

3. *Mr. Forbes.*] Freight is the biggest item?—Yes; insurance costs, roughly, £120,000, and commission £400,000. These figures are approximate only. It is my belief that by this system of control it would be possible to reduce those charges. I do not wish to stress any other points, but I will be glad to answer any questions members of the Committee may wish to put to me.

4. *Mr. Forbes.*] Your factory is pretty well unanimous in supporting the Bill?—Yes, there were only two dissentients at one meeting and about twenty at the other.

5. And who placed the matter before the suppliers?—I myself placed it before them, having a copy of the Bill and reading it clause by clause, and asking for questions on each clause, and explaining or answering the questions as they arose, to the best of my ability.

6. Being in favour of the Bill yourself you would place it in a favourable light before the suppliers. There was no opponent travelling round there?—Of our nine directors, one director, while believing that control is necessary, strongly objects to the compulsory clauses, and he took the other side of the question.

7. Do you think the meeting was agreeable to the compulsory clauses?—The meeting considered that the Bill was in the best interests of the producer. I might say that these 530 suppliers are mainly small settlers. When I say that the output is just under 800 tons you can see that they are all small hardworking farmers.

8. Do you think they would be agreeable to have their produce taken over entirely by this Board—compulsorily taken from them?—My explanation was that at the present time we hand our produce to our agent: we do not have any say. In handing it over to the Board it would be handed over to seven men selected from their own number—from the producers themselves—and if we at the present time are content to hand our produce over to firms who have no interest in New Zealand, except that they make a certain amount of commission from the sale of New Zealand produce, we feel that we would be doing no hardship in handing it over to the Board. I have sixty cows and am personally interested to that extent. I feel that we would be handing over our produce to men who were practical men, and sympathetic men.

9. Don't you see a difference between handing it over to a company for sale and having it taken from you by compulsion?—But the compulsory clauses are in the Meat Control Bill, and I have not heard that any hardship has been inflicted because of those compulsory clauses.

10. They have not taken any meat compulsorily?—But the whole thing is devised by producers in the interests of the producers, and we are guided to a certain extent by the experience of the meat people and their Bill. We believe that those clauses are in the interests of the producer. They are necessary, but we do not feel that they are any hardship.

11. You can get very little experience from the Meat Bill because the compulsory clauses have not been put into operation?—I understand that this is not compulsory marketing. This is solely placing the produce in their hands to put it on the market.

12. *Mr. Masters.*] With reference to the £2,000,000 you mentioned, how much do you think you are going to save under the Dairy-produce Control Bill?—I mentioned one item, insurance, that is costing the dairy industry £120,000 a year. How many thousands are lost per annum by ships sinking or catching fire? There is a very large avenue there for saving. If one insurance company got that £120,000 do you not think they could reduce the insurance premiums on dairy-produce considerably? In regard to freight, we think that 5s. per box—that is, 100 per cent. above pre-war freight—is more than we should be charged, and a saving could be effected there. Then there is £400,000 spent in commission. I think there are large possibilities for effecting savings there.

13. You have the National Dairy Association?—Yes.

14. Could not the association have done something to reduce the insurance?—Each company effects its insurance where it feels inclined.

15. You have an organization at the present time?—But no compulsory powers.

16. But if they were working in the interests of the industry they would have seen that you got a reduction in the insurance rates?—I believe they are working in the interests of the industry.

17. How much reduction has been made?—I cannot speak for that because I have had only nine years' experience.

18. *Mr. McMillan* said that commission should not be more than 2 per cent.?—I am not prepared to express an opinion on that.

19. Do you think that $\frac{1}{2}$ per cent. would save you £80,000?—Yes, that is so.

20. But you are putting into the Bill a levy of £100,000?—No, sir, we suggest certain maximum charges, but no Board would collect more than they actually require.

21. The Meat Board have power, but they have not put into operation the compulsory clauses?—I understand that is so.

22. Now the promoters of the Dairy-produce Control Bill say that the Bill is of no use without compulsion?—The very fact that these clauses are there gives you the power without exercising it.

JOHN DUNLOP examined. (No. 19.)

1. *The Chairman.*] What are you, Mr. Dunlop?—I am a supplier of the Seaward Downs Dairy Factory, and also chairman.

2. Where is that?—In Southland. I am here representing Southland and, with another, Otago factories in favour of this Dairy-produce Export Control Bill. We have in Southland and Otago fifty-four co-operative factories in favour of the Bill.

3. *Mr. Masters.*] Are you putting in the names of them?—Yes [list put in].