

46. Would a man in the trade think that lambs over 40 lb. would be preferred to lambs under 40 lb.—or if a man made such a statement, what would you think of him?—If he was a man in the trade I would say he was a fool.

47. Do you think it is possible in the Home market just now to improve on your system of distribution?—My answer is this: I should be rather egotistical perhaps in saying that, but I would like you to believe that what I say is true. I do not think at the present time, so far as our own work goes, that any system could possibly be better; but our system is so neutralised by the action of other people that we are becoming powerless. The action of our company is really to nurse others. We do a good deal to nurse the trade which other people are able to take advantage of, and we are the only people of such large interests that we cannot afford to do otherwise.

48. *Mr. G. W. Russell.*] You have had a very long experience in connection with frozen meat?—Yes, as long as most people.

49. Have you, through the whole of that time, been buyers of mutton for freezing on your own account?—Of course, in the earliest days we simply froze for other people as long as they would freeze with us, and when they would not we had to buy. They were not sufficiently satisfied with the results of freezing on their own account, and we had to buy.

50. You were prepared to freeze for them, and when they declined to give you the stock you had to go into the market as buyers, and have been operating in that way ever since?—Yes, we have offered every opportunity to people to freeze.

51. How would your charges for freezing compare with the charges of the Belfast Company, or Christchurch Meat Company, for the same work: have you any idea?—Yes, there is a difference in our charge of $\frac{1}{8}$ d. a pound.

52. More than they pay?—Yes; but one-sixteenth of that eighth is additional money out of pocket by having lighterage at our port and additional wharfage as against the others. But it is more than accounted for by the excessively small number of sheep we do as compared with other companies, and this subdivision of work by a multiplicity of freezing-works is a most serious element at the present day. The more freezing-works the more it is going to cost to do the work. As a matter of fact, the profit we make in Hawke's Bay out of freezing for owners is less than any other company in the colony, but the actual difference in charges is $\frac{1}{8}$ d.

53. But that is only consolidated charge, and is not represented by your charge for freezing as against the other companies. I want you to discriminate what proportion of that money goes into the pockets of your company and what you distribute to the Government in railway fares, lighterage, wharfage, and so on. What you mean is that, although the consolidated charge is $\frac{1}{8}$ d. more against you, you, as a freezing company, do not get that money?—We charge, as I say, $\frac{1}{8}$ d. more than southern companies will freeze for speculators. I mean that if anybody comes up into our district we encourage him to the extent of $\frac{1}{16}$ d. in order to get him; but that is $\frac{1}{8}$ d. higher than the Belfast people charge, but $\frac{1}{16}$ d. is money out of pocket for lighterage, wharfage, and so on, and the other $\frac{1}{16}$ d. is explained as greater expense owing to the small amount of work we do.

54. I understand you to mean that if an operator comes into your district, in order to encourage him you do the freezing at $\frac{1}{16}$ d. less than you charge an average client?—Yes.

55. Is that sixteenth out of one-eighth in the increased cost below that of other companies?—No; that is the difference given to outside clients. The Belfast and Islington people freeze for such people, so that in comparison I want to put the two men alongside one another.

56. You are aware that the inquiry had been largely brought about by the complaints of North Island breeders?—Yes.

57. Have you ever heard of any complaints among sheep-producers in the South Island—that is, analogous complaints to those of the North Island producers?—I do not know that I have. I have not heard that they do complain.

58. Do you not think, if a complaint were general in the South Island that the farmers could not get a reasonable price for their mutton, that you would have heard of it?—I think so.

59. Can you account for the fact that there is this general seething complaint as to the prices sheep bring in the North Island, whereas these complaints do not exist in the South?—I must refer you to the answer I gave yesterday, that the action of the North Island farmer is absolutely unaccountable. I do not suggest that he tells untruths, but there have been fabrications in connection with this matter. One gentleman in my district stood up at a meeting and made the assertion that Nelson Bros'. charges were from 3s. to 4s. a head more than those of Canterbury. Now, at the moment that man was speaking, about 4s. 3d. covered the lot, including freight to London, yet that was seriously held up as one of charges against us.

60. Does that 4s. 3d. include your taking the by-products?—That is all we get for freezing.

61. Independent of the cash, do you take the by-products?—Yes, but they are very small. They are the same as in Wellington.

62. Are you aware that the Christchurch Meat Company not very long ago offered to kill all the meat for the butchers in Christchurch at their works, and take as their payment the by-products only?—I do not know. That term "by-products" is such a doubtful quantity; it might mean anything from 2s. or 3s. to 2d. or 3d. It would be a very great point as to where they ceased. In their case they might have stopped off at any point.

63. Of course, you have in your works the opportunity of manipulating anything that can be converted into money?—Yes. All the by-products you refer to are the sheep's tongue, manure, and oil, and a certain amount of dirty fat—gut-fat. As far as the dirty fat is concerned, it is an uncertain quantity, and the manure and oil are infinitesimal. All these things are looked upon by outsiders as so much to the good, omitting the cost of manipulating the article. The tongue, of course, is a fixed quantity, and worth 1d.

64. Have you never heard of any cases in Hawke's Bay of shipments of sheep to Canterbury