

38. Have you had an offer from them?—They intimated that they would be prepared to establish a satisfactory line at a price not exceeding the present rate.

39. As a matter of fact, was it really an offer or did they ask for an option?—They would require an option for a fortnight.

40. They never made an offer?—As a matter of fact, they have since cabled to know how matters are proceeding, as they are prepared to send a man to further discuss the position if possible.

41. My point is this: the statement was made that you had received an offer from the shipping companies, and I want to know did they make an offer?—We have discussed these matters with several shipping companies because we recognized that to go against the present companies without being able to show some alternative course would lead to nowhere.

42. Let me ask you this straight-out: did you have an offer to support a certain shipping company, or had you a recognized option over shipping companies to carry dairy-produce?—It was indicated to us that we could get an offer for the shipment of the dairy-produce.

43. Did you make a request for an option?—Yes.

44. In regard to the question of finance, you made the statement that the banking association had said that there would be no difficulty about finance so far as the banking association was concerned: have you anything from the banking association to that effect?—That was the opinion expressed by the Chairman of the Associated Banks.

45. Have you anything definite in writing to that effect?—No; I did not ask him for anything definite in writing.

46. In discussing the position this morning you stated that some of the small factories had paid out large amounts because they were under a minimum of expense. There is the New Zealand Co-operative Association and the Waikato business where they have got the working-cost down to a fine art, and you stated that that factory is paying out less than the small factories?—What I said was that a mere analysis of the balance-sheet may lead one far astray. Not being familiar with the position of those factories any conclusions may be erroneous, and, moreover, it is quite beside the point.

47. Mr. Goodfellow said that they had a distinct advantage over small companies inasmuch as they had representatives in various countries—in the United Kingdom, the United States, and elsewhere—for the purpose of selling their produce when they thought it was desirable, and he also made the statement that during the slump they had secured a man for all the other factories for the sale of their produce in London. In view of that fact, how do you account for the fact that we received a greater amount of produce during the slump if the total payment to the suppliers is much less than to the other suppliers in New Zealand?—From a marketing point of view the whole point is not material at all. The whole point that I have gathered from your observations with respect to the Waikato Company is this: that the company by its size has an agent in the East to make inquiries as to the possible developments of markets which the ordinary small companies cannot do, and which we think should be done on behalf of the whole industry rather than for separate factories; but in a question of manufacturing, the charges do not come into the question at all. As I said before, the mere examination of balance-sheets may lead to hopeless confusion, and, moreover, everything must be judged on the circumstances upon which the balance-sheets are produced.

48. Now, with reference to advances. You stated this morning that it was a dangerous thing to advance 100 per cent., and that it was on account of the collapse of the market that some factories received 100 per cent. Now, we have had the evidence of Mr. Hine here, who stated that his factory had received 100 per cent. How can you account for that being caused by the collapse of the market when that factory paid out 1s. 8½d. against Mr. Goodfellow's 1s. 6d., with all the reductions to come off?—It simply cannot be 1s. 8½d. That is simply an impossibility. I did not understand him to say that. Their balance-sheet even now has not been published. From information that I have secured it is probable that 3d. of that 1s. 8½d. is the result of their making casein, which is an absolutely different thing.

49. Now, you will admit, Mr. Grounds, as far as Taranaki is concerned, that the promoters of the Bill have worked most ardently in Taranaki in favour of the Bill. Mr. Goodfellow, Mr. Corrigan, Mr. Brash, yourself, and others have been up there working for all you are worth?—I do not say that at all.

50. How many meetings have you addressed up there, Mr. Grounds?—I have addressed two meetings in the course of the year.

51. And the whole case has been put strongly before the Taranaki farmers in favour of the Bill. Now, you are a pretty good man, and you have been up there twice, and the last meeting you addressed was at Stratford. What was the resolution carried at Stratford?—I do not know just exactly the text of it. But, as I have already explained, most of them were already prejudiced against the Bill by the previous meetings that had been held.

52. Well, the resolution carried was that the information placed before the meeting was not sufficient to warrant the meeting supporting the Dairy-produce Control Bill. That was rather a reflection upon you?—Oh, I do not know.

53. Still, that was the resolution carried, and that was after the position had been fully placed before the people in Taranaki by yourself and the other speakers in favour of the Bill. The point I wish to make is that there is strong opposition in Taranaki even after the position has been fully placed before them?—Some of the people in Taranaki are strongly prejudiced against the Bill.

54. Are you aware that out of the original committee set up in Taranaki in support of the Bill, three out of the six factories represented on that committee are now opposing the Bill?—I would not be surprised to know it.