

to see where our interests are in conflict. I fail to see why we cannot get better results if we have the different elements represented in our conference, in our control, in our management. That applies to all movements when you have the different interests all working together instead of sectionally and possibly against each other. The last word on the proprietary part: we say now that we are prepared willingly and freely to work with all the other units, with the fundamental idea in mind that we all want to get the highest possible prices f.o.b. to the producer. I believe that that is what we are all trying to obtain. Now just a few words on behalf of the merchants. The success and prosperity of the producer means success or otherwise to the merchants. I do not need to stress that: you all realize it. Speaking as a merchant, I want to say that to-day all the capital of the firm of which I am managing director is in the hands of the dairy-farmers—practically the whole of it. We are giving very substantial help to these dairy-farmers by giving them extended payments for their plant which they install for milking and separating locally. They are enabled to improve their facilities for working their farms. They are able to bring their equipment up to date. Therefore we say that if these farmers are not successful in their operations, if any move is made which will retard their progress, they are the first to feel it, but we feel it very quickly afterwards. To demonstrate this point, and to show that it is our barometer, let me mention that at the present moment we have more outstandings throughout the whole of the North and South Islands—more unpaid due payments—than we have had at any time in the last twenty years. What does it mean? The total amount due and at present unpaid is greater than it was twelve months ago, and, of course, much greater than it was two years ago, because twelve months ago, as you will remember, we were undergoing our first real taste of getting back to solid ground again. As merchants this is the service which we are giving to the dairy-farmers. Our interests are so closely linked that I cannot see how it is possible to put us into a different section of interest. That is all I will say on that point. I now wish to discuss a very important phase in which we are all interested, and that is the question of exporting and marketing. Whether we are right or wrong, whether some of our views are correct or incorrect, we feel that this is not the time for any interference with the usual channels of trading, unless the conditions are unusual. We claim that certain co-operative interests have established very valuable connections in oversea markets. Their system of finance gives them the very best facilities, and in opposition to the Bill we find these co-operative interests voicing their views. They say, “We do not wish any disturbance. We do not wish to lose control of our individual interests.” And that appears to us to be a reasonable and fair attitude. In marketing we think it is advisable to watch what other countries are doing. Canada, the greatest exporting country of cheese until recent years, has had a varied experience over the last forty years. The Canadians studied the British markets very carefully. There was at times an inclination to go outside of the present distributing channels. There was an inclination at one time to start their own shops. But after the most careful and exhaustive investigations the Canadian leaders in business, financial, and producing circles decided that it was in their best interests to work through all the present mediums in Great Britain. That is Canada’s experience. She has not any Government control; she has not any compulsion. But if you go over to Canada, in the winter season especially, you will find great assemblies, great meetings of all the different people interested in the dairy business—vast conventions of producers, factory-proprietors, business men, merchants—they are all standing shoulder to shoulder, working in harmony, trying to build up their dairying interests on sound progressive lines. That is what you will find in Canada. Then go over to Denmark. We are more familiar, possibly, with Denmark, because there has been more said about Denmark. As far as we know at the present time the Danes have not Government control; they have not compulsion. The necessity of doing better, or doing as well as they can for themselves, has brought about that harmony and team work which we think is so necessary. You have heard different statements made about Danish control of prices in Great Britain. I have prepared a statement which I propose to put in as written evidence. Part of this is compiled from information given me a year ago when I was in Copenhagen, and part of it has been written by Mr. Robertson, who obtained buying particulars from Sir Thomas Clement when he was recently in this country. It has been claimed that the Danish system enables the Danes to control prices in Great Britain. Now, I interviewed both co-operative and merchant interests to find out to what extent this applied, and I was given this in detail: that the selling of the Danish butter from day to day is conducted quite independently through various mediums, some of them co-operative. Some of the big distributing houses in Great Britain have their own buying houses in Copenhagen. Others are represented by merchants, who act as agents. The Danes sell from day to day at the highest possible prices they can obtain, and then on the Thursday of each week this committee meets, with an independent chairman, and then they establish an average price for the past week’s sales, and that price sets the standard for payment to the butter-factories; but they do not set any price whatever for the British buyer. This is the information I was given personally a year ago in Copenhagen. The evidence which Sir Thomas Clements gave to Mr. Robertson was along the lines that from day to day each week the buyers from Great Britain receive straight-out offers through these agents in Copenhagen, and possibly in other centres, and it is for them to say whether they are going to accept the prices or not, or whether they buy on Monday, or Tuesday, or Wednesday. That is left to the discretion of each of the operating houses in Great Britain. I only emphasize this point because surely it is advisable for us to get accurate information as to what other countries are doing, and how they are doing it, and why they are doing it.

3. *Mr. Masters.*—Have you any evidence of their holding-up supplies for a price?—I have no evidence except to the contrary. I asked specifically for the reason why they are opposed to consignment and are always sellers. I said, “On the Thursday of each week, if you have not cleared the outputs of the factories for whom you are acting as agents, will you consign the butter?”