

15. There was some mention some time ago about some Imperial shipping combine whereby the Dominion would be greatly benefited. There was some talk of that at one time. Do you not think that is what Mr. Massey had in his mind?—I believe he had something of the kind in his mind.

16. Do you think there are any signs of that being realized?—I do not think so.

17. You consider it is advisable to come to some satisfactory arrangement with the shipping companies if possible. Would you consider it advisable to enter into a contract to cover a term of years ahead?—No.

18. Simply from season to season?—Yes.

19. Is there any chance of competition? Are there any outside companies who might be inclined to enter into competition?—The shipping combines might be able to prevent serious opposition. I am inclined to think, however, that as time goes on the position will become automatically easier. Suitable ships may become more plentiful and cheaper, and we may be able to get lower rates. It is just now that the position is most serious.

20. Supposing we were to have a conference of the producers and the importers to discuss shipping matters: might not that have a moderating effect, so far as these freight rates are concerned?—Well, I believe that the shipping companies are fully alive to the fact that we possess an enormous power within ourselves, but where they score is in the knowledge that although we possess that power there is a lack of co-ordination. You know that we in New Zealand have associations galore, but unfortunately there is a wastage of energy going on, and there is no proper co-ordination. I may say that I have hopes of doing something in the way of co-ordination among the co-operative organizations. Of course, Rome was not built in a day, and we have to look ahead. We have been working for some years on a scheme for the federation of the farmers' co-operative organizations. Over forty years ago a co-operative system of trading was inaugurated by farmers in New Zealand, and this system has proved a success. I say without fear of any contradiction that the Farmers' Co-operative Society has secured to its members considerable benefits which they would not have received had it not been for the society. We do not claim that our society is of greater value than any of the others, but I do say this: that had it not been for the action of our co-operative movement the producers would not now be in the favourable position they are in in many respects. Well, there are different organizations. My own organization is one of the largest of its kind in New Zealand. Then, side by side with us we have a farmers' co-operative organization in South Canterbury. Then there are smaller associations dotted all over the place. The object of the federation we are endeavouring to bring about is that the small association shall benefit from the large one, and the large one from the small one. We propose to pool our interests, without interfering with the output of our respective stores. Our produce would be shipped through the federation: that is to say Christchurch might contribute 1,000 tons, Timaru might contribute 500 tons, and other associations might contribute from 400 to 100 tons. Through this collective buying we shall all benefit, and we hope to save considerably on our freight alone. This federation will become a form of freight committee; and instead of saying, "What will you quote us for 1,000 tons?" we will say, "What will you quote us for a whole shipload?" Now that the war is over we hope to get going in real earnest in connection with this federation. Australia is very much impressed with what we are doing, and they are also forming a federation over there. They have sent two of their men to London to work in concert with us there. When I passed through Canada they were very keen to link up with us. South Africa is already linked up with us. They are partners in our London warehouses and works, and we hope to secure benefits in that way.

21. *Mr. Burnett.*] From what you know of the producers do you believe that ultimately the producers' produce will be carried in the producers' own bottoms?—I should like to see that.

22. Is it coming?—I am afraid it is not. You would have to alter the whole system of trade. If the producer would only stand by his own interests it might be possible, but unfortunately he will not. If the Farmers' Co-operative Society had a vessel on the berth at Lyttelton, and we were to say to the farmer, "I will credit you with your lamb, for the purposes of an immediate settlement, at 6d. per pound, if you will ship with us," and Sims-Cooper's man was to come along and say, "I will pay you at the rate of 6½d. per pound," we would not get the lamb. The farmer would take the 6½d., unfortunately.

23. *Hon. Mr. Nosworthy.*] There is a question I would like to ask you in connection with the banking institutions. These banking institutions, such as the Bank of Australasia and the Union Bank, ship a tremendous amount of wool and other produce. Do they get rebates from the shipping companies? Do they get any other concessions?—Well, I have not been able to discover whether they get an actual concession on the rate of freight, but they get the primage. That is a pretty good thing on their collective shipments. Then, they get a rebate commission from the brokers. The bank really does not sell: they get a rebate commission in connection with sales. They get a rebate commission from the selling broker, and they make profits in other directions. It is good business for them all through.

24. What I am trying to make clear is this: Do their interests lie with the shipping companies carrying on their business under the existing conditions?—They are not out to help.

25. They are not out to help on the lines you have been discussing?—No, you cannot count on much help from them. There is no doubt that the producers of this country have the whole thing in their own hands if they will only all work together on co-operative lines.

26. *Mr. Forbes.*] Have you gone into the history of the working of the Commonwealth-owned line? What is the position with regard to freights over there?—Up to the last year or two our freight-rates were more favourable than those which obtained in Australia. This was largely due to the influence brought to bear through our various organizations, and through the fact that Mr. Scales had a sailer here competing with them.

27. What is the position in regard to the Commonwealth-owned line: how is that going on?—I have had no information lately.

28. *Hon. Mr. Nosworthy.*] Have you any knowledge or information in connection with Mr. Scales's visit to the Old Country? Have you any idea as to what his intentions are? Is he proposing to charter any insulated shipping?—Of course he went Home to look into things for himself,