

by holding shipments in London, securing a rise of a few shillings per hundredweight. It is admitted that the system of finance in operation makes the holder of the bill of lading—the Tooley Street houses—the owner of the goods, and anything that an agent may do can be only in an advisory capacity, and if the Tooley Street houses accede to a request to hold goods it would only do so on the undertaking that the whole cost of storage and interest is borne by the consigning company, and therefore a few shillings rise, if obtained, has to be discounted by the cost of holding, and all the time Australian and Argentine produce is selling and going on the market while New Zealand is withheld, consequently it may be assumed that the coveted gain is problematical. Further, this holding for a rise can be done by cabling as readily as by having a high-salaried official on the spot. From these facts I contend that the proposed London agency is more theoretical than practical—more likely to be expensive than effective. It has been contended that the Bill is in existence because the Meat Control Bill has been a success. If it was necessary to have a Bill for meat, I submit that that is no reason why one is required for dairy-produce. I would like to point out that the fact that the Meat Board has had no occasion to put its compulsory clauses into operation is a sound argument why such clauses are not required in another Bill. The Meat Board, so far—after nearly two years—has been able to do something towards a system of grading, and I submit there is no necessity for this in connection with dairy-produce. I may say that the Dairy division of the Department of Agriculture has had in operation for years a complete and adequate system of grading. The Meat Board has taken in hand the necessary arrangements for shipping; but this has not been necessary in the case of dairy-produce, as the shipping contracts have been made on behalf of the industry by the National Dairy Association, and no factory has so far repudiated the contract made by the association in question. That goes to show that the operating of a Meat Board, so far, shows no justification for a Dairy-produce Control Bill. There is another phase of the question which has been under my notice for some time, and though it applies to the Auckland Province only I think it should be mentioned. It is in reference to the influence of Mr. Goodfellow's company in the Waikato district. There are some fourteen small companies operating in and around the same territory, and I am conscious that a fear exists among a number of these small companies that the proposed Bill is an attempt to dominate their operations and level their payments with those of Mr. Goodfellow's company. I feel sure that the members of the Committee will have noted that Mr. Goodfellow repudiated the statement and the figures showing that the small companies were returning to their supporters as much as, and in some cases more than, his own company. He stated that his payment for the season just closed would be 1s. 6d. for butter—that is, superfine, direct delivery. The greater part of his cream is not directly delivered, nor is it all superfine, and therefore his average payment is more likely to be 1s. 5d. In this connection I desire to record the following payments by butter-factories for the same period: Omata, 1s. 6½d.; Levin, 1s. 6¾d.; Shannon, 1s. 8d.; Eclipse, 1s. 6d.; Midhirst, 1s. 8½d.; Heretaunga, 1s. 6d. I wish to say, sir, that the balance-sheets of these companies are available to verify the figures I have just given. It is believed by most of the farmers connected with the small companies that the proposed Bill would not be to their advantage, and neither would it be desirable for the industry as a whole. So far my evidence has been largely destructive criticism; but I do not wish the Committee to think that I regard the present system a perfect one, or, on the other hand, that the position is hopeless. I desire, first, to get rid of the proposed Bill. I am fully aware that improvements are required in regard to the shipping conditions, because I realize the necessity for prompt despatch, especially up to December, and, moreover, I know the difficulty experienced in regard to the matter of arranging the lifting of produce at all ports, and the time required for ships on the coast. But, sir, I maintain these matters can be rectified to a great extent—not by legislation, unless as a last resort—but by a conference of the business heads of the dairy interests, shipowners, the New Zealand exporters, and the London agents of those concerned in the butter industry of this Dominion.

LAURITZ HANSEN examined. (No. 13.)

1. *The Chairman.*] What are you?—I am general manager of the Kiwi Dairy Company (Limited), 222 St. Asaph Street, Christchurch.

2. You wish to make a statement to this Committee, do you not?—Yes. I would like to say that when this Bill was first introduced into Parliament one year ago we sent out the following circular to our customers:—

Kiwi Dairy Company (Limited), 222 St. Asaph Street, Christchurch, 21st September, 1922.

DEAR SIR,—

Last week a conference of dairy factory representatives was held in Wellington to consider the adoption of a Dairy Industry Control Act. The conference represented some 130 factories, and decided to ask the Government for legislation on the lines of the Meat-export Control Act. This letter to suppliers is being sent to ascertain their views on this important question, so that same may be communicated to the Government.

It is proposed under the scheme to have legislation passed vesting the control in a Council of thirty and a Board of nine, who will have power to take control of any cheese and butter for export, and further power will be given this Board to levy on the produce for reserve fund, payment of salaries, commission, travelling-expences, fees, and other remuneration to members of the Board or London agency, payment of interest, and other charges, and the balance (if any) would be returned to factories for distribution to dairy-farmer suppliers.

It is further proposed that the Council shall elect the Board, whereas we are strongly of the opinion that each province should elect its own representative, preferably by the suppliers themselves.

The proposal was adopted by a conference representing 130 factories out of 530-cdd in the Dominion; and, as the Act proposed provides for nothing except the control of other people's produce, and the power to levy money for reserve funds which should be paid to suppliers, we are strongly opposed to the legislation.