

and in all conditions. It is the period at which we take the sheep that has to be considered. If we fellmonger a skin with 1 lb. of wool, the cost of taking the wool off and selling in London would be 2d. a pound, that leaves us 2½d. It will only cost 2d. to do that in Canterbury, so that when we get the wool to London, where we get 2½d. they get 7½d. In my case expenses nearly halve the value of the wool, and theirs take only one-fourth. Speaking roughly, the difference is made up in the London value, which may be from 1s. to 2s. The difference in value in the wool may be anything from 2s., and the difference in fat may be anything from 1s. to 2s., so that the difference of 5s. between the sheep can be quite easily arrived at. It depends a great deal upon when the animal is taken.

20. Do you know anything of the complaints that have been made rife in this part of the colony for some time past that there is no market here for North Island sheep: that is, that there is only one buyer, or, in other words, there is a monopoly? Suppose a man in the Lower Wairarapa district is not going to freeze on his own account, but has some freezing-wethers for sale: he looks round for a market, but finds that there is only one price, owing to there not being any competition. He finds that he can get exactly the same price from the Gear Company and the Meat-export Company: you know of these complaints, of course?—Yes, I know of many complaints, but I know of no foundation for them. I look upon it as a very natural thing that there should be people who think that their sheep are worth more. The buyer, whether he represents Nelson Bros. or the Meat-export Company, or the Gear Company, knows that a sheep is worth so much, because there is the London market to work on. There is the value of the sheep to sell, and a good buyer would know the value within 2d. of what the sheep was worth. Under these circumstances it would be a most surprising thing to me if these buyers should be very far apart. Further than that, I should think it would be a ridiculous suggestion.

21. Do you know anything about a "fighting fund" which has been set apart for the purpose of fighting those who go into the market?—As you ask me that question I would like to say that I have seen a document which states that the Gear Company, the Meat-export Company, and Nelson Bros. have this large fund. I can only say that it would give me immense pleasure to ascertain where that fund is. I do not know where to look for it, but if I did I should very soon lay my hands on it. I do not know the purpose to which it is devoted; but I know to what I would devote it if I could find it.

22. You said it was only natural there should be one price, and that a fair price, for sheep. Take the case of a 60 lb. North Island freezing-wether. Assuming that a sum of 11s. 6d. was paid by a company for that wether, and that the wether was sold in the English market for 3¾d. per pound: that is getting £1 for the carcase in the Old Country, while 11s. 6d. is paid for it here. Do you think that 11s. 6d. is a fair price to pay?—I think it would be almost impossible to suggest what is a fair price. There is no such test that would give you the information that you would want. The position of that would be this: I might state that my own company are very considerable dealers in sheep. We buy some seven or eight hundred thousand every year, and naturally have a fair amount of knowledge of the workings not only of the purchasing but selling portions of the business. The profit that a freezing company makes in buying sheep is such an enormously variable quantity that no man could attempt to say what is a reasonable amount. Sometimes it would be absolutely necessary for my firm to make so much profit as 7s. or 8s. or 10s. per head, and we do it. But if a sheep-farmer were to become aware of the fact that we ever made 10s. a head on his sheep he would not hesitate at once to say that we had defrauded him, and done something that was improper. If, however, the sheep-farmer saw the other side of our books he would find that unfortunately in an enormous number of instances we have lost not only 10s., but a good deal more than 10s. per head on such sheep. There are times when our losses are simply enormous, and naturally there are times when our profits must appear to be excessive; and the only wit required in the meat trade in the colony is to try and know exactly how to make the balance of profits and losses come out on the right side. As far as we have gone in our twenty years' experience we have been able—I tell you at once—to make a profit of 10s. a head frequently; but unfortunately we have made ten-shilling losses oftener.

23. It is stated that 11s. 6d. is given for a sheep; that sheep is sold in the Old Country at £1, and the by-products are worth 5s. I quite understand that if you had made severe losses you could only give 11s. for that sheep, although to the c.i.f. buyers at Home it is worth £1, and the by-products are worth 5s?—I do not know that the by-products are worth 5s. Of course many of these assertions that have been made in print about the value of by-products are made at random. They are misleading, and in many cases they are untrue. There is no fixing a figure at what the by-products may be worth.

24. Take the average fluctuations in the market?—There are fluctuations in the value of the by-products. Take the difference in the value of the fat. If you take a sheep and fatten it with very great rapidity, as we can do in the North Island—in my own district we can get sheep fat enough to freeze inside of six weeks—it would have no inside fat at all, but outwardly it would be fat. The inside would not have a couple of pounds, while if fattened during the previous twelve months it might have 12 lb.

25. The main items are the pelt and the fleece?—That is a jump again. Take the fat: 2 lb. at 2½d., that would be 5d.; take 12 lb. of fat, and it would be 2s. 6d. That is a difference of 2s. on that one item, so that you see it all depends upon the sheep. Then there are some cases in which the wool is finer than in others, and out of a mob of two thousand or three thousand sheep you might pick up a number which would have fine crossbred wool on them. That wool might be proportionately worth 4½d. to 9½d. a pound, or in its net result it is worth 2½d. against 7½d.

26. I will read you an extract from a paper I have:—"The pelt and wool of a prime sheep are worth upwards of 3s., and the fat, tongue, kidneys, runners, oil, manure, and other parts are