I want so-and-so"; but there may be other buyers who may temporarily offer better terms. I say, if we run our own ships we will have to say to the farmer, "You have got to fill those ships. We will settle with you on a nominal basis, and pay you your surplus on the final realization of the products, just as we do with your butter and cheese." That would be all right up to a certain point, but even then there would be great difficulties. I have had a long experience of the farming community, and, unfortunately, their minds are easily disturbed. These other buyers which are going round are not going to be balked. They would temporarily make better proposals to the farmers, and I am afraid that they would succeed in getting the produce, and our ships would consequently be neglected. Much as I realize the seriousness of this shipping question—and there is no doubt about it, it is one of the greatest problems that we have now to deal with—I may say that our methods for the protection of the farmers are as good in this country as in any other country, but there is a lack of co-ordination which causes all the trouble, and it is a very difficult problem to get over. Now, there is one peculiarity in connection with the shipping business which does not obtain with regard to any other business. In actual practice it is found that one well-run steamer or vessel can be of considerable use in keeping down freights. We have a man called Scales here, and a few farmers have rallied round him. Sir Walter Buchanan took a leading part in connection with the Scales Company, and there is no doubt that the very fact of Scales having a boat available has been the means of securing to our farmers, whether they were interested in Scales or not, a lower rate of freights than have obtained in Australia. That is an absolute fact. If we were in a position to successfully manage two or three steamers we could exercise a wonderful control over the powers that be; but I think it would be better first to set to work to approach the shipping people and point out what we intend to do, and solicit better treatment, and, failing that, let them know what is in our minds, rather than precipitate matters by going into a scheme which may assume considerable dimensions. I may say that I have had experience in connection with farmers' co-operative societies for over forty years, and I feel that we have something to be proud of in these societies in New Zealand. In my travels through America and in other countries I could find no such conditions as we have in our organizations in connection with the protection of the farmers' interests. But this is the trouble: this is a producing country, and we have to send our produce over the seas, and that seems to be the greatest difficulty we are faced with just now. Much as I should like to see the shipping in our own hands, I have great diffidence in going to extreme measures. If we urge a reduction of freights possibly the powers that be would respond. The farmers have confidence in us, and because they have that confidence it makes me hesitate to say or do anything that might be regretted. It would seem a pity to have to duplicate a service when we have the ships here, if we can only induce the shipping people to be content with a more reasonable profit. Now, if you approve, I will get in touch with Sir James Wilson, and he will probably call a meeting of the committee in order that we may discuss the whole position. We may then arrange to make overtures to the shipping people, and see what can be done.