

more important than it appears on the surface. There is a factory-manager in New Zealand making cheese at the present moment whose produce is considered so satisfactory, and so meets the demands of a particular firm of grocers in the Old Country, that that firm will have his product no matter in what part of New Zealand he manufactures. I have convincing proof of that. This particular manager's make of cheese is so satisfactory to the English requirements that the firm in question, finding that he had removed from the factory in which he had been working, sent a man from England to ascertain where he had gone to, in order again to get in touch with his products. Under the present system it is only by accident that we can discover these things, and I say that that is valuable information to the industry, because if you have a man of outstanding ability I claim that he should be an instructor. But under the present system we have no means of finding out what his qualifications are in the eyes of the English market. Of course, these representatives of London houses, when they come round New Zealand, tell each factory-manager that his particular product is the best stuff in the world. I have been secretary of one company for twenty-two years, and of another company for sixteen years. I have signed every contract entered into by both those companies, and gone into all the details of each undertaking. On almost every occasion I have put this question to the consigning agent when it came to the guarantee clause in the contract: "Will you guarantee us a return equal to that of any other factory in the Auckland Province, grade for grade?" In every instance the large companies have been eliminated. At one time it was stated that a large company, the New Zealand Dairy Association, which was at that time being run by Messrs. Spragg and Pacey, was eliminated on the ground they could not get access to the documents. That was a reasonable objection. They probably did get better prices than others for their butter, seeing that they were financed almost entirely by Messrs. Lovell and Christmas, large-scale Tooley Street merchants. Later the New Zealand Dairy Association went out of existence as a proprietary concern and became a co-operative company. Access could then be had to the documents. Still, a small company cannot get a guarantee that it will obtain equal prices to those given to the large factories. I asked one agent, "Is it not a fact that you will look after a large factory better than you will a small one? Is it not reasonable to suppose that if you have a commission worth to you £1,000 a year, and the interests of that commission come in conflict with an interest that returns you only £100 a year, both are not going to get the same consideration?" For a small concern you cannot get a guarantee equal to that given to a large factory. They will only guarantee a price equal to that of a factory of equal size and equal grade. That is the best I have been able to obtain. I think these gentlemen recognize that I am looking after the industry, because they all come to Tauranga, and it has been reported to me repeatedly that in conversation with others they have said, "If you will get rid of that beggar MacMillan there will be no trouble with the rest." I have as much knowledge of the produce business from the financial point of view as any man who has come before the Committee—perhaps not through dealings in as large sums as some of the witnesses, but as regards the details I have suggested. Any one who comes from the Waikato will bear me out when I say that the interest in the dairy industry when it was a proprietary one was strangled—that its progress was strangled. We know perfectly well that the New Zealand Dairy Association, when it was controlled by Mr. Spragg and Mr. Pacey, refused to take delivery of any home-separated cream. We know that their theory was wrong. The whole Waikato district was under their control, and they had the control through the method in which people had to deliver milk. We know how the Waikato district has developed from the time the control was taken out of their hands by the co-operative company. In the case of one company alone we know that it handles 25 per cent. of the dairy-produce of the Dominion. If you add the other dairy companies you will find that the Waikato handles 40 per cent. of the country's output. I venture to say that if it had remained in the hands of the proprietary company the district would not to-day be handling more than 10 per cent. of the total. The principles laid down before the Committee by Messrs. Pacey and MacEwan were, in my opinion, absolutely unsound. I am sorry Mr. Pacey is not present. If he were here I could refresh his memory as to the time when his own company side-stepped a contract made by the National Dairy Association. The National Dairy Association, which was at the time almost entirely a Taranaki organization, had made a contract with the Shaw-Savill Company and the New Zealand Shipping Company. There was competition at the time, because the Federal-Shire Line had come into the trade. They made a contract with the National Dairy Association. Mr. Spragg's organization moved round and got in behind the association, securing a better contract. We were all called to Auckland, and at our meeting Mr. Harkness, secretary of the National Dairy Association, produced its contract. Then Mr. Spragg produced from the drawer alongside him the more advantageous one. Does not that show conclusively that the man who has the goods to deliver can always make the best terms? It was a question of who could give most trade to the shipping company—he would get the best price. That is exactly what we are trying to get by our proposal to make a freight charge for the whole industry, in the hands of one united body of men. I can support these statements by sending to Tauranga for the report I have in my minute-book. An analysis of the National Dairy Association's old minute-book, stating who were present, would also confirm what I have stated, if corroboration is wanted and cannot be obtained in Wellington. The circumstances I have been relating occurred about eighteen years ago. We say that as far as this movement has gone there is a clear-cut issue between the proprietary concerns and the co-operative concerns. If co-operation means anything to New Zealand, I say that if the present effort is defeated the industry will receive the greatest blow it has ever suffered. All the witnesses who have given evidence in opposition to the Bill, as far as I have observed, are in some manner connected with the proprietary concerns. It is singular that no exception has been taken to the fact that these proprietary concerns can afford to give the managing director a trip round the world occasionally, whereas a tremendous