92. The two main difficulties confronting the industry are shipping and marketing ?—Shipping and regulating on to the market.

93. What is the constitution of the New Zealand Marketing Association: who was it set up by ?—By the factories taking shares. It is really a limited liability company set up here in New Zealand and called the New Zealand Marketing Association.

94. It does not represent all the factories in New Zealand ?—No; only those willing to take up shares.

95. If it were representative of all the factories, do you think the work it might do would answer the purpose, plus the regulation of the shipping ?—It would be very difficult to say that it would answer the purpose. What I believe in in connection with control is that we are going to eliminate the large number of agents that are travelling round New Zealand at the present time. That would mean a big saving to the producers in New Zealand.

96. You mean that there are too many getting a cut out of the thing to be satisfactory ?—That is so.

97. As to the question of irregular shipping, not long ago I was assured by the managing director of a large proprietary factory that the sailings of ships carrying produce to the Old Country was dictated by one man in Sydney: is there any ground for that statement ?—No, I do not know anything of that.

98. You say that there is no compulsion in connection with the Danish methods, but what practically makes up for compulsion is their loyalty ?—Yes, that is so.

99. That statement was made by the Minister ?—What I have read practically reiterates what the Minister has stated.

100. That is an accurate statement of the methods of marketing Danish produce ?—Yes.

101. When a factory is trying to make up its mind as to whether to sell or consign, has not it a true guide as to the ruling price in London ?—Yes, the prices ruling at the time, but we do not know what will happen in twelve months' time. You never know how the market is going to go. We had the same experience this year. We were advised to change from cheese to butter. Some of the most influential agents strongly advised that change early in the season. Of course, it was expected that butter would rise, and cheese had been held up in store, and they did not know what their cheese-market was going to be like. But their expectations did not eventuate. Cheese held up and butter went down.

102. What you want to arrive at is some scheme to consign the butter or cheese to the Old Country and there sell it to the best advantage according to the market then existing ?—That is so. That has been our experience in the past over a number of years.

103. And the cabled prices, even if they are reliable, are not of very much help ?—They are a guide, but we cannot tell what is going to happen in three months' time.

104. *Mr. Forbes.*] Whom do you have representing your National Dairy Association at Home ?—Mr. Ellison.

105. Does he keep you advised as to the prices: what does he do ?—He keeps us advised as to the prices and conditions at Home.

106. He does not handle the produce ?—He only deals with what goes through the Marketing Association.

107. Have the Government got any officers at Home who look after dairy-produce ?—Only Mr. Wright, I think, attending to the grading portion of it.

108. There is nobody there to watch the markets ?—Mr. Ellison has not sufficient time to look after everything.

109. You have not been sufficiently represented at Home ?—No, not sufficiently.

110. *Mr. Hawken.*] In reference to the Bill, I have a letter here from the Kaupokonui Dairy Company as follows: "I wired you on 18th instant, asking for your help in obtaining exemption from the proposed Dairy Control Bill owing to out obligations under an existing contract with our London agents. This contract has made it impossible for us to take any part either for or against the Bill": Does that coincide with your opinion ?—Yes, but I did not like to say so when the question was asked.

GEORGE ALFRED STANTON examined. (No. 18.)

1. *The Chairman.*] What position do you hold, Mr. Stanton ?—I am a supplier and a director of the Kaitieke Co-operative Dairy Company. We have 530 suppliers, and manufacture butter on the home-separation principle. The output of the factories is approximately 800 tons. My company has discussed the Dairy-produce Export Control Bill. The directors support the Bill and have placed it before two meetings of suppliers held in May of this year. One meeting was held at Taumarunui, and the other meeting was held at Nihoniho, in the Ohura. I might explain that we have two factories, one in the Ohura and the other on the Main Trunk line at Piriaka. It was considered advisable to hold two meetings of suppliers so that they might in both these places have an opportunity of expressing their views on the proposal. At both meetings resolutions were passed supporting the Bill. I am familiar myself with the Bill and believe it is an honest attempt to better the conditions of the dairying industry in regard to both shipping and marketing. I believe that there is a special need for this control, and I trust that members of Parliament will realize that, although the value of our produce this last year was £16,000,000, in round figures, not less than £2,000,000 of that amount failed to reach the pockets of the producers. That is, practically £2,000,000 were absorbed in insurance, 2½ per cent., commission, freight, handling charges, &c.

2. *Mr. Masters.*] Does that £2,000,000 include the freight ?—That is, that it costs £2,000,000 out of £16,000,000 to market our produce from the port—that is, excluding railway charges and manufacturing charges in the factory.