

importance that we should have their cordial good will. We are confronted with a very large increase in the quantity of butter which will be manufactured; lower prices in the future are inevitable; and in aligning up to these conditions of greater competition it is of the utmost importance that we should be on good terms with our customers. I fear that the Bill, if passed, would interfere with those good terms; and if, in addition to the passing of the Bill, the extreme faction should gain the ascendancy, it is a positive certainty that much harm would result by the antagonizing of our customers. I claim, Mr. Chairman, to have had some experience in the manufacture and marketing of dairy-produce. I have been in the dairying industry since 1888: in that year I started as an office boy with the New Zealand Dairy Association, and I was with that association until 1919. In the interval I was a clerk, accountant, secretary, general manager, managing director, and chairman of directors, and had an intimate knowledge of the whole of the operations of the business, including the marketing, and I think I can claim to have been associated with the marketing of as much dairy-produce as any man in New Zealand. I submit that my experience justifies me in placing my views alongside the views of others who take an opposing view, and to ask that the Committee will give equal credence thereto.

1. *Mr. Langstone.*] You stated on Friday that the honour of the Tooley Street merchants was being impeached; then you said that the Tooley Street people are behind the promoters of this Bill, or acting with the promoters of the Bill: what do you mean by that?—I do not think I quite said that they were behind the promoters of the Bill. It was on Friday that I made the statement—I think it was that Mr. Grounds had published a statement that certain houses in Tooley Street, which were named, had formed an association to promote the welfare of the dairying industry in New Zealand, and it was implied by Mr. Grounds that they were supporting this Bill. I combated that view, and added that even if Tooley Street were in collusion with the promoters of the Bill, those who opposed the Bill would continue to oppose it. I do not think that what was then said had any bearing on the honour of the Tooley Street houses.

2. To-day you say that there has been a lot of speculation and gambling: by whom has that been done? You opened your remarks with that statement that the fluctuations were due to speculation and gambling: who has been doing the speculating and gambling?—Am I credited with the statement that there have been speculation and gambling?

3. You said that gambling and speculation had taken place?—I said I combated that view—at any rate, that is what I intended to say. On Friday I admitted that there was some gambling in butter, as there is gambling in markets and everything else, but generally it has been outside the regular organizations in Tooley Street.

4. You said that the returns were likely to be less as a result of the operations of the Control Board: what reasons have you for thinking that the returns might be less?—The reasons are, first, that our customers would be antagonized; secondly, the fact of exercising control introduces an element of speculation which is just as likely to go wrong as right, and there may be loss on that account; thirdly, the deductions by way of levy and reserve fund would themselves deplete the actual returns coming from marketing: hence the result of lower returns.

5. *Mr. Burnett.*] You admit the necessity for sound control over shipping?—To be quite frank, I am of opinion that the present voluntary organization could be made to serve the purpose quite well, but I agree that there is still something to be done in that direction, and a Producers Board elected on a popular franchise to make the contracts would not be objectionable to me and to the interests I represent, if that is generally desired.

6. What form would that popular franchise take?—As I diagnose the position, there is a desire amongst the producers to have direct control of the Board—that is, a direct vote of the producers concerned.

7. Seeing that you admit that there is a necessity for regulating the shipping, why will you not admit the writing on the wall—control by the suppliers?—I have not admitted that there is any necessity for the regulation of shipping, in the first place. I spoke of a Board to make and supervise the delivery, but I entirely dissent from any attempt to regulate the deliveries to the Old Country. I believe that the best interests of the industry would be served by getting the goods there as quickly as possible; and, further, you will remember that when I was speaking of the shipping I said that you had to give notice two months at least ahead of requirements, and if a change took place during those two months in the marketing conditions, causing a desire to keep back produce, it would reduce the shipping efficiency, and would bring a worse evil. I entirely dissent from shipping control.

8. Will you admit that the control and regulation of produce has been an unqualified success in California amongst the fruitgrowers?—I am not sufficiently well informed to express an opinion on the Californian position.

9. *Mr. Hawken.*] The two products that have been controlled during the last two years are wool and meat: is it not a fact that in controlling those two products the control has been to the good of the producer?—Well, referring to the Australian wool control, it was initiated to deal with an emergency, and an extraordinarily acute emergency. It is not fair to compare that with the normal conditions which confront us in the dairying industry. I imagine the possibility of the emergency conditions have been somewhat met by the organization which was made to deal with them, but it is quite certain that the organization is receiving credit due to industrial recovery and higher prices, to which it is not entitled.

10. But when you see an industry with a vast surplus, and the prices to-day more than twice the prices before they took control, do you not think that the probability is that the organization has had a very great effect upon regulating and supporting the market?—I agree that when you are confronted with an emergency, emergency action is very desirable, which is not desirable under