

ments from under our feet. As it gives them that power, there should be a liability on their part to put forward some definite financial scheme to show that they will leave us in the same satisfactory position we are in at present. That they have failed to do.

3. The Board will not necessarily take over your finances : it is not necessary for them to do so ?—But they must do so if they take our produce.

4. It is not necessary under the Bill for them to take your produce ?—The power is definitely given.

5. But will they exercise it ? As common-sense men, do you think that any Board in the world would disarrange finance without getting a better finance ? Do you think that any common-sense Board would do that ?—I do not know if they would or not, but we cannot afford to take a risk of that kind.

6. *Mr. Field.*] Your complaint is that the Board have not brought down their financial arrangements, and you cannot tell whether they can make as good financial arrangements as you ?—That is it exactly.

7. *Mr. Masters.*] Mr. Hawken said that the Board may not take over your finance. Have you looked at clause 16 ? It says that the Board shall take the whole of the moneys which are paid for the produce and pay it into a certain account ?—That is so.

8. And it says that before any other amounts are paid out the Board shall pay the expenses, commissions, and other charges incurred by the Board ; it shall pay the salaries of officers and servants of the Board ; it shall pay travelling-allowances, fees, or other remuneration to members of the Board or of the London agency ; and it shall pay the advances made by the Board to the owners of any dairy produce. So all those payments have to be made before the dairy-farmers get their money ?—That is it.

9. That is expressly stated in clause 16 ?—Yes.

10. So that under the clause do you not think the Board must take over the finances ?—If they take over the produce they take over the finances with it, because we have nothing to finance on when the produce is gone.

11. You are satisfied they do take over your finance ?—They do take it over under the Bill. But what I am not satisfied about is this : are we going to get 90 per cent. of the current market value of that produce to give to our farmers ? If not, the result is going to be so disastrous that I do not know what to think it will be.

12. You consider it is essential that the farmers should get the greatest amount of money possible and get it as soon as possible ?—That is my contention.

13. Do you think that under the Board of Control the farmer will get the same amount advanced as he does at present, and will get it as promptly as he does at present ?—No, I do not think he will. If I could see any possibility of this Board making the same arrangements as we make at present my case would break down ; but I cannot see where they can go to get it.

14. Do you think that the bonuses which will be paid will be paid as promptly under the suggested system as they are paid at present—I mean at the end of the season ?—No, I do not think so. We have to get to work very quickly, and watch the position and make arrangements months ahead, and it is a very difficult thing to get the season's accounts made up as quickly as possible. I do not think that a Board, dealing with the whole produce of the country, could reasonably be expected to get their accounts finalized so quickly as the separate companies are able to do at present.

15. *Hon. Mr. Ngata.*] You suggest that the present position of the dairy industry cannot be improved on ?—That is so, on the financial side.

16. Is it capable of improvement in other respects—marketing, and so on ?—I suppose I must answer your question, but I was trying to confine myself to the financial aspect alone, leaving other witnesses to speak on other points.

17. *Mr. Langstone.*] I understand you are an accountant ?—Yes.

18. The assets would not disappear simply because a Board was appointed : the assets would still be there ?—The asset would still be there, but it would be gone from our control.

19. Would not that Board be able to make as favourable financial arrangements for a big concern as a small concern can make for itself ?—No, I do not think they would be able to make as good arrangements, because they could not give the security. The whole thing must rest on the security given to the banks, or offered to them. If we have an agent in London who is in a very big way of business trading with other countries, and he is willing to put down a letter of credit for, say, £40,000 for us to draw £6,000 against ; and if we are able to give the bank the butter itself and also our signed draft, they have a triple security which is unassailable. The manager of our local bank has told us that he does not care what we pay out—he is amply secured. On the other hand, the Control Board would simply have the produce, and whatever financial institution they went to, whether it be a bank or otherwise, I do not see that they could get 90 per cent. of the value of the produce advanced.

20. Before you would be prepared to support the Bill you would want the promoters to include something definite whereby those arrangements could be made ?—Yes, very definite, too.

21. If that were done you would support the Bill ? That is your main reason for opposing it—the financial one ?—That is my main reason.

22. *Mr. Forbes.*] Could it be done if the Government were to finance it ?—Yes, that would overcome the difficulty ; but my directors are much averse to asking the Government to finance the industry at all, because it is not necessary. We are doing very well, and we do not want any alteration.

23. You are very definitely opposed to the Bill ?—To clause 11 and the succeeding clauses, which give the Board power over the produce.

24. The Bill would not be much of a Bill if you cut those provisions out, would it ?—No ; I agree to that.