

my knowledge, sir, there is no disability which cannot be rectified by the direct action of the heads of the various dairy companies and the exporters apart from legislation. I have carefully weighed the statements of the promoters of the Bill, and I note that they claim that the full market value of produce is not secured at present, but that it could be secured if the Bill were in operation. I do not admit this; and, moreover, the Bill giving control—and I have studied this Bill very carefully—is, in my opinion, more likely to be harmful than helpful. Under the war conditions of control I find, when it comes to the question of selling our dairy-produce, that New Zealand did not get a fair market value estimated at the parity paid to either Canada or Argentine. Members will understand what I mean by that. If you take the Canadian price that was given for cheese as being the standard, and discount our New Zealand product by the extra cost of transmission to the United Kingdom, you will find that the value we obtained was not the parity of the Canadian price, but a good deal less. Therefore I cannot see that the control that existed at that time was of any material benefit to us. It has been claimed that the regulation of shipping would ensure higher prices. Not necessarily, for during the last season when heavy arrivals were available in January and February the market price rose steadily. At this stage, sir, I would like to read the following statement which can be copied from the report of the National Dairy Association: "Shipments of butter for season 1922-23 up to sailing of the s.s. 'Tairoa,' which left New Zealand on 17th January, totalled 1,275,345 boxes, equalling 31,883 tons." The "Tairoa" was discharging on the 10th March, 1923, in London. Assuming our exportable surplus for the season 1922-23 amounts to 60,000 tons, it would require shipment of 5,000 tons a month to regulate supplies of equal quantities per month on the London market. Four and a half months to the middle of January, when the "Tairoa" sailed, would have totalled 22,500 tons, leaving on hand—which had actually been shipped this season—9,383 tons. This latter quantity would have reached an average market from the 17th March to the 5th May (*vide* High Commissioner's cable) of 172s. per cwt., as against an average market for the preceding four weeks, within which period this butter was actually marketed, at 207s. The difference between the two figures is £35 per ton, and taken upon the 9,383 tons involved represents £328,405. I submit, sir, that by regulating the shipping at the rate of 5,000 tons a month—say, during last season—the result would have been that the producers in New Zealand would have been £328,405 worse off. Attempts to withhold produce at this end may be disastrous to the producers by reason of the fact that butter and cheese must be sold promptly. In my opinion, the present service of ships is adequate so far as tonnage is concerned. Regulations of the time of departure and arrival could be adjusted, if required, by the National Dairy Association or other representatives, and I maintain that it can be done without legislation. It is advisable that freezing-stores should be cleared at least every three or four weeks. In my opinion, a Board of farmer directors selected from the directorates of dairy companies would not be competent to arrange the handling and transportation of this country's dairy-produce, or to carry out the functions provided by the Bill now before this Committee. As a matter of fact, I would not have much faith in such a Board. The industry may need a closer association of producing directors with experienced business men, and reforms and improvements might be effected by such a combination. However, I do not think that legislation would help such a movement. I contend further, sir, that groups of farmers, who have capitalized their own co-operative companies, built factories, and are now engaged in producing, should not be called upon to hand over their produce to an agency backed by legislation unless that agency were prepared to buy outright in competition with the world's market rates and guarantee a better return. If this can be done, then I say that such agency should have the backing of legislation; but, sir, the proposed Bill gives no such undertaking, and therefore I maintain that it has no claim to legislative status. The principle of the Bill is wrong. As an experienced business man I could not recommend such a measure, nor would I care, if such a Bill became law, to have the responsibility of becoming a trustee for the producers under this Bill. There is no guarantee that the slightest improvement on existing conditions would be effected, and therefore the Bill has no claim on Parliament. Furthermore, I would say that the enactment of this Bill would have a detrimental effect on the dairy industry. It assures no better return for our produce, but it takes part of the producers' return to pay the expenses of the proposed Board, and by its control-of-marketing clauses it robs the industry of the initiative and business acumen of the men who are now instrumental in bringing into the Dominion the sum of £16,000,000 per annum. This Bill, in my opinion, would transfer the destiny of a great industry to a Board of untried and perhaps incompetent men. The newspapers announced a few days ago that a group of Tooley Street merchants had formed themselves into an association to co-operate with the New Zealand producers to further the interests of the dairy industry. The fact of this movement, if it has taken place, is a sound argument that legislation is unnecessary. The promoters of the pool scheme, and of the present Bill, started off by affirming that they would market without the Tooley Street interests. It is evident that their researches into business have led them to the conclusion that the New Zealand dairy industry cannot carry on without the financial backing and assistance of Tooley Street. Further, it is now admitted that these London merchants are desirable as friends, and should not be looked upon as foes. Such a change of front shows a deplorable weakness and incompetency, in my opinion, on the part of the promoters of the Bill. A movement in the direction of co-operating with the large importers of Tooley Street must result in advantages being secured both in the United Kingdom and at this end. The consummation of this object would be most desirable, for it carries the assurance that the operation of such a combination—Tooley Street with New Zealand exporters—would be conducted on sound business lines; but such a desirable movement needs no legislation. During the war when the British Government had commandeered the whole of the dairy-produce it could not carry out the distribution without the help of the Tooley Street houses. The Butter and Cheese Importing Committee consisted of several of these gentlemen whose names appeared in the newspapers as willing to co-operate with the New Zealand