

the goods. That is a very important point; and, representing as I do about 25 per cent. of the butter shipped from New Zealand, our company would obviously oppose any scheme for altering the existing system of finance. If we had to put our bills through the local banks, and were faced with reclamations at the other end, the reclamation would be debited to our accounts here in New Zealand immediately, and the result might be a dislocation of finance. Under the existing system, if you work on a letter of credit it involves a temporary debit at the other end, and you reduce the liability with the next shipment of goods; and therefore any suggestion under existing conditions to vary the present system of finance is absolutely ridiculous. I will refer to one or two other matters in conclusion. The statement has been made that dried milk has undoubtedly hampered the progress of the butter industry in the Waikato. The person who made that statement ought to know better, because it is not correct. The statement that promises were made up to 3s. 6d. is equally incorrect. I say that within twelve months the gentleman who made the statement will recognize that dried milk has been an unqualified success. We have had exceedingly difficult times owing to the slump in milk products. That slump has passed away, and the time is coming in this season probably when the suppliers of dried milk are going to receive a higher price for butterfat than the suppliers of any other dairy product of the Dominion. I am not largely interested myself in the National Dairy Association; I have little to do with them. I am not a director, and only a member of an undertaking associated with that organization. But I wish to say that the National Dairy Association has done a great deal of good for the industry, and officially they have little or nothing to do with the Dairy Export Control Bill. In final conclusion, may I sum up my observations? We say the existing system of marketing has been tried and found wanting. We believe that it is imperative that something should be done to improve the marketing of our primary products, because if nothing is done, and the industry continues to expand, there is no doubt that we shall be up against a very serious financial position. The dairy industry will get into a chaotic condition unless some form of satisfactory control is established forthwith.

2. *Mr. Langstone.*] You said that Siberia has gone out of production. Is that temporary or permanent?—The best authorities say there will be no butter from Siberia worth talking of for another ten years.

3. Of course you hold the view that by concentrating the whole of the dairy-produce business you would be able to get far better results than at present when you are only dealing with one-quarter of the output?—Exactly; by having full control we would not only get all the benefits we are now receiving under partial control, but other benefits it is impossible to get with partial control.

4. You do not anticipate any trouble with regard to finance?—Not the slightest.

5. Do you think there is any speculation, or juggling, with our produce at Home by the dealers in butter?—Yes, there is a certain amount, but I do not think there is as much as is sometimes reported. No doubt, however, there is a good deal of speculation. There are certain firms who are recognized as speculative houses. There are others who do not speculate, but buy the full season requirements from the British dominions. There are a certain number of houses that are recognized to be speculative houses, and periodically they put their heads together and push the market down in different stocks, and sell them when the market rises. Those people handle consignments as well as purchasing. On a falling market they sell consignment stock, and on a rising market they sell their own, and take the profit. That is only human nature.

6. With regard to the Control Bill, you reckon if we controlled the whole matter we would get far better results than under the present system?—Not the slightest doubt about it. To be quite frank, there are a great many New Zealand companies—small co-operative concerns—that are marketing stuff they do not know anything about, but their own directors do not think so. They pit their brains against the men in Tooley Street, and they invariably lose by the sale. Occasionally they might win, but when they lose they drop down the price at the other end on New Zealand goods.

7. *Mr. Burnett.*] You have fifty factories; are they all in favour of this Control Bill?—As far as I know, yes, they are. There have been resolutions passed all over the district. We have two hundred committees, and the great bulk of them have passed resolutions endorsing the action of the directors.

8. Can you produce evidence to show that the great mass of the suppliers are in favour of the Bill?—Yes. I have personally addressed many meetings. I had an assistant who has been addressing meetings for the last three months, and at every meeting the question was put, and I do not know of one occasion where an adverse resolution was passed. We held meetings in every district.

9. What percentage of suppliers would be in favour?—Ninety per cent.

10. You are prepared to face the position with that backing?—Absolutely.

11. *Mr. Masters.*] Do you agree with Mr. Hine that the present method of distribution through Tooley Street should not be interfered with?—I do. We cannot do better than market through Tooley Street, but we must control Tooley Street and have some say. The merchants of Tooley Street realize we are entitled to some say in the marketing. I have discussed the matter with all the leading men there, and they agree without exception that it is quite a fair thing that we should have some voice—some say in the final sale of our goods.

12. You have nothing against Tooley Street?—Absolutely nothing. As merchants they are far better than the produce-merchants in other parts of the world. They are the most honourable set of men in any country. Of course there are tricks in trade, and certain things are done in Tooley Street that one recognizes should not be done, but I suppose they are not exceptional. I have no grudge against them, because we become accustomed to these little things, and nothing is thought of them. As a rule the Tooley Street merchants are a very capable and respected set of men, who conduct their business in a very able manner indeed.