

summer price of butter in London has been equal to, and sometimes better than, the winter price. Just because of these one or two abnormal seasons, the promoters of the Bill have jumped to the conclusion that it is absolutely necessary that we should spread our stuff over the whole year. That means that there are interest and storage charges, and all sorts of things to be paid. Again, the conditions are changing: the Continental supply is coming back, and there is every indication that the summer market in London will not be equal to the winter market. As regards control, we have had instances of attempted control from this end, and the result has been disastrous. Those who have attempted it have "fallen in" every time they have tried to control the London merchants. There have been schemes for judiciously feeding the London market. Only lately, when the London market was hungry for butter, one large concern decided to divert butter to America, and we have it on the authority of the shipping company that the ships were in Auckland waiting for butter, but owing to some hitch in the negotiations of sale they could not get away at the proper time. Eventually the butter arrived in America. It was then sent by the American buyers back to London, where it accentuated the slump. That is an instance of the results of control from this end. There is not the semblance of a trust with regard to the London merchants. We say that as the result of our long experience. The people who are dealing with our produce are as independent as we are. I would like to pass round to the members of the Committee specimen copies of account sales of our butter which is handled by our London merchants, and put direct into the hands of retail grocers in parcels of from one to three and four boxes—occasionally a little larger than that. Mr. Forsyth, one of the strongest supporters of the Bill, was sent to England, America, and the Continent. When he came back he told us that after careful investigation he was satisfied that our produce was passing through too many hands. There is only one firm between ourselves and the retail grocer. If the proposed Control Board is set up there will be another intervening body, with huge costs. I maintain that we are as close to the consumer as it is possible to get. Even the promoters and the Control Council, so far, have not seriously suggested abolishing the English retail grocer. A speaker at Palmerston North did suggest it, but I will not suggest that he is one of the promoters. While I am dealing with this matter I would like to give an illustration of the experience of a dairy company the chairman of which is in the room now, and will be able to correct me if I am wrong. This company had one thousand three hundred crates of cheese in store in New Zealand waiting shipment. These, in the natural course of things, would have been sent to a Tooley Street firm. The dairy company asked that firm if they could sell this parcel of cheese at a stated price. A reply came back that they could not, and did not anticipate that it would realize the price asked, and added, "but if you can sell it, do so. The factory did so: they sold it to another firm, and got their price. Now, sir, that does not look a very bad action on the part of Tooley Street, who have been called manipulative speculators. There is nothing in that contention, absolutely; and I can say after thirty-five years' experience that never once have we found a Tooley Street firm acting in other than a straightforward manner. At the present time we have the best possible control we could have, and under it we are free agents, notwithstanding the remarks which have been circulated around Wellington that we are in the pay of Tooley Street. We are not; we are free agents; and we have this hold: that if they do not return to us a price equal to that given by other competitors, they lose our stuff; and you cannot get a better control than that. Another matter I wish to deal with is that of the local trade. Why is not the local trade supply included in this Bill? It is a peculiar thing that it is not included, because the local trade is affected. It is not included, because no party in this country dare for one moment introduce a Bill into Parliament which had for its object the cornering of the people's food-supply. This is a butter Bill, and not a cheese Bill, whatever may be done ultimately with regard to the latter product, and, being a butter Bill, the position is that the local market is affected by it. I do not say that the price here is exactly governed by London, or that it rises and falls exactly with that market. On a rising market the price of butter on the local market is often below the export price. Some of the butter we exported to London last summer—in the early part—realized 1s. 7d. f.o.b., while we supplied the local market at 1s. 5½d. We made the loss we expected, but it came back to us when the autumn arrived, because the local price did not come down as quickly as the export. I think that fact will be quite plain to the Committee. The local market is governed by the export price, and the factory which is supplying largely the local market will get the benefit under this Bill. If the Bill does not increase the price returned to the producer, it is useless. If it does what those who advocate it think it should do, it will have the effect of raising the prices locally, and those factories which are engaged in the local market trade are those on the railway, or close to the means of communication, and they will enjoy the benefit without having contributed in any way to the cost of the thing. I think that possibly that position has been overlooked. I will now close my statement, and try to answer any questions that may be put to me.

2. *Mr. Forbes.*] As far as you know, there is nothing in the trade that calls for this Bill?—Nothing whatever.

3. You do not think that an organization is necessary for the improvement of freights and other matters?—Yes; an organization should not be necessary, but it is necessary, simply because the National Dairy Association has not done its duty. An organization for the arranging of freights would, if properly gone into, do good, no doubt. That is our weak point.

4. But the National Dairy Association has failed to carry out what it would like to do?—Yes, because at the head of it there are a lot of vain men who are continually initiating these schemes interfering with the business of others. Instead of keeping to their own business—looking after shipping and doing some good work in that direction—they are running about the country holding meetings about these schemes.

5. Are they, then, at the back of this Bill?—Yes.