

We contend that in face of these indisputable facts there is no warrant for arbitrary interference; but, further, that it would be madness to tamper with it, especially by placing the commercial side of it, by compulsory control under a crude scheme, in the hands of untried amateurs. And we are satisfied that Parliament dare not take such a grave responsibility. That there are faults is not questioned, but there is no reason to suppose that those faults are not amenable to remedy by ordinary businesslike methods, and such should first be tried. Further, we assert that no real genuine endeavour has been made in this direction by those whose duty it is supposed to be, and who have been appointed for the purpose. They have mostly adopted the attitude of treating those connected with the commercial side of the industry as enemies of the producer instead of essential links, and the present scheme was initiated by a campaign of vilification and as a means of displacing the merchants. The previous schemes, such as the C.W.S., had the same object, and the same course was followed. No proper attempt has been made on our behalf to obtain from the shipping companies special treatment of our dairy-produce. That such is the case will be shown.

Objects of the promoters: Whilst the marketing question is now kept in the background as a result of discredit due to wild statements, and the regulation of supplies and shipping is used as the promoters' main plank, the fact remains that, as the chairman of the Council stated at Stratford, "our ultimate object is to control the marketing." The whole business of the poolites' scheme is absolute control. The produce is to become the property (in trust) of the Control Board to ship and sell, and the local agents are to cease to exist. To establish a credit—putting it crudely—which would be effective, as now, to provide funds for payment of monthly cheques before the produce has left the factory perhaps, and certainly before it is far on its journey Home, the firm putting up the credit must have absolute right over the produce, either as purchaser or consignee, and also it would be necessary to have a local representative. How, under the control scheme, can any factory's produce, or any precise lot of produce, be purchased or held on consignment by any British merchant, none of whom are to have representatives in the Dominion? (I am not now suggesting how the Board should go on with this scheme, but I am saying that the Bill has been promoted under a mass of misrepresentation and imagination. There is no reasonable man to carry out the ideas of the various members of the Council. They have contradicted each other time after time. They would undertake what they are unable to deal with.) How can the merchant buy or handle on consignment from the Control Board until the produce is made available at Home by the Control Board for purchase? The Control Board, with the object of regulating supply on the British market, and of fixing the price, prevents the possibility of any definite connection, which is essential for financing with the firms until the produce is released for sale. Mr. Grounds, Chairman of the Council, stated at the meeting in New Plymouth on the 7th October, 1922: "Prices must be arranged with the selling agent in London." Mr. Morton states, control takes the selling of the produce out of the dairy companies' hands. Mr. Connett, at a meeting in New Plymouth on the 6th October, 1922, stated, "The principal feature of the control scheme was that of regulating the putting of our production on the local market." It is clear that the fixing of prices can only be done when the produce is at Home. This is specially so as to produce held back for purpose of regulating supplies on the market. No merchant will put a credit up out here, or anywhere else, for produce he may never get, does not know the price of, and the price of which, when fixed, may not be what he judges the market price. The fact is that the proposals under the scheme as outlined as to regulation of shipments and as to price-fixing would be fatal to the system of finance, which has been such an enormous factor in the great prosperity and rapid progress of the industry. Our system is one of making a minimum deduction from earnings as contributions to capital, and maximum credits on produce immediately it is manufactured. The revolutionary change proposed will reverse the position by making necessary heavy contributions to capital and to reserve, and minimize advances on produce.

The quality of our produce, which is largely due to our excellent system of grading, which induces a healthy spirit of competition among manufacturers, both proprietary and co-operative, being acknowledged to be equal to that of any other country, would naturally make us desire a proportionate price, and we are all agreed on the desirability of doing all possible to attain that end. Sir Thomas Clement's visit has had the effect of adding considerably to the number that would be in favour of a modified scheme of control with the above object if they were satisfied it would be a means, and that it was the only means, towards attainment. Sir Thomas Clement's arguments as to the advantages to be gained by the delivery of our produce on the British market throughout the whole year—every week in the year—so as to give our produce equal opportunity on the market with that of the Danes (and it must be borne clearly in mind that his arguments apply only to butter, and not to cheese) involves for attainment of the objects not only delivery every week, or say every fortnight, throughout the whole fifty-two weeks, but also delivery throughout of practically equal quantities. This has been much stressed by the advocates of compulsory control in their repeated statements as to supposed losses due to the arrival at Home of large quantities at one time and small at another. Sir Thomas' whole argument, and that of those agreeing with him, including the Pool Council, depends upon an unflinching supply in even quantities throughout the year to all who deal in New Zealand dairy-produce. Sir Thomas made it quite clear that any break even of a week would be fatal, as the goodwill would be lost. Continuity of both supply and even quantity was essential. Later Sir Thomas and the would-be controllers realized that for various reasons a service throughout the fifty-two weeks could not be obtained, and one covering forty weeks (twenty fortnights) was then admitted as the only service aimed at. This completely upsets the whole basis, and nullifies the whole contention so far advanced as warrant, if anything could be warrant, for compulsory control, and therefore the Bill should be dropped.