

81. Well, you have changed your mind on that point?—No.

82. You still desire that that clause shall be deleted from the Bill?—No. We asked that it should be deleted from the Bill in order to meet the objection raised by our critics.

83. You only wished to delete the clause in the hope that it would gain more supporters for the Bill?—We thought it would be better understood. We were only anxious that what was implied should be understood.

84. Then, you do not stand by this circular of the 27th April?—We are asking for the Bill as it is before this Committee at the present time.

85. And you have gone back on this suggestion made to the farmers that this subclause should be deleted?—Yes. We asked that it should be deleted because a misunderstanding had been created throughout the country by reason of its existence there. There was no justification for that misunderstanding.

86. The Bill says, "The Board under this Act shall not, while such resolution remains in force, have authority to enter into any contract for the sea carriage of dairy-produce, save in accordance with an arrangement to be made with the Meat Producers Board." It is not possible for the Dairy Control Board to make a contract without first having the permission of the Meat Control Board?—The clause in the Bill bearing upon the point is to the effect that if the Meat Board pass a resolution that they will not enter into any contract for the sea carriage of produce save in conjunction with the Dairy Control Board the Dairy Control Board cannot then enter into any contract.

87. That is the point. They cannot make a contract without the other Board?—We do not wish to do so. We think it is in the best interests of the country that the two Boards should work together. We recognize that there are other things to be considered besides the interests of the dairy industry.

88. I find it difficult to understand why you asked for the deletion of that clause. You knew the position then as you know it now. Why did you ask for the deletion of the clause?—It was asked for because of the representations of critics from the companies that the Board had been made subservient to the Meat Board, which we are now satisfied is not the case.

89. The Bill is just the same Bill as it was before. Was it not a question of sinking principle for expediency?—No. There was no question of sinking principle at all. It has just been a question of meeting what some of us thought was an obvious misunderstanding.

90. In the hope of gaining support?—We thought it would be better understood.

91. *Mr. Langston.*] With reference to the Prime Minister's statement at Stratford, I suppose that all public men, when speaking about people doing a certain thing, refer to the majority?—Certainly. You could not expect everybody to be unanimous.

92. In regard to the position in Taranaki, I have a copy of a speech delivered by Mr. Maxwell, which I presume was circulated all through Taranaki, and there is a lot of references in it to a revolutionary and communistic attitude, and that sort of thing: is that the reason that a lot of the farmers in Taranaki are opposing the Bill?—It is hard to account for what has transpired in Taranaki. We have no revolutionary intentions at all. We are all of one mind on the matter that no change is to take place until the position has been carefully analysed in connection with the interests of the whole industry.

93. We often find in public affairs—take the rating on capital values and unimproved values, for instance—that there is provision that if the majority is in favour it shall be compulsory by law. If that law, of course, was not there the whole thing would end in disaster?—Exactly.

94. And this compulsory clause is something on all-fours with that?—Yes.

95. With reference to the reserve funds. Of course, most commercial undertakings have found it necessary to have some reserve funds, and it is considered to be a very wise provision to make?—I think it is distinctly wise that the Board should have the power to make reserves if it is found necessary to do so.

96. With regard to the election of the Board, if it came to the point you would not oppose the farmers voting for their representatives on the Board?—Oh, no; but I would still think that it would not be the best principle.

97. *Mr. Forbes.*] Arising out of this list, Mr. Grounds, which you have submitted to the Committee showing the factories in favour of the Bill. You have the Kaikoura Factory and the Hapuku Factory down on this list as being in favour of the Bill. Well, I have a letter from those factories leaving it entirely to my judgment whether to favour or oppose the Bill. The secretary has written to me stating that the Dairy-produce Control Bill has been placed before their directors, and that they have decided to leave it entirely to my discretion. What do you think of that?—(No answer.)

*Mr. Brash:* He has also sent a telegram to me saying that these factories support the Bill.

98. *The Chairman.*] I want to get your opinion, Mr. Grounds, about the proprietary factories. Do you find that practically all the proprietary factories are against the Bill?—Yes.

99. What idea have you formed as to the Tooley Street merchants being against the Bill?—We have had a cablegram from them this week. Some twelve of them have agreed to form themselves into an association to work in active co-operation with the New Zealand Control Board in developing the industry; and, moreover, from my conversation with Sir Thomas Clements, I am sure that they recognize the need for combination on the part of the New Zealand producers to secure the best results. They recognize the value of the movement.

100. How many did you say?—Twelve of them, and there are a few others besides, if that list stands for anything.

101. Do you find that the agents are working against the Bill?—Yes. Their interests all the time are against the Bill.