

different statements are explained by the fact that there are factions within the group who are seeking the Bill, and therefore the future policy is a matter for conjecture. But the Bill enables a most drastic policy to be followed, and that is very seriously objected to. It is urged in favour of the Bill that good results have attended the enactment of the Meat Bill. It is urged that we want the same price as the Danish people receive for their butter, and that the Bill will enable us to get that. It is urged that there is much gambling in butter, and that the Bill will permit of that gambling being stopped. It is also urged that there have been extraordinary fluctuations, which should not have taken place, in the price of dairy-produce, and that the Bill will permit of those fluctuations being reduced. It is also urged that shipping has been very bad, and that the Bill will make possible better conditions. These reasons are good as far as they go, but they are more or less fallacious. Concerning the Meat Bill, when it was enacted the meat industry was in a desperate position. It was not organized to the extent that the dairy industry is. We have an organization which is a very good one.

2. *Mr. Forbes.*] What organization is that?—I mean the whole organization of the industry on co-operative lines, including the grading of our produce, which permits of a satisfactory basis of sale.

3. *Hon. Mr. Ngata.*] Meat is graded too?—Meat is graded, but the evidence that was given before the Committee which considered the Bill of last session was that the meat industry was comparatively disorganized, and I think that was proven by the fact that some of the difficulties have been removed by the Meat Board. For instance, it has eliminated a number of small brands, and has also eliminated some waste. We do not need a Bill to do that for the dairy industry. The Meat Board has secured some reductions in ocean freight, and some reductions in dock dues, but in respect of these, other countries have participated to at least an equal extent, while other classes of goods, in respect of which there has not been a Board to aid them, have also enjoyed substantial reductions. As far as dock dues are concerned, it is partly due to a reduction in wages in the Old Country that they have been lowered, and I think I can safely hazard the opinion that part of the reduction has been due to the boosting of other ports in Great Britain, which has necessitated London adopting a policy which will popularize its port as against the other ports. The prices of some classes of meat have been improved, but beef has not materially improved, and if the mutton improvements were due to the influence of the Board, it is fair to suppose that the Board would have effected a similar improvement in beef. Further, the mutton from other countries that are without Boards has enjoyed the improvement in prices. Therefore it cannot be seriously claimed that the Board has done what is claimed in that respect. A reduction in railage has been effected, but we are of opinion that the Parliament of this country will not find it necessary to set up a Board to force from the Government a reduction in railage charges. To suppose that would be to suppose something that is absurd. Further, the Bill is dissimilar from the Meat Bill in one very important respect: there is no provision in the present Bill for financial backing in the event of control becoming compulsory, and without that financial support control would be a very dangerous hazard indeed. I have referred to these points concerning the Meat Bill in order to show that it does not constitute a reason for the enactment of a Dairy Bill. Concerning the relative prices of New Zealand and Danish butter, I place on record my view that our butter is at least as good as the Danish article. If circumstances were equal, it is fair to require that our prices should be also as good. But there is one very important difference between Denmark and New Zealand. Denmark exports all the year round to almost the same extent, whereas we are off the market for several months in each year. Some years ago, even before the war, it was foreseen that the Danes had an advantage in supplying the English market right through the year, and an attempt was made in New Zealand to similarly serve the market all the year round. To that end, butter was held over for some months, charges by the way of storage, interest, and insurance being thus incurred. There was a little deterioration in the quality of the goods, but not to any extent. After these expenses were borne, the butter was sold on a worse market than it would ordinarily have had. In the face of such conditions the experiment was not considered to have justified itself.

4. For how long was it tried?—For a year. If the same policy were resumed there is serious reason to fear that it would again break down, for the same reason. I agree that under the conditions that have prevailed during the last couple of years that policy could have been pursued probably to some advantage to the producers, but the conditions which made that possible were due to the war and post-war conditions. Adjustment is gradually being made, and I venture the opinion that within a couple of years at most, when normal ratio of supply is available from the Northern Hemisphere, that policy could not be carried on to the advantage of the industry. I should like to quote a few figures in support of that view. In 1913 Great Britain imported 199,000 tons of butter, of which 77 per cent. was produced in the Northern Hemisphere. In 1922 the importations into Britain were 188,781 tons, of which 40 per cent. was produced in the Northern Hemisphere. It was that change-over from the dominating production in the Northern Hemisphere which made butter more valuable in the English summer than in the English winter, which was the natural condition. The relative position is now changing. For the four months ending the 30th April, 1922, the importations from the Northern Hemisphere were 452,628 cwt. For the same period in 1923 the figures were 659,739 cwt., an increase of 45 per cent. If we were to say that the year's increase would not be 45 per cent., but 33 per cent., it would mean that for 1923 we should be back to 47 per cent. of the British supply from the Northern Hemisphere. Those figures clearly prove that we are getting back to the normal ratio of supply, when the carry-over policy would inevitably result in loss.

5. *Mr. Forbes.*] What is the total increase?—If the anticipated ratio of increase for the Northern Hemisphere is attained it will mean that the importations for the year will be 214,020 tons, which is more than the pre-war importations, almost half of which would be from the Northern Hemisphere; thus we are getting back to the time when more than half will be produced there. Just recently Sweden has come forward with large quantities, and the Netherlands have come forward