

is right—that the Argentine wholesale merchants took some sort of umbrage at the fact that the New Zealand Government had given a monopoly to a Uruguayan firm—that the New Zealand Government had given that firm the sole right to sell a certain quantity of apples in the Argentine. Now, my opinion is that, instead of the apples being disposed of, the bulk of them went into cold storage. Whether they deteriorated or not I do not know. But what the grower has missed in regard to that sale is this: that he did not have those apples distributed as they should have been throughout the Argentine, where there are many large cities besides Buenos Aires—

*The Acting-Chairman:* You are going outside the Bill.

*Witness:* I am coming round to the Bill. I am pointing out that if a rigid control Bill goes through it will give the same power to this Export Control Board, who will exercise their right just the same as the Minister has done under the principal Act. I cannot tell you what that Act is, but he has that right, I understand—

2. *Hon. Mr. Nosworthy:* There was an offer from South America for a certain limited quantity of fifty thousand cases from the federation?—Well, I understand it was limited to that, but why was the sale made conditional?

3. So that the market would not be flooded with consignments?—Well, sir, what I would like to say is this: that that embargo prohibited the sending of New Zealand apples to the Argentine, but it could not stop the Tasmanian or Australian people sending their apples. I can tell you that I had an offer to ship ten thousand cases of Australian apples to South America last season in refrigerated space, and we could easily have shipped that ten thousand cases there and so upset the sale with competition from Australia. Therefore I say that rigid restriction like that does not benefit the growers. And it has brought this in: that the Tasmanian fruit is more than likely to go in there next year. Our own particular firm of brokers have stated that as they cannot get New Zealand fruit they must look to Tasmanian.

4. Is not your firm in business in Tasmania, as well as in other countries? You are not in the New Zealand business alone?—That may be so, sir, but we are in the New Zealand business, and through being in the New Zealand business we do not wish to take advantage and destroy what might possibly be a good market. However, I am quite satisfied that this rigid control, as suggested in the Bill, is not going to be beneficial to the growers in the long-run. Now, in regard to exporting to the English market, I have heard it stated that it is proposed that the growers should be restricted to three or four recognized firms of English brokers. Well, sir, I think that would be a mistake. The time must come when the guarantee will have to be discontinued. The Government cannot go on indefinitely continuing the guarantee. Therefore if you are going to restrict your business to three or four firms you are going to restrict your finance. The greater number of brokers there are competing the better chance there is of getting better finance—more liberal finance. Personally, I think that the guarantee is no benefit at all at present beyond the fact that the grower gets a little better advance to-day than he would under the ordinary advances. Australia and Tasmania, as no doubt you know, are entirely financed by English brokers, who make advances to cover shipping and other charges—and I believe this season they came to 7s. 6d. Well, they manage to carry on without the guarantee. I may say that I have heard it stated in a fruitgrowing district that the guarantee helps them to get rid of stuff they do not want to sell locally. As long as they get 1d. per pound for such stuff they are satisfied. Well, I do not think that is what the guarantee is intended for. I do not think I have very much more to say, sir, except this: that this Government Control Bill, if it is rigidly enforced to the extent proposed, will not be beneficial to the growers in the long-run. I may say that I think the Government grading system, as it is at present carried out by the Department, is most excellent; and I also think the Fruitgrowers' Federation are doing most excellent work in connection with shipping and other similar matters, but I do not think that they should enter into the merchandising side of the business.

*Hon. Mr. Nosworthy:* With regard to what you say about the Order in Council, the Order in Council was made in order to protect the conditions of a sale made by the Fruitgrowers' Federation—the federation recognized as the head of the fruitgrowers—to a South American buyer, who made a good offer, subject to him handling all the New Zealand fruit sent to South America that year; and our object was to try and regain the market we had lost. This offer was quite the best one made, and it was therefore accepted. It was for fifty thousand cases. All the information we had was to the effect that the South American market could only absorb fifty thousand cases of New Zealand apples in one season, and this was confirmed by your own agent in South America; and it was to stop other people shipping indiscriminate quantities of fruit until we got the market re-established again that the Order in Council was issued. That was the object I had in view.

*Witness:* Do you think, sir, that that sale was a good sale?

*Hon. Mr. Nosworthy:* I think it was better than it would have been if there had been no embargo.

*Witness:* Do you think that a sale made subject to arrival in good condition is a good c.i.f. sale?

*Hon. Mr. Nosworthy:* It was subject to arrival in proper condition. It was not shipped in cold storage. It was shipped in the same way as the fruit had been shipped prior to the war. As it happened, this particular lot did not arrive in such good condition as fruit had been in the habit of arriving prior to the war.

*Witness:* Was there any reason for its not arriving in good condition?

*Hon. Mr. Nosworthy:* There was the same reason that we have had in connection with some of the shipments to London. Some of them have arrived in good condition, and some of them have not arrived in such good condition. That is the only reason I can give you. You know that that is a fact. Shipments from Tasmania and Australia often arrive in the same varying conditions. I