more for the Down?—I believe not. On one occasion one of the directors who breeds a large number of sheep bought from a customer, and picked out the Down sheep, and sold them privately, but the inferior breed is sold to the company.

53. He sells the inferior breed to the company?—I do not say they were inferior sheep, but they were sheep of an inferior breed.

54. Why do you not establish a market?—We cannot. That was tried some years ago. I think Mr. Buchanan interested himself in the matter many years ago.

55. Would it not be worth while to throw a sprat to catch a mackerel—must you not run some risk?—There would be no difficulty about it if you could get the farmers to combine; but they must bind themselves down to reserve their stock either for sale in the market or sell to the company.

56. Do you think the farmers would get a better price if they sent their stock to a market?—Yes, if they had a market like that in Canterbury.

57. Do you not think it possible that you could establish a market in some place like Wairarapa with the object of forcing up the prices?—I think it would be possible.

58. *Mr. Lethbridge.*] But you would not get the local consumption that they do in Christchurch?—No.

59. *Sir W. R. Russell.*] How is your proposed record of purchases to operate?—A little daylight would be thrown on the prices obtained, which we have not got at the present time.

60. You propose that the companies should keep a record of the prices they give, because they might buy your very good sheep at 9s. and, say, my very bad sheep also at 9s.?—Yes; and the names of the sellers would be stated, while the farmers would know what a certain breed is bringing at different places.

61. We have heard it alleged that the companies endeavour to obstruct those people who are freezing on owner's account: is there any truth in that statement?—No, I do not think so. I think the companies, on the contrary, have endeavoured to encourage farmers to freeze on their own account.

62. Then, you have no complaint to make about that?—No; on the contrary, I am speaking of the one company only.

63. Do you freeze or sell?—I sell.

64. Is there any competition in the buying?—No, none at all.

65. Then, you mean to say that the price is regulated without regard to the quality of the sheep or anything else? Let us suppose that A has a good 60 lb. sheep and that B. has a good 65 lb. sheep: would each get the same price?—The buyer simply comes round and goes through the sheep; he tells what price he is giving for that particular lot of sheep that month, and you take that price. I have tried many times to get a little more, but generally without success.

66. May not the prices be regulated by the percentage of rejections they have to make in one flock as compared with another?—That probably may hold good in certain cases, but my opinion is that there seems to be a hard-and-fast rule in connection with fixing the prices. Of late years we have had the southern buyers up here, and prices seem to be a little more elastic on that account.

67. *Mr. Haselden.*] Are the farmers in your district satisfied with the treatment they get from the freezing companies as a whole?—No; they are not satisfied with the prices, and there have been some complaints about the sheep being kept over for some time.

68. Are they satisfied at the way in which the buyers pick them, or do they complain that the buyers leave the small sheep behind?—There are no complaints about that. At any rate, I have not heard any.

69. What breed will your farmers be likely to go in for? How do you cross your sheep?—With the Down and Leicester.

70. On the ordinary crossbreds?—Yes.

71. Do you not think it would be a good thing if auctioneers held fat-stock sales?—It would be an excellent thing if the buyers of the company would come forward and purchase, but it would be difficult to get the farmers to combine for the purpose.

W. C. BUCHANAN, Chairman of Directors of the Wellington Meat-export Company, examined. (No. 10.)

72. *The Chairman.*] Your postal address is?—Gladstone.

73. Do you prefer to make a statement or to answer questions?—I would rather make a statement before answering questions which may be put to me. I regret very much the absence of our general manager in England, because, being more closely associated with the business, he would be able to go more into detail than myself, although I am chairman of the company. The prinicipal question before the Committee being, I understand, the difference in price between North Island and South Island sheep, I would refer the Committee to Weddell and Co.'s circular for the calendar year 1901, in which a table is given covering four years of Smithfield prices for frozen meat. The heading of the table is as follows: "The weekly prices cabled out under the auspices of the Frozen-meat Association became, during the past year, still more generally recognised as the nearest obtainable approach to official prices, and disputes between buyers and sellers on the market at any given date are now mainly adjusted on the basis of these quotations." To put this table in the briefest possible form: For 1898, the difference between North Island and Canterbury mutton is given as 0·61d. per pound; for 1899 it was 0·56d., for 1900, 0·28d.; for 1901, 0·56d. The average of the four years, taking one with the other, works out at 0·51d.; in other words ½d. per pound between North Island mutton and Canterbury. On a 60 lb. sheep at ½d. this means 2s. 6d. Canterbury quotations are always given as practically at the freezing-room doors. The Meat-export Company buys at the settlers' sheep-yards and takes delivery there. It costs on an average