worth more than 2s., making the total value of a sheep's raw by-products over 5s." You say that is a random statement?—Yes; taken at random, on the face of it. Surely it must affect the question whether there is any wool, or whether there is none. There may be 2 lb., 4 lb., or 10 lb. of wool on a sheep.

27. Would you fix the minimum and maximum of the by-products of a sheep?—There is the element of discrepancy—the wool is included in that 5s. The pelt of a full-woolled sheep may be worth 5s., but what those items are that you read off at 2s., I do not know where you get them from. Those items depend mainly upon the fat. The fat may be anything in value, as it depends on the value of tallow; but in every one of these questions the great element of risk is the one that the sheep-farmer and the gentleman who acts as critic on behalf of the sheep-farmer entirely leave out. Nothing illustrates this better than tallow. A year ago we were buying sheep, the fat of which was worth 1d. per pound, while now it is worth 2½d. We are buying on the basis of 2½d., and possibly before we have sold it it will be down to 1d. The sheep-farmer critic takes not the slightest notice of that risk. There is a gain of £10,000 one year, and perhaps £10,000 loss in another, and he takes no notice of the latter. All our work from year's end to year's end is based on the knowledge that we have got to lose on some sheep, because so certain as it goes up to a high price, and we keep on buying, so certain it is that it will come down to a low price, and we have got to lose. The sheep-farmer's friendly critic is never about when the freezing companies are losing money. He is then absent.

28. Have they lost money for years past?—It is not part of my business to speak for other companies. I know that as lately as last year we lost a large sum of money on our purchases; but equally so I am prepared to say that we made money the year before, and if we had not we should have been in a very bad way last year.

29. You apparently run a risk which other companies I could mention do not appear to run to a very large extent—namely, you do not wait until you have got an order before you buy your sheep?—No. I suppose you refer to the Meat-export Company?

30. Yes?—They take an enormous risk in wool and tallow.

31. I mean to say that they have the orders from the Old Country before they buy sheep here?—Of course, I am not in the inner circle of the Meat-export Company, but I know that this must happen: that they have no difficulty whatever in getting orders for all their meat on a rising market, and I am tolerably certain they have a difficulty in getting orders for meat on a falling market. Last year, when on the downward grade, they probably found great difficulty in getting rid of their meat, and lost large sums of money.

32. Is it conceivable that one company, whose method of doing business may be different from that of other companies, may be making a loss at the same time as another company is making a profit?—Yes, it is the case. One company—the Belfast Freezing Company—never can lose money unless they change their method. They only freeze—they never buy.

33. Is it conceivable that a company by concentration may be making money while another company is losing money at the same time?—Yes, I should think it is possible, from my own personal experience only.

34. You said it was not astonishing that the price of sheep should go up and down exactly at the same moment for each company, because prices depend upon the loss or gain of previous years. How could that price be uniform if one company had lost and another gained previously?—I did not say that prices depended on the loss or gain of the previous year.

35. As a sheep-farmer my experience in this part of the colony—between Palmerston North and the Wairarapa—is that sheep can go up and down in value at the self-same moment. The price is fixed for wethers off the shears at the beginning of the season. At a certain date it goes up as the fleece grows—precisely at the same moment. Can you account for that except by the combination of the companies?—Yes. I do not know whether we are to suppose that the companies are business companies or not, but if any business concern is to make money I take it that they must take the best means they can for running the concern wisely. Naturally, then, every buyer and every chief interested in the freezing business always keeps himself posted up as well as he can in regard to everything going on in the district. The experience of one company which guides his action may be useful for the other company to guide its actions. Sometimes we have knowledge of the value—or probable value—of the meat in London, and we do not hesitate to give that information to other freezing companies. We should think it rather a low-down thing if we did not. That may partially answer your question. If I thought I saw a big rise or fall coming I should, as a decent business-man, tell my mate what was likely to happen.

36. If I had a line of sheep only just fit for freezing purposes and a sheep-buyer came along and gave me 11s. a head for them, and for the inferior sheep of my neighbour he gave 13s., which makes a difference of 2s. a head for my sheep, which are worth more, do you think that is fair?—I have heard that assertion, exactly as you make it, before; but I find that there is this huge difficulty: that everybody thinks his sheep are better than everybody else's—there is no solitary exception to it. The Freezing Company, when it has to take the responsibility of buying these sheep, has to use its own judgment.

37. Supposing I have a very coarse variety of sheep: I am growing coarse wool, while my neighbour has a good variety of Down or Leicester sheep—really good mutton. How is it that the freezing companies in this part of the colony will only give the same average price for coarse Lincoln or Romney Marsh as for the Down sheep?—I cannot speak for what happens in this district, but when tallow is at a high price it makes many coarse sheep worth more than other sheep. A few years ago freezing-sheep were worth more than boiling-down sheep, but now boiling-sheep are worth more than freezing-sheep. In my own district my figure has varied more than 4s. a head. I bought freezing-sheep for 8s. 6d. and 12s. 6d. in the same week. They have been down as low as 8s. 6d. for freezing-sheep. I have myself frozen some thousands of sheep averaging