

25. *Hon. Mr. Nosworthy.*] You are quite alive to the fact, when you draw our attention to clause 16, that it is contingent on clause 15?—I did not draw your attention to clause 16.

The Chairman: It was Mr. Masters.

Hon. Mr. Nosworthy: That is so. Clause 16 is only contingent on clause 15.

26. *Mr. Hawken.*] Arising out of the question asked by Mr. Masters, I wish to ask you if you contend that the Board would necessarily take over the finance under the Bill? Mr. Masters's question, of course, would lead to that inference; but is it not possible for the Board merely to make a book entry, as it were, deducting their expenses and allowing the companies, as at present, to arrange their own finance?—But we could not do it if the produce were taken from our control.

27. But it is not necessary under the Bill for the Board to take over your produce?—It is not necessary, perhaps, but the power is there.

28. But do you not think that before exercising that power any Board would make suitable financial arrangements?—It is not certain.

29. *Mr. Forbes.*] You assume that when power is asked for in a Bill it is going to be used: is that your feeling?—That is so; or it may be used.

30. You take it that those powers would not be in the Bill unless it was the intention to use them?—The power is there—that is our contention—and may be used to our disadvantage.

31. The argument you are using is against the powers being given?—Against their being given unless accompanied by full financial guarantees.

H. WELLS examined. (No. 3.)

Witness: I represent the White Cliffs Dairy Company. I am not an orator—I am simply a farmer, and want to state my factory's objections to this Bill. I am chairman of the White Cliffs Dairy Company, in north Taranaki. I attended a meeting at Wellington last September on behalf of my company and voted in favour of the principles outlined there; but when the Bill was issued it was totally different from what we had agreed on at the meeting in September, particularly in regard to marketing, which I was informed by the chairman at that meeting—Mr. Morton—they would not interfere with. Since then we have opposed the Bill, as we consider that it is impossible to finance through the Associated Banks. They propose to finance us, I believe, by advancing not more than 70 per cent. through a bank, and then we would have to wait indefinitely for the balance of the money. In the case of the butterfat tax we had to wait about eighteen months, and if there is going to be anything like that it will be ruination to a good many of us. At a meeting of my directors held last week two of them stated that unless we could get the most liberal advances, such as we have had in the past—that is, up to 90 or 100 per cent.—it would be impossible for them to stay on their farms, and they would lose all they have made in fifteen years. They are steady, hard-working settlers, of the type the country requires. They are paying their way on the present advances, but they could not go on on a 70-per-cent. advance and have to wait for the balance. There are hundreds in Taranaki in the same position. We have three returned soldiers in our district, and they are in much the same position. They have informed me that unless we can get the same advances as we have been having it will be impossible for them to stop on their land. The Bill was postponed last year to enable the producers to go into the matter and learn more about it. The result is that there are a lot more opposed to it now than there were then. Two or three of the largest factories in Taranaki have turned it down during the last two months, and at present one-third of the dairy companies in New Zealand are opposed to the Bill. There are 200 for it and 103 against, and several Taranaki companies have not yet called a meeting of suppliers, though those companies are shown as voting for the Control Bill. I asked the chairman of one company at Palmerston if he was prepared to move an amendment to the Bill, and he said, "No, but that is exactly what my shareholders want," and he voted for the Bill at that meeting. On the question of shipping, there is a proposal to contract with a shipping firm to carry our produce at regular intervals at the same price as that paid now, which we consider 50 per cent. too high. After our having dealt with one firm for twelve years, which firm has customers for our brand of cheese, it would be detrimental to our interest for the Board to assume control and sell it through whom they thought fit. As I say, this firm has customers for that brand of cheese. They have got used to it, and they can deal with it better than the Board of Control could if they selected other agents.

1. *Mr. Masters.*] I take it that the farmers whom you represent realize that some improvement is necessary so far as the produce is concerned, more particularly in regard to the transport of it?—Yes, in the transport they certainly realize that there could be some improvement.

2. There is dissatisfaction as far as that is concerned?—Yes.

3. Do they favour a Producers Board being set up for the purpose of dealing with shipping?—Yes. They would be prepared to accept the proposal that Mr. Maxwell put forward.

4. Would they be prepared to give legislative power to compel all dairy factories to ship through the channel arranged by that Producers Board?—I do not know about "compel." That is a rather hard word for my producers.

5. Supposing an arrangement was made by the Producers Board, do you think they would raise any objection to shipping the produce—provided satisfactory arrangements were made?—Certainly not. We have never done so yet, under the National Dairy Association's arrangements.

6. Do you think that a Producers Board for all the producers would do better work in regard to shipping than the National Dairy Association has done?—I should hope so.