

13. You remember that at New Plymouth you likened them to horse-dealers?—Yes, and I also said that there are a certain number of merchants in Tooley Street who are too sharp for the producers in New Zealand.

14. Judging by your remark at New Plymouth they are not all straight, then?—Not all of them, but the bulk are. Compared with any body of produce-merchants in other parts of the world they will be found to compare very favourably indeed.

15. What are you paying out for butterfat?—From 1s. 6d. to 1s. 10½d.

16. That is a wide margin. What does your factory pay out on the average?—On butter we will pay approximately 1s. 6d., and cheese will run, according to the brand of factory, and name, up to 1s. 10½d.

17. You appear to have organized your concern very fully, and a great deal more so than any other factory in New Zealand. If your butter-factories are paying out 1s. 6d. how do you account for the fact that small dairy factories are paying out 1s. 8½d.?—If they have been doing that they have been paying 6d. more than the butter is worth here. Butter sold at 1s. 8½d. f.o.b. on consignment would realize only 1s. 1d. here at one time.

18. The factory represented by Mr. Hine is paying out this season over 1s. 8½d. The factory represented by Mr. Corrigan is paying out 1s. 7½d. Neither of those factories has organized its concerns in the manner in which you have, and I am advised that instead of your organization having control of one-third of the butter of New Zealand they are not able to pay out as much as the other two factories I refer to can?—You know very little about it. You cannot take the payment for any one term. My best answer is another question: What did those factories pay last year?

19. Is your average pay-out for the last three months more than the average pay-out last year for the same period by the dairy factories in Taranaki?—I believe it is the highest in New Zealand. Taking Auckland—I do not know about Taranaki—I believe it can be proved that taking the returns over a period of years we pay 1d. higher than the next best butter; and on cheese we pay the highest price also.

20. The year before last the factories I mention paid out 2s. 11½d. for butterfat: do you think you have done any better than that?—It is an excellent return; but did they make cheese?

21. Butter?—I have not seen their figures.

22. I am prepared to stand by the figures given last year—1s. 8d.: do you do any better than that?—If they paid more than we did they have beaten the market in Tooley Street, and, as you know, every authority says that Tooley Street never loses.

23. These figures were gained by selling in a small way only. The whole thing was done on consignment: is that not so?—Those prices were not realized by consignment.

24. Those prices were for butter sold on consignment?—They were not; it is impossible.

25. I understand they were?—I know they were not. They were made by speculation.

26. But the prices were received—that is the point?—I do not deny that.

27. Are the whole of the factories in your district in favour of the pool?—Yes.

28. Is Matamata in your district?—Yes.

29. Have the Matamata shareholders endorsed the pool?—They were given an opportunity of objecting and they have not done so.

30. Is it not the fact that a meeting of the shareholders of Matamata have opposed the Bill?—It was not a representative meeting. It was confined to those who were not in favour of it, and I did not know anything at all about it.

31. It was a meeting called for the benefit of the shareholders, who passed a resolution opposing the Bill: is that not so?—Do you not think it was the directors of the Glaxo people, who have the proprietary interest?

32. I do not know, but is what I state the fact?—I say the settlers in that district are in favour of the Bill.

33. You told us just now that Matamata has not objected to the Bill: is that correct?—I say they are in favour of it.

34. There is no resolution to that effect, is there?—It was not a representative meeting.

35. Then a resolution passed at a meeting of shareholders does not represent the voice of those shareholders?—I am satisfied that it does not represent our shareholders at Matamata. I have had a meeting there within the last fortnight.

36. These committees you refer to—what are they?—Suppliers' committees.

37. Are they just like directors?—No, they represent the suppliers and are elected by them.

38. Then the shareholders themselves do not meet and discuss this question: it is these committees who have the meetings?—The shareholders have met in every district.

39. To all intents they are advisory committees of the main organization on the lines of the directors in a small factory?—That is the idea. Every year the farmers in each district meet and the committees are elected, and practically the whole of the shareholders in that district are present. A representative of our company addresses the settlers and puts the matter before them, and this proposal has been endorsed.

40. These committees are elected in a similar manner to the directors, only they have not the same power: is that not so?—They are elected on the votes of those owning shares.

41. When they are elected they are not elected on the policy of whether or not they are in favour of the Bill, but to advise you on general matters in connection with the administration of the branch factories?—They are elected to represent the settlers, and to attend to all matters pertaining to the industry.

42. Still, the shareholders themselves have not been called together to discuss the question?—Yes, they have.