

those of the larger factories—that is to say, an attempt has been made to conserve the interests of the smaller factories as against those of the larger ones. That, sir, has been one of the bones of contention. Take, for instance, the Kahui Company, of which Mr. Maxwell is secretary. They exported 130 tons of cheese, and they have two votes. In the case of Joll Dairy Company they exported 3,000 tons of cheese and they have only five votes. On the same basis as Kahui they would have twenty votes. Speaking generally, most of the opposition against the Control Bill comes from the Taranaki District. In the case of Tikorangi they export 200 tons of butter, and they have three votes. In the case of the New Zealand Dairy Company they export 20,000 tons of butter, and they have five votes, and this shows that in the election of directors to the National Dairy Association the small companies are amply protected. In the election of directors one retires each year from the Taranaki District, one from Auckland and one from Wellington, and every three years one from Hawke's Bay, where there is only one member. The practice followed in connection with the filling of the vacancy is that in May a list is sent to every member showing the name of the retiring directors in each district and asking for nominations to fill the vacancies. They are given three weeks in which to submit nominations, and when the nominations are received ballot-papers are prepared and sent round to the various factories interested, so that they may discuss the matter fully and record their votes relating to their own director. Mr. Maxwell has said that this is a vicious system, and also intimated that the fact of not being able to get all the directors out in one year was detrimental to the work of the National Dairy Association. I submit, sir, that this is the most reasonable system possible, and this is proved by the fact that our individual dairy companies are working on the same system—that is, they do not put their directors out in one year, realizing that no continuity can be carried on if you turn them out neck and crop every year. He also said that the factories did not bother to vote because they were not sufficiently interested. As a matter of fact, at the last election over 95 per cent. of the available votes were cast in connection with the election of the executive. Take the position of Taranaki. Mr. Murdoch, chairman of the Joll Dairy Company, was the retiring member for that district, and there was also nominated Mr. Ranford, of Stratford. The election was fought out on the question of the Dairy Control Bill. Mr. Murdoch and his company up to that stage had voted for the Bill, although, I believe, Mr. Murdoch, while personally still in favour of the Bill, his company is amongst those who now voted against it. He voted at the meeting of the National Dairy Association Executive entirely in favour of the Bill. Mr. Ranford has been against it, but in fairness to him I should say that he is not opposed to compulsion or control in some form or other. He has conscientiously maintained his position that he is desirous of obtaining more details, and those are the two men who stood for election. Mr. Murdoch was elected by a two-to-one majority. In the Wellington District there were five members nominated. Mr. Pacey was one of them, and he was against the Bill. Mr. Brown, the retiring director, was entirely in favour of control, and his company voted for the Bill. Mr. Brown was the successful candidate, and Mr. Pacey did not receive one-third of the votes cast. In the Auckland District the Hon. Mr. Gow was the retiring member, and he is in favour of the Bill, and was again nominated without any opposition whatever. Well, sir, these two associations, as Mr. Morton pointed out, have been attending to shipping contracts, and it has been stated that they were formed for that purpose. That is incorrect, because the two associations were in existence for many many years before the question of hauling the produce for shipment was discussed. If you were to refer to the articles of association you will find that the question of shipping comes in under a general clause which gives them the right to do something in connection with shipping, but they were formed in the first place to carry out work which is largely done now by the Dairy Division. I may say that we had not then such a very healthy, strong, and verile Dairy Division as we have to-day. The Dairy Association took up the question of providing plans and information in connection with the working of factories and work of that kind. From the first it took up the question of trading in the interests of the dairy factories, although it has been stated here again and again that the trading was taken up later and has spoilt their work in connection with shipping. I submit that the Dairy Association has always done its best in the interests of the industry. Mr. Morton pointed out the difficulties and weaknesses of the situation—that is, so far as being able to go outside the present shipping companies. That is quite impossible. Take the position which might arise if the Dairy Association were to offer contracts to a company which was not trading with New Zealand. Let us suppose they accepted the terms offered and they closed the contract. One would naturally assume that the shipping companies trading with New Zealand would not sit idly by and let the matter go by default, and they would endeavour to get the business. We know from experience that a great number of factories would take the lower rate of freight if offered by the present companies, and under those circumstances you can realize that no shipping company would make a binding contract of that kind with the associations realizing the position. There has been some reference made to the shipping position during last year. Mr. Maxwell specially referred to the fact that we had not been able to utilize all the space, and specially mentioned that demurrage had not been charged. He knows that is misrepresenting the position. The stores, so far as cheese is concerned, have not been clear in the North Island during the past season. We have had cheese up to six weeks old in the stores in the North Island, and I believe at the Bluff they had cheese up to three months old in the stores. Here in Wellington, which is a very busy port—not even second to New Plymouth—we had cheese in the stores that was six weeks old. So far as butter is concerned I may say that we were only short of space at one time of the year, and that was in the month of April. I will refer to that a little later on. Mr. Maxwell challenged any one to say that any factory had sought to repudiate the contract. Well, sir, I have here an extract from a circular, which I would like to place on record, issued by Mr. C. H. Andrews—who is at present sitting in the room—as secretary of the Proprietary Factories' Association. It reads: "There is no instance of any single dairy company making any attempt to limit the power of the National Dairy Association or objecting to sign