

1903.  
NEW ZEALAND.

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# EXTENSION OF COMMERCE COMMITTEE

(REPORT OF THE, ON THE FROZEN MEAT TRADE OF THE COLONY), TOGETHER WITH  
MINUTES OF EVIDENCE.

(MR. THOMAS MACKENZIE, CHAIRMAN.)

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*Report brought up on Wednesday, the 11th day of November, 1903, and ordered to be printed.*

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## ORDERS OF REFERENCE.

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*Extracts from the Journals of the House of Representatives.*

FRIDAY, THE 3RD DAY OF JULY, 1903.

*Ordered*, That Standing Order No. 211 be suspended, and that a Committee be appointed, consisting of nineteen members, to inquire into and report as to the best means of promoting the commerce of the colony, and the sale of the colony's produce in markets other than those at present obtainable; the Committee to have power to call for persons and papers; three to be a quorum: the Committee to consist of Mr. Aitken, Mr. Barber, Mr. Bollard, Mr. Buchanan, Mr. Duthie, Mr. Field, Mr. Hanan, Mr. Hardy, Mr. Harving, Mr. Hogg, Mr. Houston, Mr. Laurenson, Mr. T. Mackenzie, Mr. McNab, Mr. Millar, Sir W. R. Russell, Mr. Rutherford, Mr. Witheford, and the mover.—(Hon. Sir J. G. WARD.)

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TUESDAY, THE 21ST DAY OF JULY, 1903.

*Ordered*, That Papers Nos. 67 H. (estimate of capital required, cost of fitting up depot, expenses of business, cost of stock, sale of stock, profit of business for the working of depot for the sale of New Zealand meat in a large centre of population in England, and No. 66 H. (New Zealand meat—distribution in the markets of Great Britain), be referred to the Industries and Commerce Committee.—(Right Hon. R. J. SEDDON.)

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## REPORT.

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YOUR Committee have the honour to report that they have investigated the position of the meat trade of the colony both here and abroad, and have taken evidence concerning the same.

The following witnesses were examined: Messrs. H. C. Cameron, Produce Commissioner, London; Captain Pearse, of the *Pastoralists' Review*, Melbourne; Dilnot Sladden, general manager, Wellington Meat Export Company; John Holmes, merchant, Wellington; F. J. Shelton, late proprietor Gisborne Freezing-works; William Nelson (of Nelson Bros.), Tomoana, Hawke's Bay; and Gilbert Anderson, managing director, Christchurch Meat Company.

Your Committee find,—

1. That the quality of the frozen meat exported from New Zealand is not excelled by that exported from any other country; that the quantity is annually increasing; but that the Argentine is producing an article which in quality and quantity is challenging our premier position. A statement was made that we were not sustaining that consistent high standard of quality of former years, but this allegation was not generally supported.

2. That the price realised for New Zealand frozen lamb and mutton has advanced, and continues the highest given in the British markets.

3. That the prices for mutton ruling in London for the twelve months ending 30th June, 1903, averaged 4·01d. per lb. for sheep, an increase of 0·63d. over the preceding year. The prices for December, 1901, compared with September, 1903, are: Canterbury mutton, 3½d. per lb.; Dunedin and Southland mutton, 3d. per lb.; for Wellington Meat Export Company's, 3d. per lb.; North Island, 2¾d. per lb. (*vide* Commissioner's report of December, 1901). Present prices (September): North Island, 4d. to 4½d.; Southland and Dunedin, 4½d. to 4¾d.; Canterbury, 48 lb. to 72 lb., 4½d. to 4¾d.

The actual results in detail, and totals for 1901 and 1902, are as follow:—

Average market prices 1901: Mutton—Canterbury, 4·041d.; Wellington and North Island, 3·441d. First lamb, 4·972d.; seconds, 4·661d. For 1902: Mutton—Canterbury, 4·056d.; Wellington and North Island, 3·764d. First lamb, 5·089d.; seconds, 4·804d. It is very satisfactory to note that the prices just quoted for 1902 are the highest for the past eight years, and that the average prices for this year—1903—to date are considerably higher than 1902.

4. The extent of our trade with the United Kingdom compared with that of the Argentine is shown by the following figures, representing the number of sheep and lambs exported:—

		New Zealand.	Argentine.
1900	...	3,154,799	2,331,588
1901	...	3,234,622	2,632,716
1902	...	3,667,101	2,827,439
1903 (Sept. 24) nine months	...	3,980,000	2,328,000

5. That the number of sheep in New Zealand at the date of the last statistics was 19,002,049, compared with 20,342,727 in the previous year, showing a decrease of 1,340,678, equalling almost exactly the increase of frozen meat exported for the year, *plus* 44,868 live sheep exported, totalling 1,331,742.

6. That our shipping facilities are ample to meet the requirements of the trade, and that the general conditions connected with the transit of the meat to the Home-country are satisfactory. There is room, however, in the opinion of your Committee, for an improvement in the method of collecting cargoes at the different ports. The present practice is for one steamer to follow another belonging to a different shipping company to pick up small lots at each port. It should be possible, and your Committee would commend it to the consideration of the shipping companies, to arrange that one vessel at a time should take the whole of the output then available at any particular port.

7. As a rule, the present system of grading meets the requirements of the trade, and, though other systems were suggested, your Committee cannot recommend the alterations proposed.

8. The witnesses generally consider that the branding of frozen meat would be regarded with disfavour by purchasers, and is not calculated to promote the development of the trade.

9. That, through the adoption of improved methods, and by means of careful attention to the cargo on board the vessels, the meat now arrives in London in good condition and almost entirely free from damage. The effect of checking wrongful claims for damage has also been beneficial. For years, however, no general reduction has been made in insurance rates, although claims for damage are now infinitesimal compared with those which formerly obtained. In view of the evidence given in this connection, your Committee consider the rates of insurance ought to be substantially reduced.

10. That the system of assessing claims for damage or alleged inferiority of quality is bad.

11. That considerable difference of opinion existed as to whether an attempt could be successfully made to regulate the shipment of meat from this colony so as to secure a more even supply in the Home markets; but evidence was given to the effect that meat, like any other crop, should be disposed of as soon as possible, when it is in its prime and best condition, and when in most cases it would be found that the market for its consumption was most favourable. Nearly all the witnesses agreed that frozen meat depreciated when stored, but that if storage was inevitable it ought to be in this colony, and not in London or at any of the Home ports. No change in present methods was considered possible unless the whole output of the colony was controlled by some authority or combination working under regulations providing consideration being given to those whose meat was held back in the general interests.

12. That the evidence given was that certain companies sold nineteen-twentieths of their meat before it left the colony, and that prices to farmers were maintained at maximum rates by the active competition which existed between the representatives of English buyers resident in this colony and New Zealand buyers in securing supplies. It was stated that sudden large increases in price have proved detrimental to the trade, one firm alone having on such an occurrence lost over a thousand customers through New Zealand meat rising to 5d. per pound. The reason given was that when our meat advanced above a certain rate the price reached a point above the purchasing-power of the great bulk of their customers, who were constrained to purchase the lower-priced Argentine meat instead.

13. The Produce Commissioner submitted for the consideration of the Committee the following scheme:—

"That shops should be established in the towns of Great Britain containing over a hundred thousand in population for the sale of New Zealand meat, as an advertisement to illustrate the superiority of this colony's lamb and mutton."

He accompanied his proposals with details regarding the management and working of such shops. The scheme submitted by the Commissioner was, he alleged, not in accordance with that proposed by the Premier (which was not placed before the Committee). On it the Commissioner declined to express an opinion. Very full evidence was taken as to the propriety or otherwise of the Government establishing the retail sale of New Zealand meat in the United Kingdom. It was alleged by the Commissioner, among other reasons, that the scheme was rendered necessary because, in the Midlands and the North, the trade in New Zealand meat beyond a line drawn east and west fifty miles north of London was infinitesimal. Dealing first with this aspect of the subject, the evidence of one witness largely interested in the trade disclosed the fact that his company supplied New Zealand meat in one day to one hundred and fifty towns north of the line referred to. In Manchester alone his company supplied 550 carcasses to four men, and that he and other companies supplied from one thousand to twelve hundred towns, where the Commissioner stated the trade was infinitesimal. Referring to the same matter, a second witness, whose company is the largest exporter of New Zealand meat, stated that during his recent visit to the Mother-country he had traversed very thoroughly the Midlands and North, zigzagging the country, and found New Zealand meat in every town in Scotland right up to Dundee; that he had travelled extensively over the Midlands and North of England, where it also was to be seen in every town, and very prominently in Liverpool, and down the West of England. Two experiments—one a store and the other a shop—have been tried in Cardiff. The store was abandoned because the company could not get the value of their meat there. And the shop, which was commenced in 1898 with the object of advertising and securing a high-class trade—the two points sought to be secured in the proposed colonial scheme—resulted in a loss of £300 per year, and was finally abandoned without accomplishing the objects aimed at. The witness continuing said, "I was a great believer in the plan of shops, but we found that that particular trade not only required the lamb and mutton we had to sell, but also calves and bullocks that we had not got to sell. The shops also gave great offence to the trade as a whole. Whatever the necessity existing for these shops when they were opened may have been, I do not think it exists now. I think the scheme was wanted some ten or twelve years ago, but I really do not see the need for it now."

14. Your Committee would point out that the scheme submitted to them did not contemplate the colony going into the retail meat trade permanently, but the opening-up of shops only to advertise the colony's products. The evidence brought forward was almost unanimous on the point that the money proposed to be spent in so advertising could be expended to better advantage in other ways. That experimental-shops, no matter how successful they might be, only come under the notice of the people in the immediate locality in which they might be established, while other systems of advertising would make known the colony's product over a wider area at no greater cost. Your Committee therefore think that, while it is not expedient to open shops for the purpose mentioned, efforts should be made to advertise New Zealand meat in such directions as promise new outlets.

15. Your Committee has come to the following conclusion on the points and questions hereinafter mentioned. Putting these interrogatively, it may be asked—

- (a.) Whether New Zealand is in a position to increase her output?—The evidence shows that the New Zealand flocks have been very heavily drawn upon, and that an increased output in the near future is improbable.
- (b.) Whether the prices now obtained yield a satisfactory return to the New Zealand grower?—The result to growers may be regarded as satisfactory.
- (c.) Whether there is sufficiently healthy competition for stock to keep prices up to reasonable values, or whether those dealing in our mutton and lamb obtain an undue profit?—That the competition within the colony and the methods of sale abroad by purely selling-agents are such as will secure a reasonable price to our sheep-growers.

16. The total beef consumed in the United Kingdom amounts to 3,200,000 cattle per annum. Mutton and lamb consumed, 21,250,000 animals, of which 12,000,000 animals represent the home-grown supply, and 9,250,000 animals the imported volume. Of the beef figures, about 2,250,000 animals are the home-grown supply, and 950,000 animals the imported quantity. To the contention that the object of opening shops is to secure the better-class trade, your Committee would direct attention to the reply made by a witness to the effect that some years ago two-thirds of the meat consumed in Great Britain was home-grown. The evidence recently taken before the Royal Commission in England is that Britain imported one-third of the beef consumed and two-fifths of the mutton. The home-grown meat might therefore be taken to indicate the source of supply of the best-class trade. Consumption by the middle-class consumer is the trade that New Zealand must chiefly depend upon, and from results it seems evident that she now largely commands that trade, the tangible evidence of which is a substantially increased output at advanced rates.

17. Your Committee in dealing with so far-reaching a question considered it advisable to inquire into the position of our great rival, the Argentine—her productive capabilities and potentialities—with a view to estimating, if possible, our ability to meet her competition, and at the same time maintain prices for our New Zealand producers, in case the Argentine should regard unfavourably our Government-aided encroachment upon the sphere where she so largely operates.

18. New Zealand's area of good land is limited, while that of the Argentine is practically unlimited. Land equal to the best land in Hawke's Bay can be bought in Argentine at £7. Evidence was given here that our land-values are about three times that of the Argentine.

Farm wages in New Zealand, nominally £5 per month; in the Argentine, £2.

Our distance from British markets, nominally 13,000 miles; Argentine, 7,000 miles.

Present flocks in New Zealand, 19,000,000; in the Argentine, 100,000,000.

Exports of sheep and lamb from New Zealand, January to September, 1903, 3,980,000; same period from the Argentine, 2,328,000.

Argentine quality: The evidence showed that the Argentine quality was steadily improving; some witnesses contending that best Argentine was equal to North Island, Otago, and Southland brands. Argentine has for some time back practically dominated British hard-meat market. When she raises prices, ours advance; when she reduces, New Zealand falls in sympathy.

19. Summarising the position, your Committee find: "That the New Zealand meat trade is in a healthy condition; that our products are widely distributed; that the New Zealand grower is at present receiving satisfactory returns for meat; that the prices for 1902-3 being the highest on record for the past nine years; that New Zealand has, for a time at least, reached her limit of output; that it is of the first importance that she should devote herself to maintaining and improving her quality; that New Zealand can easily place her whole present output at reasonable rates; and that, as New Zealand and Argentine alike are doing well, the time does not appear opportune, nor does it appear to be necessary, to venture on a system of trade rivalry with a country whose meat satisfies many of our customers, and which, in case of severe competition, can afford to sell to a profit at much lower rates than can be done by us. In the opinion of the Committee the inevitable effect of the establishment of shops would be severe competition with Argentine, and a certain fall in values; that insurance rates should be reduced and the methods of assessment be reformed.

It may not be out of place in concluding this report to review briefly the history of New Zealand frozen lamb and mutton export. This year, 1903, the trade attains its majority, and a vigorous growth it has had from the modest 2,000 carcasses exported in 1882 to 4,636,537 exported in the year ending March, 1903. It is a trade that has almost revolutionised Great Britain's imported-meat supply. From the inception of the colony wool has taken the highest place in the list of New Zealand exports, and it could hardly have been expected that any other of the colony's products could have approached that high position. The frozen mutton and lamb exported for the year ending March, 1903, nearly equalled the value of wool exported for the year ending December, 1902. The value of wool exported for 1902 was £3,354,000, and the export value of the 4,635,000 carcasses of mutton and lamb for the year ending the 31st March, 1903, was £3,229,636. The latest wool returns, however, show an increase in quantity of  $3\frac{1}{2}$  per cent. and value of 28 per cent. If to the total of frozen meat exported there be added—the value of tallow, pelts, and wool shipped by the freezing companies—the total amount of their exports reach the sum of £4,524,836 for year March, 1903.

In 1882 the condition of our flocks left much to be desired. Of the total 12,398,000 many were scab-infested, while the rabbit pest threatened to almost destroy our pastoral future. To-day the colony's flocks are—and for years have been—absolutely free from disease, and the rabbit nuisance has been materially checked. The history of the meat trade during these twenty-one years is little short of marvellous. Beginning in 1882 with a total of some twelve million—chiefly Merino sheep—two-thirds of which were in the South Island, we have exported nearly forty-one million carcasses, besides eradicating scab and increasing the permanent stock by seven millions.

A glance at the position New Zealand now occupies in the British frozen-meat market is equally satisfactory. In 1882 the flocks of Australia and the Argentine were vastly in excess of ours; yet statistics show that of the total 83,801,000 carcasses of frozen mutton and lamb imported into Britain since the commencement of the trade, New Zealand contributed nearly one-half or 40,732,000, while the Argentine follows with 30,072,000 and Australia with 12,997,000. It may be mentioned here, parenthetically, that Australia had entered the frozen-meat trade two years prior to New Zealand doing so. A careful study of these figures reveals the successful development of an industry probably unparalleled in the history of the world. The fact that the colony has been able, not only to provide such a vast number for export, but at the same time to also increase her flocks by some seven millions, is evidence of the enterprise, resource, and energy that have been displayed by the pastoral community.

After carefully considering the question in all its bearings, the Committee cannot recommend proposals which might seriously interfere with trade methods—methods that have demanded and have received years of careful thought to evolve and render suitable for the working of the trade—a system which, with all its shortcomings and mistakes, has resulted in fairly satisfactory prices being now returned to the sheep-growers of the colony. Rivalry by other countries is inevitable. For many years New Zealand had been told that this would be the case. The results, however, show that, notwithstanding the increased meat-productiveness of rival countries, New Zealand has more than held her own, both in price and quantity. Should unforeseen difficulties, however, occur, New Zealand will, we think, be able to effectively deal with them as they arise. In the meantime the Committee, before recommending any change such as that now proposed, would require to be well persuaded that our present strong position would not be thereby imperiled, and that greater benefits would result than those now enjoyed, and this the Committee has not been able to realise.

THOMAS MACKENZIE,  
Chairman Extension of Commerce Committee.

Wednesday, 11th November, 1903.



## MINUTES OF EVIDENCE.

TUESDAY, 21ST JULY, 1903.

HENRY CHARLES CAMERON examined. (No. 1.)

1. *The Chairman.*] What is your position?—Produce Commissioner for the New Zealand Government.

2. And your duties have been—what?—The general inspection of New Zealand produce in London. I have here a list of my duties. The duties pertaining to the office I hold include, amongst others, the following items: The inspection of New Zealand produce on arrival at the London docks, and reporting on same; specially examining dairy produce and noting full particulars concerning it, such as quality, condition, temperatures on arrival, temperatures maintained throughout voyage, how handled, getting engineers' report concerning it, &c.; calling on consignees throughout London who handle New Zealand dairy produce to get their reports on arrivals, and to hear any suggestions they may offer for improvement in the condition of shipments. I have to watch the dairy produce markets in order to report on the state of same, and to generally keep in touch with the trade. While at the docks watching the discharge of dairy produce and frozen meat, I have to make any suggestions that may be feasible to those in charge for improvements in the mode of handling. I have to visit Smithfield and other markets, and to generally keep myself conversant with the frozen-meat trade throughout the country. I have to report on the frozen-meat markets and conditions of trading, both wholesale and retail, and make suggestions for the improvement of same. I have to call on consignees of meat in a similar manner to that in regard to dairy produce consignees, and to make generally tri-weekly reports and send weekly cable messages to the colony. I have to report on fraudulent meat sales, War Office contracts, &c. These may be considered my chief duties, but they are largely augmented by having to make inquiries and to report on nearly every line of New Zealand productions, especially concerning new lines for export. These reports are not made solely at the instance of the Government Departments at Wellington, but private traders in New Zealand, recognising the value to them of my Department, from whence they can get an unbiassed and faithful report on any lines of produce in which they may be interested—so long as it is not an interference with trade relationships—communicate direct with me, and a good deal of my time has to be devoted to this work. Besides my general tri-weekly reports I frequently make special reports such as on "Direct Trade with Out-ports," "How to improve the Market for New Zealand Mutton," "The Cause of the Difference in Price between New Zealand and Danish Butter," &c. I have also on several occasions given evidence before the House of Commons Committees on matters affecting the colonial produce trade. Besides this work, there are always during summer many visitors from New Zealand in London, and I find that my assistance is often sought by a number of them in matters relating to the colony's produce. During the past year, owing to the new clause inserted by the Imperial Government in the contracts for meat-supplies for troops in military districts in Great Britain—that if frozen mutton be supplied by the contractor it must be that from British colonies exclusively—I have undertaken the inspection of meat at military stations. I have also during the winter months accepted opportunities afforded me of delivering lectures, illustrated by limelight views, on New Zealand, in various centres of England. In fact the duties of Produce Commissioner for the New Zealand Government in London are so multifarious, necessitating constant study and watchfulness, that it is impossible to specify them in actual detail.

3. I think you should now give us a statement of the position of the meat-market at Home. We have read with interest from time to time your views on this matter, and we also notice that you have advocated the opening of shops in England for the purpose of demonstrating to the public the class and quality of our meat as a means of bringing it more under the notice of the people. I think the Committee are anxious to hear what you advocate as a means of improving and amending the condition of our meat trade at Home?—What I have advocated is simply the advertisement by demonstration of the superiority of New Zealand meat in order to get it, if possible, into new channels and outlets—that is, to introduce it to a better class of customers throughout Great Britain. Where there is a great working-population there is, of course, a proportionately large employee population. These people have so far been very slightly catered for. I understand, however, that certain papers are to be laid upon the table of the House to-day bearing on this matter, and that a special inquiry is to be made concerning it. I would suggest, therefore, that my evidence on this special subject should be deferred until this inquiry is set up, when I shall be prepared to give evidence with all details on it.

*The Chairman:* The Committee, I think, are anxious to hear what you would like to say, and they will then ask you questions to elucidate further points upon which they require information. If you would rather make a statement dealing with the matter I think it would be agreeable to the Committee that you should do so.

4. *The Chairman.*] What would you like to deal with to-day?—On any matters of general produce which you would like to ask me about. I have a paper prepared here, but it will simply resolve itself into an address on the produce trade at Home, and will occupy an hour in delivery.

5. We are met to-day for the purpose of hearing you, and the time you name can be given for hearing you; but I think I voice the opinion of the Committee when I say that they are anxious to hear what you would like to say about the matter especially referring to the opening of shops, and we have met for that purpose to-day?—I understand that papers relating to the opening of shops are to be laid before the House to-day, and that a special inquiry will be made into that.

*Mr. Duthie*: I think the general matters which Mr. Cameron refers to should be printed and circulated amongst members of the Committee in order that they can ask questions upon the various points.

*Mr. Aitken*: I think reading the paper before this Committee would be of little value, as members would require to have the papers in their hands to consider the various points.

*Sir J. G. Ward*: I think it would be better for Mr. Cameron to submit a report to the Committee, and then we could all get printed copies of it afterwards.

*The Chairman*: I understand it is the pleasure of the Committee that Mr. Cameron should submit a typewritten report upon what he has outlined here. The next point is that we would like to get, either from Mr. Cameron or the Premier—if we are going into the question of opening up shops—some fixed data to work upon, because we cannot decide anything practicable in connection with that matter until we obtain the fullest information.

Motion proposed, "That Mr. Cameron's report be printed and issued to each member of this Committee."

Motion agreed to.

#### THURSDAY, 23RD JULY, 1903.

Examination of HENRY CHARLES CAMERON, Produce Commissioner—continued. (No. 2.)

*The Chairman*: Mr. Cameron has expressed a wish that we should confine our examination of him to the report which he has submitted to us, and that we should take up the matter of establishing shops in England at a subsequent meeting.

*Mr. Cameron*: I thought if I was now examined on the subjects referred to in my report that it might be advisable to examine me afterwards on other matters.

*The Chairman*: I would like the Committee to take this matter as really coming from you. You are the most concerned in it, and we would like to take the subject up as you feel disposed to deal with it.

*Mr. Rutherford*: You say in your report, "One very serious drawback to handling New Zealand meat in London in the best condition is that the large cold-air stores are built on the river side, some miles higher up than are the docks where the meat is discharged. This necessitates handling the meat from ocean steamers into lighters, by which it is conveyed up the river to these stores. There is only one cold-air store at the docks, which is certainly a large one, having a capacity for 764,000 carcasses. It belongs to the dock company, and naturally, being conveniently situated, it is always patronised. You can well understand that frozen meat, having to be carried in these barges up-river—a journey occupying often more than a day from time of loading till discharge—is liable to considerable deterioration. The system is bad." I think we must all agree with that, but have you any remedy to propose?

*Mr. Cameron*: I cannot say that I have any remedy to propose. The stores are established in their present position up the river, and, personally, I do not think it would be at all feasible to have the system altered now. I merely mentioned the system to let those here know the position, and to explain that that was the reason why a good deal of the damage arose at Home of which you have all heard. I have no remedy to propose.

*Mr. Rutherford*: You go on to say, "A matter of very great importance, and one which proves very hurtful to the advance of trade in New Zealand mutton at Home, is the irregularity with which shipments from here arrive," &c. We know that, as a matter of fact, New Zealand shipments are irregular, because we cannot supply the mutton—in the South Island, at any rate—after, say, June. In the Argentine it appears that they can supply all the year round. Do you know whether Argentine sheep are fed all the year round? In the South Island you must feed the sheep on turnips, and give them chaff as well.

*Mr. Cameron*: I do not know personally how they manage in the River Plate, because I have not been there. I understand, however, that artificial feeding on turnips and chaff is not resorted to. While I refer to this matter I may remark I can understand the position as to the New Zealand meat-supply being, as I say in my report, a harvest when it is produced at the best time and most cheaply. But what I refer to particularly is the irregularity of the shipments; and if you look at the figures that I have placed before you you will agree with me that if care had been taken last year it would have been possible to place the quantities of these shipments with as great regularity on the London market all the year round as for the first seven months. What I consider might have been possible is this: if, instead of shipping the large number referred to—close on three hundred thousand—during each of the two following months, the same number of sheep had been shipped as during each of the previous seven months, say, about one hundred and sixty thousand, and the balance held in store, it would have allowed an average to be spread over the year. Say that you kept back about three hundred thousand in August and September, and held them in store for October, November, and December, when they could have been added to the sixty thousand then sent each month, it would have kept the supply regular.

*Mr. Rutherford*: You suggest, then, that we should extend the frozen-meat chambers. Do you think it would be cheaper to store meat here than in England?

*Mr. Cameron*: I do. I consider that meat can be stored in better condition in the colony than it can at Home. In the first place, New Zealand meat when killed is cooled and immediately

frozen. If it is properly kept in cold store, and not taken out or exposed to the atmosphere, it will remain for a considerable time in good condition; but if it is removed from the store, taken in a truck to the steamer, from the steamer transferred to a barge, and from the barge taken into cold-air store in London, the numerous handlings prove injurious, and when the meat is placed in that store it will not keep in such good condition as if it had not been taken out of the store at this end until it was required for the market.

*Mr. Rutherford* : You think that in New Zealand we should extend the frozen-meat chambers so as to enable a more even distribution at Home?

*Mr. Cameron* : Yes; rather than that it should be held in the store in London. When it is stored for any lengthened time in London it is not generally in good condition when disposed of. You would also keep your markets more evenly supplied with regular shipments by storing in the colony.

*Mr. Rutherford* : You further state, "That proper means of identification by the consumer are necessary for the welfare of New Zealand trade I am convinced. I have given considerable attention to this subject, and I have made very close inquiry throughout the country as to the result of branding. I am satisfied that the objection made to it—that it would encourage prejudice, and would be hurtful to the sale of the meat—is entirely erroneous. At present consumers know well, except when it is sold to them as English, from the prices they pay for colonial and foreign meat, that they are not receiving English, and they purchase it with that knowledge. They do not know, however, whether they are receiving New Zealand or River Plate meat, even though they may ask for the former. The New Zealand tag being generally removed by the retail butcher there is nothing to indicate this to them. A neat, clear, indelible brand placed on each of the principal joints would be a guarantee of the source of origin and of the quality of the meat supplied. Not only would such a brand be a guarantee to consumers, but it would afford a good point from which to advertise New Zealand meat exclusively," and so on. I understand you to suggest that all our meat should be branded with the New Zealand brand.

*Mr. Cameron* : I am in favour of that.

*Mr. Rutherford* : It occurs to me that this brand could be forged, so to speak. There would be nothing to prevent a butcher branding the meat after he got it in his shop, and it seems to me that it would be a very difficult thing to detect. A man might get fifty carcasses of New Zealand sheep and fifty carcasses from somewhere else, and use the brand as he liked. How do you suggest guarding against this? It could be so easily done, it seems to me—much more easily than by buying New Zealand tags and sticking them on.

*Mr. Cameron* : It could not be so easily done as that. Of course, if a man wishes to be a rogue it is a most difficult thing to prevent him. The tags at present in use lend themselves to fraud being easy of application to other carcasses. I scarcely think that a man would take the risk of forging an imitation of a Government patent brand, and applying that to carcasses of foreign meat.

*Mr. Rutherford* : You state that the profits of Nelson and Co. and other companies amount to as much as 50 per cent. Seeing that they buy at their own price, do you think that would be any guide in our case as to what our profits would be?

*Mr. Cameron* : No, I do not insinuate that it would.

*Mr. Barber* : You suggested that the output of our New Zealand mutton should be restricted with a view to more regularity of shipment. On page 2 of your report you say that the River Plate people closely watch the action of New Zealand shippers. In the event of New Zealand shippers refraining from sending cargoes in the months you have mentioned, do you think the Argentine people would still keep the markets?

*Mr. Cameron* : I do not suggest that the shipments during any of those months should have been made smaller than during the preceding seven months of the year. What I advocate is regular shipments each month—not a glut for a time and then a famine for the next few months. It is when we have a small amount of meat on the market that the River Plate people have an opportunity of supplying the people we would supply if we had more regular shipments.

*Mr. Barber* : On page 2 of your report you suggest the pooling of small lots for the purpose of quick delivery and less trouble in distribution, and the giving of an average price for these lots. Would not that act contrary to what we are endeavouring to do in raising the quality of the meat? Would it not be mixed with other mutton?

*Mr. Cameron* : I understand it is the habit of the freezing companies to grade the sheep for their clients. What I say is that if half a dozen men, instead of each sending Home, say, 200 sheep of grade A, grade B, and grade C, sent Home all their grade A carcasses together as one lot, grade B as one lot, and grade C as one lot, it would take away the lottery element that now exists. At present a man may have his sheep out of the ship first, or he may have them out last, according as they are stowed, and he may either make a gain or loss, getting a higher or lower price, according to the state of the market at the time of delivery. Consequently I say that if the shipments were pooled the owners would get an average price, which would be fair to all. It seems to me that it is certain that this would avoid a great deal of the injury done to the meat through so many handlings during the sorting to numerous marks. Each owner's lot being shipped under the same mark to one agent, this sorting would be avoided.

*Mr. Hogg* : I see you say on page 4 of the report that New Zealand is encouraging River Plate competition. I would like you to specify in what way this competition is being encouraged.

*Mr. Cameron* : That refers to what I have already said. I would really require to read the previous paragraph in order to explain that.

A discussion here ensued as to the necessity for grouping under various sections the several points touched upon in the report, and it was ultimately decided to appoint a sub-committee to deal with the matter.

FRIDAY, 31ST JULY, 1903.

CAPTAIN PEARSE examined. (No. 3.)

1. *The Chairman.*] Would you prefer to make a statement, Captain Pearse, and then answer any questions that may be put to you, or would you rather have information elicited from you by questions from the Committee in reference to the frozen-meat trade and Mr. Cameron's proposals as embodied in his report?—I would like to say that in all Mr. Cameron's statements he speaks of River Plate and Australian mutton as if they were one and the same thing, or of equal value. I refer now particularly to paper H.—29A. From beginning to end of this report in every instance River Plate and Australian mutton are referred to as if they were of the same quality, instead of which Australian mutton is usually sold at low prices. Very often during the last twelve months River Plate mutton has been sold on level prices with mutton from the North Island of New Zealand. Therefore, it seems to me to be very far from the fact to mix up Australian mutton with River Plate mutton, because you may be led to believe that River Plate mutton is very much below yours in value, while as a matter of fact it is not so low in quality as Australian mutton is below that of River Plate. Mr. Cameron, in his report on "New Zealand Meat-distribution in the Markets of Great Britain" (H.—29A), says, "New Zealand is, comparatively speaking, a small contributor to the total meat-requirements of the British market; therefore it is all the easier to make a speciality of her produce as being of first-class quality and fit for use by the better classes, keeping it ahead and clear from the growing competition of River Plate and Australia." I quite agree with that statement, except that there is no growing competition with Australia. For the next five years Australia must be entirely out of the competition so far as New Zealand is concerned. All we can do in Queensland and New South Wales is to find sufficient mutton for our own consumption.

2. Is there any other general statement you would like to refer to?—No; but I think Mr. Cameron's statement is very sanguine all through, although, of course, he has had a much bigger experience than I have had in the London business.

3. *Mr. Buchanan.*] You have told us, Captain Pearse, that Australian mutton is as much below Argentine mutton in quality as New Zealand mutton is above that of the Argentine?—That is, in the opinion of New-Zealanders; but I say that the best Argentine mutton is as good as your best mutton, and it has been so particularly during the last two years.

4. How long ago is it since you visited London?—Two years and a half. I have a special man in the market who reports to me every month. In his letter of the 12th June last he reports, "The future of the trade is specially difficult to forecast; the situation is complicated by many important issues which may affect values. In mid-July will arrive the first shipment of the new Argentine frigorifico—say, eighty thousand carcasses a month. If the agents of the La Blanca distribute this increased volume of meat without any particular friction being set up, well and good; but if acute competition is created we may see a low range of values for all frozen meats in the autumn. This will be unfortunate for New Zealand, for at that season her exports will be coming in largely reduced quantity, and, with Australia doing practically nil, under ordinary circumstances New Zealand mutton should be worth good prices at the close of the season. At any rate, the Plate possesses the key of the situation, and interest will centre mainly in her operations; her meat arrivals in our autumn and winter will increase enormously in proportion to colonial." Of course, my experience of Canterbury mutton is that everything really good in the shape of lamb is sent away, and I think it is very possible that a very large number of lambs have been used—second-class lambs—to keep up stocks. I think this is the main reason of the late reported deterioration in the quality.

5. You say that the quality of Argentine mutton has been improving very largely of late years. To what do you attribute that improvement—to the improved strains of sheep imported or to improvement in feeding, or to both?—Mostly to the better class of management. Men have gone over to Argentina from Australia and New Zealand who, with the unlimited amount of money available, have made great improvements in recent years. The purchase of the very best breeding sheep and cattle in England during the last five or ten years—the price for good stock being no object—has done wonders.

6. Can you give the Committee any idea of the number of stud sheep—we are dealing with mutton—imported, and the several breeds?—I have not got the figures here, but I have them in the year-book of Argentina at my club, and I shall have much pleasure in sending the book to the Committee if they will return it to me by Thursday next.

7. I have a cutting here from the *Australasian* of February last, in which the following statement is made:—"That in 1899 the imports of pure-bred sheep were as follow: Lincoln, 3,935; Hampshire, 391; Shropshire, 284; Rambouillet, 502; Oxford Down, 74; Leicester, 30; and Mestigo Lincoln, 2,311." Can you give us generally any idea of the numbers or value of stud stock imported into the Argentine?—First of all, I would like to say that the man who wrote that paragraph made this mistake: he gave us the stock in the Province of Buenos Ayres, thinking it was the whole of Argentina. He got very much mixed over it, as it was proved afterwards, in giving the stock from the province only, instead of for the whole republic. Buenos Ayres is only a small proportion of the country.

8. Generally, can you tell us as regards the Argentine—and when I say the Argentine, I mean the whole of South America—can you tell us generally what has been done of late years to improve the native breeds of sheep?—I can give you that exactly from the year-book that I will send you this afternoon. That will give you everything for the last fifteen or twenty years in detail.

9. Have those importations materially improved the character of the mutton?—Yes, wonderfully.

10. Can you give us, for the last three or four years, the predominant breeds imported—Blackfaces or otherwise?—Up to the last five years it was all Lincoln, or very largely Lincoln. Since then it has been the Border Leicester, the English Leicester, the Shropshire, and the Romney Marsh.

11. *The Chairman.*] Any Southdown?—Very few.

12. Have you any idea of the proportions of these improved breeds represented in the frozen-meat exports from the Argentine?—I cannot give you that, except that it will be seen in the book I will send you. I found that the Lincoln cross and Lincoln mutton was getting very much into disfavour, and that they were going in for Leicester and Shropshire.

13. *Mr. Buchanan.*] Does the Committee understand you to state that any large proportion of frozen mutton now exported from the Argentine ranks with the best of North Island?—Decidedly it does. It ranks with the very best of North Island mutton.

14. How do you account for the fact that in the general telegrams there is a distinct difference in the quotations for North Island mutton and Argentine mutton?—It is because every week the three Argentine companies meet and fix the price of mutton for the next week. They have a very big margin between profit and loss compared with what you have here, and to drag your customers away from you they have for years made a point of fixing their prices from  $\frac{1}{2}$ d. to  $\frac{3}{4}$ d. a pound below yours. They have big margins to work on, and you have not, and they can afford to do it.

15. Is it not a fact that the bulk of Argentine mutton is distributed in the northern and mid-land counties of England?—Yes.

16. How do you account for that?—In every one of the meat-works in the Argentine they have professional English butchers employed. It is the duty of these men to walk from one end of the killing-yards to the other and examine every sheep. As the sheep are killed and dressed they are put into a certain grade, according to the taste of the consumer either in the north or midland counties or in the south of England. The very finest meat is sent to the south of England to compete with yours. If that mutton is not dressed according to the directions of the professional butcher, the man who dressed it gets a black label for every such sheep. If it is dressed right he gets a white label. If he has three black labels at the end of the day he is removed from the high class butchering department and put into an inferior position. All the first-quality meat, as passed by these professional butchers, is exported to compete with your best meat, as you will see it hanging in Smithfield side by side, and in Southampton where they like fat meat. All the other qualities—the very lean and second-quality meat—are sent to the north, where they prefer lean meat. In the north they will not have fat meat if they can possibly get lean, one reason being that most of the workmen have to be constantly with oil and grease in their occupations. It all depends upon the judgment of the professional London butcher, as you will see from the book I put in, for he has to pass every carcass and to determine what part of England it shall go to. I was the first outsider who was allowed to enter the three works I have referred to, as the companies are very particular about allowing outsiders to go in.

17. Is the quantity of Argentine mutton going into the southern counties of England increasing?—It is increasing very gradually, I think. Up to the present the companies have had such a wonderful system of working together that they seem to be able to dole out their meat exactly where it is wanted. Of course, it is increasing very rapidly in shipment to England. I have the figures here.

18. In the distribution of Argentine mutton in the various parts of England—assuming that the improvement in the quality of Argentine mutton is such as you have described it—would you not expect a much larger proportion of Argentine mutton to be sent to the southern counties of England, where the best of the New Zealand mutton finds its largest market?—I do not think so, for this reason: the meat companies of Argentina have been making such enormous profits on the present system that they must know which is the most profitable. If they desire to keep their clients they must send a good deal of their meat to the north. Their meat sells better than our meat does. They have no difficulty in selling their meat.

19. Assuming for the sake of the discussion that first-class Argentine mutton would secure  $\frac{1}{4}$ d. per pound better price in the south than in the north of England, would not the Argentine companies secure that  $\frac{1}{4}$ d. by sending a bigger proportion of their finest mutton to the south of England?—In answer to that I would say I think all their finest quality is already sent to the south. I do not think they are sending their finest quality up to the north. My opinion is, and my reports go to show, that their very fine mutton goes to and is consumed in the south.

20. In your opinion, then, the proportion of their finer quality of mutton is limited to what is sent now to the southern counties of England?—Yes, as far as the present works are able to deal with the available meat.

21. What is the capacity of the Argentine, in your opinion, for fattening increased numbers to what they are doing at present? In New Zealand we depend largely upon turnips and other cultivated plants for fattening our sheep and lambs. What is the position in this respect in the Argentine?—First of all, you want the capacity of the existing works, of the new works, and the coming works. For some years there have been three big Argentine works only. Last year those three works exported 2,770,813 sheep, 112,028 lambs, and 586,000 quarters of beef. This was their export during last year from the three works. Two new works have now started, the La Blanca works and the Sansinena's works, at Bahia Blanca.

22. Do you know who the owners are?—I can give you the names of some of the owners. There are seven new works besides those, either in course of construction or proposed. I will give you the names of the companies and where they are going to work: The La Plata Company, which will be finished in November—principal owner, John Cooke, Weddell, and Co., and that combination; the Rosario Company, local capital; the Italian Company; the Americano Company, with American capital; a local Argentine company; and the new works at Monte Video. Of

course, Monte Video is in Uruguay, and that company has a subsidy of £60,000 from the Uruguayan Government. I may tell you that these new works are exempt from all taxation for ten years, and the whole of the plant, material for buildings, and machinery, are admitted duty free. Now to answer your question about fattening the sheep. The alfalfa country is spreading enormously. I have a letter from Mr. Livingstone Learmonth, who is an old New-Zealander, and he writes to tell me that the alfalfa country has been increased enormously, that the price of land could be doubled and wages increased 100 per cent., and yet they would have a large margin of profit with which to fight New Zealand. I refer, of course, to agricultural wages. Referring to a pamphlet I issued he writes:—"A point you did not note in your Argentine comments is that land might double in value and wages increase 100 per cent., and still I believe by increased facilities of market communication the Argentine could compete in the world's markets." He goes on to say in his letter, "Alas that it is so! The majority of my interests are in Australia, the whole of my stake in life is in Australia." So that he is not speaking in a prejudiced way, as you will see. With reference to fattening sheep, Mr. John Cooke stated in a speech he made at the laying of the foundation-stone of his works that he was going in very largely for fattening lambs and cultivating on the New Zealand system—that is, with roots and grasses—but at the present time most of the artificial fattening is dependent upon this alfalfa country, which carries ten sheep to the acre pretty well all the year round. Practical sheep-farmers here may think I am making a strange statement when I say that the land will carry these sheep all the year round; but during the winter months, when the frost kills the alfalfa down, an American barley grass takes its place in the same paddock, and, therefore, the sheep have green feed all the year round. My opinion is that Argentina will send next year, instead of three million sheep, five million and a half, and will go on increasing up to eight or nine million a year. They are now taking a census of the stock in Argentina, and it is generally expected that they will have 120,000,000 sheep and about 27,000,000 cattle.

23. Is it your opinion that this alfalfa, grazed in the ordinary way by sheep, will prove permanent?—I can give you the experience of two Australian-owned stations I saw in the Argentine. They had three-fifths of the land down in alfalfa and two-fifths of the land in Pasta Dura, or the hard grass. The stock were never allowed to remain on alfalfa long enough to injure it permanently, being shifted from the alfalfa country to the Pasta Dura, and I have Mr. Learmonth's twenty-three years' experience to go on, and he says there was no end to the life of his alfalfa. He drove me out to a paddock which was planted 130 years ago by the Jesuits, where it is still growing. Of course, that land had not been stocked except by passing stock. He took me down the wells of his property, and I traced the alfalfa going down 30 ft., the roots reaching to the water. I traced the roots right down to the water. I do not think the experience there shows that the alfalfa, if treated scientifically, dies out.

24. *Sir W. R. Russell.*] Can you tell us how many sheep he was running to the acre?—He was running on his own natural grasses—eleven leagues—about seventy-three thousand acres, and on that he had 10,000 Durham and Hereford cattle, and 18,000 Lincoln sheep. He was then putting three-fifths of the country down in alfalfa, and he expected to carry ten sheep to the acre on the alfalfa country.

25. He had 18,000 Lincolns, and his alfalfa land carried ten to the acre?—18,000 sheep and 10,000 cattle. If it is of any use to you, I might tell you that he sows 16 lb. of alfalfa-seed to the acre. Of course that is only their second-class country.

26. *Mr. Witheford.*] Do they plough the ground?—They just scratch the surface for about 4 in.

27. *Mr. Buchanan.*] What then, is the carrying-power of the best country?—I will give you the experience on one station, where I went through the books. There were 42,000 acres of land there, 180 miles from Buenos Ayres. Ten thousand acres were cultivated, with oats, wheat, and other crops, leaving 32,000 acres of natural grasses. I think all the year round the owner carries 40,000 Merino sheep, 20,500 head of cattle, and 1,200 horses. That land, which is the richest land I have seen, is valued at £7 an acre. That is to say, the owner values it at that. I have told a good many gentlemen about this, but they seemed to think I had been taken in, but after going over it some of them said that I was quite correct.

28. Do you know, yourself, of any farm carrying ten sheep to the acre on alfalfa?—I know several in Australia, let alone Argentine. The general average in the Argentine is ten sheep to the acre on alfalfa land.

29. Would not the land get so foul carrying such a heavy stock that it would presently become unhealthy?—I should think that very probable, if they did not so often "spell" the land; but they have it cut up into available paddocks, so that sheep may be put into them for a few weeks and then taken out and put into other paddocks. They treat the land with great science.

30. Such land as that in Victoria would have to be ploughed, and planted with potatoes, and subsequently laid down in grass: would not the experience be the same in the Argentine?—I can give the experience for a year of one station which has 800,000 acres. The Curamalan Station, belonging to a big English company, has an area of 800,000 acres, and every three years 200,000 acres of this is put down in wheat by Russians, who give a third of the proceeds to the station-owners. When that 200,000 acres has been worked for three years it is put down in English grasses, and as far as possible in alfalfa. In twelve years' time this land will be again under wheat. Every three years 200,000 acres is given out for cropping. They carry 158,000 Lincoln sheep; 36,000 polled Angus, Durhams, and Holstein cattle; and 15,000 horses.

31. Is it your opinion that the number of lambs exported from the Argentine will be greatly increased?—It has increased already to this extent: that for the first six months of this year they sent 128,000 lambs to London as against 112,000 for the whole of last year's shipments.



32. With all this carrying-power and room for development, how do you account for the comparatively moderate increase year by year in the quantity of frozen mutton exported?—This year the increase would have been very much larger but for the very large shipments sent to South Africa. I have not the figures, but I know that steamers have been taking full cargoes of frozen meat for a number of years to South Africa. They have practically the whole trade there. Where New Zealand sends one ship a month the Argentine sends eight or ten.

33. Are you aware that the New Zealand freezing-works are unable to quote second-class mutton at a sufficiently low price to make any sales in South Africa?—Quite so.

34. That, in short, New Zealand has to go down to third-class to get an opening at all?—Quite so.

35. Will you explain how it is that the Argentine people accept such low prices for large quantities of their mutton when at the same time you assert it to be of good quality?—As I told you some time ago, they have a very much larger margin between profit and loss than you have. Their cost of production is very much under your cost. The cost of freight from Buenos Ayres to Cape Town, with a fair wind all the way, and being only fourteen days between the two places, makes it very much more in their favour. South Africa, up to the present time, has proved a magnificent outlet for them for meat which would not be acceptable in the southern counties of England. Argentina can undersell you in South Africa with the greatest ease, and the people of South Africa do not want the best or fat meat.

36. Would it not pay the Argentine to send a larger proportion than they do at present to the south-of-England markets, rather than send such large quantities of their meat to South Africa at the admittedly low prices they get for it there?—I think the three works I have mentioned have been working to their full capacity. A large proportion of the meat going into those works is second-class mutton. There is always a proportion, the same as in New Zealand, of the high-class mutton, but I believe the three works to their utmost capacity deal with all qualities of meat. They buy sheep by the cut—that is to say, they put a rope right across a paddock and take their chance. Amongst a number of sheep there will be a proportion of prime, a proportion of second class, and a proportion of third class, and the meat-works have to deal with all these. They send their best mutton to the southern counties of England, the next quality to Cardiff and the north, and a good deal of it to the South African people. But I think, when these nine works I have spoken of are in full swing, you will find the prime quality of mutton increased in the same proportion as the other qualities. I suppose you know that these three companies I have referred to have paid a big subsidy to keep one company closed for the last few years. There is no competition with them.

37. *The Chairman.*] Is that the Fletcher Company?—Yes.

38. *Mr. Buchanan.*] Do they use turnips or any other class of artificial feeding?—Yes. Mr. Stent, a New-Zealander, largely feeds his stock on rape and turnips. He has a very large station, and a lot of his neighbours are following his example.

39. Is it found that the best English-bred stud sheep deteriorate after some years in the Argentine? In other words, do they find it necessary to replenish their stud stock from headquarters?—Yes, all the time. The Argentine buyer is a big buyer of stud stock in all the English markets.

40. But will those first-class strains of stud stock reproduce themselves in the Argentine and maintain their original high standard of character?—Some of them certainly seem to. They get very high prices at the annual sales in Buenos Ayres for their breeding-stock, particularly in cattle. Of course, that is a matter I would not like to be too definite upon. I may say that their merino wool is increasing in quality and value every year.

41. *Mr. McNab.*] Generalising what you know in regard to the Argentine, what are your suggestions in connection with the New Zealand trade? What does all this lead up to in the way of suggestion to us as to what we should do?—First of all, I think there should be some arrangement made with the steamship companies by which they should not be required to go to perhaps ten ports to pick up a little cargo here, there, and everywhere. As instancing that I might mention that the “*Corinthic*” was five weeks here on her first trip waiting for a cargo, at an enormous expense to the owners. The Argentine steamers go right alongside one of the works there, load up a full cargo, and away they go. That is one very great improvement that could be made here. I do not know how it could be done, but I think something could be arranged, either by the steamers arranging for exchange of cargoes, or by “*feeding*” steamers. Again, either the Government or private enterprise might erect several big receiving-stores in the colony, so that you could get more regularity in your shipments to England. To show you the great danger you are running, I might mention that during the present year you have already shipped to London, up to the end of last month, 1,676,845 sheep, and 1,801,065 lambs. This is up to the beginning of August, and during the next five months you will only send away 400,000 sheep altogether as a maximum. That means that for a large period of the year there will be hardly any New Zealand sheep available in London. Your regular customers in Great Britain are forced, therefore, to go to the Argentine companies to keep up their supplies, and it is very much harder to get a client back than to get a new one. I consider that if big receiving-stores were erected here, you could keep up a more regular supply to London. The Argentine shipments never vary much. From January to December they average about 255,000 every month, and from 45,000 to 54,000 quarters of beef a month.

42. Can you tell us whether the Argentine fat sheep come into the market regularly throughout the year, or irregularly?—I think they come in in good condition all the year round, and I will tell you why. The whole of the New Zealand climate in winter is cold, while in the Argentine you have a latitude varying from the tropics down to Patagonia, so that you can get any climate you like. There is no time of the year when you cannot get sheep in good condition. There is a district in Argentina called Entre Rios. It is nearly all sheep and cattle country, owned mostly by

Englishmen. Mr. Darbyshire, who is the largest owner there, will be passing through New Zealand within the next few months, buying stud sheep, and I think it would be well for some of you gentlemen to meet him. He will tell you that he can fatten sheep all the year round at his place.

43. Then, in order to equalise supplies of fat mutton, the freezing companies have not to hold for long periods of time the frozen carcasses?—They never hold, they ship as fast as the steamers come alongside to take them away.

44. That will be a disadvantage we shall always suffer from, because our fat mutton does not come into the works regularly?—I would advise New Zealand to use their utmost endeavours to push forward Mr. Chamberlain's scheme of preferential trade, because under that you can live; otherwise I do not know what you will do; wages will have to come down and hours of labour increased to enable you to compete. I am doing my utmost to help forward Mr. Chamberlain's scheme, and am advocating it in both my papers.

45. I suppose in the Argentine there are growers of mutton on a much larger scale, and they have not such a large number of small growers as in this country?—That is so.

46. And they can do by concerted action what we cannot hope to do here?—Yes.

47. The difficulty of getting large cargoes in one vessel, the difficulty of continuous and regular supplies to the London market, and the number of different people to whom the meat is consigned are factors which are apt to be very difficult to get over in this colony?—Yes. The works in the Argentine own the meat—the meat belongs to the three companies.

48. Under the conditions in the Argentine, does the grower of the mutton, as a grower, make any more out of his sheep than the grower does in New Zealand, under the conditions prevailing here?—I do not know if he makes any more, but he makes quite as much. I do not know what the grower makes here, so that it is rather hard for me to answer that question, but they are getting very high prices for their stock over there. Their cost of production is much less than yours. Mr. Learmonth told me he never made less than 12 per cent. on his capital over there.

49. How long have you been in the Argentine?—I have been there for several years. I was trading there for seven years, and I was a little over two months in the country three years ago.

50. When was your last visit?—Three years ago. I am on my way there now.

51. Have you kept yourself well up in the trade?—Yes, it was my interest to do so, as I run two papers.

52. Have you any knowledge as to whether there is deterioration of the meat if it is kept in stores anywhere?—Under the most favourable conditions I think you will find a slight deterioration the longer it is in ice. That is where the Argentine has the advantage of you. The passage across to England is only twenty-five days against your sixty days, and often more than that.

53. That element would be a serious drawback in connection with receiving-stores in this country?—It would be a drawback, but whether it would be worse than the present state of affairs it is for experts to say.

54. *Mr. Witheford.*] You said that the people in South Africa do not require the best meat?—Well, they have been used to such fearful meat for so many years that a very great improvement is found in the worst mutton we can send them from Australia or from here. I would like to mention that I went through the books of the C. C. and D. Co. while I was in London, and the day I was there I saw that in two days' orders they served seven hundred different towns in England. Mr. Montague Nelson showed me the books, and in over seven hundred towns in two days they sent out small consignments amounting to seven or eight thousand sheep and lambs. I forget the exact figures, but I remember there were over seven hundred towns. I have also met commercial travellers for meat-firms when I have been travelling in all parts of England.

55. *Sir W. R. Russell.*] Do you know personally anything about the carrying power of the alfalfa country?—I have been over a good deal of it.

56. What is the ordinary selling-price of that alfalfa land which carries ten sheep to the acre?—Land can be obtained on moderate terms from the Government at from 1s. to 1s. 10d. per 2·47 acres (not alfalfa land).

57. Rental?—No, freehold. The good cultivated land near the railway-stations is £2 15s., payable one-fourth down, and the remainder in four annual instalments, with 10 per cent. interest added.

58. If it carries ten sheep to the acre, and they get 8 lb. of wool per sheep, and 6d. a pound for wool, they get £2 for the wool alone off that land?—The value of that land is £7 to £8 an acre—the alfalfa land. I was reading from the Government Land Board's figures. You can buy land at anything from 8s. an acre up to £3 or £4 an acre, and you can also pay £7 to £8 for rich dairy land.

59. But taking this alfalfa land worth £7 an acre: does that not seem to rather contradict the figures if you get £1 4s. for the wool alone. I am assuming that they get 8 lb. of wool from a sheep at 6d. a pound?—You cannot reckon more than 4d. a pound for the cross-bred wool in the grease now.

60. Have they not been getting that in past years?—I think it was only 4d. or 4½d. last year. Mr. Learmonth tells me now that he is making 18 per cent. on his property, and when he gets the rest of his land under alfalfa he expects to make 23 per cent.

61. You quoted two stations, one of which had 800,000 acres on portion of which there were 158,000 sheep, and so many cattle and horses. That does not represent anything like ten sheep to the acre?—No; but that was not alfalfa country. Three-fourths of it was *Pasta Dura*, and most of it was uncultivated.



62. You told us there were 158,000 Lincoln sheep, 36,000 cattle, and 15,000 horses?—Yes.

63. Well, that represents just such a carrying-capacity as we have here?—But that is their second-class country. You want a map in front of you to understand this question, and I could then show you the rich and the poor country.

64. Do you know any farm which carries anything like that number of sheep—ten to the acre—in any part of the Argentine?—Not on the natural grasses. I think on the alfalfa there are plenty of them doing it.

65. But you do not know of any yourself?—I think I do.

66. It seems to me that upon this question hinges our trade. If they can carry ten sheep to the acre we might as well shut up shop?—I am told that up at Palmerston there are places which carry four or five sheep to the acre on natural grasses. Of course, the value of the land I referred to is about £1 5s. an acre, while the value of the alfalfa land is £7 an acre. It is a very different class of land, and the owners are netting 15 per cent. on capital value.

67. *Mr. Duthie.*] With regard to the distribution of meat by Nelsons, I would mention that, like yourself, I went through the books when I was in London. I think they had some twelve travellers employed covering the whole of the country right up to Scotland; but are you satisfied that in two days they distributed the quantity of meat you say in seven hundred different towns?—I think so.

68. I understand they have a system under which once a week their customers are waited upon throughout the northern towns of England and Scotland. I saw the books, and noticed the letters and telegrams coming in. The question, however, is whether, if it were kept in store in New Zealand, the meat would not get flavourless, and if kept in store at Home would it not affect the market?—I have heard that a large amount of meat coming from the stores, if kept there for any time, is flavourless. I never touch frozen meat myself. I am only too glad to get a little bit of New Zealand mutton when I can, but the majority of Australians will not touch frozen meat if they can get fresh.

69. *The Chairman.*] There has not been much Southdown stock sent to the Argentine, has there?—No; but during the last three years, I understand, they have altered that.

70. Does not your experience show that a Southdown cross produces the best carcase?—Yes, a long way.

71. Do you know any reason why they do not use the Southdown strain?—I think it is probable they do now.

72. Would you suggest the propriety of adopting the same system of having English professional butchers going through our works here?—Distinctly so. I think we want to cater for the taste of the buyer.

73. You strongly urge the adoption of Mr. Chamberlain's policy?—I do, very strongly.

74. Are you of opinion that Great Britain's dependencies could supply her with all the mutton she requires?—I believe that in a very few years they could. I believe the very institution of this preferential tariff will put hundreds of thousands of acres under cultivation which it will not pay now to cultivate.

75. Do you think that internal competition in the colonies would not raise the price very much to the consumer at Home?—I think the raising of prices would be infinitesimal. Threepence per bushel on wheat and its effect on the loaf would be nothing as compared with Argentine competition, and yet it means a very large revenue and a large support to the colony.

76. You think that the future prosperity of the colonies largely depends upon the adoption of Mr. Chamberlain's scheme?—I do.

77. I gather from you that you think the ultimate fate of the colonies will be serious unless we have such a scheme adopted?—I think it is either that or we must face a lessened cost of production, which means longer hours of work and lower wages.

78. Do you think the Argentine mutton is displacing New Zealand mutton to any great extent in the south of England?—I do not think it has yet, because there is not a sufficient amount of high-class mutton to do that; but I believe in the next few years, with the increased number of works that are being erected in the Argentine, you are going to feel the difference.

79. Perhaps you have noticed it stated that they expect soon to send a million lambs a year from the Argentine to England: do you think that is probable?—Mr. John Cooke's opinion is that they can do it very easily. I have seen his private letters to Australia in which he says they could easily do that.

80. You also consider that the output from the Argentine to England may increase from about 2,600,000 now, in the course of a few years to 8,000,000 or 9,000,000?—Yes.

81. What do you think about the power of England absorbing that large quantity?—I consider that the man who can put down the best goods at the lowest price can swamp all the others.

82. Do you think that if that quantity were available and was sent to England it could be used there?—They could do it possibly by shutting out a lot of American meat, and also your meat.

83. But could they not use it in addition to what America and we are sending?—Very possibly they could. I believe there is a very big increase before the trade amongst the poorer classes of people if they could get it.

84. Do I understand you to say that you consider that if this large quantity went to England, it would mean the displacement of some of our meat?—Not now that they have stopped the importation of live-stock from the Argentine.

85. Does a similar quantity not go in in another form—in chilled and frozen?—Yes; it will all go in in that form.

86. Have you considered whether it is advisable to send chilled meat from Australia and New Zealand, as is done from the Argentine?—No; I think the journey is too long.

87. How long was it from the Argentine for that chilled cargo which was sent?—It was nineteen days. All the chilled meat has been sent in mail-steamers, and they take nineteen to twenty days from Buenos Ayres.

88. Are you correct in that statement?—I was seven years in that trade. No frozen meat is sent in the mail-steamers—it is only the chilled meat.

89. How long is it since you gave up your seafaring life?—About fifteen years. The contracts are given to the Royal mail steamers for all chilled meat. The majority of this chilled meat is sent in such steamers as the Thames, Danube, Orinoco.

90. What effect on prices will the establishment of the seven companies you spoke of have?—I believe the competition will be very severely felt, and that it will bring down the values of land here.

91. Do you think the price will be lowered for Argentine meat?—Yes.

92. And of course that will affect our position?—Yes; that will follow.

93. Is New Zealand meat suitable for the North of England trade?—I have been generally told the other way—that they want lean meat.

94. I mean the trade about the manufacturing districts?—Yes; they like lean meat there.

95. What chances do you think there would be of establishing the New Zealand meat there and displacing Argentine meat in the north of England?—I do not think you have the least show. I think you are in for a terrible fight with them.

96. You think the working-classes—the operatives and those working in the factories—prefer the lean meat?—Yes.

97. Do you think it is possible to reach the middle-class of people in the north of England with our meat?—I think it is very possible.

98. I mean by opening shops and displaying it under very favourable conditions?—But you are going to have the better class of meat from some other country sold at 1d. or 2d. a pound less alongside. You want to know if there is not a market for the better class of meat. I say there is, but directly you start, the Argentine companies will start against you.

99. Do you think the Argentine suppliers would cut below cost and beat New Zealand in the competition?—The Argentine people have such a big margin between profit and loss that they would make a little profit and you would make a loss.

100. Is your opinion, if a good shop were opened showing the best New Zealand meat, that the Argentine would send its best meat there and destroy the chance of success?—I am quite certain they would.

101. Have you ever considered Lord Winchelsea's system of supplying British farmers' produce direct to buyers in Long Acre, London? I went there and saw his shop?—Yes.

102. What was the result of that?—Our London correspondent, referring to New Zealand's proposal to open meat-shops, writes as follows:—"There is some little parallel between this scheme and Lord Winchelsea's plans to help the native producers, plans which ultimately brought him to an untimely end owing to failure and the base ingratitude of the people he intended to benefit. He established a store in Long Acre to be supplied with goods from farmers and English producers only; the enterprise was short-lived, mainly for two reasons: it was worked on a too expensive scale, and the producers failed to support it."

103. If a plan for establishing shops in England were adopted, would you consider it advisable to establish them on a wide principle or to open just a few?—I have read the scheme pretty fully, and I think the bigger the scheme the more expense it would be to the taxpayer, and consequently the smaller the scheme the less expense. I believe it all means a dead loss to the taxpayer.

104. You think it would not be successful?—I do not see how you could make a profit out of it, and I think you will make a big loss. It means a splendid advertisement, but a very expensive one, in my opinion. It seems to me that you will benefit your opponents as much as yourselves, as it will be an advertisement for all.

105. Do you not think our best meat is so good that people would stick to it in preference to Argentine meat?—No; I consider the best class of Argentine meat is quite as good as New Zealand meat.

106. This may be considered a delicate question, but I would like to ask, have you any personal interest in the Argentine?—Could I have any personal interest if I strongly advocate the English Government putting 1d. a pound on their meat and 1d. a pound on butter? The whole of my interests are here, and my favourite country in the world is New Zealand, except one. I am very glad to get the opportunity of saying this to you, that my favourite country, next to England, is New Zealand, and my whole interests are bound up in the colonies. I say that preferential trade is our safety, and that it means handicapping the Argentine.

107. If New Zealand meat is not much superior to Argentine, how is it that they are always trying to sell Argentine meat as New Zealand?—I have heard many reports about that, but I think your policy is to sell your meat whether it be as prime English or anything else. It does not matter who takes it—sell it.

108. Would you approve of branding the meat?—Distinctly not.

109. Do you not think that by selling the best of New Zealand as something else New Zealand loses?—Distinctly not. If I had a mutton-chop on my table with the brand on it, I should be ashamed of myself, and I think my visitors would also be ashamed of it. People do not want their friends to know that they are getting frozen meat. As I said before, we will not touch frozen meat in Australia, and why should the English people want frozen New Zealand meat in preference to English?

110. Do you say that very little Argentine meat is stored in England?—Very little.

111. Referring to your suggestion as to having large stores here, do you think it would depreciate less in cold-stores here than in London?—I think if you can get regular supplies in New Zealand it would regulate supplies in England. I think it is well to send regular supplies to England so as not to let people think you can swamp the market at one time and at another time hold the meat back.

112. Regarding the price of labour and the price of land, what, less cost of production, do you think obtains per pound on mutton in the Argentine as against New Zealand?—If the British Government would put 1d. per pound on Argentine meat it would make up about the difference.

113. You think land in the Argentine at £10 an acre is of just as good quality as land out here at £25?—I do. Land that I have seen at £7 there is equal to your best that I have seen in the Hawke's Bay District.

114. And what are wages in the Argentine?—About 10s. a week for agricultural labour.

115. Would you advise any system of combination on the part of the freezing companies here?—Yes, I tried, with Mr. Twopeny, some years ago to form a combination, but could not. There are too many agents in London, no doubt.

116. How many towns did you notice Nelsons were in the habit of distributing meat in? Were they situated within fifty miles direct north of London?—I cannot say, but I think the bulk of them were distributed about the midland counties of England.

117. In how many of those towns are supplies sent to for the purpose of the army meat contracts?—I could not say at all. I should like to know that.

118. Referring to the question of stud sheep: if the Argentine people buy stud sheep from New Zealand, does that not prove that our stock are bred from as choice sheep as are those in the Argentine?—No; they come to Australia for Merino rams. They go to the Murrays for Merino rams. But you have magnificent stock here. If they come here for new blood it is not because they have not good blood themselves.

119. If there is such a difference in the quality of prime River Plate mutton and the inferior mutton sent by them to England, how is it that the price fetched only differs on the market by  $\frac{1}{2}$ d. per pound?—Because I think the men are such clever business-men. They fix the price as near as they can to make it apparent that the quality is all the same. If lean mutton goes north the people in the north imagine it is the best mutton, and so it is for them.

120. *Mr. Laurenson.*] What is the difference in freight between Argentine and New Zealand, and its effect on frozen meat?—I cannot tell you exactly, as many of the Argentine works have their own steamers, and they take back all the supplies for the works.

121. Approximately there would be a difference in favour of the Argentine of perhaps  $\frac{1}{2}$ d.?—Yes; I should say more.

122. You said that wages were 10s. per week?—Yes, for agricultural labour.

123. What sort of men are they—half-breeds?—Yes, and Italians as well.

124. Those men would not be equal to New Zealand labourers?—It would be hard to say they would not. The hours of labour are measured by the sun, and in summer they get two hours off during the middle of the day. They get 10s. to 15s. a week, for what we call ordinary rouseabout labour, which includes meat and *maté*.

125. You gave the figures as to the price of land, which would beat New Zealand by about 2s. 3 $\frac{1}{2}$ d. per sheep per annum?—Yes. The land has been increasing in value rapidly. Mr. John Cooke bought an estate eighteen months ago, which has now doubled in value.

126. Is there much land there?—A vast area. There are four lines of railway competing between Buenos Ayres and Bahia Blanca.

127. Do they have to buy the land from the Government?—Yes, but every immigrant is exempt from all taxation for five years and gets a grant of land.

128. How much is the grant of land?—I have not got the figures here. If you want to start a butter-factory or dairy you are exempt from all taxation for five years, and, further than that, the local Government guarantees you 5 per cent. on your outlay for three years.

129. Are there many British people there?—There were 66,000 at the last census, and about 80,000 now. There are about five millions in the republic.

130. Principally what?—Spaniards, Italians, Argentinas, Russians—in fact, every nationality. The inducements held out to immigrants are very liberal, as you can see.

131. Are they going in for butter and cheese too?—Very largely. Their output is more than doubling every year. They have captured very nearly the whole of the South African market for butter, and our Trade Commissioner reports that it is looked upon as the best butter in South Africa.

132. *Sir J. G. Ward.*] Can you say, of your own knowledge, whether any country gives as large a price to the producer for sheep as is received generally throughout New Zealand, either in the English market or in South Africa?—No, I cannot say.

133. Would you state your opinion to the Committee as to whether the proposals to establish shops in England would be likely to raise or lower the prices?—My opinion is that it would lower it very much.

134. In consequence of what?—Competition with other countries.

135. Would the proposal, as far as the traders in the Old Country are concerned—that is, the butchers and salesmen—be looked upon with favour or disfavour?—I will read the resolution passed at a meeting of the Manchester and District Meat Retailers' Association: "As this action will be the means of a struggle between the large producing firms of South America, Australia, the United States, Canada, and other countries, and ruin to the meat retailers of this country, we, the members of this association, pledge ourselves to discontinue the sale of all New Zealand meat whatsoever in the event of the New Zealand Government carrying out this scheme."

136. Do you think that would be likely to occur?—I think it will. I think you will so damage the industry by going against the retail butcher that the scheme will do more harm than good.

137. Regarding the branding of meat from New Zealand, would that be accepted by the retailers in England as an advantage to them by enabling them to obtain a higher price for New Zealand meat?—No, it would act the other way—I think you would get a higher price for the unbranded than the branded article. Branding is a disfigurement—you get an ugly brand on your joint, and few would care to eat such meat.

138. I presume it is a fact that the English butcher is not above selling either New Zealand or Argentine meat if he can get a higher price for it?—Certainly not, and therefore it is all to the higher advantage of New Zealand to get it sold. You are cutting the ground from the butchers' feet by branding it.

139. Would it increase or benefit the sale of meat from New Zealand if we took steps to advertise it as New Zealand meat?—Decidedly it would be a very great advantage to you, and also your opponents, who would gain proportionately.

140. Do you think it would increase the sale of our meat?—I think your opponents would undersell you. I will give you another extract: "Mr. William Nelson, chairman of James Nelson and Sons, responds in the following enigma to the request for his opinion: 'Really, I wish the New-Zealanders every success, and the greater their success the greater will be our success.' Certainly it is safe to say that most of the special systems and innovations introduced into the wholesale handling of Australasian frozen meat here have played into the hands of the Argentine exporters." They recognise that you are advertising their meat as much as yours.

141. Have the Argentine people improved the quality of their meat?—Decidedly.

142. Is there any difference in the quality of New Zealand and Argentine meat?—Argentine prime is equal to the prime of New Zealand. One very big man said there was a slight advantage in favour of the Argentine meat, because it was not so long in the ice.

143. What is the rate of freight between the Argentine and London, and from New Zealand to London?—I cannot tell you that, but I will send a book down to show you that. To South Africa the distance is only fourteen days, with a fair wind and at a very small expenditure of coal, and there is everything in their favour. The freight from Buenos Ayres is 19s. to £1 2s. 6d. per ton for general produce.

144. I understand it is a fact that the great meat firms, previous to the recent war, have been in combination, and it is a very powerful organization?—Yes; very powerful. If you started to cut the prices the Argentine Government would immediately subsidise all the companies up to 6d. a head for exported carcasses. They did that some years ago, and are prepared to do it again.

145. You favour the combination of the freezing-works of the colony, I understand?—Yes.

146. Supposing the State were to own all the freezing-works of New Zealand upon a 4-percentage basis of capital, and undertook to freeze free to all growers, and taking for their profits the by-products, would that, in your opinion, place New Zealand upon a strong footing for the purpose of meeting a strong combination such as that of the Argentine, in order that we might place our meat upon the English market at a comparatively small price, but with a better net result to the producer here?—My experience in Australia is that there is no State experiment there where they have been able to pay interest. We have not paid interest on one single thing run by the Government, and our railways have been running at a loss. As long as you run anything as a State concern you get the Government stroke. The Australian Colonies have entered on nothing that has paid interest, and its concerns have only been kept alive by borrowed money. The Adelaide and New South Wales Export Boards have cost more than double the total amount of money dealt with to run them. I can give you the railway figures. You can tell me of nothing that the Government have attempted to run which has been a financial success, and therefore I do not believe anything will be a financial success if it is run by the Government.

147. *Mr. Laurensen.*] Why has it been a failure in New South Wales?—Because a man who has a vote can do what he likes. If he loses his employment under the State, he has his friends and relations who sympathize with him, and the Government knows that they will lose a number of votes.

148. In New South Wales?—Yes.

149. *Sir J. G. Ward.*] It is the altered conditions in the Argentine, and in the meat-producing world generally, that are causing fear in the minds of some people that the output from our colony may lower values to the producer, and it is in the interests of the colony that we are anxious to obtain information and strengthen our position if we can. Now, there is a powerful organization in the Argentine which controls the freezing-works, and they would work as one man against this country. If a combination is necessary in order to fight them, the problem we have to face in order to fight them is whether the various companies could do it themselves, or whether, without doing an injury to the freezing companies, we could practically by combination allow the freezing to be done free of cost, so as to give our producers an opportunity of successfully fighting in England?—If you could depend upon not having a large increase in the Argentine production, there might be something in it, but when you remember that you have to fight under your proposal the whole trade—including the butchers' ring of Great Britain—and, at the same time, the Argentine people are doubling and trebling their output, I think you are driving the trade at Home into the hands of the Argentine.

150. My idea is to allow the freezing-works to be run for the free use of all, so as to enable the producer to get the highest price possible, and to save the initial cost of freezing by making it free to all. The whole thing comes down to the saving of cost and charges in this country, so as to enable us to successfully compete, particularly in the annihilation of distance, against the big

organizations of the Argentine. I am of opinion that if the by-products of the sheep frozen in this country were set aside the result would more than cover the cost of freezing for the combined freezing-works, and if we could get into the position of freezing free of cost to the producer, and could lower our freights also, that it would produce much better results to the growers than to enter into competition with the butchers at Home?—Do you think it would be possible to do that cheaper as a Government than private people could do it? Take the companies engaged in freezing here for the last ten years, I suppose they have made barely 4 per cent. on the capital invested.

151. But if everybody could hold their produce it would prevent that glutting of the English markets which has so often resulted in a fall of prices?—But how is the Government going to make 4 per cent. out of it?

152. If we had the by-products, the cost of freezing might be covered?—Of course, if you had unlimited resources on the London market for money, it would be a very good idea, but late advices show that they have closed their pockets so far as the colonies are concerned.

153. Is it not a fact that the whole trouble lies at this end in consequence of people forcing large quantities of meat into the English markets at one time, and later nothing?—Yes, there are 400,000 carcasses available for the next five months, and you have already sent 1,600,000 for this year.

154. *Mr. Buchanan.*] You recollect that in 1901, at the beginning of the year—say, up to February—prices were very high: North Island frozen meat reached 4½d. on the Smithfield market. Immediately thereafter it became impossible to make c.i.f. sales, and every freezing-works in New Zealand was impelled by necessity to store every carcass they could hold. Speaking for the Meat Export Company, that was the course followed, and to such an extent that some of the meat frozen in February and March was not marketed in London until the latter end of the year. In spite of this precaution—in fact, it was a necessity—every freezing-works in the colony lost money, as compared with what they would have pocketed had they sold earlier, even at a drop of 1½d. per pound. I can only account for it by other portions of the world affecting the market and bringing about that result. Can you throw any light on the failure to reap any advantage from the storage of such a large quantity of meat in the various freezing-works in New Zealand?—I cannot remember the details of that. I have no doubt that at the time I wrote on it, and gave some reason for it, but I cannot recall it to my mind right off.

155. I think it is well to have it recorded that the Wellington Meat Export Company's brand, well known in connection with North Island mutton, suffered considerably, because of complaints of staleness in the appearance of the mutton, though it was undoubtedly stored under much better conditions than would be possible in England by storing it over there?—Yes.

156. *Sir J. G. Ward.*] Can you suggest anything that would help a colony like New Zealand to improve the general condition of the meat-market?—Yes; I have suggested better shipping facilities, more regularity of shipments, and, above all, advocacy of Mr. Chamberlain's preferential-trade scheme.

157. *Mr. Laurensen.*] I understand the large companies in the Argentine have a combination amongst themselves?—Yes.

158. And they go into the retail business of England?—Yes.

159. Have they been boycotted by the butchers' ring, and, if so, did it have any detrimental effect?—Some of the men are Argentine dealers themselves. Eastman's have a thousand shops of their own, so that it would not matter if all the butchers in the world tried to stop them.

160. Do I understand that the butchers' ring is composed to a large extent of men interested in the Argentine business?—They deal to a large extent in Argentine meat, and Eastman's are cutting down half New Zealand and River Plate meat. Nelson's cut New Zealand lamb and a little New Zealand mutton. Parsons use New Zealand meat entirely, and they have fifty shops.

161. I understand there is a very large and strong butchers' ring?—Very.

162. They are interested in the retail trade?—Quite so.

163. Would not the result be a very serious split in the butchers' ring if New Zealand entered into competition with them, and would not that apply also to the Argentine?—I have explained that they have Argentine butchers among them. The number of shops selling Argentine meat amount to four or five thousand, and they sell New Zealand meat as well as their own.

164. Argentine men are sometimes interested in the butchers' shops as well?—Yes.

165. Would it not be to their interest at present to burke the sale of New Zealand meat in England, even if they do not burke it now?—But if they made a profit out of it they would sell it.

166. You do not think the balance would be in our favour if we opened large butchers' shops and sold against them? Supposing they excluded it altogether from their shops, would not our selling it solely counterbalance any boycotting by the butchers' ring?—I do not think so. They would start alongside of you. Besides, it would be Government against Government. The Argentine Government would pay a subsidy of 6d. a head on every sheep exported.

167. What are Argentine bonds worth now?—I have not the figures with me.

168. *Mr. McNab.*] Is not the objection made by the butchers against the Government competition because it is not a private trader?—

169. And it would not apply to any private trader carrying on operations even as extensive as the Government would carry them on?—No; they would join the ring probably.

170. *The Chairman.*] I may take it that, in your opinion, unless we show keen enterprise we shall be threatened with loss?—Yes.

171. To what extent do you think the sale of New Zealand meat prevails in Manchester?—I should think it was very little indeed.

TUESDAY, 4TH AUGUST, 1903.

H. C. CAMERON, Esq., Produce Commissioner, examined. (No. 4.)

1. *Mr. Buchanan.*] The first item in the order of evidence relates to the quality of sheep bred. Do you agree, Mr. Cameron, that the best Argentine frozen mutton imported into England is as good as the best North Island mutton?—The best quality of Argentine meat which goes on the Home market is greatly superior to what it was a few years ago. The quantity, however, is not yet very great. Personally I cannot say with what rapidity the quantity of superior mutton will increase, but from hearsay evidence I understand there is every probability of it increasing considerably. The quality of the best River Plate mutton I have seen at Home I consider to be equal to the best of North Island mutton, and also to Southland and Dunedin mutton, and the ordinary run of Canterbury mutton.

2. In a cutting from the *Australasian* I find it reported that in 1899, 3,935 Lincoln pure-bred sheep were imported into the Argentine, 391 Hampshires, 284 Shropshires, 502 Rambouillet, 74 Oxford Down, 30 Leicester, and 2,311 Mestizo Lincoln. These were mostly rams. With the knowledge we all have that for years past the Argentine has been far and away the best customer for the sellers of pure-bred stock in England, is there any reason why, as time goes on, frozen mutton generally from the Argentine should not be as good as New Zealand?—I know of no reason why it should not be as good as New Zealand. I fear the competition, and think they will improve their mutton and overtake us in quality as well as in quantity.

3. Have you any complaint to make against the slaughtering and grading of frozen mutton from New Zealand?—No, I think the sheep I see coming Home are slaughtered and dressed in an entirely satisfactory manner for the Home market.

4. Are you acquainted, for instance, with the Wellington Meat Export Company's brand?—Yes.

5. Are you aware that that brand is always sold without recourse to arbitration?—I have heard so; but, certainly, I do not know that.

6. Are you not aware of the general custom of the trade; as to what extent c.i.f. purchasers in London have the power to call for a survey and get an allowance if the quality and grading are not up to the representations made when the meat was sold?—Yes; I understand there is a clause in contracts that, if the meat is not up to the quality and grade represented, the purchaser has the right to call for arbitration to settle the point, and if it is not according to the agreed-upon quality he gets an allowance.

7. Are you not aware that the Wellington Meat Export Company and some other companies in New Zealand sell their meat without any power of recourse by the purchaser to an arbitration court?—I have heard so, but, personally, I do not know.

8. How does the slaughtering and grading of New Zealand meat compare with that done by the Argentine companies?—The slaughtering and dressing of New Zealand mutton is better on the whole than Argentine. The grading is entirely different in New Zealand, and more elaborate. In the Argentine they do not divide their mutton into so many classes.

9. *Mr. Aitken.*] You said, in reply to Mr. Buchanan, that the grading was much more elaborate in New Zealand than in the Argentine; do you think it is too elaborate here?—Well, I would scarcely care to give an opinion as to that, seeing that the grading that is now in force in the various freezing-works here is the outcome of many years' experience on the part of those specially interested in it.

10. What I mean is this; do you think the grading has a prejudicial effect in London—that is to say, if the Argentine people have perhaps fewer grades they have an advantage, inasmuch as the butcher knows what is meant by grades 1, 2, and 3?—No; I rather approve of grading for this reason; that a buyer desirous of obtaining a certain class of mutton has a better chance of getting it than if it were sold on a long line, subject to that line being of a certain average weight. If the sheep are divided into subdivisions he can get what suits his purpose better than by buying an average line.

11. Then it is an advantage to have the severe grading which New Zealand mutton goes through?—I think so.

12. *Sir W. R. Russell.*] You say in your report, "Very often complaints are made at Home by those handling our meat of the deterioration in quality of much of it." Have you observed yourself this deterioration?—The complaint in London is that there are not such large quantities of prime New Zealand mutton going Home as there used to be. My explanation of this complaint is that, there having been a very large increase in the quantity of mutton sent Home from New Zealand in recent years, compared with what was sent ten or twelve years ago, there may be still as many prime sheep going Home as formerly, but the proportion is less, and consequently good quality is not so noticeable as it was formerly.

13. What form does the deterioration take?—The complaint is regarding the quality of mutton not being so good as it formerly was.

14. By the quality, do you mean that the breed is not so good, or that it is improperly grown, or what?—The quality means really the breed of sheep. The small, nuggety, well-matured mutton which gave the repute to New Zealand exports has been lost, they say. The apparent quantity of that fine class of mutton is now less on the market than it was before, and the general run of mutton is becoming more uniform. The North Island mutton is not now so distinct from Canterbury mutton as it used to be. It is maintained that Canterbury mutton is deteriorating in quality, while North Island mutton is improving.

15. But has not the average weight of sheep, not quality, improved?—I think from the statistics I have seen that is so. I, of course, merely give you the report made by those who are interested directly in the handling of the meat in London. My own belief is that these complaints arise from the smaller proportion of fine mutton that goes Home now.

16. Do you see the meat yourself much at Home?—Yes.

17. What is your own observation; does it lead you to think that the meat is coarser or finer than it was before?—I was not in the Home market ten or twelve years ago, and I do not myself notice the great change referred to in the mutton since that time.

18. You do not think it has improved generally?—No.

19. Do you think it has fallen off?—My opinion as Produce Commissioner may not appear to you to carry as much weight as that of those handling the meat; but it is that generally New Zealand meat during the last six years has not depreciated very greatly.

20. I should think your opinion, as an absolutely impartial opinion, ought to be of value; but my local knowledge out here would lead me to say that more attention is now paid to the breed of meat than before, and therefore I am surprised to hear this?—I consider that North Island sheep have been improved, while those in the South have deteriorated.

21. You also say, "I believe it may pay the producer better to sell heavy weights at lower prices." I should think the weights were getting lower every year?—Yes, I believe your contention is correct.

22. *Mr. Buchanan.*] The average weight of over thirty thousand sheep the other day in the stores of the Wellington Meat Export Company was only 53·3 lb., and that weight would have been considerably heavier a few years ago?—Yes.

23. *The Chairman.*] I take it that the complaints made to you in regard to the falling-off or deterioration are not in your experience confirmed?—I do not go so far as those in the trade, who say that there is this great deterioration. I have explained my contention; that, while I think that North Island mutton has been improved, there is room for complaint to be made with regard to South Island mutton. I can speak from experience of Canterbury mutton, and I find now that there is not such a large proportion of prime-quality Canterbury mutton as I used to see when I was in business and handling it.

24. Do you mean to say the relative quantity of good quality is not kept up?—Yes.

25. What is the Christchurch Meat Company's prime brand; is it still "Eclipse"?—Yes, "Eclipse" is still the mark.

26. And the second quality—Is it not Christchurch Meat Company's?—Yes.

27. And the third quality "Crown"?—Yes.

28. The average value of Canterbury prime over North Island meat is 2½d. a stone more?—It has come down to 2d. a stone. They have approximated more closely.

29. There is really only a difference of 2d. a stone between North Island prime and Canterbury mutton?—Yes. If there is a scarcity of prime Canterbury the difference for that quality might go up 1d. per pound, but North Island meat has come nearer to Canterbury. Last year the average price for North Island mutton was rather over 3¾d. per pound, and the average price for Canterbury mutton was just under 4½d. per pound.

30. There was only ¾d. per pound difference?—Yes, not quite ¾d. per pound.

31. Now, with regard to the question of grading for weights, do you approve of the weights fixed by the Christchurch people as to grading?—Yes; I think they grade very satisfactorily. They used to grade in 5 lb., but now they grade in 8 lb. standards.

32. Have you noticed the Belfast grading?—Yes, and, as far as I can see, it is more on the lines of average weight. They do not divide into so many classes.

33. Which system do you approve as being the better, the Christchurch or Belfast Company's?—I approve of dividing into grades as being more suitable to the needs of the purchasers.

34. Do you think it is detrimental for sales to slump a whole lot of sheep, say from 45 lbs. to 80 lbs., upon the market?—I think it is detrimental to any class of New Zealand produce if it is slumped all together. I believe in every line being graded into particular classes.

35. What do you advocate in the absence of the companies grading into suitable weights? Would you advocate regulation by Government for weights and for quality?—I advocate grading by Government merely for quality.

36. You would let sheep of from 45 lb. to 80 lb. go in as one class?—Yes, if the quality be equal. I believe in the Government grading meat into first quality, second quality, and third quality. The companies could then, as they do now, attach their tags to the carcasses, making their subdivision marks.

37. Does not that appear to be contrary to what you said just now, that slumping sheep was a drawback?—The companies can grade as they do at present, the Government merely guaranteeing by grading the quality of the meat. What I say distinctly is this; I am in favour of the Government grading and branding the mutton into first, second, and third quality. At present the sheep going into the freezing-works are first, second, and third quality, but there is no distinction made other than that the companies make. If the Government divided the sheep into first, second, and third quality mutton the companies would still be able to put their tags on, as is done at present, and subdivide them to suit themselves and the requirements of the market. The Government would merely guarantee the quality of the meat. I will give you an illustration of what I mean: At present the meat goes Home to the English market with tags attached. When it reaches the retail butcher he takes the tags off, and then there is nothing whatever to distinguish the meat as being of any particular quality. The third-class mutton can be sold by the butchers as of first-class quality. Under Government grading the meat would be retailed according to quality. The value of the better class would not be depreciated.

38. Do you think the Government can grade truer than the experts employed by the freezing companies?—Certainly not. The Government would have to employ experts as the freezing companies do.

39. The question was whether they could do it truer?—I do not say they could, but I think they would do it as well.



40. You refer to second and third class qualities going Home and being sold as first: is there much of that going on?—I consider all old ewes going Home ought to be classed distinctly. I would put them into the third class.

41. Are they not so classed at the freezing-works now?—Yes. I know they are graded there, but the tags are detachable, and there is nothing to indicate what quality they are when the tags are taken off.

42. The tags do show the grade, but that is rather connected with the question of branding sheep?—I think it applies.

43. What are the three classes of Christchurch meat sent Home?—They have got three brands, the "Eclipse," the "C.M. Co.," and the "Crown."

44. How many classes do the Belfast people send?—I would not like to say from memory. You could get that information from those specially interested in the works here. I know they have a Belfast tag, and they have another tag, with a sort of gridiron, I think, on it. But in connection with those brands it would be better to get the evidence from special witnesses.

45. Do you think the Government could discriminate these classes better than the companies?—Not better, but as well.

46. *Mr. Buchanan.*] Is English meat graded so as to prevent third-class-quality English meat being palmed off on the customer in place of first-class?—No.

47. Assuming that Government graders graded the meat, how would you keep them in line, in the absence of account sales or reports from c.i.f. buyers by which the grading could be judged?—At present if a freezing company's grader does not do the work properly there is an immediate check upon him in the adverse results of account sales or adverse reports from c.i.f. buyers in England, and that grader is immediately put in his proper place by being compelled to amend his work or discharging him. How would you keep the Government grader in line?—The same would apply if the complaints were found to be genuine. The Government grader would have to be dealt with the same as the freezing company's men would be.

48. The freezing companies demanding the discharge of the Government grader would have no power to insist upon that being done. As the matter stands at present the incompetent grader would be "shot out" by the companies?—Well, I suppose the grader would be "shot out" by the Government if he were found not to be doing his duty.

49. Would you apply your first, second, and third grades to the different breeds of sheep that are grown in the various parts of New Zealand? I presume you have in your mind a code of instructions which would be common to all Government graders at the various freezing-works; how would you apply such a grading to the various differences known to exist in the different breeds grown in different localities?—I should not grade according to breeds, but according to the quality of the mutton after slaughter. If it were finest quality mutton, and would be so recognised on the London market, it would be graded and branded as first quality here.

50. Irrespective of whether it was Lincoln or Southdown?—Irrespective of breed. Lincoln mutton would not, probably, often be graded first class.

51. Would you not have first, second, and third quality applied to the Lincoln as you would have in the finer Southdown breed?—No, certainly not under Government grading. That would be distinguished on the markets by the company's sub-marks. For instance, take the Wanganui Company's mutton, first grade. No one at Home would consider that mutton of the same quality as first-grade Christchurch Meat Company's "Eclipse" mutton. The Wanganui Company's tag would indicate which was Wanganui Company's mutton, and the "Eclipse" tag would show which was Christchurch Meat Company's meat. I have said that what the Government should grade for is quality, irrespective of the freezing-works or district the meat came from in New Zealand.

52. *Sir W. R. Russell.*] Do the butchers rely on their own judgment in purchasing?—Many rely on their own judgment, but not all. Meat is often bought on the London market the same as cotton goods are bought—according to the trade mark.

53. *The Chairman.*] Would you suggest any change in the present system just now in order to improve the position of meat on the London market? Do you think that grading is not sufficient now to bring about the best results, or do you think you would leave the grading as it is?—Without going further, I advocate all meat being graded into first, second, and third qualities, leaving the grading as it is, inducing, if possible, any companies that do not grade sufficiently, but who slump their meat, as you have just stated, to grade as the Christchurch Meat Company and some others do.

54. Would you mind embodying in your report what you think should be done regarding grading? I am not so clear whether you think the system at present is so serious that you suggest an immediate change or would allow it to remain as it is. Now, with regard to the question of arbitration, it has been pointed out that certain meat companies sell on their grade certificates. Is it not a fact that, as a rule, two prices are fixed—the price the purchaser will pay subject to London arbitration, and the price in the absence of London arbitration—are you aware that that is the practice when selling?—In dealing with the subject myself I can only state what I have heard, and that is that such arrangements as you refer to are made.

55. Do you know as a fact that that is the practice?—No; I do not know that it is the practice.

56. Now, with regard to the question of arbitration, do you feel satisfied that the system now obtaining of arbitrating when a claim is made allows justice to be done to the seller who ships from here?—You mean that if a seller has sent meat Home the purchaser has a claim for quality at the other end?

57. Yes?—Do you mean is the system adopted in assessing the damage satisfactory?

58. No; the quality. Suppose a man sells 1,000 sheep subject to London arbitration, at 2s. 6d. per stone. Appeal to arbitration is made, and the assessor, on seeing the sheep, declares



that they are not up to quality. Is the system of arriving at the decision whether they are up to quality or not such as would secure justice to the New Zealand seller?—I can scarcely follow you yet.

59. I mean is the assessment set up on lines fair to the New Zealand seller?—I have seen arbitration, and I have seen allowance given for quality in arbitration, which I hold was not necessary. It was not arbitration for damage covered by insurance, but arbitration for quality.

60. The whole essence of the question is, whether the court which decides the merits of the article is on such lines as will secure fair play to the man at this end?—In arbitration one man assesses the damage for the seller and another man for the buyer, and if they do not agree an arbitrator is appointed. I think that ought to be satisfactory. We are assuming that the assessors are honest men.

61. As a matter of fact, is not the arbitrator a butcher in Smithfield who is called upon to decide?—Very often he is.

62. Have you heard of any case where he was not?—There are men whose special business it is to arbitrate. Mr. Hindle Smith is a gentleman who is often called in.

63. Do you mean to say that if there is a dispute between two parties, Mr. Smith will come in as arbitrator?—Yes, if he is agreed upon.

64. Are you aware that Smithfield has objected to him as an arbitrator?—I have heard so.

65. Do you think it fair to the New Zealand seller that if there is a dispute between two parties they will only have a butcher interested in the trade to finally determine the claim?—I cannot say that is the rule, but I know that very often butchers do assess the damage.

66. I am referring to quality, not to damage. Do you know of any case that was decided by any one who is not a butcher?—No, I do not know any particular case.

67. Then, if you do not know of one case being otherwise settled, do you think the system is a fair one?—Of course, it is assuming that the men are not honest to say so.

68. Putting it on ordinary lines: If a butcher is called in from Smithfield to arbitrate to-day for his neighbour butcher the obligation might be required some other day, and the first man be called in to arbitrate in the other's case?—He might be.

69. Do you think those are fair lines of arbitration?—They are not the best, I admit.

70. What do you consider the best weights for prime lambs and sheep?—The best weights for prime sheep are from 52 lb. to 64 lb., and for lambs from 32 lb. to 36 lb. Buyers at Home usually like lamb in quarters, and 32 lb. lambs cut into 8 lb. quarters, and 36 lb. lambs into 9 lb. quarters.

71. *Mr. Hardy.*] With regard to the weight of lambs, you say that from 32 lb. to 36 lb. are the best?—Those are considered the prime weights.

72. In Canterbury they think that 36 lb. to 40 lb. are the best?—They get a little more weight perhaps for their money when buying them alive.

73. *Mr. Duthie.*] In grading your quality of mutton you are ignoring the weights. You say that a 55 lb. sheep is better than, say, a 70 lb. sheep, and I do not know how you can ignore weight. The two things, weight and quality, are intermixed?—I quite agree, but there must be a comparatively wide range. Butter is graded, and first quality butter ranges from 88 to 100 points. Allowing that the freezing companies make their subdivisions, you must have a range in regard to quality. I could not divide it into twenty qualities.

74. Mutton might be first-class with a weight of from 60 lb. to 65 lb. as a limit, and then you could not label a 70 lb. sheep as of first quality?—There might be a first-class sheep of 70 lb. weight. It would be for the freezing companies to arrange that subdivision as at present.

75. This question then is of no importance?—So far as it affects Government grading it is.

76. I understood you to say in connection with Government shops that the consumers would be guided by the tags on the carcasses?—No, by the Government brand. The tags at present used are useless for the retail trade.

77. I thought you were talking throughout of distinguishing the mutton by tags?—No, I referred more particularly to the Government branding the meat.

78. You propose to advocate some kind of Government branding?—Yes.

79. *Mr. Hardy.*] Do I understand you to place eighty-eight as the first-quality butter?—Yes, eighty-eight points upwards.

80. Then why is it that graders in the colony class it differently?—It is the Government grading in the colony that I refer to.

81. Do you mean to say that you could get the same price for a 70 lb. line of sheep as for a 55 lb. line of sheep?—No, your sub-marks would distinguish that.

82. I do not understand you?—Your present grading would be still in force.

83. *Mr. Aitken.*] Would it be possible to do this; to state a brand of mutton—Southdown, or whatever it is—and then to have one, two, or three grades for that particular class?—That would involve so many sections that it would be impossible to have the grading done by the Government.

84. *Mr. Buchanan.*] Now, take the discharge of shipments; when I was at Home on two different occasions I tried hard to get people at Home to adopt the endless-chain system of unloading carcasses. Can you tell us to what extent ships now discharge frozen mutton by this plan?—About three years ago the endless-chain system was adopted by the shipping companies. A telescopic apparatus is lowered into the hold and an endless-chain with arms lifts the meat up out of the ship. It is then slid on to the wharves, where it is handled for distribution.

85. Have you seen sheep drafted in the colony by the ordinary method of a "race"?—Yes, I have done that work often.

86. Is there any reason why an endless-chain should not convey the sheep right along into the dock company's stores, and the carcasses drafted by means of a swing-gate. Two or three men, as the case might be, could be employed to draft the sheep into the various qualities indicated by the marks, thus preventing all the knocking about and handling, with the consequent damage?—In

order to do what you now suggest, a few years ago a suggestion was made by the New Zealand Government to the shipping companies and the dock company at Home to erect a sorting-shed at the docks, into which all the meat could be discharged and sorted for distribution. Unfortunately nothing came of the suggestion, and under present business conditions at Home there seems no probability of getting this done. It would be quite unnecessary to have the gates you suggest for the carcasses to be sorted into various lots. The proposed plan is adopted in the C. C. and D. Company's store in London, and is a very efficient method of handling meat. If the sorting-shed were erected it would be an excellent thing for the colony.

87. But, assuming that all the meat was sorted in the dock store, is there railage communication with Smithfield Market available at short notice?—No.

88. That difficulty has not yet been got over?—No, it is all conveyed by horse-vans.

89. And what is the distance to Smithfield from the docks?—About twelve miles.

90. Do any of these river barges carry refrigerating machinery?—No. They are insulated.

91. All of them?—No, but all are supposed to be so.

92. When I was at Home last I saw some of these barges waiting for the completion of their loading, and the top tiers of the mutton were quite soft?—That was about twelve years ago. The conditions have been greatly improved since then.

93. Is any damage of a similar character now going on through the thawing of the meat in transit by these barges?—I think barge transit is a very bad system. The barges lie alongside the vessel and have to wait until they get their full load. They often have to wait for the tide, and it may be twenty-four or forty-eight hours from the time they begin to load until they get away up the river. Those barges, loading on the outer side of a vessel, although an attempt is made to keep them as closely covered as possible, of course must have their hatches open, while the sun is probably beating down upon the meat when it is being stowed. I am referring to meat going Home that has to go up river to the cold-air stores. Many of the people handling meat have their own stores up the river. There is only one store at the dock, that owned by the dock company.

94. Is there any damage of this description to Argentine mutton in transit?—The bulk of the Argentine mutton goes to other ports than London, and is discharged "on a face" from the ship. That is to say, there is no sorting of classes or marks done in the vessel. It is carted immediately to the cold-stores, which are only a short distance from the point of discharge.

95. Irregularity of shipments; do you admit that there is any deterioration of meat from a storage of several months' duration even under the best conditions possible?—I consider that if meat is put into a properly constructed freezing chamber immediately it is cooled, and held there, without being handled, for several months, little or no damage would occur to it.

96. How do you account then for complaints made against the quality of the Wellington Meat Export Company's mutton—admittedly amongst the best in the North Island—after it was stored for several months under the conditions you name?—I do not know that there have been complaints made. Can you tell me the particulars of the complaints, and indicate to what you specially refer?

97. In 1901, towards the latter end of the year, the market was rising slightly, and the Wellington Meat Export Company's mutton was sold under the usual conditions, after several months' storage under the conditions you have mentioned, and we had complaints as to the appearance of the meat as compared with the usual state in which the Wellington Meat Export Company's brand is delivered in London?—I remember the season to which you refer. Prices had been high in February.

98. It was late in the year when the meat was sold?—Yes; prices had been high in the early part of 1901, and considerably heavy stocks were known to be coming forward from New Zealand later on. Prices commenced to recede. A number of those who had large supplies in store in London held their stocks there rather than accept the falling prices. After some months they found that prices were not recovering, and they determined to realise. That season, and I suppose about the time you refer to, a large quantity of New Zealand meat that had been held for months in store in London was placed on the market. It came out of store in a very unsatisfactory condition, and very low prices had to be accepted for it. The difficulty that your company experienced in selling c.i.f. then was occasioned by the depreciated state of the market, owing to this inferior meat being placed there at the time you allude to.

99. My question was, how do you account for the complaint of the c.i.f. purchaser, not as to price, but as to the stale appearance of the meat after these months of storage; I did not refer to price?—I cannot say why. All I can say is, that it arrived at a bad time, when the market was depressed, and that possibly the people at Home may have made excuses for getting low prices.

100. Every one admits that the colour and appearance of meat deteriorate by lengthened storage, even under the best conditions, and the purchasers at Home merely indorsed what was evident before the meat was shipped. Some of this meat was frozen in February and March, and not shipped to England until October?—You will admit that meat stored under those conditions, and held here, will keep better than under the conditions prevailing at Home.

101. Oh, yes. How would you get over the irregularity of the shipments from New Zealand if you damage its appearance by lengthened storage, and you have at the same time the great bulk of the sheep coming in fit for the market in four or five months of the year? How would you get over the irregularity which you complain of?—Last year, there was great irregularity of shipment to London, and I think I could explain how that irregularity could have been overcome, and in doing so I will convey to you my suggestion as to how it might be managed in the future. Last year, during the first seven months, New Zealand mutton arrived at Home at an average of 156,000 carcasses per month. During each of the next two months close on 300,000 carcasses were received, while during each of the last three only about 60,000 carcasses were received. I would have ad-

vocated keeping back a portion of the largely increased quantity in the heavy months, storing them, and sending them forward in the following months so as to avoid the disproportion, and to regulate your supplies.

102. *Sir W. R. Russell.*] Who is to pay for the storage?—You have to pay for it in London, and it is as cheap to do it here.

103. *Mr. Buchanan.*] You know the system adopted by the River Plate companies, but that owing to the climate cannot be carried out in New Zealand; you know that the Argentine covers many degrees of latitude, and you have heard from Captain Pearse that they have consequently a large number of sheep coming in all the year round, and therefore they can send forward steady supplies. Is not your remark in the report in respect to this somewhat misleading?—I consider that you must regulate your supplies if you wish to keep your market.

104. *Mr. Duthie.*] You want to equalise the shipments all the year round?—Yes, as far as possible.

105. It really is a seasonal matter; and I should think that if by Christmas our fat mutton could reach the market, when the Home supply is scarce, and from January until the end of June, before the grass-fattened sheep are available at Home, the market for our mutton would be more favourable than if the mutton were sent Home in the autumn?—I agree with you, and that is why I want the supplies regulated during the year to get them on the market at that time. That is the time of the year when mutton is generally scarce at Home. The supplies from here arrive in large quantities about July, August, and September, while there are very small supplies going on to the English market in the months you mention.

106. Our season is pretty well over in April?—Yes.

107. What you want is to hold back our mutton so that it may reach Home during September, October, and November; but I understand that at Home English mutton is plentiful when ours arrives, and we want to get it into the English market when their mutton is scarce?—New Zealand mutton is sold in competition with English mutton.

108. Is it not a fact that two-thirds of it is sold without it being disclosed that it is New Zealand mutton?—No, not anything like that.

109. That was my information, that two-thirds of it was sold as English, without it being disclosed as New Zealand mutton—that is by the retailers?—Oh, no, nothing like that.

110. Is any proportion sold in that way?—Yes, a considerable proportion of your finest mutton is sold as English, and you get no advertisement for your fine mutton in consequence of that.

111. Do we get any difference in price?—No.

112. One of the inducements, then, for butchers to push it as English mutton is that they make a bigger profit out of it?—Yes, they make money under false pretences.

113. Well, it eats very well, and I suppose that is the main outlet for our mutton in the English market?—No, it is not the main outlet.

114. *Mr. McNab.*] Are you quite satisfied that the class of people who buy English and Scotch mutton are not the class of people who buy New Zealand mutton?—New Zealand mutton, when sold as such, is not at present sold to any large extent to those classes.

115. The question I ask is, whether the people who buy and eat Scotch and English mutton are not the people who buy to eat New Zealand mutton?—They are not the same people.

116. Therefore the large supplies of English and Scotch mutton going to the market at certain seasons of the year is not a reason why we should shut off our supplies during those months?—No, no reason whatever.

117. Do you attribute considerable importance to this aspect of the case, that we should equalise our shipments throughout the year?—I do, decidedly.

118. In regard to the improvement in the means of communication between the grower and consumer, will it ever be possible to get over the difficulties that follow when the meat is landed at Home after it goes out of the vessels?—I think very considerable improvement could be made in the distribution of the meat at Home.

119. What improvements do you suggest in taking the frozen carcasses to the up-river stores?—I do not see that any great improvement can be effected in taking meat to the up-river stores. What I particularly refer to in the way of improvement is in making use of cold-air stores throughout the country as a means of distribution.

120. Then you would suggest taking the meat from the ship's side to the country stores?—I would. It is not done now to any extent.

121. That does not apply, of course, to the meat sold at Smithfield?—No.

122. In what direction is it capable of improvement, seeing that you have no railway going into Smithfield? I refer to the communication from the ship's hold to Smithfield?—I do not think you can effect a great alteration for the better in the manner of delivering the meat from the docks to Smithfield.

123. Do you consider that the defects I have referred to in England are a material factor in regard to the profits made on the meat?—I am not prepared to say the profit would be affected to any extent. Naturally, if our meat is put on the market in better condition it follows that the price realised will be higher. At present the damage is covered by insurance.

124. For which the grower has to pay?—Yes.

125. Then you do not hold out any hope for very many improvements in connection with the meat sold in Smithfield?—I do not.

126. Do I understand, therefore, that you would avoid Smithfield as much as possible and sell at country depots?—What I would advocate is that our meat, instead of being all stored in London, as it is at present, should partly be railed in refrigerated vans, as is possible, direct from the ship's side to the numerous cold-air stores in the large towns throughout Great Britain, to be stored and distributed from there.

127. *Mr. Aitken.*] Is the amount of animal food consumed during the months of June, July, and August at Home as great as in the winter months?—No.

128. Is the difference in proportion considerable?—In winter beef and mutton are consumed in larger quantity than lamb. In the summer months the consumption of lamb is much larger. Lighter food, such as game and poultry, then competes largely with the meat-trade.

129. Would not that indicate this: that larger shipments of mutton should go into the market in the earlier part of the winter, and through the winter rather than through the summer months?—I think, the quantity of New Zealand mutton being on the whole a very small contribution to the total meat requirements of the British market, that is really immaterial. It would be better to have regularity of shipment all the year round.

130. *The Chairman.*] Have many ships been fitted up with Arena's recording thermometers?—None.

131. Do you think the system of tests, even going Home, is sufficiently satisfactory in regard to temperature?—I think so. It is perfectly satisfactory if we could rely upon the records being entered in the log-book correctly. Of course we assume that they are recorded correctly.

132. Regarding these sorting-sheds, are you in favour of sorting-sheds being established at the docks?—I am.

133. Do you think it fair to the people up-river, who never make any claim on their meat, to go to all this trouble?—I think it would be in favour of the New Zealand meat trade generally.

134. You say that there is great risk of damage in taking meat up the river, but there is a large cold-air store at the dock—the Victoria Store?—Yes.

135. Are you aware that damage has been declared in that store, whereas meat out of the same hold as that going into the Victoria Store has been taken up to Blackfriars and no complaints have been made in regard to it?—Probably.

136. Would you say that was the fault of the barge or the cold store?—I would say that probably the conditions under which that meat had been kept in the cold store had been bad. Probably that meat had been placed in a chamber that was repeatedly opened.

137. The point is this: If damage was declared on meat in the Victoria Store, which is right against the ship, and the meat going up-river by barge was not damaged, where would be the advantage of having sorting-sheds at the docks?—The sorting-sheds would minimise the damage often occasioned to meat through sorting to marks in the hold of the vessel.

138. Take the meat that goes to the C. C. and D. Company in large quantities: Is there any delay in sorting that meat when it comes in their own ships?—There is no delay, for this reason, that their own ships carry their own meat, and that meat when being discharged is taken out "on a face." There is no sorting to marks.

139. Very well; should an enterprising company like that suffer the infliction and the cost, risk, and delay of having to pass their meat through a sorting-shed at the docks?—I grant that it may seem rather hard.

140. What object is there in it?—The object is this, the welfare of the trade generally. Some one may possibly suffer from any alteration that is introduced in the trade.

141. I suppose that the C. C. and D. Company must pass through hundreds of thousands of carcasses during the year?—Yes.

142. Does not the great bulk of it come in their own ships?—Not so far as I understand, but I cannot speak from personal experience.

143. Would it not be a great drawback, without any advantage to a large proportion of their meat, if it had to go into sorting-sheds at dock? Would you have all this meat that they land go into the sorting-sheds, too?—No, for this reason: that, being all their own meat, carried in their own ships, going into their own sheds, it would be unnecessary.

144. It would not require that all their meat should go through excepting small lots?—No; all their lots that arrive in other vessels would require to be sorted into marks.

145. Do you not think that a lot of the damage complained of is often rather due to the buyers who have bought the meat than to the fact that it has gone up-river—that certain men claim for meat whether it is damaged or not, and get an allowance? Have you ever made any analysis of the class of men that claim?—I do not say that all damage has occurred in the barges. I say that is one of the reasons for damage.

146. Are you aware then that there is less meat, comparatively no damaged meat, that goes into the Blackfriars Stores compared with that that goes into other stores in London?—Yes; that is because most of that meat has not been handled during discharge by the sorting of the marks.

147. If less damage occurs to that meat when it goes into that store than when it goes into stores right against the ship, does it not argue that their system is more perfect than any other in London?—I admit entirely that the C. C. and D. Company is a model in that respect.

148. Is there no rail delivery to Smithfield—is it not connected by rail with the dock?—There is a system that goes pretty close—the Great Eastern Railway, and there is also the Metropolitan.

149. Is there no meat railed to Smithfield?—There may be a small quantity, but it has to be transferred to horse-van. It is not found suitable to send it in that way.

150. What proportion of New Zealand meat is sold as English?—It is difficult to say. What is sold as English is the proportion that is considered the finest quality of meat.

151. Is it 5, 10, or 25 per cent.?—It would only be a guess on my part to say.

152. Would you think a man who shipped an enormous quantity Home would be in a position to say how much was sold as English?—I think not. I believe the only men who could most correctly say what it is are the Smithfield salesmen.

153. *Mr. Waymouth*, in his evidence last year, said that fully 25 per cent. was sold as English?—He does not know. He can only say second-hand.

154. You admit that Smithfield salesmen would know, and does not a Smithfield man handle *Mr. Waymouth's* meat, and is he not in close connection with him?—Possibly.

155. Mr. Waymouth could get the information from him?—Possibly.

156. Mr. Waymouth also said the practice of selling New Zealand meat as English is really not against New Zealand. He says the people who now buy it as English would not otherwise buy it at all, and therefore the price would not be so good. Mr. Waymouth's contention is that it helps New Zealand. What is your opinion?—With all respect to Mr. Waymouth, I beg to differ from him. I have made considerable inquiry and study on this subject on the market at Home, and I am positive that Mr. Waymouth is wrong. If properly introduced to those people, they will take our meat as New Zealand meat.

157. *Mr. Buchanan.*] Do you think, Mr. Cameron, that the shilling luncheon-rooms in London, where hundreds of thousands of mutton-chop lunches are supplied, are not largely supplied from the best class of New Zealand frozen mutton?—I really do not know the shops to which you refer.

158. *The Chairman.*] Do you not think the Agent-General takes an interest in that matter? Do you not think it would be a commendable thing if New-Zealanders could be able to go into a restaurant and get a New Zealand chop?—I think it would be a very commendable thing if not only New-Zealanders but every one else could do so.

159. *Mr. Buchanan.*] Is it not a fact that hundreds of thousands of shilling luncheons are partaken of by business-men in the City who have no time for more elaborate luncheons?—If you came to London and asked me where I could get you a respectable shilling luncheon I could not take you to such a place. I do not know the places to which you refer.

160. *Mr. Hardy.*] You never considered it part of your business as Produce Commissioner to go round London asking for a New Zealand chop?—I have often asked in hotels and restaurants for New Zealand meat, and also for New Zealand butter and cheese; but they did not tell me it was New Zealand mutton if they had it.

161. *Mr. Duthie.*] I understand that the numerous brands on our sheep, and the numerous small shipments, cause unnecessary delay in sorting them out in the docks, and also injury to the mutton in some instances, besides the general obstruction of the work; and that as against that the Argentine ships coming in with one brand can go straight on with their work?—Yes; and the same with Nelson Bros.' direct shipments.

162. You stated two causes of evil, but you stopped short in your remedy?—It is in my report—the concentration of supplies.

163. What does that mean—it is a good old phrase: do you mean to abolish the small shippers?—If you turn to my report, paragraph 5, page 2, you will see the explanation of that matter.

164. What is your remedy for the evils you complain of?—The damage that occurs in sorting to marks in the hold arises from the fact that there are numerous small shippers who send Home their individual consignments to different agents.

165. I admit all that, but that being the case, and you have given us what the Argentine do, how do you propose that Parliament should provide a remedy—what is the remedy proposed?—I suggest that these numerous shippers send their consignments under one brand, each class, of course, being under a different subsection, and that they all be sent to one agent. This would save the sorting of marks considerably at the other end, and so reduce the damage.

#### FRIDAY, 7TH AUGUST, 1903.

#### Examination of Mr. H. C. CAMERON continued. (No. 5.)

1. *The Chairman.*] We propose to take evidence this morning in connection with the insurance, cold-storage, and distribution of meat.

2. *Mr. Harding.*] With reference to damaged meat, you say: "I have occasionally heard of claims being made on sheep which I had seen delivered from the ship, and which I was satisfied were then in perfect condition." How do you propose to deal with that?—I think that is a matter to which the shippers in the colony should draw the attention of the underwriters at Home. They ought to take, I consider, more precaution to see that the damage that occurs is as little as possible.

3. What about proving it—that is the difficulty, it seems to me?—No proof, as far as I know, is required. That is why I urge that the insurance companies should look after their interests better.

4. You say, "I have found that damage had been occasioned after the mutton had left the ship, and while in transit to the stores." Is the insurance supposed to cover the meat until it is taken delivery of?—The insurance policy is in force until thirty days after the arrival of the vessel in London.

5. Then if it is taken delivery of before that the insurance still holds good?—When the meat is discharged from the vessel it can be railed in a van or placed in a lighter and taken to the cold-store, and until thirty days after its arrival the insurance still holds good for any damage.

6. *Mr. Hogg.*] The insurance companies simply allow the claims to go by default, without properly supervising the meat and caring for it after it is landed?—The insurance companies do not supervise the meat during discharge from the ship.

*Mr. Harding:* That points to the fact that the insurance is too heavy, and that, if properly supervised, it could be kept down.

7. *Mr. Hogg.*] Do you think if the policy of insurance were altered so that it should not cover the meat for such an extended time it would lead to any beneficial effect?—If the policy of insurance merely covered the meat until discharged from the vessel, and a new policy had to be taken out to cover damage afterwards, I think that would be the means of insuring more care being taken to see that damage did not occur.

8. In that case it would be optional for the consignees to take out new policies if they thought proper.—That is so.

9. You think that would be a very good remedy?—I think it would assist greatly.

10. *Mr. Buchanan.*] How would you satisfy yourself, supposing you were the consignee of a parcel of frozen meat, whether it was in good condition upon being discharged out of the ship?—By inspection at the time of discharge.

11. Would you explain the method of inspection, or the extent of inspection, that you would think it necessary to make in order that you might have a claim against the insurance companies if there was any damage?—By general inspection of the meat as it was being delivered from the holds of the vessel.

12. Inspecting every carcase?—So-many, taking a sample here and there as they came up. They do not now inspect all the carcasses, when a claim is made, in the stores or elsewhere. They simply take a percentage of the number, and assess on that percentage.

13. I had a parcel of lambs, for instance, sold not long ago in London, and out of 600 twenty were reported as damaged. Do you mean to say that would be arrived at by this percentage method you speak of, and not by actual inspection, which would show that twenty—no more and no less—out of the whole 600 were damaged?—The same proportion could be examined as is now examined when an assessment is made: under special conditions, probably a larger percentage.

14. My account sales show the damage to these twenty lambs, and the prices at which they had been sold, shows a corresponding reduction. Do you mean that these identical twenty lambs were merely damaged, or that a percentage was taken and the reduction made upon that basis, or how do you explain it?—Where was the examination made for the damage in your case?

15. The survey account has not reached me yet, and I cannot therefore give any further information than what I have stated?—Of course, not having the circumstances before me, I could not say.

16. You think it quite practicable to inspect the meat sufficiently in process of landing to satisfy the consignee whether there is or is not any damage on which insurance can be claimed?—Yes, so far as insurance is claimed for damage on the voyage.

17. What is the all-risk rate at present?—The rate for all risks, and for thirty days after the arrival of the vessel, is £3 10s. per cent. less 1 per cent., for twin screws less 15 per cent.

18. Where did you get that information?—I had it confirmed locally the other day.

19. You are not yourself aware of the all-risk rate of insurance, although it is such an important matter in connection with this question?—I was not directly aware of it, and I wanted to satisfy myself and got it from an insurance company in New Zealand. I did not know whether there might not have been a reduction made.

20. Would you be surprised to learn that an all-risk insurance is available for £2 7s. per cent.?—That might be a special quotation to your company.

21. Would you be surprised to find that that rate has been obtainable, not only by the companies, but by private individuals also?—I would not be surprised—certainly not—because I do not know what private arrangements may be come to.

22. The difference between £2 7s. and £3 10s. is a difference of 50 per cent. You say the insurance companies “evidently prefer to pay claims rather than organize a thorough system of supervision.” Can you give the Committee any reason why they should prefer to pay the claims?—They have informed me that they are not prepared to incur the expense of supervision.

23. Does it not suggest itself to you that the insurance companies follow this system on the principle that a good rousing fire now and again does a lot of good to the insurance business?—It is quite likely.

24. Would you not say at once that that was the reason?—It may be—it is a feasible suggestion.

25. Do you know whether there is any combination amongst the insurance companies to secure a uniform rate, whether it be £3 10s. per cent. or any other rate?—You are asking me a question as to what is the fact, whereas I have no intimate acquaintance with their working. Generally speaking, I understand there is such an agreement.

26. How would you bring influence to bear on an insurance company to resist the bogus claims that you suppose are now made?—In the first place, by instituting a closer inspection when handling the meat; and, secondly, by insuring that their representatives are not too lenient in granting concessions for damage.

27. *Mr. Duthie.*] The examination for damage in the hurried discharge of a ship would be a very difficult matter, would it not?—Not if you assess the damage as is now done, on a percentage.

28. *Mr. Buchanan.*] Your proposal, which I understand you ask us to approve, is that there should be simply an insurance cover to the London Docks?—Yes.

29. *Mr. Duthie.*] And you throw the responsibility on the insurance company until delivery is given, even if some of the sheep get softened a little on the voyage through defects in the machinery?—Individual carcasses are occasionally somewhat “off.” Now, to examine for those individual carcasses at the dock would be a very tedious process, and if you did not examine the sheep carefully the seller would then have to bear the loss which the insurance company has undertaken to bear. To examine individual carcasses in the necessarily hurried way at the ship’s side would surely be very ineffective, would it not?—I do not think it would. I am often at the docks, and I think the representatives of the agents there could readily see whether there was any damage occurring to the meat through its manner of discharge or otherwise.

30. I do not think so, because they would have to take the covers off, and it is only by smell—?—Oh, there is no smell.

31. *Mr. Buchanan.*] I understand that the carcasses sometimes get mildewy from having become softened. How is the individual owner amongst a ruck of representatives of thirty owners or so, present on the chance of their own meat coming out, to effectively examine his carcasses, and be in as good a position as he is now under the existing insurance cover?—The representatives of the owner could very readily examine the carcasses as they came up—at any rate, sufficiently to know whether there is any damage or not. It is not a very difficult matter to detect whether the sheep are out of condition. It could be noticed if the shanks were soft or if the appearance of the sheep was bad.

32. Does it not seem reasonable that the owner should be willing to pay a rather higher rate of insurance to save himself from that trouble and risk?—Of course, he may be satisfied to pay a higher premium to cover the greater risk.

33. You admit he would have to pay a further rate to cover the extra thirty days?—That would be according to the desire of the owner of the sheep.

34. But to put him in as good a position as he is now he would have to pay for a further cover?—Yes.

35. But with this and the cost of inspection, and the seller taking the risk of mildew, do you not think your suggestions are rather antagonistic to the interests of the settler?—I think more care would be taken in handling, and consequently less damage would occur.

36. It occurs to me that the owner is to be placed at a great disadvantage, and that, after all, the owner and the insurance company must be fairly satisfied now. I do not think you have made out a case to justify you in asking us to legislate for it?—I do not ask for legislation for that.

37. *The Chairman.*] You say the only remedy is better supervision by the insurance companies?—Yes; that is my remedy.

38. Do you not think the system of assessing damage is wrong and calls for improvement?—I do not think the system is wrong.

39. What is the system?—When damage is claimed an assessor is appointed by either side. A percentage of the carcasses to be examined is submitted, and according to the amount of damage found in that sample an assessment of the whole is arrived at. Should no settlement be arrived at by the assessors an arbitrator can be called in, whose decision is final.

40. Who is the arbitrator?—It varies.

41. Is it not always a Smithfield man, a butcher?—A Smithfield man is supposed to be an expert.

42. Is it not a Smithfield man who comes in to decide in any dispute?—It is possible.

43. Is it not always so?—I cannot say it is.

44. Do you know of a single case where the arbitrator was not a Smithfield man?—I cannot say I do.

45. Are the assessors, too, not interested in having as many claims made as possible—are they not paid by the claim?—I understand they are.

46. Is it not a fact that they are paid for each claim, and that the more claims that are made the more the assessors will make?—Yes.

47. Are not the assessors sometimes the buyers themselves?—I am not aware of that.

48. Are you not aware that the biggest individual awards are arrived at by those assessing for themselves?—Do you mean that the insurance companies are satisfied to take their assessments and pay on them?

49. I ask you whether you are not aware that the man acting for the buyer is frequently the buyer himself from Smithfield?—No case of that kind has come under my notice.

50. Are you not aware that one of the largest buyers on Smithfield is always his own assessor?—I am not aware of any private individual's system of doing business, as it is not made public.

51. Do you not think that a system of assessment which allows a man to assess for himself is wrong?—Yes.

52. And do you not think that it is wrong that a Smithfield butcher should be the final judge?—I cannot say it is wrong if the man is honest, as we presume he is.

53. Are you not aware that sometimes between two assessments on the same lots there is an enormous difference?—I have heard of these matters, but you can understand that such matters do not come within my personal knowledge as Produce Commissioner. My attention will not be called to these private matters at Home.

54. But a question involving the condition of the meat when landed, and whether the business is conducted fairly and honourably, would come within the scope of your duties?—That is so.

55. Are you aware that there is a difference of 100 per cent. between the insurance rates charged to one class of shippers and another for the same class of meat sent Home—at any rate, a difference between £2 10s. and £4 15s.?—I do not know what special arrangements are made between insurance companies and special shippers.

56. But have you any idea of the reason for that?—I cannot say in evidence that I know any reason for that.

57. Have you ever tested the relative merits of the docks cold-air storage, and the storage elsewhere—that is, whether more damage occurs in one cold-store than in another?—I have no means of doing so.

58. Would you be astonished to know that if you divide the ships' cargoes from the same holds—one portion going, say, into the Hibernia Stores, and the other into the Victoria Docks Cold-stores—there are instances showing that of that which goes into the Hibernia Dock thirty to fifty will be declared damaged, while that portion going into the Victoria Dock will not be assessed as damaged at all?—Not handling the meat in these stores I can only learn these things second-hand. I have heard that there are differences in the stores.



59. But you do not know to what amount?—I have no means of knowing that.

60. You say in your report, "Purchasers having so frequently to make genuine claims gradually began to make them on all purchases of shipments." I understand from that that there are still a great many carcasses coming in damaged?—I say "gradually began." I am giving the reason why claims for damage used to be so frequent, and I think you will see that I say the damage is now much less.

61. You say at the end of the 3rd clause "So that, owing to this diversity of opinion, the damage continues"?—I say so still; but not to the same extent as a few years ago.

62. You also say, "As I have occasionally heard of claims being made on sheep which I had seen delivered from the ship, and which I was satisfied were then in perfect condition, I have made inquiry concerning this. I have found that damage had been occasioned after the mutton had left the ship and while in transit to the stores." Do you think there was actually that damage on the meat?—I consider that under the system of transit from the ship's side to the up-river stores there is a great possibility of damage occurring.

63. I want to know whether the damage was really on the sheep?—I am satisfied there was no damage when they left the ship, but the damage must have occurred afterwards. I only saw the sheep after their discharge from the ship. I did not see them when they were assessed in the stores.

64. Have you seen an assessment going on in the stores?—I have.

65. Are you satisfied that the sheep were damaged?—Sometimes; but I have seen an assessment at which, if acting for the insurance companies, I would have refused to allow the claim which was granted.

66. Have you ever heard of the slightest difficulty on the part of buyers getting full allowance for meat when it was shown on the hooks?—No; I am under the belief, from what I have known, that damage was given at Smithfield for meat on the hooks perhaps rather too readily.

67. Would you consider the system of assessing now on the thirty days is better than the old system of assessing after the meat was exposed at Smithfield?—I do not think there is any assessing after the meat has been exposed at Smithfield.

68. Would you be surprised to learn that there was not half the damage paid under those conditions than there is under the thirty days?—It may be so.

69. Have you no suggestion to make as to placing the system of insurance on a better basis?—I have already made a suggestion.

70. Would you not suggest that salaried assessors be appointed, and that the names of these men be embodied in the insurance policy, that the meat sold should be subject to that, and that an arbitrator outside of Smithfield should be the final court of appeal?—Is that not to some extent done now? The assessor is often nominated by the shipper.

71. No; the system just now is for an assessor to be called in, and if the buyer is not satisfied and an arbitrator is required, he can appoint his neighbour, who may desire a return of the favour to come in and arbitrate the damage; and I do not think that system is a good one. Have you any idea what some of these butcher assessors make per week?—No.

72. Would you be astonished to learn that they make sometimes as much as £40 per week?—I would like to have that myself.

73. *Mr. Hogg.*] You say there is ample cold-storage in the Old Country if full advantage were taken of the accommodation in the principal towns. How is this storage supplied—is it by public or private enterprise?—Most of the stores are held by private companies. One or two have been erected by Corporations—as, for instance, the Manchester Corporation.

74. Can you say why advantage is not more freely taken of this accommodation?—I consider it is because the agents handling New Zealand meat in the Old Country have their interests almost entirely in London, and they desire to have the meat on the spot for easily handling directly by themselves.

75. Would the distribution of our meat elsewhere than in London prevent the occasional gluts to which you refer?—Certainly I think so.

76. Then you think these gluts are almost entirely due, not to the overstocking of the market by bringing in more meat than sufficient for the wants of the consumers, but to the bad system of distribution?—Oh no; I consider the gluts are caused by the irregular shipments from the colony. Sometimes the meat is in very short supply. At other times it is sent forward in larger quantities than the market can consume, when it has to be placed in the cold-stores and held. One then hears of the want of storage, in consequence of the glut, in London.

77. Then there is no necessity for the New Zealand Government to provide cold-air stores in Great Britain—there is ample storage?—There is ample. I do not think the Government requires to provide more storage, or to assist others in erecting it, in Great Britain.

78. The cold-air stores you refer to being chiefly in the hands of private individuals, do you think the producers would derive any advantage if the New Zealand Government were to provide ample accommodation in the colony, so that the meat could be stored here in order that the supply might be regulated from month to month?—I have already said that I am in favour of storing the meat in this country in preference to sending it Home in large quantities, and having to store it in England.

79. Then you think the prevention of glutting might be carried out better and more economically in New Zealand at the ports of departure than in London, or in any part of the Old Country?—Certainly.

80. *Mr. Buchanan.*] What is the rate of storage charged on meat in London?—The ninth of a penny per pound for four weeks. Some stores charge  $\frac{1}{8}$ d., but  $\frac{1}{9}$ d. is what is generally accepted. You might get it down to  $\frac{1}{10}$ d. perhaps by arrangement.

81. Having been on the spot for such a long time, have you not got more accurate information



upon this important point? Is it  $\frac{1}{3}$ d.?—Yes,  $\frac{1}{3}$ d. is charged; but, as I say,  $\frac{1}{3}$ d. is charged in many instances, and I know you can get a reduction on these rates if you make special arrangements.

82. Do you really mean to say that  $\frac{1}{3}$ d. is the general charge under ordinary circumstances?—I have given you my reply.

83. How then does it come about that these stores have for years past offered storage at  $\frac{1}{3}$ d. for the four-weekly period mentioned?—I have said  $\frac{1}{3}$ d., and no doubt you might in some cases get it for  $\frac{1}{10}$ d.

84. I understood you to say that the ordinary charge was  $\frac{1}{3}$ d., but special arrangements could be made for  $\frac{1}{10}$ d.?—That is not exactly what I said. I said  $\frac{1}{3}$ d. is the standing charge, but many quoted  $\frac{1}{10}$ d., and I had no doubt  $\frac{1}{10}$ d. could be arranged for.

85. I am to take it that you mean the ordinary charge is  $\frac{1}{3}$ d.?—Yes.

86. How, then, does it come about that the London stores generally have for years offered, under ordinary circumstances, to find storage at  $\frac{1}{3}$ d.?—I see I am wrong. It is  $\frac{1}{3}$ d. It was a slip on my part.

87. Do you not think that  $\frac{1}{3}$ d. for four weeks is a very high rate?—I considered it high when I had to pay it, and very excessive. Still, the companies throughout the country maintain that they are not paying.

88. *Hon. Sir J. G. Ward.*] You are familiar with ruling prices paid to the producer for meat in New Zealand?—Yes.

89. Do you know of any other countries that are able to maintain anything approaching the prices the producer has been able to get for his sheep?—No; I do not.

90. In what way do you suggest that these fairly high prices—in fact, higher prices than are obtained elsewhere, and which we are all anxious to maintain for the benefit of the producers of the country—can be assisted to be permanently continued? Is such a thing possible?—I think it is possible to maintain a fairly high price for New Zealand mutton in the Home market by specialising New Zealand meat, by advertising it, by introducing it to a new or better class of purchaser than that who now uses River Plate meat, and by getting it away as much as possible from the direct competition which at present exists between it and River Plate mutton.

91. Are you of opinion that by following the course you now suggest it would insure such prices as have been received continuing in the colony?—Well, I would not like to say it would raise the price higher than it is now. I think it would, however, prevent a fall to such prices as we have often seen before. I consider it would keep our meat at a fairly high level price.

92. Then, are you of opinion that if the steps suggested by you were taken, and admitting, as we all must admit, that the price has been high in the colony, the possibility would be, even with the precautions you suggest, that the producers would have to take a lower rate of prices? In other words, if we are dealing with the New Zealand meat-market when it is at its apex, will the natural tendency be to go above the apex or below it?—I think it would be a very difficult matter to raise it higher than it is now so as to insure that as an average price from year to year.

93. Is it not a fact that the high prices we have been getting in the colony have been brought about by the active competition of buyers in this country?—I do not think so. That competition has been brought about by a scarcity of meat at certain times of the year in the Old Country.

94. Has there been a diminution in the imports from any other countries into England excepting Australia during the last five years?—Not taking the year round, but there has occasionally been a glut, and at other times a famine in New Zealand meat on the English market. When a glut occurs New Zealand meat is very often placed in store and held in considerable quantity. Holding it in store in that manner depreciates it, and when it is placed on the market a lower price has to be accepted for it. Moreover, the fact of that meat going on the market is damaging to the reputation of the New Zealand meat. Fresh bright meat, being in short supply, fetches a high price.

95. Still, the fact remains that when that glut has taken place the price to the New Zealand producer has been a good one, and it is the speculator here who has had to bear the brunt of the glut?—Yes.

96. Is it not desirable, for the maintenance of the prices to the producers in New Zealand, to do nothing that would destroy the natural competition between buyers, because it is the producers whom we are trying to protect?—I do not suggest that anything should be done to hurt competition here.

97. When a glut takes place in the Old Country, under present conditions, you say the storage of meat necessarily continues for a longer period than the owners desire, and deterioration of the meat ensues from that holding?—Yes.

98. Now, if the meat were held at this end instead of in the Old Country for any lengthened period, I presume the same deterioration would go on?—I do not consider so.

99. Why?—Because the conditions under which the meat is held on its arrival in London are entirely different from what they would be in cold-air store here. Meat can be stored in a better condition in the colony than it can be at Home. In the first place, New Zealand meat when killed is cooled and immediately frozen. If it is properly kept in a cold-store, and not taken out or exposed to the atmosphere, it will remain for a considerable time in good condition; but if it is removed from the store, taken in a truck to the steamer, from the steamer transferred to a barge, and from a barge taken into another cold-store in London, the numerous handlings of the meat prove injurious to it, and when it is placed in that store it will not keep so well, nor get on the market in such good condition, as if it had been held here, taken direct from the store at this end, and shipped when required for the market at Home.

100. What I mean is this: Admitting that deterioration takes place in London, and apart from the freshness of the meat when it is put into the freezers at this end, suppose that in order to prevent a glut the meat has to be held for three or four months, would the holding of it here be less conducive to deterioration than if it were held in London?—I think so, certainly.

101. How do you suggest the avoidance of this glutting under the conditions that exist from time to time on the London market? And I would like you, before answering this question, to survey the general conditions that regulate the trade. I do not think, myself, there is any need in a big matter such as this is for any moralising or sentimentalising about it at all. Here is the position: It is open to every purchaser of meat in England or in New Zealand to buy direct from the producer and to make arrangements with any shipping company to convey his produce to England, and they are all doing it. If steps were taken to prevent that, necessarily we should destroy competition between buyers here and inflict a very serious blow upon our farmers. In consequence of the competition, both here and in England, and the facilities for getting the meat into England, these gluts have occurred in the past, and will occur again. What do you suggest we should do to avoid these gluts and enable us to put money into the pockets of our farmers?—Of course, I have no desire and can suggest no means of preventing buyers from England coming here to purchase in competition with each other. I think it is a very good thing for the farmer. What I refer to particularly is the irregularity of shipments, and what I consider might have been done last year is this: During the first seven months of last year the average number of carcasses of mutton received at Home was 155,968 per month. During each of the two following months the number received was close on 300,000, while during each of the last three months of the year only 64,000-odd were received. Now, those were extreme numbers. I consider that if care had been taken it would have been possible to have placed these quantities with as great regularity all the year round on the London market as during the first seven months. If, instead of shipping the large number referred to—close on 300,000—during each of the two months mentioned, the same number of sheep had been forwarded as during the previous seven months—say, about 160,000—and the balance held in store, it would have allowed an average to be spread over the whole year. You might have kept back, say, about 300,000 sheep in August and September, and held them in cold-store for October, November, and December, when they could have been added to the 64,000 then sent each month. That would have kept the supply regular.

102. Supposing the 300,000 had been purchased under competition by numerous buyers both in England and here for the purpose of getting them on to the London market, how would you suggest we could hold them?—I cannot suggest anything if the buyers determine to send them Home. I can only emphasize that it would be of great advantage to the trade if it could be arranged to hold the meat so as to keep the supply at Home regular.

103. Are you of opinion that the greatest safety of the farmer in this country lies in the active competition amongst buyers for their meat both inside and out of the colony?—Under present conditions I allow that there is active competition. What I dread is that when the enormous competition which we must expect from the River Plate comes on we shall suffer.

104. Are you of opinion that it is in the interests of the farmers here, or are you not, that active competition for their produce should exist both in the Old Country and in New Zealand itself?—Certainly I am.

105. Then in order to regulate deliveries in London, if we want to do anything of a practical nature, we require in some way to control the meat-buyers both in and out of the colony?—I do not see how you are going to control the meat-buyers if you sell to them.

106. If we do not control them we naturally arrive at this position: that they may create a glut in London while at the same time they are giving a good price to farmers here?—I admit that. It might be politic on the part of some buyers on occasions to cause a glut on the London market and then to cause a famine, in order to introduce meat from the River Plate in competition with us. It might even pay the Argentine shippers to buy every sheep in New Zealand for export and have them in their hands.

107. Well, if they gave the farmers here more than other buyers will give, it might not be a bad thing?—Not for the moment, but it would result in loss afterwards.

108. However, you admit that the problem of regulating deliveries in London is a very big one to grapple with?—I recognise that.

109. As a matter of fact, you have stated in evidence that you cannot suggest any practical way by which that could be done?—Only in the way I have said, and, of course, that could be defeated by the action of Home buyers who operate here.

110. *Mr. Barber.*] Is a glut on the London market at the risk of the purchaser—is it his loss?—Yes; but it reflects on the producers. If the purchaser has lost money he naturally tries to recoup himself.

111. How would you control him?—I cannot see how you can control him.

112. *Mr. Witheford.*] Is it your opinion that increased shipments of meat from New Zealand should be stopped, in order to keep a low average?—To regulate the average, not to lower it.

113. Would not a little more activity at Home in your Department enable better arrangements to be made?—The New Zealand Government has no control over the buyers.

114. Is it not your mission at Home to assist the sale of our raw products, and also the sale of sheep?—I do all that I possibly can.

115. It is not your place to find better markets?—I travel all over the country with that purpose in view.

116. You said you were not there to assist the buyers of New Zealand meat?—I did not say that.

117. I thought you were there to promulgate the sale of New Zealand meat. When I was in England I saw some live men engaged in introducing the Argentine meat. The Argentine people are increasing their trade by millions of carcasses, and I cannot understand how the few hundreds of thousands of carcasses from this colony can paralyse the meat-market. The Agent-General's office at Home, and particularly your Department, have been established to increase the sale of the colony's raw products?—Yes; and I travel all over the country and do my utmost to aid the sale of New Zealand's products.

118. *Mr. Rutherford.*] You say in your report, "One very serious drawback to handling New Zealand meat in London in the best condition is that the large cold-air stores are built on the riverside some miles higher up than are the docks where the meat is discharged. This necessitates handling the meat from ocean steamers into lighters, by which it is conveyed up the river to these stores. There is only one cold-air store at the docks, which is certainly a large one, having a capacity for 764,000 carcasses. It belongs to the dock company, and, naturally, being conveniently situated, it is always patronised. You can well understand that frozen meat having to be carried in these barges up-river—a journey occupying often more than a day from time of loading to discharge—is liable to considerable deterioration. The system is bad." I think we must all agree with that, but have you any remedy to propose?—I cannot say that I have any remedy to propose. The stores are established in their present position up the river, and personally I do not think it would be at all feasible to have the system altered now. I merely mentioned the system to let those here know the position and to explain that that was the reason why a good deal of the damage arose at Home of which you have all heard. I have no remedy to propose.

119. *Mr. Rutherford.*] You go on to say, "A matter of very great importance, and one which proves very hurtful to the advance of trade in New Zealand mutton at Home, is the irregularity with which shipments from here arrive," &c. We know that, as a matter of fact, New Zealand shipments are irregular because we cannot supply the mutton—in the South Island, at any rate—after, say, June. In the Argentine it appears that they can supply all the year round. Do you know whether Argentine sheep are fed all the year round? In the South Island you must feed the sheep on turnips, and give them chaff as well?—I do not know personally how they manage in the River Plate, because I have not been there. I understand, however, that artificial feeding on turnips and chaff is not resorted to. While I refer to this matter I may remark I can understand the position as to the New Zealand meat-supply being, as I say in my report, a harvest when it is produced at the best time and most cheaply. But what I refer to particularly is the irregularity of the shipments, and, if you look at the figures that I have placed before you, you will agree with me that if care had been taken last year it would have been possible to place the quantities of these shipments with as great regularity on the London market all the year round as for the first seven months. I have already explained this in reply to Sir Joseph Ward.

120. *Mr. Rutherford.*] You suggest that we should extend the frozen-meat chambers. Do you think it would be cheaper to store meat here than in England?—I do. I consider that meat can be stored in better condition in the colony than at Home.

121. *Mr. Rutherford.*] You think that in New Zealand we should extend the frozen-meat chambers so as to enable a more even distribution at Home?—Yes, rather than that it should be held in store in London. When it is stored for any lengthened time in London it is not generally in good condition when disposed of. You would also keep your markets more evenly supplied with regular shipments by storing in the colony.

122. *Mr. Rutherford.*] You further state, "That proper means of identification by the consumer are necessary for the welfare of New Zealand trade I am convinced. I have given considerable attention to this subject, and I have made very close inquiry throughout the country as to the result of branding. I am satisfied that the objections made to it—that it would encourage prejudice and would be hurtful to the sale of the meat—are entirely erroneous. At present consumers know well, except when it is sold to them as English, from the prices they pay for colonial and foreign meat, that they are not receiving English, and they purchase it with that knowledge. They do not know, however, whether they are receiving New Zealand or River Plate meat, even though they may ask for the former. The New Zealand tag being generally removed by the retail butcher, there is nothing to indicate this to them. A neat, clear, indelible brand, placed on each of the principal joints, would be a guarantee of the source of origin and of the quality of the meat supplied. Not only would such a brand be a guarantee to consumers, but it would afford a good point from which to advertise New Zealand meat exclusively," and so on. I understand you to suggest that all our meat should be branded with the New Zealand brand?—I am in favour of that.

123. *Mr. Rutherford.*] It occurs to me that this brand could be forged, so to speak. There would be nothing to prevent a butcher branding the meat after he got it in his shop, and it seems to me that it would be a very difficult thing to detect. A man might get fifty carcasses of New Zealand sheep and fifty carcasses from somewhere else, and use the brand as he liked. How do you suggest guarding against this? It could be so easily done, it seems to me—much more easily than by buying New Zealand tags and sticking them on?—It could not be so easily done as that. Of course, if a man wishes to be a rogue it is a most difficult thing to prevent him. The tags at present in use lend themselves to fraud, being easy of application to other carcasses. I scarcely think that a man would take the risk of forging an imitation of a Government patent brand and applying that to carcasses of foreign meat. Besides, to apply one brand which I know of it must be done while the meat is hot. The brand will not "take" after the meat is frozen.

124. *Mr. Rutherford.*] You state that the profits of Nelson and Co. and other companies amount to as much as 50 per cent. Seeing that they buy at their own price, do you think that would be any guide in our case as to what our profits would be?—No, I do not insinuate that it would.

125. *Mr. Barber.*] You suggested that the output of our New Zealand mutton should be restricted with a view to more regularity of shipment. On page 2 of your report you say that the River Plate people closely watch the action of the New Zealand shippers. In the event of New Zealand shippers refraining from sending cargoes in the months you have mentioned, do you think the Argentine people would still keep the markets?—I do not suggest that the shipments during any of those months should have been made smaller than during the preceding seven months of the year. What I advocate is regular shipments each month—not a glut for a time, and then a

famine for the next few months. It is when we have a small amount of meat on the market that the River Plate people have an opportunity of supplying the people we could supply if we had more regular shipments.

126. *Mr. Barber.*] On page 2 of your report you suggest the pooling of small lots for the purpose of quick delivery and less trouble in distribution, and the giving of an average price for these lots. Would not that act contrary to what we are endeavouring to do in raising the quality of the meat? Would it not be mixed with other mutton?—No; it is the habit of the freezing companies to grade the sheep for their clients. What I say is that if half a dozen men, instead of each sending Home, say, two hundred sheep of grade A, grade B, and grade C, sent Home all their grade A carcasses together in one lot, grade B as one lot, and grade C as one lot, it would take away the lottery element that now exists. At present a man may have his sheep out of the ship first or he may have them out last, according as they are stowed, and may either make a gain or a loss, getting a higher or a lower price according to the state of the market at the time of delivery; consequently, I say that if the shipments were pooled the owners would get an average price, which would be fair to all. It seems to me that it would avoid a great deal of the injury done to the meat through so many handlings during the sorting to numerous marks. Each owner's lot being shipped under the same mark to one agent, this sorting would be avoided.

127. *Mr. Rutherford.*] You stated, in answer to a question, that the insurance rates vary as much as 100 per cent.—I did not say so, but it has been so stated.

128. If the Government in their Fire Insurance Bill were to take up marine insurance as well, do you think the variation could be got over?—I would rather not give evidence on Government Bills.

129. Well, what are your functions—there seems to be some doubt as to what they are?—They are embodied in my previous evidence.

130. It is plain, from some questions that have been put, that some people do not think you bustle about enough?—Whoever says that does not know me nor my duties.

131. Do you get your travelling-expenses allowed?—Yes.

132. It was stated by Mr. Witheford that the Argentine companies are increasing their output by millions a year?—They are increasing their output, but not by millions a year.

133. In your opinion are the interests of the freezing companies necessarily the same as those of the farmers?—No; I certainly do not think so.

134. Are the freezing companies as much interested as the farmers in getting big prices?—No; it is not to their interest that prices should be high. They are commercial companies wanting to make the best dividend possible, and when prices for stock rule high I think it is more difficult to make their business pay.

135. You say that approximately about 160,000 sheep a month would be a fair thing to send home to make an even distribution each month all the year round?—Yes, taking the same number as were exported last year.

136. Would the 160,000 include lambs?—No; mutton alone.

137. Is there an even demand for mutton, or does it vary according to the seasons?—It varies according to the seasons in some degree, but not very largely for New Zealand mutton.

138. You recommend that the mutton should be stored here and shipped Home at an even rate?—Yes, rather than ship it in large quantities to be stored at Home.

139. From your knowledge of the trade generally, and the people connected with it, do you think these people could be induced to make even shipments all the year round, or would legislation be necessary to effect that purpose?—I do not know. I am doubtful, however, if Home buyers would agree to make regular shipments of New Zealand meat all the year round, although I believe it would be to their interest to do so.

140. Then the alternative is legislation?—I do not know how legislation could affect them. It would require to be some very stringent measure.

141. But legislation would be necessary to effect that purpose?—It probably would be necessary. I do not see how it could be carried out, however.

142. On the question of distribution, you say that one of the big River Plate companies at Home—James Nelson and Sons (Limited)—pay 50 per cent. on their ordinary shares?—Yes.

143. What was your object in inserting that in the paragraph?—To bring under your notice the remarks made by the chairman of the company at the annual meeting of shareholders. He said the company depended very largely for their profits on the retail portion of their business. Owing to the regular arrival of the carcasses they were able to deal more economically with supplies than would have otherwise been possible. The chairman also said the company owned nearly a thousand shops, and others would be opened from time to time.

144. *Mr. Duthie.*] Sir Joseph Ward just now asked you about River Plate speculators buying up our meat—or, rather, you made the suggestion—and I understood you to say that the ultimate result would be disastrous?—I said the effect might be disastrous, my meaning being that if they cornered our mutton they would be able to destroy the trade of those butchers at Home who are handling our meat. Having taken it off the market, they could, perhaps, then introduce their own to customers who had hitherto been using our meat, with the result that, our meat having been depreciated by these tactics, the high prices offered previously to the producers here might not be repeated.

145. Do I understand that you think it would be an advantage to them to hold our meat until it was depreciated: would not the profit of the speculators depend upon the realisation of the meat to the best advantage, and would their speculation not serve the purpose of introducing our superior meat to their *clientèle*?—These South American companies are so directly interested in the Argentine trade, from the purchase from the producer to the sale to the consumer, that it would pay them to lose a considerable amount of money in order to destroy the New Zealand trade.

146. *Mr. Harding.*] You said that the stores at Home charged from  $\frac{1}{2}$ d. to  $\frac{3}{4}$ d. per pound for four weeks' storage after the ship's arrival?—Yes,  $\frac{1}{2}$ d.

147. What is the average time the meat is held in store? Is that from the date the ship arrives in dock?—In the first place, discharge depends greatly upon the weather, and, in the second place, on the number of marks which have to be sorted out during discharge.

148. What is the average?—Probably a fortnight or three weeks.

149. What is the average price charged for freezing and taking the meat Home in the ship?—Mutton, in summer,  $1\frac{1}{10}$ d. per pound, less 5 per cent.; in winter,  $\frac{3}{4}$ d. per pound net. Lamb, in summer,  $1\frac{1}{4}$ d. per pound, less 5 per cent.; in winter,  $\frac{9}{10}$ d. per pound net. Beef, in summer,  $1\frac{1}{10}$ d. per pound net; in winter,  $\frac{9}{10}$ d. per pound net.

150. You said the charge for storage was a variable one, and that there might be cases where it could be got for  $\frac{1}{10}$ d.?—Yes.

151. Do you think that if the colony erected stores at Home it would be cheaper?—No; many of the stores are not paying now.

152. Then, in your opinion, they are not charging an exorbitant rate?—Many of the stores charging that rate are not kept full. If working up to their full capacity the rate would be a heavy one, but they are not, and for this reason I say we should endeavour to get storing facilities throughout the whole of England.

153. *Hon. Sir J. G. Ward.*] Is the high price obtained for the meat at Home due to its high quality?—Yes.

154. Sometimes it is of an inferior grade?—Yes.

155. Would you say it would pay the colony or the farmers to develop gradually a superior class of meat?—I think too much attention cannot be paid by the producers here to produce the very finest quality of mutton possible.

156. The Argentine appears to be our greatest competitor: is the quality of Argentine meat anything approaching the quality of ours?—The quality of the Argentine meat has been improving more rapidly than New Zealand meat—in fact, the complaint at Home is that New Zealand's best class of meat has been rather receding.

157. You refer in your report to the irregularity of shipments: is it your suggestion that larger stores be built at the principal ports here?—That was my suggestion: that the meat should be held here in store rather than be sent Home and held in store there.

158. That would involve increased accommodation here?—Yes.

159. *The Chairman.*] In your pamphlet of 1901 you state that there was very great stagnation in the meat-market, and that the prices were not paying producers?—Yes. The prices were then: Canterbury mutton,  $3\frac{1}{4}$ d.; North Island,  $2\frac{3}{4}$ d. per pound.

160. Well, the prices are considerably higher now?—Yes.

161. You prophesied stagnation then, and you again prophesy stagnation in your present report, while, according to your own showing, prices have gone up considerably?—Yes, and they will fall again.

162. Is it not a fact that, concurrent with the increased output from the River Plate, there has been a largely increased output from New Zealand during the last few years?—Yes.

163. In view of your prophecy is that not singular?—I do not think it is singular.

164. Regarding the prices charged, you state that the report by returned colonists that New Zealand mutton is sold everywhere in England at 4d. or  $4\frac{1}{2}$ d. per pound for legs is absurd?—Yes.

165. Here is a report from London dated the 1st June, 1903, which says the following are the prices: For best selected New Zealand sheep,  $4\frac{1}{2}$ d. per pound; ditto, ordinary  $3\frac{3}{4}$ d.; and this can be cut down to joints and distributed about?—That is a wholesale distributing company's price.

166. I understand, and it is a fact, that these people will send a leg of mutton to any place in England at that price?—They do not pose as retailers—they say they are wholesale men.

167. Is it not a fact that any person in Great Britain can buy the best selected Canterbury mutton in London at  $4\frac{1}{2}$ d. per pound?—Canterbury mutton, yes; but that is not the question you were asking me about. I say in my report that I have often been surprised at reading in the papers interviews with returned colonists, in which it has been stated that New Zealand legs of mutton are sold all over the country at 4d. or  $4\frac{1}{2}$ d. per pound. That is retail.

168. Have you ever, in connection with the handling of meat, tested which is the best way for New Zealand shippers to weigh their meat—whether in the stores or out of the stores?—I have tested meat weighed *ex store*, and found, after it is hung, that it is less in weight than it was when frozen. There is a loss in weight.

169. Supposing a shipper were storing his meat at Home: the freezing companies can either weigh the sheep when going in or coming out, and it is upon these weights that the price is charged?—They are sometimes sold on the colonial weights.

170. Do you think it is better to sell on the colonial weights?—I think it is.

171. Would you be surprised to find that in my test—and the first lot I tested over several months—that the New Zealand or colonial weights were 376,274, against the weights going out of freezing-stores in London 382,730, leaving a balance in favour of the New Zealand shippers of over 6,000 lb.? That is what the New Zealand people gained and were paid for by my selling out of the cold-store rather than by taking the colonial weights?—I have not gone into that.

TUESDAY, 11TH AUGUST, 1903.

Examination of Mr. H. C. CAMERON, Produce Commissioner, continued. (No. 6.)

1. *Mr. Hogg.*] You have been asked questions with regard to insurance rates charged to cover all risks on frozen meat. Do you ever have to handle frozen meat on behalf of the Government?—No, I have not.

2. In that case, I presume the insurance charges on meat do not come directly under your notice?—No, not directly.

3. Do you mean to say, then, that all you have ascertained about the insurance charges is the result of mere hearsay?—Yes, that is so.

4. You have no actual information of your own on the subject?—No.

5. Is it part of your duty as Produce Commissioner to ascertain about those charges?—I have no connection with the charges whatever. Any information I gain concerning them is from inquiries I may make—hearsay evidence.

6. Can you discover, in your capacity as Produce Commissioner, the methods of business adopted by the various companies trading in frozen meat?—No, it is quite impossible for me to ascertain that accurately. I may only gain general information.

7. How is it, then, that representatives of New Zealand companies in London can get this information, and yet you are unable to do so?—Well, representatives of New Zealand companies are in a different position from what I am. They have something to sell or to buy, and the London houses therefore receive them favourably, expecting to make a profit on their transactions together. With me there is no profit to be made, and what information I desire is considered to be probably for use of New Zealand producers against the London houses. Many of them resent what they erroneously consider to be Government interference with trade.

8. Do you have anything to do with the meat after it is placed in the cold-stores?—Nothing whatever.

9. And you have no means of ascertaining the condition it is in when it comes out?—No, not directly; merely by hearsay.

10. Can you say whether one store keeps the meat in a better condition than another: have you not the means of ascertaining that?—Personally I have not.

11. With regard to the meat shipped from the colony, do you get any information concerning these shipments from time to time?—No.

12. Do not the Government keep you posted up with regard to these shipments?—No, I get no information whatever.

13. Then you are not able to anticipate shipments or to see whether there is likely to be a glut produced in the market or not?—No, I do not know until after a vessel has been discharged what quantity she has on board.

14. You are not able to keep in touch with what is going on here at all?—No, not directly. I see by the newspapers, but that is the only way by which I can keep myself posted up.

15. When the vessels are arriving in London do you know anything about what they bring?—No; not until they have discharged.

16. You said that  $\frac{1}{10}$ d. was charged for the insurance of meat during the twenty-eight days that it remains in the cold-stores, but I think you said that lower rates would be charged if advantage were taken of the facilities afforded by the companies throughout Great Britain. What is your reason for making that statement?—I have interviewed many of the managers of the cold-air stores throughout the country, and they have told me that, if they could get New Zealand meat for storage there, they would be willing to give considerable concessions in the storage charges in order to get it.

17. Then you think a reduction might be effected in the charges?—I am sure of it, from what the managers have told me.

18. *The Chairman.*] What stores would charge less than  $\frac{1}{10}$ d. a pound, and for what period?—Several stores in the large towns throughout the Midlands and North.

19. For what period?—Well, if you were storing there, as you are doing in London, for twenty-eight days or so, they would give you a concession. I have not personally gone into particulars of the reduction, as I do not handle meat, and had none to offer them.

20. You said that there were places where, if they could get New Zealand meat, they would charge less than  $\frac{1}{10}$ d. per. pound?—Yes.

21. Would they give a month's storage if they got the meat?—Yes.

22. What companies are they?—There are several stores in the Midlands and North.

23. Can you give us any of the names?—I do not think I ought to make the names public, seeing that it might bring them into conflict with their competitors.

24. Do you know of any stores in London that would store the meat for less?—No.

25. Have you made inquiries in London?—The inquiries I have made lead me to understand that there is an agreement between the various cold-air-store owners in London to keep the rates uniform.

26. As a matter of fact, is it not well established that the one-ninth of a penny is the rate of storage, and has been so for years, as much so as 20s. is the value of a sovereign?—Yes, in London.

27. You have nothing to do with the meat after it goes into the cold-stores?—Nothing.

28. Do you not think that ought to be part of your business?—Well, if I had power to go into the stores it might be; but seeing that I have no power to enforce anything that I might consider right—

29. Have you ever tried?—No, I cannot say that I have.

30. They have never refused to allow you to go in?—No.

31. Do you not think it a most important part of the investigation to know what condition the meat is in after it gets into the stores?—It is important.

32. *Mr. Rutherford.*] You know the firm of Fletchers'?—Yes; it is one of the leading firms in the meat trade in England.

33. Do you know what they were before they took up the frozen-meat industry?—They have been in the frozen-meat trade ever since I have known them.

34. Is it not reported that they have made a large fortune in the trade?—I understand that they have been very successful.

35. And they have made it out of the frozen-meat industry?—Presumably so; but not entirely out of the frozen-meat industry. I understand that they dealt in what is called the fresh-meat trade before the frozen-meat industry was known.

36. Then they do a mixed trade?—Not now. They devote themselves to the frozen-meat trade entirely now.

37. Then, it is a fair inference that they can make greater profits out of the frozen-meat than out of the fresh-meat trade?—Fletchers' is chiefly a retail-shop business.

38. You think it is a fair inference that they have done exceedingly well out of the frozen-meat trade and found it more profitable?—It is only fair to assume so.

39. Would that not tend to minimise the risk of Government establishing shops in England?—I do not advocate the Government opening shops in the same manner as these traders do.

40. With regard to branding, are you in favour of having all New Zealand meat specially branded with a Government brand before it is shipped Home?—Yes.

41. You are aware that legislation would have to be passed to give effect to that?—I suppose so.

42. *Mr. Bolland.*] With regard to the distribution of meat in England, is it not desirable, in order to have the distribution properly carried out there, to have a regular supply from New Zealand?—I consider it very necessary.

43. How do you propose to establish that regular supply?—I have given evidence on that matter previously.

44. Do you require cold-stores here?—Yes; it would be necessary to hold a certain amount of meat from one shipment to another in order to regulate the supplies going forward to the Home market.

45. And if the supplies were regulated in that way, do you think Government shops would improve upon that system?—I think the regular supply would improve the trade generally throughout Great Britain in New Zealand meat.

46. If that regular supply were sent from here, do you think it would be necessary for the Government to interfere with the regular trade in England?—I think there is some mistake as to the meaning of what I have said. I do not propose that the Government should commence in what is generally called the retail trade in England.

47. How do you propose to do it?—I understand the question of shops being established in England is to be made a subject of a special inquiry.

48. *Mr. Hardy.*] How do you propose dealing with the speculators or dealers in order to limit the supplies?—That is a difficult problem. I am not prepared to make a suggestion as to how the producers should deal with the speculators.

49. Are you aware that the bulk of the Canterbury meat is handled by speculators?—I know that there are speculators, as they are called—Home buyers who have representatives here—buying largely from the producers, and shipping on their own account.

50. And also New Zealand buyers shipping on their own account?—Yes.

51. How do you propose to deal with them?—That is in the producers' hands, or in the hands of the freezing companies.

52. How is it in the hands of the freezing companies when the speculators send their meat to them to freeze?—The freezing companies might agree that a certain number of sheep only are to be shipped from New Zealand during a month, or according to the season. That is a matter for their consideration and arrangement. I am not here to make suggestions to people who are more conversant with their own lines of business than I am.

53. *Mr. Hogg.*] I notice that you state that there is a very wide difference in the methods adopted by the River Plate shippers and those of New Zealand?—They are quite different.

54. Which do you think are the most advantageous to the producer?—I consider the New Zealand system is the most advantageous to the producer.

55. Do you think it is better than that of the River Plate?—The River Plate system is a monopoly. It is in the hands of three companies at present.

56. Do you not think that a monopoly is better than this competitive system you complain of in London amongst the New Zealand agents? You say there is no concentration and no combination, and that they are virtually in competition with one another?—It is better, I consider, for the distribution of the meat to the consumers in the Old Country, and for the owners of it; but I do not consider that the producers of meat in the River Plate get as good competition there for it as those in New Zealand.

57. Have you any reason to believe that the River Plate companies are making very heavy or extortionate profits?—I gather from the reports and balance-sheets, and the remarks of their chairmen, that they have been making very handsome profits, amounting to 50 per cent. in the case of James Nelson and Sons, and others are making large profits, as is well known from the actual figures published in the balance-sheets of these companies.

58. Can you say what the amount of capital involved is?—I have not the figures by me, but the fact that they are making 50 per cent. on their capital proves my contention.

59. If these three companies can make such large profits and are able to take charge of the meat in the way you state—from the time it leaves the hands of the producer until it reaches the consumers in England—and are able to establish retail shops in London and the midland counties,



is there anything to prevent one company or monopoly doing the whole of this business?—I am afraid the New Zealand producers would not stand a monopoly of that sort.

60. Do you think that if such a monopoly were established by the Agricultural Department it would not be to the benefit of the producers?—I am not in favour of Government trading.

61. You do not think the Government should fight the middlemen?—I do not think the Government should trade. What I suggest is that the freezing companies might agree among themselves to have a better system of working, for the improvement of the New Zealand meat trade generally.

62. You say that our meat trade suffers from irregular shipments?—Yes.

63. Where do you think the shipments should be regulated—at this end or at London?—At this end.

64. In that case, do you think it would be an advantage if the Government erected cool-stores at the ports of departure?—I think the object would be attained if the present refrigerating companies erected sufficient cool-store accommodation to keep the meat until it was wanted.

65. Do you not think that if cool-stores of sufficient capacity were erected, so that regular shipments could be made from New Zealand from month to month, it would be a great advantage?—It would be a great advantage. I think it could be arranged by the freezing companies agreeing amongst themselves, and also agreeing with the shipping companies to carry home regularly certain quantities.

66. What effect would regular shipments have upon the shipping trade?—That is more a question for the shipping men than for myself. I should imagine that ships coming here with a knowledge that they would get a certain amount of cargo regularly each month would be more in the shipping companies' favour than getting a large quantity of meat at one period and at another having to lie here for a lengthened period before they could get a sufficient quantity.

67. *Mr. Field.*] With regard to the subject of insurance: What do you regard as the remedy for the trouble which exists concerning insurance? You say that thirty days is allowed to the consignee, during which time the meat is covered from damage done to it, and you also say that the consignee does not mind, because he knows that he is covered and that the insurance company is willing to stand the risk of a claim. That is so, is it not?—Yes.

68. And you say it affects our meat-market in the Old Country?—I think it affects the meat in this way: that, through the lack of sufficient care being taken of it by those in London interested in it, considerable damage occurs to the meat. Claims having to be paid for by the insurance companies on any damage that occurs are the cause of the premiums being kept high. There is now very little damage occurring to New Zealand meat during transit on board ship. I might point out that it is now a very exceptional thing to hear of meat being condemned by the Health Officer. For the quarter ending last March only one carcase and twenty-eight part-carcases of mutton and lamb, and seven packages of kidneys were condemned by him.

69. What remedy would you suggest? You say, "Influence should be brought to bear by the producers and shippers in the colony for the purpose of inducing the underwriters to resist many claims now made." Are you aware whether such influence has been attempted, and, if not, whether the Government can interfere in the matter?—That is my suggestion. I thought it advisable that those interested in the meat trade should induce the insurance companies to make very close inquiry as to the genuineness of the claims made on them for damage and of the allowances paid.

70. Do you consider the matter of sufficient importance to justify the Government or the Legislature taking it into consideration?—No; but I think it is a matter of sufficient importance to cause the shippers to take steps in connection with it. I consider it is for them to see about it in their own interests.

71. With regard to the difficulty about the meat having to be taken in barges up the river before it reaches the cool-stores, can that be overcome?—Under present conditions in London, and considering the system followed, I do not see how it can be overcome.

72. Assuming, as you suggest, a concentration of supply by the companies here combining, do you think it would be practicable to purchase a site in the near vicinity of the docks and to erect a building capable of holding all the meat sent forward from time to time?—No. I am in favour of a sorting-shed being built at the docks; but I do not think, seeing that there are so many stores owned by people who purchase the meat that is shipped from this colony, that you could build stores and compel these people to put their meat into them and leave their own stores idle.

73. There was a proposal made by the chairman himself when he was in London for the purchase of a central site at Smithfield on which to build a large store and market—I think both were to be combined. Do you approve of that, or do you think the suggestion is practicable?—I do not think it is practicable.

74. Do you think the cost would be so large as to be unjustifiable?—It would be justifiable if the desired end were attained, but I fail to see how any great benefit could be derived from it.

75. With regard to the question of prosecutions for fraudulent sales, do you think this Government should represent to the Imperial Government the necessity for a change in the laws so as to make success more easily attainable?—I think it would be advisable. The matter has been under the attention of the British Government on several occasions, and more than once a Bill has been introduced to compel all imported meat to be branded, so as to prevent it being sold for other than what it is. So lately as last April, the President of the British Board of Agriculture sent a letter to the meat-traders' associations in Great Britain in regard to this matter. I have embodied that letter in my report—Appendix B.

76. You are of opinion that the River Plate shippers are so actively watching our operations and getting the best of us wherever they can, that the time has come when we must, if the meat-market is to be what it should be, retaliate, and fight them with their own cudgels?—I do not say



"retaliate." I say that the competition we shall shortly have to face from the River Plate may be so great that, unless we do something to advertise and specialise our meat and try to get it into a channel of outlet distinct from the River Plate meat, we shall suffer severely, and prices will come down.

77. Do you think branding will be a considerable factor in preventing that disaster?—I do. I believe branding will guarantee to the purchaser that he is getting New Zealand meat. As this matter is now being considered by the British Government I think it is a question of considerable importance to the meat-exporters of New Zealand, and worthy of their consideration. I say distinctly that it might be well to be prepared, should the British Government put an end to the fraudulent practice of substituting colonial and foreign meat for British.

78. You are satisfied that the loss which results to this colony from the selling of Australian and River Plate meat as New Zealand meat is considerably in excess of any benefit that accrues from our mutton being sold as English?—I am perfectly satisfied that is so.

79. Assuming that we fail to arrive at an agreement of companies and the concentration of supplies, and the setting-up of the Board you suggest in England composed of representatives of the combined companies—assuming that none of these things are effected, can you not make any suggestion whereby the Government, instead of the meat companies, can bring about the necessary reforms and put our market on a sound footing?—No, I am not prepared to suggest that the Government should take the matter in hand. I am not in favour of the Government becoming traders.

80. Not becoming traders, but by assisting in a proper way the sale and distribution of our meat?—I certainly think so. I advocate the Government advertising our meat.

81. You would confine Government action to advertising?—Certainly; advertising by demonstration.

82. Is it a fact, as is reported, that very large sums of money, running into tens of thousands of pounds, have been made, and are being made, by one turnover in New Zealand mutton or lamb?—We hear these things, but I have no means of ascertaining the truth of them. I believe large amounts are made.

83. I have heard it reported that one man made such a huge sum of money that he bought an estate and built a large mansion in the vicinity of Glasgow, and said he would be very pleased to receive any New Zealand meat-grower there, and would regard him as an honoured guest?—I have no doubt that dealers make large amounts sometimes, and also lose large amounts. If the market goes up or down they stand to win or lose as the case may be.

84. *The Chairman.*] Speaking of that case alluded to by Mr. Field, was that a matter of speculation, or was it not a slump brought about by consigning meat to a man who was a buyer himself and the agent as well?—I do not know to whom you specially refer. I am asked if a certain gentleman made a large sum of money, and I say I do not know the facts. I hear these things, but I have no means of verifying them.

85. As a matter of fact, I suppose you heard that a man did make enough out of lamb through a slump to purchase an estate?—I have often heard gossip of that kind.

86. You have stated that meat should not be sent to a man who is a buyer as well as an agent?—That is so.

87. What we want to bring out is this: Has not such a thing as this occurred—a buyer who is also an agent placing on the market, through his agency, a large quantity of consigned meat not his own, and underselling that meat with the intention of breaking the market down; then, when the market was forced down by his sales, stepping in himself and buying up all he could, raising the price, and bringing the market up to what it was before, with the result that he has been able from his profit to buy a large estate?—I have heard of that, and therefore I say the shippers are very foolish to consign their meat to agents who are also dealers.

88. You would not call that result "mere gossip"?—I cannot refer to any particular man as doing that.

89. You say that very little meat is now condemned in London?—Yes, condemned by the Health Officer *ex ship*.

90. Is much awarded now for damage?—Not so much as used to be the case prior to the running of the new large boats.

91. You say that there is certain damage on board ship?—Yes.

92. Is there much damage after the arrival of the meat in London?—I hear of damage being claimed for, and I have seen a good deal of meat at Smithfield which has been damaged.

93. You do not think there is so much as there was previously?—No.

94. Then you do not think the rates should be lower than you have quoted?—Mr. Buchanan says that they have been lowered.

95. If less damage occurs, should not the insurance rates fall in sympathy below those charged four or five years ago?—The rates, according to Mr. Buchanan, have fallen.

*Mr. Buchanan:* Yes, to £2 7s.

*The Chairman* (to Mr. Buchanan): Are you not aware that rates five years ago were obtainable at £2 5s.

*Mr. Buchanan:* I was not aware.

96. *The Chairman:* Special rates at that price were quoted and accepted about five years ago. [To witness.] Have you any idea of the rate of insurance that should cover all the damage?—I am not an insurance expert, and cannot say. I hold a letter here, dated the 19th May, 1903, in reply to an inquiry as to what is the insurance rate, and it is quoted here as £3 5s. per cent., less 10 per cent.

97. Yes; but, in the light of our own information, that letter is valueless, as £2 5s. was the charge years ago?—I believe that private arrangements are made.

98. What were the conditions prevailing when I submitted the scheme referred to by Mr. Field? Could you reply upon the market salesman giving you the price he sold the meat at?—You handled the meat directly; I do not. You are in a better position to say than I am.

99. I wish to know whether you are aware of the state of trade in the market when I submitted my scheme? Could you rely upon the salesman giving you what he sold the meat for?—I cannot give you evidence on that.

100. Could you rely in selling meat c.i.f. on getting what you sold it for? Could you rely, if you sold a man sheep at half a crown a stone, on getting that price when you landed them?—I should say you could.

101. Suppose the market fell and you get a claim for quality?—Naturally, if the quality was deficient the buyer would get an allowance.

102. And if it was not deficient?—If it was not deficient he would have to pay the price agreed on.

103. Are you aware that a claim was always made by certain firms?—The inference from that is that the quality was deficient.

104. No, it was simply because the butcher, acting as his own assessor and nominating his neighbour as arbitrator, had the case all his own way. The settler had no show. That being so, and there being no reliance, in many instances, to be placed either on market sales or c.i.f., do you not think the plan was practicable to buy the site alluded to, and to pass the meat through the market there instead of through Smithfield?—I understand you suggested that all New Zealand meat should be sold through that market, and those who were interested in the meat should become shareholders in the concern. Where I considered it impracticable was in this: if all New Zealand meat were placed in that one market for sale, and handled solely by representatives of the colony, it would be impossible to get sufficient buyers for the large quantity arriving, most buyers being the customers of the salesmen who previously handled the meat.

105. Have you not said that concentration and combination are what we should try to get?—Yes.

106. And if the people wanted the meat, would they not get it from the concentrated market just as well as from the different salesmen?—You would prohibit these different salesmen who had previously handled New Zealand meat from handling it. You would have the full competition of these men against you, and they would fight to retain their old customers.

107. Was River Plate meat five years ago fit to sell against New Zealand meat?—I do not say whether it was fit or unfit. I say you would create competition on the part of these men against you, and you would have to get their customers to become your customers.

108. You advocate control?—Yes.

109. Does that not point to a combination in order to insure New Zealand meat being sold for what it is?—I say I would sell to the wholesale men in London. It is a different concentration that I advocate. Your concentration was that all meat should be handled by one party at one point, and that Smithfield salesmen should not handle it. I say I want to sell it outright to the wholesale men and not to consign it to them.

*Mr. T. Mackenzie:* My plan was by one controlling body, but not sold all at one point.

110. *Mr. Buchanan.*] You say you advocate the concentration of New Zealand meat in the hands of a limited number of representatives of New Zealand who should control the sale of the meat in London?—Yes; representatives of the refrigerating companies.

111. Are you aware that the greater portion of New Zealand frozen meat is bought and owned by London buyers before it is shipped?—Yes. My belief is that the position has become more difficult quite recently. More buyers have been coming here. As you will see by my report, I do not object to c.i.f. sales being made.

112. Are you not aware that, in Canterbury more especially, that has been the case for years?—Yes, but I say it has increased considerably recently.

113. What would you do with these London buyers, who are looked upon in Canterbury especially, where they have been longest known, as the best friends of the farmers? Would you shut them out, or, if not, how would you get them into the combination that you mentioned?—I recognise, as I say, that it is more difficult to alter the system of recent years. I do not profess to know details so well as you and other gentlemen connected with the freezing companies. I am in favour of representatives in London of the freezing companies handling the meat that goes through each company—the Wellington Meat Export Company's representative would handle the Wellington Meat Export Company's meat. These representatives would sell to wholesale buyers. If c.i.f. sales were effected in the colony the representatives at Home would be notified by the manager of the company here at what price that meat was sold.

114. What I want to bring you to is this: would not that entail shutting out the London buyer, who has been operating as I have described for years?—It would shut him out from buying on the hoof, but it would not shut him out from buying c.i.f.

115. If he bought c.i.f., how could a company step in and say, "Such-and-such is the method by which you must dispose of the meat in London"?—I do not say the c.i.f. buyer must sell through the representative. I say the grower here who sells to the c.i.f. buyer must inform the company what the buyer purchases from him as a guide to the representative in London.

116. You have come here as the Commissioner to cure what I might term the ailments of the meat trade. You have told us what is wrong from your point of view. Is it not equally your duty to point out to us the cure, including the details of how that is to be brought about?—I have suggested the cure in the 5th, 6th, and 7th paragraphs, on page 5, of my report. I say there should be an agreement, in the first place, between the freezing companies in the colony that they shall not freeze for any one unless they have the disposal in Great Britain of all meat shipped Home other than c.i.f. sales.

117. Supposing you were a farmer, and the New Zealand meat companies said to you, "We will not ship your meat unless we have the disposal of it in London," would you not at once, and rightly so, resent your freedom being interfered with—in other words, employ your own agent to carry out your instructions in London? Would you not, and rightly, if you were a farmer, say, "There is something to conceal in this. I am not satisfied that the freezing companies will do my business so satisfactorily as my own agent, and I will go to the first freezing company which leaves me free to sell when, where, and how I like"?—But I have just said that the freezing companies should agree not to freeze for any one except under these conditions. There would therefore be no other freezing company to go to. The farmer may look upon it as hard, but it is to his benefit that a few interested men should handle all the meat rather than many disinterested men should handle numerous small lots in competition.

118. I want you to explain, if you do not shut out the London c.i.f. buyer, who carries out the greater part of the trade now, how you are to place him under control so far as his meat is to be placed in London?—You cannot place him under control. He can "bear" the market if he chooses, or give his meat away. Knowing, however, the price he has paid for it, the representatives of the companies at Home would know what price he must sell it at to make a profit. They could watch his sales and watch the market.

119. What do you mean by watching his sales—obtaining from him the price at which he sells from time to time?—Not necessarily from him, but obtaining, to the best of their ability, information as to the price at which he is selling his purchases.

120. What would be the result of that?—They would know if he was "bearing" the market or not. They would know whether it was necessary for them to follow him or whether they should endeavour to get a better price than he was selling at.

121. You have said that a guide to the owner of the meat would be what it cost him: would the prospective market-values be the guide rather than what he paid?—Of course, you understand that a Board such as is suggested would meet and confer. They would know what was being done on the market. I say it would be for the general benefit of the trade.

122. You have stated in your evidence that the best Argentine mutton is equal to the best North Island mutton: how would you keep clear of the Argentine competition, that being so?—In all businesses you have to face competition; that is why I suggest the Government advertising New Zealand meat by demonstration.

123. How would you get away from the Argentine competition, your competitor's goods being equal to yours?—By specialising New Zealand meat. That, however, does not get away from the fact that I think it would benefit the trade to have the combination suggested.

124. You say that Nelson and Sons have paid a dividend of 50 per cent.?—So I understand from their reports.

125. Are you aware of the financial position of these companies a few years ago?—Yes; they were rather bad, I believe.

126. In subsection 2 of your report you state as follows: "I am strongly of opinion that wholesale meat-merchants ought not to be employed by New Zealand producers as their commission agents." Are you aware that in Canterbury, and all over New Zealand, many of the auctioneers who do a large business as agents are also dealers in stock?—I remember that, when I was in New Zealand before, the farmers did not at all approve of an auctioneer being a dealer. They preferred an auctioneer being an agent, acting solely in their best interests.

127. I asked you whether you were aware that it was so?—I have not been in New Zealand for several years, and am not aware of it.

128. You are also in favour of reducing the number of agents in London. Are you aware of the number of auctioneers who act as selling agents at Addington yards in Canterbury?—I understand there is a large number, but I do not think that has anything to do with the number of meat agents at Home.

129. Would you advise a restriction of their number?—The position is entirely different, I consider.

130. There are a large number of auctioneers at Addington yards, Christchurch, every Wednesday doing business. Would you advise the farmers there to reduce the number of auctioneers in order that they might get better prices for their stock?—I would not advise on anything I know nothing about.

131. How would you distinguish between an agent in London who is also a dealer in frozen meat and one who is not? How would you detect the difference?—Well, those who are dealers in meat at Home, I think, are generally well known. They buy wholesale and sell lines in retail. The New Zealand representatives that I suggest would be sent to London by each of the refrigerating companies in New Zealand, and they would be genuine agents—they would not be dealers. Each would represent the output of his particular factory, and his whole interest would lie in his doing his best for that output.

132. As to fraudulent sales: You think it is practicable to stop these in the retail trade. In other words, when the meat is cut up into chops and small portions, how would you distinguish between what is River Plate and what is New Zealand meat?—When a man is supposed to be selling River Plate meat as New Zealand, you do not take into consideration the proof of a case against him from the sale of chops and small pieces. You have to select some particular joint of meat or carcase of mutton or lamb from which you can prosecute and convict him.

133. If it is practicable to stop these fraudulent sales, can you explain to the Committee why it is that they have not been able to stop them in competition with British-killed meat?—The same difficulty arises in a prosecution for the sale of New Zealand meat as English as in the case of a prosecution for selling River Plate meat as New Zealand. Under the Merchandise Marks Act, which is the Act you have to prosecute under in order to convict, it is necessary that an invoice

shall have been given to the purchaser at the time of sale, on which must be clearly marked a recognised trade description of the quality of the meat. Now, it is almost impossible to get any one, knowing that, to give you such an invoice. A man at Home may open a shop and put over the door, "New Zealand Meat Company"; he may advertise widely throughout the district that he is selling New Zealand mutton. You may go to his shop and ask him if he is selling New Zealand mutton, and he may tell you, "Yes." You may say to him, "Weigh me a leg of New Zealand mutton." He does so, and you pay him. You ask him to give you an invoice, and he gives you one, marked "One leg of mutton." You may be able to prove that it is River Plate mutton, but you cannot convict him of a fraudulent sale because the invoice is not marked with any trade description indicative of the source of origin.

134. I am afraid you have not answered my question—namely, the method by which you could practically stop the fraudulent sale of Argentine or other meat in place of New Zealand meat?—The only method under the present English law is to do as I have just said, get an invoice giving the trade description.

135. What the Committee would like to hear from you is whether you have a practicable plan by which these fraudulent sales can be stopped?—The only proposal that I can make for stopping the fraudulent sales is by branding our meat with a neat, clear, indelible brand. That would stop it immediately.

136. Would not the presence of this brand on cooked meat spoil the appearance of the joint?—It is not observable when the meat is cooked and on the table.

137. Is there any other company that you are aware of which brands its meat in this way?—There is no company at present branding its meat, but meat from the Continent comes to the Home market branded.

138. *The Chairman.*] Is not that merely a guarantee that it is sound?—Yes.

139. *Mr. Buchanan.*] Is this Health brand affixed to any prime portion of the carcase?—I cannot say particularly. I merely instance that as showing that branding is done, and that it is no detriment to the sale of the meat coming from the Continent on the market.

140. How can you say that, when you say the brand is put on an unobtrusive part of the carcase?—It is not on an unobtrusive part; it is on an obtrusive part. Suppose it is a quarter of beef that comes across, it would be stamped on the shoulder or buttock, or on the leg of a sheep.

141. Have you any knowledge of the number of pure-bred stock bought and shipped for South American owners?—I have not got a statement with me, but I could get it. I know a large quantity of pure-bred stock goes there.

142. Would you be surprised to find that in five years the Argentine imported 28,478 pure-bred sheep, and 4,138 head of cattle of a value of nearly half a million of money?—No; and I consider that is a very strong argument for doing our utmost to keep New Zealand meat in front in the competition with the Argentine.

143. Following that question would be this: Is there any reason to doubt that the proportion of Argentine meat, which you now acknowledge to rank with the best North Island mutton, will not be enormously increased in a very short time?—I consider it will be enormously increased, and that New-Zealanders must do something energetic to improve their trade in view of the competition which they will have to face.

144. *The Chairman.*] Just a question about selling-agents and those who deal themselves: Do you know any men on the market who are purely vendors and not dealers?—I do not know any.

145. Do the Colonial Consignment Company approach that position?—I consider the Colonial Consignment Company the best of the distributing companies in Great Britain.

146. Is it not a fact that they only buy to fill up in the event of their own meat not coming forward, and are not dealers?—I understand there is a clause in their articles of association under which they can only buy up to certain limits.

147. *Mr. Witheford.*] In regard to your statement that the selling-price of New Zealand meat had not reached 10d., are you aware of a prosecution in a Court at Home where it was given in evidence that the seller bought New Zealand meat at 3½d. per pound and had sold it for years to a purchaser at 1s. 2d. per pound?—He was selling it as English meat, not as New Zealand.

148. The man had to disgorge £70,000 to the Grosvenor Hotel Company for selling New Zealand meat as English, and for other informalities of a like nature?—That was a case of fraud, of course.

149. How is it that New Zealand has not benefited to a greater extent through the recent war? It was not until Mr. Seddon telegraphed Home, calling attention to the neglect of New Zealand as a source of supply to South Africa, that anything was done. Have you done your best in that direction?—The Agent-General, Mr. Kennaway, and myself repeatedly waited on the War Office authorities and did all we could to get as much New Zealand produce taken by them as possible.

150. How was it that you did not get incorporated in the tenders a clause favourable to our meat?—War Office contracts are always on c.i.f. terms, and contractors in the colony wanted f.o.b. terms. The War Office authorities said they would rather pay more for c.i.f. deliveries than take the trouble incidental to f.o.b. sales.

151. *Mr. Buchanan.*] Are you aware that tenders from New Zealand for these War Office contracts, at the lowest possible rates they could quote, were considerably under-tendered by the Argentine tenderers?—I do not know who tendered, there were so many.

152. That is not the question: Are you aware or not that the Argentine tenders were lower?—I am aware that the Argentine tenders were lower. I am aware that tenders were sent in lower than the ruling price for New Zealand meat at the time the meat was tendered for.

153. You said "lower than the ruling price": My question is, "lower than the tenders from New Zealand"?—I do not know what the tenders were from New Zealand. The Agent-General asked the War Office to tell him what prices were offered, and they said they could not make public the tenders received. No one outside is aware what the prices were.

154. Have you any suggestion to make by which New Zealand could meet with better success when tenders are again called for?—The difficulty in the way of getting contracts for New Zealand meat, either from the War Office or from any large institution, is that there is no guarantee that the meat supplied as New Zealand is New Zealand. If the meat were branded that would be a guarantee that they were getting what they were paying for.

155. Would you explain how this difficulty would arise in a case, we will suppose, of a New Zealand tender having been accepted: Where would the difficulty come in of recognising the meat on its arrival in South Africa?—I am now talking of the War Office contracts at Home. I have nothing to do with the South African contracts.

TUESDAY, 1ST SEPTEMBER, 1903.

H. C. CAMERON, Produce Commissioner, further examined. (No. 7.)

1. *Mr. Aitken.*] I notice by your report that you state that New Zealand mutton is practically only known in the South of England, except for the monthly circulars that are issued by certain firms, and you recommend that we should take some steps to make it known in the midland counties and manufacturing districts of Great Britain?—That is, so far, what I say. Speaking generally, if you draw a line across England fifty miles north of London you will find that by far the larger proportion of our meat is sold south of that line. Of course, in the Midlands and in the North there is a quantity sold, but, comparatively speaking, a very small quantity, and not at all commensurate with the large populations in those districts.

2. Where do those districts receive their supplies from?—The North of England and the Midland counties are generally supplied with River Plate meat. The supplies of New Zealand meat which go to them, and which are only in small quantities, are supplied from London principally.

3. What remedy do you suggest to bring about an alteration in the circumstances you have drawn attention to?—In watching the distribution of New Zealand meat in the Old Country, which I have done pretty closely for a number of years past, I have found that it is well known throughout the country by repute. There are in several of the large towns small quantities of New Zealand meat to be occasionally met with; but I have found that, owing to this reputation of New Zealand meat, the retailers who are selling Argentine meat sell it as New Zealand meat. I have found that many people, who, owing to their knowledge of the repute as to the quality of New Zealand meat, are desirous of getting it, do not get it when they wish it. They very often get River Plate meat instead, and that I consider is very detrimental to the increase in sale of our New Zealand meat. I also know that there are throughout the provinces many butchers who are desirous of pushing New Zealand meat in an honest manner, but who, owing to the fraudulent competition of butchers who retail River Plate meat as New Zealand meat, find they cannot make headway and cannot push the meat. They have informed the Agent-General and myself that if there was any means by which New Zealand meat could be guaranteed to the consumers throughout the country, they would push the New Zealand trade much more than they do now. My suggestion, then, comes to this: that, having heard that the competition of the River Plate meat is likely to increase in consequence of several new companies starting in the Argentine, and feeling that our meat will suffer gradually from the competition of that increasing quantity in England, some attempt should be made to specialise our meat in those districts where it is now not largely distributed. With that object I recommend that the Government should open in each large town having, say, over one hundred thousand inhabitants, a small well-appointed depot where New Zealand meat could be displayed in an attractive manner, where it could be advertised from, and where it would be sold to the better class—or what, perhaps properly, I may call the wealthier class—who at present very often ask for it, but who usually have other meat supplied to them instead. The proposal I make is a small one for advertising purposes solely. I do not ask or urge that the Government should open shops all over the country and trade in competition with the butchers. I merely desire that our meat should be introduced to the wealthier class of people in an attractive manner, giving a guarantee from the Government that it is New Zealand meat. This demonstration would, I believe, increase the distribution of our meat amongst the higher class of butchers.

4. But the middleman comes into the question, and do you think he is going to view the opening of these shops with satisfaction? Would he not put a ban on New Zealand mutton of all kinds?—The proposal I make is directly in the interests of the wholesale man. By this advertisement we create a demand among the wealthier people who reside in the suburbs and in the large towns where I advocate opening the shops. By the introduction of our meat to these people the butcher will be induced to supply it to them when it is asked for. Having a demand for our meat the butcher will stock it. He will find that it will pay him to do so, and then he will have to go to the wholesale man for his supplies. You will notice in my report that I intend to keep the prices high. My object is that the retail butcher shall see that we are not going in for a cutting trade, but that we are going to demonstrate our meat as of high-class quality and of fairly high value. When the butcher sees that we are keeping our price up it will induce him to sell at our price. He can even sell a shade lower and then have a fair profit. I maintain that the result of creating a high-class retail demand would be to benefit the wholesaler, as well as the retail butcher.

5. How many shops would you have opened?—I should only open a few, taking, as I say, only the towns that have a hundred thousand inhabitants.

6. How many shops would you open?—Six or eight, extending to possibly a dozen, as we found the trade warranted it.

7. Well, take a city like Manchester. You say that Manchester is one of the cities that do not use New Zealand mutton now?—I have had experience of Manchester.

8. Take any one of the cities, and say you open one shop in that city: do you think that is going to benefit New Zealand mutton to any extent?—I certainly do. I know that from my own experience.

9. Do you not think it would affect the wholesale handling of our meat if we retailed it?—It would aid it.

10. But would not the fact of the Government going into competition with the butchers affect our trade?—The suggestion is merely to advertise our meat, making a specialty of it, and appealing to a better class of people.

11. It is also a means of cutting into their trade, as they call it?—No; I would keep the price so high that we should encourage them to sell it.

12. But you would become competitors all the same, no matter what the price was?—We should at the start; but our object is not to compete, but to introduce our meat to their customers, so that they would be compelled to stock it.

13. You would make a display for twelve months and then close the shops: is that your object? If you were going to extend the shops, you would have by-and-by the New Zealand shops selling all the meat that has come from New Zealand?—I only suggest one large shop in each town of a hundred thousand inhabitants. I do not suggest opening shops for the purpose of trading in the general acceptance of the term.

14. If you opened one shop do you not think that the ultimate effect of opening that shop, if it succeeded, would be to entice you to open another?—Certainly not. Our object would be to induce existing butchers to stock our meat or to open shops for the sale of it. We merely desire to create a special demand for our meat which the butcher will have to supply.

15. *Mr. Buchanan.*] Do you think that the c.i.f. purchasers who operate in New Zealand compete so strongly with each other that the New Zealand grower, as well as the freezing companies in New Zealand, are getting as high a price as the position of the meat trade in England admits of?—I scarcely follow you as to the connection this has with the shops.

16. Do you think there has hitherto been healthy competition as between the London c.i.f. purchasers who buy out here sufficient to secure for the grower in New Zealand as high a price as the state of the trade in England can afford?—The prices they have been giving recently have been very satisfactory, and I do not think they enter into competition.

17. Would it not be much better to say "Yes" or "No"? I put my question as plainly as I possibly can—whether you consider the competition amongst the c.i.f. buyers for some time past to have been of such a healthy character that the New Zealand grower is getting wholesale as much for his meat as the state of the trade in England can afford?—He has for some time past.

18. Is any butcher free to go to Smithfield market and buy the meat he wants in the open market without let or hindrance of any sort?—Certainly.

19. There is perfectly free and open competition in the Smithfield market?—Yes.

20. Do you think that the retail price of that meat in the shops gives too great a profit to the butcher who buys in the Smithfield market?—No; I do not think it does.

21. You do not think that the retail butcher in England is making too much money at the expense of the grower here?—Not the butcher who is selling our meat honestly—not the butcher who is selling it as New Zealand meat.

22. But you think that his profit is not too high?—I think he makes a fair profit.

23. In that case, how are you going to improve the price to the grower here by establishing your own shops in England if the retail butcher is not making too much profit now?—The price that is being given to the New Zealand producer for some time past is most satisfactory, and I think, if that price could be guaranteed to continue, it would be unnecessary to do anything to improve the position. The present price is a good one, but it is better to have a good price all the year round than to have it high for one portion of the year and low for another. What I desire in asking that this proposal should be accepted is to insure a continuance of that good price, and to keep it steady.

24. Is the Committee to understand that the position of matters at the present moment is so good as to require no improvement?—I do not say it does not require any improvement. The price is so good at present that the trade is in a satisfactory state, and if we could continue it as it is now we should require to do nothing.

25. Well, can you not answer the question I have put in the affirmative or the negative—namely, Is the position at present such as requires no interference whatever on the part of the Government or any other person?—No, I do not say that it is. I suggest—and I am strongly of the opinion—that the Government ought to do everything to advertise our meat, and endeavour to get it into a channel of outlet distinct from that held by River Plate meat.

26. I thought you had already stated that the position was so satisfactory that if we could insure the continuance of it no interference would be necessary. Is that so?—That is so, if we could insure the continuance of it. I say I believe in advertising. I do not believe in any interference with the trade.

27. Having got so far, what do you fear in the future which would interfere with the present satisfactory position?—The increasing competition from the River Plate. We have good evidence that several new companies are starting in the Argentine, and the number of sheep known to be there is so large that I feel that in a very short time the export from that country will be much greater than it hitherto has been.

28. You say that horses and drivers could be hired for your shops?—Yes.

29. Do you mean to say that a livery-stable man would do to recognise the joints and deliver orders—I ask you whether the ordinary man you would get out of a livery-stable would be sufficient to take out and deliver orders for the customers?—Yes, under my system.

30. Would that system include cutting off the joints and parcels of meat, wrapping them up, labelling them, and so on?—Yes.

31. Would that work out satisfactorily in London on a muggy hot day with frozen meat?—It worked out very satisfactorily in my own business in Manchester.

32. Would you wrap up the damp frozen meat in paper?—I always have my meat thoroughly thawed before sending it out. I always wrap it in parchment-paper first, and afterwards in brown wrapping-paper.

33. Would you say that a butcher in Wellington, who learnt his trade in London, and asserts that that would destroy a high-class trade at once, would be stating what was incorrect?—It is very commonly done in London now. The C. C. and D. Company, John Rose and Co., and other butchers send their meat some distance outside of London, and wrap their orders up in the way that I suggest.

34. You estimate certain weights for legs and shoulders off a 60 lb. sheep?—Yes.

35. Would you contradict an expert butcher if he said that the weights given are too high?—Certainly I would. The weights given are not too high.

36. Have you served your time in the trade yourself as a butcher?—Yes, I have, as a butcher in Manchester.

37. And you assert that the weights given are not too high?—They are not too high.

38. And do you assert the same with regard to lamb?—Yes.

39. What about the average purchasing-price?—The price of 4d. a pound delivered on trucks at the ship's side in London, which I allow, is a higher average than that of any previous year for New Zealand mutton.

40. Are not the prices that you set down in your report to be paid by the shop on the average too low?—Fourpence a pound for mutton on the trucks at the ship's side is higher than it has ever averaged in any year yet, and 5½d. per pound for lamb is higher also.

41. What about the breasts and necks in summer: would you be able in a first-class shop, with a high-class business, to work them all off in summer, as you have assumed in your statement?—At the price I have charged I would.

42. You do not think that a lot of them, which could not be sold, would have to go into the fat-bag occasionally?—No; because I should take good care that they would not. I have had experience of this before. What I did was to supply them when fresh to certain institutions at low prices. I have put down in my estimate an average price for breasts of 2d. per pound. You will see that it is 2½d. on other retailers' lists.

43. You have given us so-many shops at so-many carcasses per week?—Yes.

44. Would you not in a high-class trade have to buy extra legs and shoulders to meet the requirements of the shops?—Yes; at a week-end you probably would have to do so. That would be an extra profit which I have not counted upon in my estimate.

45. Would not the profit on specially purchased legs and shoulders be very small?—Yes; you would probably only make 1½d. or 2d. per pound.

46. In the case of a person establishing a lot of shops in England, would it not be a pretty fair success if fifty out of a hundred shops opened were established permanently—in short, if it were stated that about fifty per cent. of the shops opened would have to be closed because they did not “catch on”? Would you deny the accuracy of such a statement?—It depends upon the locality, and upon the person conducting the business.

47. Would you consider that a misleading statement or assertion?—I should say, if you refer to my suggestion that the Government should do it, that it is a misleading statement.

48. I ask you what you consider the probabilities would be in the case of any one attempting to establish a lot of shops in various centres?—A private individual would have much more difficulty than the Government would have, because a private individual has nothing to appeal to the public upon. The Government gives the public a guarantee, and that guarantee the public would accept. I think there is no chance of failure.

49. You do not answer my question: I did not say “the Government.” I asked you whether you thought it would be a misleading assertion if that statement were made?—It depends upon the district and the man.

50. The £400 rent that you propose to pay for a shop indicates a high-class locality?—Yes; it is an extravagant rent. I put that too high.

51. If you put that too high, may you not have made mistakes in other estimates?—In my estimate my maximum amount for expenses has been made rather excessive. On the other hand, my profits have been put as low as I could make them. I have not tried to make too good a statement.

52. What about the goodwill of the shop: you have put nothing down for that?—No.

53. Would you expect to walk straight into a shop without paying anything for goodwill?—Certainly.

54. In other words, you would have to create a business?—Certainly.

55. What about the fittings: do you not consider £40 too low for them?—No; I could do it for much less.

56. For a high-class shop?—Yes; my shop in Manchester did not cost me £40. In my estimate you will see £40 is for rails-fittings.

57. If a butcher in business at Home made the assertion that it would cost from £100 to £120, would you say he did not know anything about it?—Certainly. I would say he was a most extravagant man.



58. Would you not require a cash-register?—Certainly not. I do not believe in them.

59. Would you have a safe?—Certainly I would.

60. Have you made any allowance for a safe?—No, I have not. That would cost £7 10s. or £10. That is provided for in the incidental expenses.

61. You have a sausage-machine down for £12?—Yes.

62. Would you say that a skilled butcher was wrong if he asserted it would cost £40?—Again I would say he was an extravagant man. My machine did not cost me over £12.

63. You put your refrigerating plant down at £500: does that include the power?—Electricity for power and lighting is set down at £40; fitting up the whole of the refrigerating plant is put down at £500. That is more than it would cost.

64. Do you consider £2 10s. a week sufficient for the man in charge?—Certainly, for the first shopman; but he is not in charge. I have allowed £52 for proportion of supervision. Supposing that I have got ten shops, the supervision of them at £1 each per week would be £520 a year. The other item is for a foreman shopman only, for whom I allow £2 10s. per week.

65. If you have ten shops, how would you arrange the supervision?—The same as companies like W. and R. Fletcher and other large concerns do. They have men going round from shop to shop to see that everything is correct and up to date. A special man is engaged for the purpose.

66. How often would the supervisor visit each shop?—Probably once in ten days or a fortnight. Few shops, more supervision; the more shops, the visits would be at longer intervals.

67. Would that not be the cause of great expense for travelling?—I have charged £1,000 a year for travelling-expenses for ten shops.

68. Would not the head shopman have charge of the takings and everything?—No; the cashier would have charge of the takings, and would have to bank the money every day.

69. Would he not have charge of the moneys until they were paid into the bank?—The shopman would not handle any of the money whatever.

70. Do you think £2 10s. a week would be sufficient: would you think, say, a London butcher was in error if he asserted that £2 10s. a week was too low for the first shopman?—Certainly. You will see that the following year I give him £2 15s. You would get a first-class man at the wage.

71. The Committee understand you to say that a high-class trade would mean fewer bad debts. Supposing this gentleman I have referred to, who has had large practical experience at Home, were to say that they were all unanimous on the point that the curse of the business lay in the unlimited credit that it was absolutely necessary to allow to purchasers?—I would say that is not my experience of three years' trading.

72. I have here a statement by two wholesale butchers in Smithfield, who deal almost exclusively in New Zealand meat, that the bad debts were a very severe item, and that the West End butchers were the worst offenders. Would you accept that statement as correct?—Certainly; but that does not apply to my shops at all. That is the loss sustained by Smithfield wholesale salesmen through retail butchers, not the loss sustained by retail butchers in a first-class trade from their customers.

73. What about the universal complaints of "leakage" where the shop is not managed by the owner?—I have allowed 4 lb. for leakage on a 60 lb. sheep, and, supposing we lose 2 lb. more a sheep, if you look at my balance-sheet here you will notice that I do not estimate anything for profit on veal, pork, or small goods, and I say the profit on these goods will more than cover any loss by shrinkage.

74. The leakage I refer to is not a leakage in the cutting-up of the sheep?—I thought you meant loss in weight.

75. No, I mean the loss to the till where the shop is not managed by an owner on the premises?—My system of handling the cash is this: I have a cashier, who receives all the cash direct from the purchasers; each shopman has a duplicate book in which he enters every amount sold by him, and when a purchase is made a slip is handed to the purchaser, who hands it to the cashier with the cash. The shopman handles no cash whatever, and unless there is collusion between the shopman and the cashier there is very little chance of any leakage such as you suggest.

76. What have you to say with regard to the meat-retailers of Manchester, who are said to be pledged to discontinue the sale of any of our meat in the event of the New Zealand Government carrying out this proposal, and who also state that other trade associations will follow suit?—In the first place, I may say that the resolutions you refer to were passed by the Manchester and other associations under a misapprehension, and in the belief that the New Zealand Government intended opening shops to sell in competition with them. In the second place, I may say that in the Manchester district, where this association is located, with the exception of W. and R. Fletcher's shop, which was opened by myself, there is very little New Zealand meat sold, except, as I say, in small quantities. These resolutions were passed under the mistaken idea that the New Zealand Government intended to compete and cut prices—in fact, to sell at cost-price.

77. I suppose you have had an opportunity of ascertaining what the retail prices are in Wellington, for instance?—I have been told that legs are selling at 5½d. a pound, but I have not asked about it recently. That was a month ago. I hear that prices have been going up all over the country. I do not definitely know what the prices are now in Wellington.

78. Can you tell the Committee what the prices are at Home?—Yes; I can show you the prices of mutton retailed for cash, according to W. and R. Fletcher's price-list: Half-sheep, 5½d. per pound; hind quarter, 6½d.; fore quarter, 5d.; leg, 7d.; shoulder, 6d.; saddle, 7d.; loin, 6d.; neck (best end), 6d.; chops (trimmed), 8d.; neck (plain), 4½d.; breast, 2½d. That was at the end of March last. London prices of John Rose and Co.: Legs, 7d.; loin, 6d.; shoulder, 6d.; saddle, 6d.; sheep, 5d.; sides, 5d.; breasts, 2d.; necks, 4d.

79. Did it not occur to you to ascertain what the retail prices in the colony are?—I say that I did ask a month ago.

80. The Premier has stated publicly that the retail prices in New Zealand were considerably higher than in England, despite the heavy cost of freight and other expenses of taking the mutton to London. Would you say that that is correct?—I cannot say what is going on in the colony. I told you what I understood was the Wellington price—that I heard that the price of legs was 5½d.

81. I wish to get your answer as to whether such a statement as that reported as having been made by the Premier is correct, taking the Wellington prices?—I do not know what statement was made. I think it is hardly fair to ask me whether a statement made by the Premier is correct or not.

82. You are not called upon to discuss that. You are simply asked the question, if the Premier or any one else were to make a statement that retail prices in New Zealand were considerably higher than they are in London, would that be correct?—I should say it was incorrect.

83. That is all I want to know?—I wish to say I was speaking generally of New Zealand meat. There is meat sold at a much lower price.

84. *Mr. Rutherford.*] You have kept a shop yourself?—Yes.

85. And you speak with some authority?—Yes.

86. How long do you propose to keep these shops open?—It depends on circumstances. I could not say offhand how long.

87. I see you have made provision for three years—you think it might be necessary to keep them open that long?—I think it will be necessary to keep them open for some time as an advertisement.

88. Have you reason to believe that the best brands of New Zealand mutton are frequently sold as English?—Yes; that is generally understood.

89. I suppose it is generally understood also that it enables buyers to give a higher price for it?—I do not think it affects the price of New Zealand mutton very materially, and that the depreciation caused by the fraudulent sale on the other hand minimises the benefit.

90. You told us on a previous occasion that Fletchers have a hundred shops?—Yes; they have numerous shops.

91. And I think you said they dealt entirely in frozen meat?—I believe they now deal only in frozen and chilled meat. I consider W. and R. Fletcher's a highly respectable firm.

92. Yes, that is why I am referring to them. You state in your estimate for the first year's business you expect a profit of 6½ per cent.?—Yes.

93. In the second year 14½ per cent.?—Yes.

94. And the third year 48½ per cent.?—Yes.

95. Have you any idea why Fletchers did not open shops of the character you describe: would they not make 48½ per cent.?—Yes; several of them may have. W. and R. Fletcher have shops throughout the country, and are doing a very good trade.

96. Do they not advertise New Zealand mutton?—That is the point. They do not advertise New Zealand mutton to any extent, as I desire. They make no special feature of it, except by circular, sent regularly to their customers.

97. Then, the opening of these shops would cause us to come into competition with respectable people like Fletchers, would it not?—It would to a certain extent.

98. Are you aware that in the Canterbury Province, where the best class of mutton and lamb is exported from, a number of respectable butchering firms have their buyers there competing continually with each other?—Yes.

99. Are you aware that these buyers are now giving higher prices than the growers could obtain if they shipped their stock themselves?—I did not know, but I take it as a fact.

100. *Mr. Bollard.*] In opening the shops in England your object is to increase the price to the producers here?—My object would be to keep the present high rates steady.

101. That would benefit the producer?—Yes; so that if we get the competition from the Argentine that we hear of we shall be in a better position to defeat the effect of the large quantity they may send forward.

102. That is the real object—to secure to the producer the highest prices that can be got?—Yes; that is so.

103. And in order to show that the meat came from New Zealand you would have the Royal arms stamped on it?—I am in favour of branding New Zealand meat, but it is not included in this proposal. My proposal is that the shops shall have the Government coat-of-arms on them, and a guarantee so given that the shops are opened by the Government with a view to educating the people by demonstration as to the merits of New Zealand meat.

104. In order to do that you would require to have regular supplies so that you would always have New Zealand meat on hand?—Yes.

105. Well, seeing that a very large proportion of the frozen meat sent from here goes in six months of the year, how would you propose to keep up the supply to these shops during the slack time of the year?—The Government would have to purchase the meat, just as any other retailer would have to do, during those months.

106. Unless you got regular supplies from here you could not get New Zealand meat in London?—They would get supplied as regular as any other person.

107. But other people when they cannot get New Zealand meat get River Plate meat?—Yes.

108. And you propose to sell nothing but New Zealand meat?—Certainly.

109. Suppose you cannot get supplied from New Zealand?—Of course, if you cannot get supplied there is no good talking any more about it.

110. How would you get the supply?—By regulating the shipments at this end.

7—I 10A.

111. How would you do that?—By holding over certain portions of the shipments from the season when there is a large quantity available until the season when the sheep are going forward in smaller numbers, shipping them regularly all the year round, and holding the surplus in store at this end.

112. Who do you propose should do that?—Well, the producers themselves, or the freezing companies by arrangement with the shipping companies.

113. Supposing the freezing companies agreed amongst themselves to combine to regulate the quantity forwarded to London monthly during the whole year?—They would have to come to an agreement.

114. Would that not be practically a ring or combine?—I do not think so.

115. If the freezing companies all combined here to ship regularly, would they not have the producer at their mercy in the matter of price?—I do not say they must purchase the stock.

116. But if the freezing companies combined to store the meat here and send regular supplies to London on behalf of themselves and their clients? The greater portion, I hear, is purchased from the producer by the companies?—No; by the shippers, who freeze.

117. Well, in order to regulate supplies it would require combination?—It would require an agreement.

118. Would they not have the producer to a very great extent at their mercy with regard to price?—I do not think so. The producer can freeze—he need not sell.

119. Do many of them freeze now on their own account?—I understand there are many shippers.

120. I mean producers—the men who grow the sheep?—I suppose there are a good many who do ship.

121. If the parties engaged in the frozen-meat trade here combined together to send regular supplies Home, would they not have the producer at their mercy when they combined and had no competition?—I do not think that would follow.

122. You think this matter of combining together to regulate shipments would not be a ring or combine?—No; it would be an agreement. Instead of the sheep going Home in large quantities at one time of the year, regular quantities would go all the year round, the balance being held in store.

123. Do you think you could get them to do that without combining with regard to the price they would give for the sheep?—I could not say what they would do.

124. Unless you had this state of things brought about in New Zealand you would not be successful with your shops—that is, unless you could get regular supplies. What would you do—would you let your customers go and buy Argentine meat?—I am quite in agreement with this: that before our trade can be put on a satisfactory footing at Home regular shipments will have to be arranged for.

125. Then, they would have to be arranged for before you started the shops?—Yes; that would have to be arranged for.

126. *Mr. Field.*] When Mr. Buchanan was questioning you you volunteered the statement that he did not understand your system of distribution: would you like to amplify that statement?—I said the system of delivery was to wrap the joints in parchment-paper, and to wrap them afterwards in brown paper, sending these neat parcels out properly labelled and addressed.

127. Do I understand that you are in favour of opening Government shops in the Old Country?—Yes; for advertising by demonstration only.

128. That is part of the system of advertising you recommend?—Yes.

129. And it is only by advertising that you think the Government can assist the producer in this colony?—Yes; I think that is the best means for assisting the producer—making a specialty of our meat at Home.

130. If I heard Mr. Buchanan aright, he stated that we had arrived at this position: that the present state of things was satisfactory, and there was no occasion for Government interference or assistance?—I say that the present prices are very satisfactory, and if we could only get some guarantee that they would continue so in the future it would be unnecessary to interfere with the trade as at present conducted, except to do as I say, advertise.

131. In many of the reports you have sent out from year to year you have recommended changes in our methods: have you in any of those reports recommended any change which you do not recommend now?—No. In the report which has already been before the Committee are embodied all the suggestions I have previously made. Advertising and branding have been the two things I have advocated rather more strongly than any other.

132. And combination in London?—Certainly; sending consignments Home to recognised representatives of the freezing companies, and not to dealers.

133. Do I understand that you were butchering in Manchester on your own account?—I was.

134. Before you got the Government appointment?—Yes.

135. And you have worked out the figures in this estimate carefully and well?—Yes.

136. And on the safe side, you consider?—I do. I am thoroughly certain I am on the safe side.

137. Mr. Buchanan suggested that he had certain evidence of butchers from the Old Country upon which he examined you: do you consider those statements are likely to be actuated by self-interest?—I do not say that, but I say they are extravagant.

138. Would they not come from persons who would be strongly against any change in our methods?—I have no idea who they are from.

139. If they are butchers interested in the trade, would they not naturally fight any proposal for change?—Butchers trading at Home are under a mistaken conception of the proposal.

140. *The Chairman.*] Is it a mistaken conception really due to the telegram that Mr. Seddon sent Home?—Of course, that was not in accordance with my proposal.

141. *Mr. Field.*] If the Government opened shops for the purpose you have mentioned, is there any reason why they should not be conducted on business lines without any chance of swindling or leakage, but in the manner of shops which are run by private persons?—None whatever.

142. You were questioned as to a statement made by the Premier that the prices paid by the consumer in the Old Country were less than the prices paid here, and you read a list showing the prices paid by the consumer in England: does that price-list show the average price paid?—I have chosen that as showing a fair average. I can also show you my own price-list when I traded in Manchester.

143. You called yourself there the New Zealand Produce Store Company?—Yes; and the meat was sold all over the district as New Zealand meat.

144. If those are the average prices our mutton is retailed at, is there not an enormous discrepancy between the prices paid by the consumer there and those paid to the producer here?—I consider there is only a fair business profit made. Of course, it pays well, as I show by my estimates.

145. You said that you are aware that there are English buyers competing for Canterbury mutton. Are you aware whether there are English buyers competing in this province?—I understand there are English buyers all over the colony. I have met them myself. With regard to the profits, I have never said more than this: "The profit derived from the business done in the shops would, at the very least, pay working-expenses, so that the cost of the advertisement for the mutton would be nil." I have never brought forward the profit as an inducement to the Government to take the step now under consideration.

146. With regard to the question of a combination of the companies here, you say the purpose of the combination would be for the obtaining of regular shipments only?—Yes.

147. And you do not think the combination would be for the purpose of fixing prices?—I do not think so. Rather than "combination" I would say "agreement."

148. Before you could arrive at that agreement would it not be necessary that the producer should be a party to it, so that the companies should buy all the mutton?—I think it would be a great advantage if all engaged in the trade could enter into the agreement.

149. Would there not be a difficulty in getting this agreement amongst the producers?—There might be, but in their own interest there should not be.

150. *Mr. Hardy.*] Supposing your scheme set before the Committee to be perfect in every way, would you have recommended it in face of the very high prices being got for our mutton?—Yes; because from all the evidence we can gather I dread the growing trade of the Argentine, and I think we should specialise our meat, and introduce it more directly to the wealthier people at Home.

151. Does it matter to the producer what is done with his meat so long as he gets the price he wants for it?—It would make no difference to him; but I say, Let us do this in order to secure that high price in the future.

152. He has already got that high price, therefore is there any advantage in interfering?—There is an advantage in trying to secure that high price. I have seen our mutton higher and lower in price than it is now.

153. Do you not know that produce is sometimes brought into England at a very high price, and that it is an advantage to get it in at that high price? For instance, when Dutch and Irish butter is put on the market, is it not an advantage to get a large quantity of butter on the market when it is at a high price?—Certainly it is an advantage to get a high price from the producer's point of view.

154. Do you not think that the Government interfering as you propose may have a tendency to prevent the English butcher dealing with our meat in the markets?—I am certain that it will not. It will demonstrate that we are assisting the honest butcher at Home.

155. Does it matter to the butcher so long as he gets a high price for his meat?—Yes; because if you have the fraudulent competition at Home you are defeating the object you have in view—that is, in securing a better class of trade that will be permanent. By the fraudulent trader selling New Zealand meat as English, and River Plate meat as New Zealand, you are at a disadvantage, and you will never get the trade worked up to a payable basis.

156. When we are getting high prices do you not think it wise to let things alone?—I am afraid the prices will not continue as they are at present, and I want to keep them good.

157. *The Chairman.*] But you have been afraid all along—for the last two years?—I have.

158. Two years ago the price was 2½d. per pound?—Yes.

159. And now it is up to 4d. for mutton and 5d. and over for lamb, so that prices have not gone back during the last two years?—Certainly they have.

160. But prices are higher now than two years ago?—That is correct.

161. *Mr. Hogg.*] You referred to depots established for Argentine and Australian mutton in various parts of England. I would like to ask if those depots are the same as the shops you propose to open for the sale of New Zealand mutton?—No; the shops in which Argentine meat is sold are not got up in first-class style. They only cater for the working-classes, and conduct a cheap cutting-trade.

162. Do the Governments of the Australian Colonies undertake the sale of their meat in the way proposed by the New Zealand Government?—Australian meat has not been in the market for some time. The Government do not do so.

163. There are three companies that are solely in charge of the Argentine meat?—Yes.

164. And they have been in existence for a number of years?—Yes, for years. They open shops and retail the mutton in certain districts, and when they build up a trade they send direct shipments to the nearest port available.

165. And have they been increasing or reducing the number of these shops?—Increasing them enormously, as will be seen from a paragraph in the *Pastoralists' Review* of the 16th June last: "There seems an increasing tendency on the part of Plate houses to open shops. During a visit to the Midlands I saw shops at Birmingham run by the Fresh Meat Company, who also have shops at Manchester, Liverpool, Leicester, &c. The meat of this company is largely sold in the establishments of Eastmans (Limited). Sansinenas also have a few shops, but not in their own name—probably about a score, representing business taken over. Messrs. James Nelson and Sons' shops in the London neighbourhood increase."

166. *Mr. Laurenson.*] I have read this scheme over, Mr. Cameron, and it appears on the face of it to be a very good one, but there is one point that strikes me, and that is the great danger of leakage through the class of men who would be in charge of these shops. Would there not be a danger of pilfering? Have you referred to that?—Yes; I have provided means to avoid that, and which were adopted in my own shops at Home.

167. It is admitted that a good price is paid at present to the farmer for his produce: is it your opinion that if this scheme were put into effect the result would be that a better price would be obtained than is given even now?—I do not go the length of saying there would be a better price given, but it would have the effect of maintaining the present good price.

168. There is an elaborate scheme which has been prepared by a man named Joyce: have you heard of that?—I have seen it.

169. What do you think of it?—It is hardly fair to ask me that. I do not think it is so good as my own.

170. The scheme practically relieves us of any danger from pilfering, and also of a great deal of risk?—I understand it requires an agreement to be come to between the River Plate people and ourselves.

171. *Mr. Rutherford.*] It is generally understood that there would be very great difficulty in getting the freezing and shipping companies to combine. How would it strike you if the Government were to establish freezing-works and send the meat away in regular shipments themselves?—I am not in favour of the Government becoming traders in that manner. My proposal is merely to advertise our meat.

172. *The Chairman.*] Although the prices are higher now than they were two years ago, the supplies have enormously increased also. The supplies for the first six months of this year were over a million and a half of sheep, as against 880,000 sheep for the first half of 1901; and the record month of imports of sheep into England from New Zealand during the first six months of this year was made in June of 336,000 sheep. When you come to sheep and lambs for the half-year ending June, it was within a few carcasses of three millions. The lamb had doubled in the first six months of this year over what it was in 1901, and there were as many sheep imported into England from New Zealand in three months of this year as in the six months of 1901. Does it not seem to you, in face of this enormously increased supply, that the market at Home is doing remarkably well?—I say so.

173. Do you think that if a fall in prices were to take place the fact of having eight or ten shops opened would have the slightest effect in checking it?—I do. I think that each shop opened in a district would tend to create a special demand.

174. How many sheep and lambs do you anticipate selling in a year in each of these shops?—That is problematical. I have put it down at a very small number in the estimate.

175. Could you give us an estimate?—2,080 carcasses of mutton and 3,640 carcasses of lamb. It would be double that in three years.

176. Do you think it would have any effect at all if four thousand odd sheep and lamb were sold the first year, when you see that in six months they have taken three millions?—I say it would help to create a special market.

177. The question is, would it have any influence?—Certainly, in creating a special market.

178. On the question of honesty I referred you to Rose and Co.?—Yes.

179. They have five shops. Have they not nearly worried their lives out in trying to keep people honest? The proprietors, Mr. and Mrs. Alexander, take most active part, and have watched their shops night and day—the shops are all within a quarter of a mile of each other—and yet the worry they suffered nearly put them in their graves?—I do not think so.

180. If they have told me that the annoyance and worry of looking after their men has nearly broken them down would you say that was incorrect?—No, I would not. They certainly looked very hale and hearty when I saw them a few months ago however.

181. I am merely putting to you what is within my own experience. If it is impossible for them with their constant vigilance to prevent leakage, how is it possible to get honesty in a number of shops in different parts of Great Britain?—I think you are wrong. What you say implies that you cannot get any honest butchers in Great Britain.

182. Do you know why Eastmans have many so small indifferent shops in one district?—To get the trade.

183. Do you know why they do not have one big shop instead of a number of small ones?—Because they do business with a small class of people.

184. Is it not a fact that they have several of these shops in one street not far apart?—Yes.

185. Would you not think, if it were possible, they would have one big shop instead of a number of small ones?—No; it is not their policy.

186. Is it not a fact that the reason is that one shop is a check on the other's takings?—I cannot say. It is a fact they have open tills in most of the shops that the shopmen can get at.

187. In your plan the shopman handles all the cash?—No; the purchaser hands it to the cashier.

188. Is it not one of the simplest things in the world for collusion to happen where the manager only visits a shop once in a fortnight?—The books can be falsified if men want to be rogues.

189. Do you not think we have reached a stage in our meat trade when it is our policy to work in harmony with the Argentine trade?—Certainly. I do not suggest any antagonism to them.

190. If you open shops in districts where they have the control, will they not regard that as opposition?—Do they think of their opposition to us?

191. Would they not regard that as opposition to them?—I do not know how they will regard it, but I know that they have no hesitation in competing with us.

192. If it is to be a matter of competition, can the Argentine people not lower their price and still get a good profit?—Certainly; I would allow them to do so. I would not cut my prices down with them.

193. Then, you admit that the quality of the Argentine meat is equal to some of our first-class quality now?—Yes, equal to some of the North Island mutton.

194. If they cut their prices for mutton of equal quality to ours will it not affect our trade?—No, I do not think it will.

195. Their meat, according to your own statement, is as good as the best North Island: if that is so, and they sell it at a considerably lower price than ours, do you not think they would get the preference?—Not if we specialise ours.

196. Why should the people at Home pay more for the same quality of meat?—For the reason that many things are bought at a higher price because of their repute and not for their quality.

197. Do not the Argentine people now largely control the prices on the London market?—They do in the wholesale trade.

198. If they raised the price  $\frac{1}{2}$ d. per pound just now, would not ours follow suit?—Possibly.

199. If the people at Home make that declaration, of course you concur in it?—Yes, for wholesale.

200. If the Argentine people can raise and depress the market price now, and we entered into competition with them and they lowered the price, would that not have a very serious effect on our meat?—In the wholesale they rule us, not in the retail. Their combination helps them; our lack of combination ruins us.

201. We are taking the case of their lowering the price to the retail trade: would that fact not lower the price of our meat?—No, not if we specialise ours.

202. What specialisation have you got?—By advertisement.

203. How much cheaper can they produce their meat in the Argentine than we can?—I cannot tell you that.

204. You referred to the high profits made in the Argentine?—Yes, as reported by themselves.

205. There is a report before us of the River Plate Cold-storage Company, showing that they made over 100 per cent. profit: have you read that report?—No. According to the River Plate Meat Company's report, they have put aside a large amount to reserve and yet have paid 25 per cent.

206. This is the position of one company: "The report and accounts of the River Plate Fresh Meat Company (Limited) are truly remarkable documents, showing a most extraordinary state of prosperity. On a capital of £250,000, a net profit on trading of £272,475 has been made. The original ordinary five-pound shares have been converted into 20,000 one-pound shares and the 10,000 preference shares of £5 each into 50,000 one-pound shares. The reserve fund of £120,000, with £80,000 taken from current profits, was divided amongst the holders of old ordinary shares, thus doubling the capital, and giving each shareholder cent. per cent. on his holding, and with dividends of 10 per cent. and a bonus of 3s. per share, amounting to 25 per cent. on the whole capital, the original £200,000 and the additional £200,000 allotted to the old shareholders are altogether equivalent to 150 per cent. on the original capital; 10 per cent. was paid to preference shareholders, £69,960 put to reserve, and £10,378 carried forward." The point is this, that if they can make over 100 per cent. on their capital, does that not show that they have a great margin to draw upon in competition?—Yes.

207. And if they regarded this proposal as a serious departure, do you not think they might drop their prices and fight us, and that that would have a serious effect on our future?—I do not think so, because ours would be fair, honest competition.

208. You said that a great deal of the New Zealand meat sold in England was sold as the best English?—Yes.

209. You said that obtained in the West End?—Yes.

210. And yet it appeared to-day that it was from the West End people that most loss was made?—Mr. Buchanan said so.

211. In the list of prices you gave us of Fletchers', and Rose and Co., can you tell us what margin of profit they had?—I may say in reference to Fletchers' price-list that their prices are fixed for the year; they are not altered according to the rise and fall of the market. Rose's price-list does alter a little, I believe, but not much.

212. You cannot tell us what the wholesale price was?—I cannot tell you now.

213. According to Rose's price-list, he sells a whole sheep at 5d. per pound?—Yes.

214. The present price, I see, in London for prime meat is up to 4d. per pound?—Yes.

215. And he supplies that for a distance of a hundred miles from London free of charge?—Yes.

216. Therefore he gets 1d. a pound for that?—Yes.

217. Do you consider that reasonable?—I say that is a fair and reasonable profit.

218. Does any firm buy a higher quality of mutton than Rose and Co.?—They buy the highest quality. They are a first-class firm.

219. Do you think you could establish a shop outside that fifty-mile radius, and secure the trade from Rose and Co. at 5d. per pound?—Yes, because if I have a shop in their district I have the preference given to me by the customers over any one trading in London who has to send the order down by rail.

220. In 1901 you said that if heavy shipments arrived in London they would reduce the price of our meat, and the heavy shipments have not done so?—That is quite true; but I do not think I am the only one who has been found to be wrong.

221. Reference has been made by you frequently to the fact that the River Plate people sell their own meat as New Zealand. Is it not a fact that they sometimes buy New Zealand meat to supply it as their own?—Certainly they do not. They buy New Zealand meat—the poorer class of New Zealand meat—to supply their shops with when they are out of River Plate meat; but they do not sell it as River Plate meat. They sell it then as New Zealand; but they sell their own as New Zealand also in the retail trade.

222. I notice that your scheme must have been cabled Home, for in a Glasgow paper, dated the 23rd July, it is pointed out that the prices you name are slightly lower for New Zealand meat, and also emphasize the fact that this will have a tendency to lower the price at Home?—That should be in favour of my estimate. I would like to say that it is the C. C. and D. Company's experience—and I have been told the same by agents, managers, and travellers going through the country—that there is greater difficulty in getting orders for New Zealand meat now than formerly in the Midlands and North of England.

223. Yet, the fact remains that New Zealand has almost doubled her exports of meat during the first six months of the present year, and no difficulty has been experienced in getting these high prices?—That is so.

224. If there had been such a prospect of profits as you have tabulated here—as high as 48 per cent. for the third year—is it not remarkable that some of the people at Home have not gone in for this?—They have, and they have been making those profits.

225. I take it that your plan does not coincide with that Mr. Seddon cabled Home?—No.

226. Would you care about giving an opinion on Mr. Seddon's scheme?—I do not think you ought to ask me that.

#### TUESDAY, 22ND SEPTEMBER, 1903.

H. C. CAMERON, Produce Commissioner, further examined. (No. 8.)

1. *The Chairman.*] There is some variation in the evidence given on the 4th August, and I thought it as well to recall you. Do you remember, in dealing with the question of frozen meat going into the sorting-shed at Home, I said to you "Would you have all this meat that they land go into the sorting-shed, too?" In looking up your answer in the shorthand report you say "Yes," but in your correction of the transcript you have substituted "No." Would you like to have an opportunity of explaining why you altered your answer?—I said "Yes," but in looking over the report I noticed that my answer would include all the meat going Home in the Tyser boats direct to Nelson Bros., and that would be unnecessary in their case.

2. Was that in your first answer?—The meat that goes into the sorting-shed is small lots for sorting purposes, and I altered that, because I took it that my answers would be based on that. I certainly did not intend to convey the impression that all meat that was already sorted should be handled for the purpose of passing it through the shed. There is no sorting required for the C. C. and D. Company's meat going Home in the Tyser boats.

3. I said, in one of my questions, "Very well. Should an enterprising company like the C. C. and D. Company suffer the infliction and the cost, risk, and delay of having to pass their meat through a sorting-shed at the docks?" to which you replied, "I grant that it may seem rather hard." Then I asked, "What object is there in it?" and you answered, "The object is this: The welfare of the trade generally. Some one may possibly suffer from any alteration that is introduced in the trade." Is that not so?—I was referring to the C. C. and D. Company putting some portion of their meat in the sheds. They handle meat that comes from Wellington, I understand, and that meat belonging to the company would have to go through the sheds. All the C. C. and D. Company's meat that requires to be sorted and selected would require to be sorted in the sheds; but all meat coming direct to them and not requiring sorting would not require to go into the sheds.

4. That is not what is borne out by the whole construction of the evidence; and then you altered my subsequent question by putting the word "not" in?—That is what I really understood you to mean.

5. After putting "No" for "Yes" you make my question dovetail into it by putting in a "not," which makes the whole of my subsequent question different to what it was intended to be?—That was the meaning I intended to convey.

6. Your intention is this, that it is only lots of meat other than those carried by the Tyser line that would have to be sorted in the sorting-sheds?—Yes; all lots requiring sorting should go in the shed.

7. Do you not say that all the meat that goes Home in the Tyser boats is their own?—I cannot say that all is.

8. Your evidence is that the bulk of the meat going Home by the Tyser line for the C. C. and D. Company will not require to go into the sorting-shed?—Yes, as I understand it.



9. There is another matter which the Committee had before it to-day. They requested me to ask you whether in any of your recent public speeches you have been using any evidence which has been given before this Committee?—No; but I am sometimes asked questions similar to those I have been asked here, and I answer them. I am not giving them the same evidence that I have been giving here. What I have said is printed, and you can see it.

10. Has not some of the evidence you heard here when given by Captain Pearse been given at these meetings?—All I have said is what Captain Pearse told me at Palmerston North when I met him there.

11. Was that statement given to you that Captain Pearse made here—viz., that the output of the Argentine would increase to eight or nine million carcasses of mutton and a million carcasses of lamb?—That was given to me by Captain Pearse in the Club Hotel at Palmerston North before I knew he was to give evidence here.

12. But, as a matter of fact, it was the same evidence as he gave here?—I do not remember whether he gave that evidence or not.

13. Although you were here?—Although I was here.

14. Some members of this Committee thought there was a breach of privilege committed, although I did not think so?—I can assure you that that was given to me in the Club Hotel at Palmerston North.

TUESDAY, 29TH SEPTEMBER, 1903.

DILNOT SLADDEN, General Manager, Wellington Meat Export Company (Limited), examined.  
(No. 9.)

1. *The Chairman.*] You probably have seen the suggested methods, both by Mr. Cameron and by the Premier, with regard to opening shops for the sale of New Zealand frozen meat in England, and as this Committee has been set up to take evidence on this and other questions affecting the meat trade, particularly the question of distribution, we should very much like you to give us your opinion on these matters. Would you prefer making a statement to begin with, or to answer questions?—Possibly it would be better if the Committee were to question me, because otherwise I might go into matters in which you do not take any particular interest.

2. *Mr. Buchanan.*] When you were recently in England were you satisfied as to the condition in which New Zealand meat arrived at Home generally, so far as you were able to observe?—Yes, I was. I was agreeably disappointed, as a matter of fact, to find the good condition of most of the meat. As far as I could learn, there is some damage from time to time, but the proportion of it is small. You might go into Smithfield Market many times without seeing anything indicating that the meat was landed in bad condition.

3. Supposing additional storage accommodation were provided by the meat companies in New Zealand, do you think anything of a practical character could be done to benefit the trade to keep the prices at a steadier average—by storage in New Zealand to some extent, in order to distribute the year's output of meat more equally on the London market?—As far as I can see at the present time, or for the last two or three years, there has been as much meat stored in New Zealand as it was expedient to store. The meat deteriorates more or less when stored, and all the wholesalers and retailers by preference would take it fresh. They would rather take it *ex ship* than *ex store*, all other things being equal, and the storage—although it is necessary to some extent to equalise the supply over a certain period—has a bad effect upon the meat. Six months after it is killed it is not so good as it is three or four months after it is killed.

4. Do you think, then, it would be impossible, even under the very best provision for storage in New Zealand, to store meat for any length of time without depreciation in quality?—Well, I think you will find that, as with fruit, there is a greater demand for meat when it is at its best. You can keep some fruit all the year round, but you will find there is a much greater demand for it when it is fresh. In the same way there must be a better demand for meat when it is in the best condition. It is like any other crop—it is produced at a certain part of the year, and is best when fresh. It can be put on the market whenever a good enough price is offered. It may be sold slightly cheaper when there is more of it, but there is a larger consumption during the period when the meat is fresh. Then the time of the year may have something to do with it. Our heavy shipments begin to reach Home about February, and the heaviest about March. There is a large consumption about that time, and it seems to hold till about July very often, and then in July and August the demand seems to fall off a little. You cannot go by particular months altogether, because the consumption differs in particular years. I do not think any storage would have the effect of equalising the demand all over the year. There does not seem to be any want of storage here. New Zealand can now store a very much larger quantity of meat than any one has attempted to store, or than any one would take the risk of storing, unless the Government took the matter up.

5. Does the Committee understand you to say that the meat as presented for sale in Smithfield was generally in good condition as you saw it?—Yes.

6. Were you able to ascertain whether there was any obstacle in the way of free competition for the meat by butchers in Smithfield?—The competition seemed to me to be quite as keen as in other businesses.

7. Was there anything you could discover to prevent the highest price being obtained under the free competition?—There is very keen competition throughout Smithfield, but the different retailers go mostly for their supplies to the same wholesaler, as in many other businesses. What I mean is that a man engaged in the retail business does not necessarily go to all the different stalls. He generally goes to the same one.

8. But he is perfectly free to do so if he has the money?—Yes.

9. Were you able to ascertain whether there was any combine amongst the retail butchers in any way?—I do not think so. The competition is very keen everywhere, and the feeling between one trader and another is much the same there as in any other part of the world.

10. Did you think that the difference between the wholesale and retail price of New Zealand frozen meat was greater than in the average of cases in the New Zealand trade?—I did not compare it with New Zealand, but I took a great deal of trouble to ascertain whether there was more difference between the wholesale and retail price in frozen meat in England than in fresh meat, and I came to the conclusion that there was very little difference; if anything, there was a greater margin of price between the wholesale and retail prices of frozen meat than those of fresh meat, but, if so, it was so small that it was not worth taking into consideration. On occasions you could find some instances where there had been a larger profit on frozen meat, but there was more fluctuation.

11. Were you able to come to any conclusion as to whether the price of New Zealand frozen meat suffered from the substitution of inferior frozen meat from South America or elsewhere?—I could not find anything of that sort. It appeared to me that all the people I came in contact with knew pretty well the difference in value between the different qualities of frozen and chilled meat, and thoroughly understood the business throughout. There is a much greater demand for New Zealand meat than for Argentine meat—that is to say, all the retailers who can afford to sell the good article do not want the lowest-class article, and will take New Zealand meat in preference to Argentine meat. Although it did not come under my notice, I think it is highly probable that people selling Australian or Argentine meat would not draw attention to the fact that it was such meat if they could sell it as New Zealand. I think it is highly probable they would sell other meat as New Zealand, but I was not able to find out anything of that sort. All the retailers seem to know the relative values of the various meats. Many of them said they would always buy Argentine meat if their customers liked it as well as they did New Zealand meat; but they did not, and therefore they were obliged to buy New Zealand, or a certain proportion of it, unless it got too high. There is a large number of traders who require a certain quantity of meat, and if the price goes up too high they cannot buy it, and their customers then prefer to take meat of an inferior quality at a lower price. In such cases you perhaps find shops which have been selling New Zealand meat for many months buying Argentine meat. It is a question of price.

12. Is it your opinion, then, that the consumers generally are quite well aware of the differences between the prices of frozen meat?—The consumers, I think, knew less about it than I expected. They all knew about New Zealand lamb and asked for it, but did not seem to ask so much for New Zealand mutton, although they got a good deal of it. I might say that the butchers generally in most parts of the country take up this stand. They say, "Most of our customers do not ask us any questions; we give them what suits them and they are satisfied with it." Of course that does not hold with regard to New Zealand lamb. The consumers prefer New Zealand lamb to English lamb, and ask for it.

13. What comparison would you make between South American mutton on the one hand and North Island mutton on the other?—The difference between River Plate meat and North Island meat ranges, I think, from  $\frac{1}{4}$ d. to  $\frac{3}{4}$ d., and, then, I put the difference between North Island and Canterbury at from  $\frac{1}{4}$ d. to  $\frac{1}{2}$ d.

14. Did you see any South American mutton which was equal to our best North Island mutton?—I saw some very good River Plate mutton. A good deal of it looks very well, but the verdict of the butchers upon it—to use their own expression—is that it does not cut so well as New Zealand meat. Their general opinion is that either the pasture or the climate in South America is different to that of New Zealand, and they get a harsher meat, or a meat that does not cut so well. One very large salesman was very candid about it, and said, "So far as I am concerned I can always get Argentine meat, and if it would suit my customers I would get no other, but unfortunately it will not do for every one."

15. Mr. Cameron's proposal is to plant a Government shop in the large centres of population—that is, in towns of one hundred thousand inhabitants: do you think the English public require the advertisement by demonstration, as it is called by Mr. Cameron, that such a shop as that would afford?—It did not seem to me that New Zealand meat wanted any advertising at all. Generally speaking, for several years past there has been a very strong demand for all the New Zealand mutton that has been put out. The only question that has arisen from time to time has been in regard to price. All the New Zealand meat held at the present moment could be sold readily on c.i.f. terms, but most people offering it expect a little more than is just now being offered. There are plenty of people willing to buy it, and it could all be turned over within the next three or four days.

16. Mr. Cameron advocates that each freezing company in New Zealand should have its own agent in London, and insist that all the meat handled should be marketed through each company's agent or be under his control. Would you consider that practicable?—I do not quite understand what you mean by "marketing." Do you mean that they would not have it sold wholesale or retail without the consent of the company's representative?

17. That it would not be sold wholesale except under his control—that the freezing companies here would refuse to receive stock except under conditions implying that sort of control?—I do not see that there would be any advantage in that. The aim of most of the freezing companies is to insure that the meat, if possible, when it lands in England, is the property of people in England, and so long as a good proportion of it belongs to English holders when it lands you are tolerably certain that there will be no great slump. When a slump has occurred the great bulk of it has been on consignment, and the distributors have had no object in view except to "bear" it.

18. To what extent does New Zealand frozen meat now belong to English owners when it lands in London?—It would be very difficult to give an answer to that. I should say that with

most companies the bulk of the meat is sold before it arrives in England. If, however, you take a period like the present, when all the dealers and speculators are buying live-stock in anticipation of a rise, it is quite clear that they cannot buy meat in New Zealand and sell c.i.f. without losing, and it is quite certain that these people must consign in the interim, pending the rise which they anticipate.

19. Consequently, if Mr. Cameron's proposals were carried into effect, the trade would have to be revolutionised?—Well, I suppose so. The proposals seem to me to be almost diametrically opposite to the course of things as latterly developed in England. Since the trade has got into a healthy condition large purchases are constantly made with confidence under the different brands.

20. In what part of New Zealand did that system commence?—I think Nelson Bros. were the first to do anything in that way; then, after that, Dunedin (or possibly Christchurch people at the same time) first did business on those lines.

21. Are purchases now made in the North Island to any large extent by English buyers and agents?—To a very large extent. Apart from what Nelson Bros. send out, I should say the great bulk of all the meat of the North Island is sold in that way.

22. *Hon. Sir J. G. Ward*] Do you know anything of the conditions existing in England from personal experience?—I was in England a few weeks, and I picked up as much knowledge as I could during that time.

23. What I mean is, in connection with the general distribution of New Zealand meat throughout England?—No; all I did was to go to different shops in different towns and endeavour to find out what meat they used and how they got it.

24. I suppose you went to the English market with the object of obtaining the highest price for New Zealand meat?—Yes; for our company in particular.

25. What is your opinion regarding the suggestion that has been made to establish shops on behalf of the colony in England: do you think it would create a feeling of friction or antagonism or one of friendliness amongst those who are selling meat on the English market?—The suggestion has only been made since I left England. Apparently, some people seem to look on it with disfavour. I do not think there is very strong feeling one way or the other. If there was very strong opposition to it, it might point to there being some reason for doing it; but I think that people in the meat trade are more curious about it than anything else, from what I can learn.

26. I suppose, if it was possible for one great organization to hold New Zealand meat and to control it both at this end and the other, the probabilities of obtaining a better price would even then be doubtful?—I do not think the conditions differ very much between frozen and fresh meat. If you follow the argument to a legitimate conclusion, you must take English meat also into consideration.

27. Personally, I do not think it is possible, but that is a different thing. Under existing conditions, where we have competitive buyers here of English houses, such as Borthwick's, Fletchers', and others, would it be possible for any organization to prevent them buying in the open market?—I do not think it would. The fact that there are so many competitors in the open market is the best guarantee you have for obtaining fair prices.

28. If that were not possible—that is, to control the British buyers, and I admit that—the intended combination in England would be impossible?—It would be futile, I think. I do not see how anything could be done to control the meat trade unless the Argentine people are approached. They have the key to the position. They can put the price of our meat down in a day by putting their own down. There is a report by the C. C. and D. Company, dated the 31st July, in which I notice the following: "On Monday forenoon it was unexpectedly announced that the Plate companies had decided to advance prices of their mutton  $\frac{1}{4}$ d. per pound, and this, of course, had the effect of raising values of New Zealand, hardly to the same extent; but prices are  $\frac{1}{4}$ d. to  $\frac{1}{2}$ d. per pound above last week, with fairly free sale." I might supplement that by saying that New Zealand meat went up almost immediately to its normal level above River Plate meat, and they sometimes put it down in the same way. I do not see how it is possible for us to do anything so long as we act independently. The Argentine companies have sometimes been approached, and have answered, "We do not want to put the price up, because we are making a fair profit now, and if we put it up we shall check the demand."

29. *The Chairman*.] Have you got the C. C. and D. August report?—No.

30. The report of 14th August says: "River Plate values remain as they have been since Monday, 27th ultimo, when prices advanced from  $3\frac{1}{4}$ d. to 4d. per pound, to the great surprise of the trade in Smithfield." That points to the Argentine influence on prices?—Yes, that is so.

31. *Hon. Sir J. G. Ward*.] If it were possible to make an arrangement with the Argentine people, then, in turn, I presume, in order to keep permanently level a fair price for New Zealand meat, it would be necessary to control all the outside buyers of the freezing companies and shippers?—If any combination were effected it would probably be done in London by the large meat operators. Some arrangement would have to be made with them also if anything were done with the Argentine people.

32. Leaving the Argentine people out of consideration, would it be possible to control the New Zealand meat trade unless you were able to control the outsiders and also the shipping companies?—I do not think so. You cannot get behind what I have said before. Meat is like any other crop—it must be harvested when ripe, and when people can get rid of it at a price that suits them they sell it.

33. *Mr. Hogg*.] Do you find any difficulty sometimes in getting the meat sent away from Wellington?—No; we have had no difficulty now for some years. There are ample facilities here.

34. Do the rates of freight fluctuate very much?—No. For many years there has been an understanding that the winter rates shall be lower than the summer rates, so as to induce the farmers to turn over winter sheep; but the rates of freight, I think, have not been changed for a couple of years or more. The rates are fairly low as compared with Australia, but the Australian rates fluctuate more. Sometimes they pay more, and sometimes less, than we do. We are protected by agreements with the shipping companies, and we get our uniform steamer rate through the "push" of the season, when rates are sometimes higher in Australia.

35. Is it not the case that at certain seasons you have a great amount of difficulty in putting through the stock the farmers want to get rid of?—The freezing appliances have hardly been equal to the demand of farmers during the past two or three years in this Island. I think it is quite possible that if the freezing companies had been able to take the meat as fast as the farmers and dealers wanted them, the ships could not have taken it.

36. Do you know if there have been many complaints from farmers that they have been positively unable to get rid of their stock?—During the last two years, if you take February, we have been somewhere about fifty or sixty thousand sheep behind in our work.

37. And through your buyers declining to take stock the sheep have deteriorated in price and quality?—I do not know that they have deteriorated in price, but they might deteriorate in quality. If you could have freezing facilities and ships enough at the time the farmers want you to take their stock away, you would almost inevitably have a slump in the English market.

38. Do you think it would lead to an improvement if there were cool-stores at the port of departure of sufficient capacity to enable you to regulate the supply from month to month?—I think there are enough cool-stores if you take all the works in New Zealand, and with the extensions now going on.

39. Are you, then, in a position to arrange satisfactorily with the shipowners, so that vessels will have prompt despatch and will know exactly what cargo they are going to receive? Do they know exactly what they are going to get?—They know now that they are not going to get anything to put in their boats for some time; and there are two boats—the "Ionic" and another one—now lying in the harbour here waiting for cargo. They will be anchored in the harbour for the next two months, because they know they will not get anything to carry away.

40. Do you not think that could be avoided if the supply could be properly regulated?—I do not think so. I do not think the people here or at Home want it regulated to that extent. People will have the stuff when they want it if they can afford to pay for it. If the farmer and dealer are satisfied to have it taken away, away it goes. If you were a large grower or dealer in fruit you would not necessarily refuse to sell to people in the summer because you thought your fruit might bring a better price in winter if you were satisfied to sell at the price offered in summer. The thing would be governed by the ordinary law of demand, and that is the case with the meat. The thing would be equalised if there could be a large quantity of winter-fattened meat turned out.

41. I think you said that New Zealand frozen lamb in the English market is preferred to Home-grown?—I think many people prefer it.

42. Does it fetch the same price?—I think so, in the higher class of shops. Butchers' prices are like doctors' charges—they charge according to the position of the people who buy.

43. *Sir W. R. Russell.* I do not know whether you have considered the subject of focussing the places of departure of steamers, so as to prevent vessels going round New Zealand for small parcels?—Yes; but the steamers are so large that it would be difficult to load them up at one port. I am frequently asked if, instead of putting forty thousand sheep into two steamers—that is, twenty thousand into one and twenty thousand into another—we would put the forty thousand into one steamer; and I say No, because the people we sell it to do not want it all to arrive in the docks at one time. They want it distributed. The ships are so large in proportion to the quantity of meat they carry that unless they pick it up from different ports it is difficult to get them filled. No doubt it adds to the expense to go round to the small ports.

44. Then you think that storage in the various ports of New Zealand for small consignments is inevitable?—I think you might extend the ports to an extent that would be inadvisable. The ships go to quite enough places to pick up meat as it is, but I do not see how these very large boats can avoid going to three or four ports at times.

45. Can you give me any idea as to the difference in cost if the mutton came down, say, from Wanganui by truck, or was taken on board by tender?—I think it would cost 7d. or 8d. a carcass more to carry it by train. You would save lighterage, which is 4d., and the cost of carriage by rail, I think, is a little over 1s., so that it would be more than 7d. or 8d. a carcass.

46. Is the freight Home the same from Wanganui as it is from Wellington?—Yes; all freights are the same.

47. You think it would be impossible to get a combination amongst the steamship-owners to save the waste of time which takes place through the steamers having to go round the coast?—I think so. The managers say, "If we do not go to Wanganui others will." If works were established at the mouth of the Patea River, for instance, I think they would go there for the meat.

48. Has this peregrination of New Zealand by the steamers had anything to do with the rate of freight from New Zealand?—I think it has. Supposing the steamers could load in Wellington or Lyttelton—at either of these two ports, or both of them—I think it would go without saying that they could carry the meat for less money.

49. Do you think they could arrange with one vessel to load up, say, in Wanganui, another in Wellington, and another in Lyttelton during the summer months to prevent that?—No; because the quantity carried by each steamer is too large. There are only three companies—the Gear Company, the Meat Export Company, and Longburn—that load in Wellington. They would say, "We do not want to ship forty thousand carcasses at one time; we want to divide it into four or five lots."

50. Why should not your produce be stored in London as well as here?—You are asking me upon the general question: I will answer it by reference to a particular case. I am satisfied that the success which has attended the Wellington Meat Export Company's business is mainly owing to the fact that the meat has been sold with as little storage as possible in England. Of course the purchasers of it store it to some extent, but storing deteriorates it.

51. Supposing you had no refrigerating-chamber here for storing, why not hold the meat in England?—We hold a good deal here.

52. But, with a view to regulate shipments, why not store in London instead of here?—If you have a lot in store in London you create a slump at once, but if you store it out here they do not know so much about it in London. They are guided almost entirely by the shipments arriving at Home and advised as afloat.

53. *Mr. Buchanan.*] Supposing there were many thousands of carcasses ready to be shipped to Wellington from other ports, and one large steamer by arrangement between the three shipping companies were to take that instead of three, as is the case now—namely, the Tyser Company, Shaw-Savill's, and the New Zealand Shipping Company: if that could be arranged would that not effect a big saving for the steamers?—Yes, probably there might be a saving in that way. For instance, the Gear Company ship through the Tyser Line, and we ship through Shaw-Savill and the New Zealand Shipping Company. No doubt if we shipped in two lines instead of three, it would have the effect of diminishing the number of ports the steamers had to call at, as the ships would pick up more in Wellington.

54. *Mr. Aitken.*] Following up what Sir William Russell has said, have not the shipping companies helped, by their own action, very largely the necessity of going round the coast as tramps from port to port, because if they had put their foot down at once and said they could not do so, would not that have saved the position?—I think so. When I discussed the matter with Mr. Gibbs some years ago, I said that we must necessarily be paying higher freights by being charged a uniform rate the same as for open roadsteads, where it takes longer to load, and more risk is involved in taking cargo. At one time the shipping company threw cold water on the idea of going to Wanganui, but the Tyser Line came in. The next place was Waitara, and Mr. Gibbs said, "You saw what took place at Wanganui; if we did not go to Waitara some other company would"; and I replied that I would always be willing to let my opponent in business take the worst jobs.

55. You were asked the question, comparatively speaking, how much meat was sold c.i.f., and how much was put on board on consignment, and you said that you were not able to answer that question. It might be some guide to the Committee if you could tell us from your own company's operations what the proportion is?—We must sell at least nineteen-twentieths c.i.f. of our own purchases.

56. *Mr. Duthie.*] Supposing these butchers' shops are established, can they be conducted for the sale of frozen meat alone, or will they require to sell English meat as well?—Except in the very large towns I do not think shops for frozen meat alone would do. Most of the shops I saw—that is moderate-sized shops—sold all kinds of meat. They would have New Zealand mutton, American or Canadian chilled meat, and also fresh meat.

57. Do you think New Zealand meat is so well known that a trade could be established in it alone?—I am very doubtful about it. So far as I could see, nearly all the retail shops dealt with all kinds of things—what they call "small goods."

58. We were told that some of these River Plate companies have a large number of shops—some seven hundred or one thousand?—There are firms that have a large number of shops, and they suit themselves to the localities they are in. They sell other classes of meat besides River Plate meat.

59. Fresh English meat and small goods?—I think they deal more with chilled beef and River Plate mutton. I think Eastman's take the whole range of the butchering business.

60. The evidence we have had would lead us to believe that they are all confined to the frozen meat?—No; they are not so.

61. Then, to establish shops in different centres for the sale of New Zealand frozen meat would be a somewhat hazardous experiment?—I think it would be. Mr. Cameron had an idea, when he explained his scheme to me when I was at Home in London, that he would open shops and sell specific brands to his customers; but I pointed out to him that in certain seasons of the year he would not be able to get those specific brands.

62. Then you do not think the experiment is likely to result in success or would be of benefit to the frozen-meat industry of New Zealand?—I do not really know much about the retail butchering business, and I hesitate to express a decided opinion; but I do not think it would serve any good purpose.

63. You have told the Committee that the margin between the wholesale carcase price and the retail price is no more on New Zealand meat than on English meat?—I think it is slightly more, but there is hardly any difference in the ratio.

64. *The Chairman.*] If shops were established in the territory now largely controlled by the Argentine, do you think that would lead the Argentine people to cut against our people?—I doubt if there is any territory controlled by the Argentine people.

65. It has been stated by Mr. Cameron that fifty miles north of London you practically reach the limit for the sale of New Zealand meat?—He is mistaken in that. What happens is this: if the Argentine people control any locality it is where the consumers want the cheaper meat.

66. It was given in evidence that the best Argentine meat now is equal to the best North Island. If the Argentine people placed some of that meat in the territory they have large influence in against New Zealand meat, and sold it at a lower price than New Zealand meat, do you think the New Zealand shops would secure the business?—Well, they might to some extent. From all the information I could get the Argentine meat is not so acceptable as New Zealand, and people who

can afford to buy New Zealand meat will take it in preference. At times like the present, when New Zealand mutton reaches a high price, the retailers are forced to take Argentine meat in preference, and the danger is in their customers getting used to it, and not always going back to New Zealand meat.

67. Supposing the New Zealand Government-established a shop where the Argentine people have a shop now, and the Argentine people started to cut prices, what effect would that have on the New Zealand meat?—They could cut the price, because they have a strong hand.

68. If they cut the price, would that not have the effect of reducing New Zealand values?—Yes, undoubtedly. You must take that into calculation all the time. The Argentine people have a strong hand; they can sell cheaper and at a profit, and they can always put our prices down.

69. Therefore if they compete strongly against us it will have the effect of deteriorating rather than increasing our price?—Yes; I think so. Any organized hostility would have a detrimental effect upon the price of New Zealand meat.

70. It is contemplated by Mr. Cameron only to start a few shops. Do you think a few shops would have any appreciable effect on prices in this colony—say, if there were only a dozen shops?—I can hardly see how it would be possible.

71. Did you take any notice of the C. C. and D. Company's business in London?—Yes; I saw their list, and so on.

72. Do you think it has a very wide-reaching effect?—Yes.

73. Is it your opinion that the New Zealand farmer is doing very well just now with his meat?—Well, I do not know that the New Zealand farmer would care about my opinion on that point being recorded.

74. Do you think the New Zealand farmer ever got a steadier or better price for his produce than he does now?—No.

75. Would you therefore be inclined to let well alone?—I should.

JOHN HOLMES, Export Merchant, examined. (No. 10.)

76. *The Chairman.*] We are going into the matter chiefly of handling frozen meat at Home, with the view of the colony opening shops there. I have to ask members of the Committee to put their questions as briefly as possible, and would like your replies, Mr. Holmes, also to be put as concisely as possible?—Yes.

77. *Mr. Buchanan.*] What opportunity have you had, either in New Zealand or in the Old Country, of getting personal information which would enable you to judge whether or not it would be a wise thing for New Zealand to enter into the project of opening meat-shops in England, as proposed by the Produce Commissioner, Mr. Cameron?—In my association with the frozen-meat trade, dating as far back as 1882, when I had the honour of introducing it to Marlborough—

78. The Committee wishes to confine the evidence, as far as possible, to the question of the shops?—Yes; but I take it that if the Committee want me to answer a question they must allow me to answer it in my own way; secondly, I take it that the Committee want to ascertain if I know anything about the trade to justify me in forming a fair opinion on what I have to say. Personally, I have been long associated with the frozen-meat trade, right up from 1882 to the present moment. I have also represented large meat-importers in England, and in my peregrinations abroad I saw that there were a number of people directly opposed to the introduction of New Zealand frozen meat, partly from prejudice and partly from interested motives. With regard to the meat-shops themselves, if they are established for the purpose of advertising New Zealand frozen meat, then, I take it that anything that will remove the disabilities under which the present frozen-meat trade labours will do a great deal of good—not only for the producer, but also for the colony as a whole.

79. Did you go into the question of the method of selling it at Home by retail when you were there to see whether it would be advisable for New Zealand to start frozen-meat shops in England?—No; I did not go into the details, but I found that other companies and other countries were using every means to advertise their products, whether they were frozen-meat or other commodities, as far as possible, and that, as far as New Zealand was concerned, the steps taken were somewhat limited. As I said, if the prejudice could be removed, I think it would be a good thing, but whether it should be by opening shops or advertising I am not here to determine for the moment.

80. *Hon. Sir J. G. Ward.*] You know that the price paid for the meat to the New Zealand farmers, for the last two or three years particularly, has been very high?—I do.

81. It has been given in evidence that the price obtained for New Zealand meat is higher than that obtained by the farmer in any other country of the world. Do you think that, in view of our having reached the utmost limit of sheep going out of the colony—to judge by the export returns—we could, under existing conditions, do anything to maintain the high level which the farmers have now attained?—That is a somewhat difficult question to answer without taking into consideration the competition which we must inevitably face from the River Plate, our strongest competitor. If their increasing stock is coming up to a level with ours, it is questionable how long we shall maintain the supremacy of prices which we have now reached. My own impression is that there is a great deal yet to be done in the direction of developing the frozen-meat trade and dairy-produce business of this country. For instance, when I had the honour of speaking in Liverpool in 1897, I suggested, amongst other things, that the guardians of various public institutions should include New Zealand frozen meat in their provision contracts. A gentleman who heard me on that occasion afterwards said that my remarks had borne fruit, and that a tender had been invited and accepted for Canterbury frozen mutton. Later on he wrote me saying that a fraud had been committed by the contractors, and he had exposed it. The contract was cancelled, and he again tendered for it at a later stage. He tells me in his subsequent letter that, although he had tendered at bed-rock

prices, he was again unsuccessful, and that he believed the so-called "Canterbury mutton" was River Plate, but clothed in frozen-meat bags made in Liverpool, and branded with frozen-meat labels made in that city.

82. What I meant by the expression "utmost limit" was this: that every available sheep and lamb that can go out of New Zealand is taken every year, and that there is no refusal to any one who wants to send away a shipment. I meant in that respect that we have reached our limit. As the dairying industry is expanding and growing to an enormous extent, is it not a fact that there is a diminution in the number of sheep in the colony?—Yes, I believe that is so.

83. Do you believe that the farmer is a gainer by having outside representative buyers for his meat in New Zealand—such representatives as those of Fletcher and Borthwick?—Yes; I think it is beneficial to the farmer; but my opinion is that a better system could be adopted.

84. In what respect?—I suppose what I say here is privileged?

85. Yes, but, of course, it will be recorded?—I have to say, from what I know about the trade, that there are a great many purchasers in Smithfield who control shops, and obviously—it is human nature—if the market is falling the consignee is not likely to sell his consignment or shipment to the best advantage, owing to the fact that he is a beneficiary in the sale to his own retail shops.

86. How are we to get over that?—In Canterbury it was proposed that if they could acquire their own shops it would be advantageous to the country as a whole, whether it were done through the medium of the Government or by private enterprise, and one of the companies did start a shop at Home.

87. That would obviously require the controlling of the meat-producers in the colony?—Yes, I think that was suggested many years ago, and one of those who proposed it was Mr. David Nathan. It was proposed that there should be a combination among the producers and the freezing companies.

88. That would mean, in turn, control of the sheep in the colony?—Yes, I suppose it would, so far as the frozen meat is concerned.

89. And it would mean, in turn, control of the whole of the English representatives of houses which have their own buyers here who freeze, and who are free to do what they like?—I do not quite follow that.

90. If you wanted an organization to control the whole of the supplies of New Zealand, to enable them to be controlled you would have to control all the freezing interests of the colony?—In order to obtain the best results I suppose you would.

91. And if the English buyers were to fight?—No buying contract would be made with the farmers.

92. To control the outside meat-buyers would necessitate controlling the sheep of the colony as well, or to regulate the whole business in order to keep the prices up?—I think it would only be an extension of the system which already prevails with the frozen-meat companies. The Canterbury freezing companies started in 1882, and now practically control the export of sheep in Canterbury. If there was an amalgamation between the South and the North Island it would be only extending the system a little further. The Smithfield representatives obviously do not come here for a change of air. They are getting a very substantial profit out of the producers which, if it could be removed, would tend to the profit of our people—namely, the stockowners of this country. But I am not here to say whether the meat-shops should be run by the Government or private enterprise. For my own part, I agree with a great author who says that "the demonstration of your own eyes is the best evidence you can produce." I think if the people at Home could see the meat they would be large consumers of it. As we send about 78 per cent. of our produce to England our object is to widen the outlet as far as possible there.

93. We are inquiring into the whole question of frozen meat. The amalgamation of the freezing companies in the colony is one thing, the retailing of the meat in England is another, and in the opinion of some members of the Committee we have to consider the two. What I am asking you now is, whether you can give us any suggestion by which to improve the price the farmer is getting for his meat in New Zealand?—I have not gone into that.

94. *Mr. Rutherford.*] Do I understand that you are in favour of the opening of meat-shops on the lines laid down by Mr. Cameron?—I have not studied the question sufficiently closely to understand what Mr. Cameron's idea of the meat-shops is. If I understood him aright, it is a mere advertisement, and to that extent I am a supporter of the proposal.

95. Then I understand that you are in favour of it for the purpose of enabling people at Home to see what New Zealand mutton is like?—That is so.

96. Have you any knowledge of the operations of Borthwick's and Fletchers' buyers here, and others?—Yes, I have.

97. Have their operations had a beneficial effect upon the market here from a farmer's point of view?—Obviously any competition must have a beneficial effect; but I contend that there are a great number of people—taking the North of England alone—who practically know nothing about New Zealand mutton at all; and you will probably remember that the "Timaru" was sent to Manchester *via* the ship canal, and that the River Plate consignors were opposed to it, with the result that heavy loss occurred, and the experiment has not been repeated. Now, if the same facilities had existed then as exist now, I take it that the same thing could not have happened. At that time they had practically no storage, and had to pay demurrage on the vessel. The result now is that the North is not supplied with New Zealand mutton at all, but with River Plate mutton. I do not see why we should not get our meat into all those places, and if we widen the outlet we must increase the value of it.

98. Would not these shops incur the hostility of the Argentine people?—I have no doubt they would, in the same way as the shipment I speak of; but if this country has a good article to offer it behoves us to put it forward under the best and most favourable conditions possible.



99. I understood you to say, in answer to Sir Joseph Ward's question, that the Argentine people were so powerful that they could undersell us?—No; what I said was that the increasing trade of the River Plate was a factor in determining the position. Anything that will advertise our meat, judiciously carried out, will enable us to get into other markets.

100. *Mr. Duthie.*] I understand from your evidence that you have not given much attention to the retail-shop question, and have no knowledge of the working of these shops; but you support the proposal simply as an advertisement for our mutton, without expressing any opinion as to the profit and loss or the success of these shops?—I take it that whatever enterprise is entered upon in the shape of meat-shops would, of course, be conducted on a commercial basis, and would not invite a loss.

101. But you have no knowledge of the working of these meat-shops?—No.

102. You think they are only in a general way for advertising?—Yes, for advertising.

103. *The Chairman.*] You referred to the supply of meat to Manchester and the North of England: is it not a fact that the light meat of the Argentine suits the operatives better—that is, the people who are engaged in inside work in the cotton-mills, and so on?—That is quite true, but I have long held the opinion that the reason that we have increased our frozen-meat trade in heavy sheep is due to the development of the trade in one direction, and largely owing to the special demands of London districts. London, where the original demand was created, so to speak, compelled the people of this colony to develop the crossbred to meet that demand. I see no reason why we should exclude the whole of the merino mutton.

104. You said that when the "Timaru" went to Manchester the Argentine people lowered the prices and spoil the value of the meat?—Yes.

105. Do you not think that if we opened shops on the proposed lines in that territory now the Argentine people would do exactly the same thing?—I have no doubt they would.

106. It has been given in evidence that the Argentine mutton is as good now as the best North Island mutton. Following that up, if they did cut prices against our people, would that not have the effect of lowering our general price?—It might have for a time, but I do not think it would be permanent. If the consumer knew that he was getting a good, genuine article, he would be prepared to pay a good price for it. It is a case of the survival of the fittest. No doubt any effort we put forth will be met by the opposition of the River Plate people.

107. Mr. Cameron has said that the best North Island meat is no better than the best Argentine meat. Do you then think that any demonstration would induce the buyer at Home to give a higher price for our meat?—There are eight millions of people surrounding Lancashire, and if you can induce them by any process to become consumers of New Zealand mutton you must increase the value of the export.

108. But are you aware that the Argentine people can produce their meat lower than we can, and can sell under us at a profit?—Yes.

109. Does New Zealand or Argentine meat control the London market?—I think New Zealand meat does, as far as the trade around London is concerned.

110. As a matter of fact, all the reports show that the Argentine people control the trade. That is to say, if the Argentine people lower the rates New Zealand meat will fall in sympathy. If they have that power do you not think, if they entered on a strong competition with us, instead of having a tendency to raise, it might have a tendency to lower the general price?—There is no doubt that, if the River Plate people mean to have the trade, the evidence of our meat is still before them, and we have to meet their opposition. If through the retail shops you can improve the prices, surely the competition will be no greater than it is now.

111. A moment ago you said it might be possible to reduce the margin of profit between the wholesaler and retailer: do you think the margin of profit is to rise when the wholesaler cuts it in England and the retailer sells at the reduced price?—There is this difficulty which has to be faced, and which I think cannot be overlooked by this Committee: it is the wholesale trade itself which, in order to secure an outlet, has to supply its own shops. If the supplying of these shops is the paramount point of the wholesale man's existence, obviously he is not going to give us higher prices than he can help.

112. Take the firm of Rose and Co.; they buy the very pick of the New Zealand meat, do they not?—Yes.

113. They will deliver a sheep a hundred miles out of London, and pay for its delivery at 1d. per pound on what they have paid for any wholesale parcel they have bought: do you think that is a large profit?—No.

114. By establishing these shops do you think we could cut keener than that with advantage to the colony?—No.

115. If, on the other hand, again, the effect of our opening shops were to increase the price to the consumers, would that not have a tendency to put them off New Zealand meat and on to the Argentine meat?—I do not think the consumer would have to pay any more money. It is, I believe, within your own knowledge that where consignments have been sent Home they have been handed to houses which, when the market went down, sold, and when it went up these consignments were in the hands of their own retail shops. I understand Mr. Cameron's proposal is that he wants to show to people who are not buyers of New Zealand meat that we have a genuine article to sell, and to induce them to ask their butchers for it.

116. Mr. Seddon said this: "The New Zealand Government proposes to buy meat in the colony, to brand it, and ship it direct to a commissioner in the United Kingdom. The Government will also establish meat emporiums in the big manufacturing centres in the United Kingdom, appoint managers to conduct the business, and will sell the meat at a price simply to cover the cost." Perhaps you would not care about expressing an opinion on that?—Oh, I have no objection to express my opinion. I think the basis of true commercial enterprise is that it should be put on

a profitable footing. I do not know that Mr. Seddon really meant that the goods were to be sold at mere cost, but that if the cost was to be a means to an end, and that end was to be gained by a wider outlet, then, probably, it would be justifiable.

117. With regard to what you said in reference to Christchurch meat people starting shops at Home, was that the experiment at Cardiff?—Yes.

118. They had a large trade there before opening?—Yes.

119. *Mr. Buchanan.*] You said that the two Christchurch companies control a very large proportion of the frozen-meat trade of New Zealand?—Yes; all the export from Lyttelton or Canterbury.

120. Would you be surprised to know that they do not control one-fourth of the Canterbury trade—that, as a matter of fact, the Belfast Company controls none of it, because the meat all belongs, not to the company, but to independent owners, both English and New Zealand, and that in the case of the Christchurch Meat Company the control of the output belongs, as to more than one-half of it, to dealers and farmers?—When I used the word “controlled,” I meant that the two freezing companies freeze and ship frozen-meat whether it be the property of private individuals or companies.

121. You would not call that “control”?—That is the sense in which I meant it. I know full well that Borthwick is a purchaser of frozen meat, and also a purchaser of live stock. Fletchers’ also have their own men there, but they must of necessity go to the freezing companies and get their purchases frozen. If it is true that the freezing-power is in the hands of two companies, the other combination is within range.

122. You said that there was very little frozen meat from New Zealand known outside of London. I have here a tabulated statement before me showing the result of one day’s sale by the C. C. and D. Company to 344 different towns outside of London. How do you harmonize your statement with that?—I am not in a position to check the figures you quote, and, of course, I accept them as correct; but what I want to emphasize is this: that the bulk of the shipments from this country go to London direct, and in London the greater part of the consumption takes place. I illustrated that by saying that in Lancashire, with the eight millions of people that surround it, the River Plate people control the trade. In the North we are not doing very much, and, as the Chairman pointed out, that was due in some measure to the fact that our mutton is not so suitable as the River Plate. I answered that by saying that we developed the crossbred sheep, forgetting the advantages that might be secured with merino mutton, and I might say that Sir John Hall was a consistent advocate for the breeding and shipment of merino mutton.

FREDERICK J. SHELTON examined. (No. 11.)

123. *The Chairman.*] What are you, Mr. Shelton?—I was lately proprietor of the Gisborne Freezing Company.

124. We are met to investigate, primarily, the propriety of opening meat-shops in London. The Premier has submitted a scheme, and also Mr. Cameron, the Produce Commissioner, has submitted the particulars of a scheme, and as you have had some experience in the frozen-meat trade the Committee will be glad if you will express your opinions on the subject. Would you prefer to answer questions or to make a general statement?—I should prefer to answer questions.

125. *Mr. Buchanan.*] Will you tell the Committee whether you have had any experience of the retail trade that would help the Committee in arriving at a conclusion as to whether it would be advisable for the Government of New Zealand to establish frozen-meat shops in England?—When I was at Home in 1896 I made inquiries as to the distribution of the meat, and I learned then that the butchers were about the toughest lot of people you could find to work with—that they were about the most jealous people in regard to their trade that you could meet in London. If any one attempted to start a shop in opposition to them in their district, they would combine to attack him like so many dogs, and would run him off if it was possible; but, if they found that his purse was long enough to enable him to stand their competition, then they would take him into their combination. They are a very jealous lot of people, and will oppose any new thing in their trade as strongly as they can.

126. Will you describe to the Committee the mode in which they carried this out? Did you find that any butcher was free to go into the open market at Smithfield and buy what he wished?—There is no competition except amongst themselves. Any butcher can go round the stalls and buy, or go to a man with a particular brand, and if the price suits him he buys, and if not he goes to a man with another brand.

127. Supposing the combination to which you referred were charging too high a retail price, or making too big a profit as between the wholesale and retail prices, was there anything to prevent additional butchers going into the trade and establishing healthy competition in the usual way?—No, excepting that as soon as the competition came along they all joined together to force the new man out if they could. That is their principle.

128. Does that not obtain to some extent in every country and in every trade?—To a certain extent, yes, but more so in the butchering trade.

129. Can you point out any special facilities that these London butchers have for putting down competition as compared with any other trade or any other place?—I do not know their inner working beyond what I have said.

130. Is it your opinion that the settler or farmer here would be able to get any higher price for his stock by the establishment of a Government shop in each town in England containing a hundred thousand inhabitants or more, as proposed in Mr. Cameron’s scheme?—I think the more the meat is brought before probable consumers by any channel the greater demand there is likely to be for it, but I do not think the proposed system of shops is the most desirable course to adopt when there is the present distributing-power of the butchers. The English people are very slow to

make any change, especially with regard to tradesmen, and I do not think they will shift their butchers readily. The people to get at are the butchers themselves. Give them every convenience for handling the meat and they will soon take it if they can make a profit out of it.

131. Can you suggest any plan to the Committee by which the producer in New Zealand could get a better price for his stock?—The principal thing that can be done is to save losses. Losses occur principally between its shipment here and delivery to the consumers. Damaged meat does more to bring down prices than anything else. When a concession is made to the consignee for damage, or alleged damage, this consignee is able to reduce his price, and this affects the current price of frozen meat. Another thing to do is to prevent the present extortionate charges.

132. To what extortionate charges do you refer?—The charges at Home are far in excess of the charges on the meat up to the time the sheep are brought from the farmer's place and put on board the steamer. The meat is taken away from the ship in England and distributed all over London into small stores, from which it is again carted to Smithfield.

133. What is the storage charge at Home?—The charges are various. I have a list of them with me.

134. What is the freight from New Zealand?—I do not know what the freight is this season. I have not had anything to do with meat for the last twelve months, but the freight was  $\frac{1}{2}$ d. per pound.

135. All the year round?—There was a difference during the winter months amounting to  $\frac{1}{2}$ d. per pound.

136. Do you know what the storage charge is at Home for four weeks?—I have a list of the charges.

137. Would you be surprised to learn that the storage charge is only  $\frac{1}{2}$ d. for four weeks' storage as against  $\frac{1}{2}$ d. per lb. for freight during the winter and  $\frac{3}{4}$ d. during the summer?—For how long has that been the charge for storage?

138. For four years past?—I produce a schedule of the price for storage as charged and supplied by the London Docks.

*The Chairman:* The four weeks covers the time from the arrival of the ship.

139. *Mr. Buchanan.]* What other charges do you refer to as extortionate?—The total store charges and the expense of putting the meat on the Smithfield Market. This includes the storage for twenty-eight days after the date of arrival, and then there is rent to be paid after that.

140. What about the commission?—That is a separate charge.

141. Is that exorbitant?—No, I think it is the general charge.

142. Have you any suggestion to make to the Committee as to the distribution of New Zealand frozen meat on the London market more equally throughout the year?—I think it would be better if there was a large New Zealand store in London for holding the meat, which would not be so congested as the small stores are. A store with a capacity of ten thousand carcasses is very easily filled, whereas a store capable of holding a million would not be. The present storing accommodation in London is absolutely inadequate to the requirements of the trade. There are a number of stores, but they are not of sufficient capacity, not up to date, nor in proper positions.

143. What would you say to the repeated statement of the Produce Commissioner, lately arrived from Home, that the present storage accommodation in England for frozen meat is more than ample for all requirements?—I heard Mr. Cameron make that statement the other day, but in this way: that the total storage in London and in the country was so-much; but the consignments have to be stored in London.

144. Can you inform the Committee of any date within the last few years when the storage in London proved to be inadequate?—On the 8th June, 1901, Messrs. Weddell and Co. wrote to me: "We may mention that the ship 'Karama' came in the same day as your letter, and, the London stores being all full of meat and space for the near arrivals all booked up, it was only with the greatest difficulty that we managed to find storage-room for the 'Karama' shipment." This shipment contained only ten thousand carcasses, and great difficulty was found in getting storage on that date.

145. Do you take it that they referred to that particular store or to all stores?—I took it to refer to all stores. There was a total storage, prior to the opening of the stores at the Albert Docks, for 1,600,000 carcasses on the 31st December, 1900. Since then the Albert Dock stores have been built. The second largest is the C. C. and D. Company's store at Lambert Wharf. There was one point raised by Mr. Cameron that I would like to mention, and that has reference to branding. I am very strongly of opinion that the branding of meat is undesirable. At the present time I think the frozen meat is readily sold because many people do not know what it is. People do not want frozen meat, but they are eating it because they do not know that it is frozen.

146. *Mr. Duthie.]* You say that people do not buy frozen meat if they know it?—That is so.

147. Then how would that affect these proposed retail shops for the sale of it?—I think in that way it would have a prejudicial effect on the trade. The great thing is to get the meat before the consumer as meat. I was eating frozen lamb at a table in England, and I asked a gentleman who was sitting near if he had ever eaten frozen lamb, and he said, "No; I am a Britisher, and never eat foreign meat."

148. *The Chairman.]* Do you think Mr. Cameron's proposal means much to the retail trade in New Zealand frozen meat?—No; I think it is better to remedy the losses that we have got at the present time—viz., reduced prices on account of allowances for damaged meat and excessive London charges on account of meat being carted or lightered from steamers to all sorts of inconveniently situated and equipped stores, instead of one or more conveniently arranged and situated stores in which the meat could be properly handled for sale, or, in case of damage, boiled down, instead of being sold as a bad advertisement of the meat.

WEDNESDAY, 30TH SEPTEMBER, 1903.

W. NELSON (of Nelson Bros., Tomoana) examined. (No. 12.)

1. *The Chairman.*] We have asked you to come and give evidence before this Committee because we all have knowledge of the extensive operations you have carried on for many years in the frozen-meat trade. We are aware that no company which has dealt in New Zealand meat in Britain has anything like the ramifications of the C. C. and D. Company, and as this question of opening shops and dealing with frozen meat at Home may have far-reaching effects we shall be glad to have your opinion on the matter. Have you studied Mr. Cameron's scheme and the Premier's? Would you like to answer questions or to make a statement first?—I would prefer to answer questions.

2. I think we should confine our work largely to the question of distribution at Home and the schemes which have been laid before us. Have you studied Mr. Cameron's proposals?—Yes, I have.

3. Will you give us your opinion as to whether you think they are practical and are calculated to improve the condition of our meat-trade at Home?—The shop question, as Mr. Cameron puts it, strikes me as the proposal of a man who does not understand anything at all about the business, or wishes to deceive himself in regard to it. At a glance any one with the slightest business knowledge will see that the proposal, if it is the same as I have seen in print, is palpably crude and without any foundation on common-sense. I had an opportunity of hearing Mr. Cameron speak at Hastings on this question last week, and his idea was that he was going to introduce his meat through this shop agency to what we call the "upper ten"—not only to the upper class, but to the distinguished upper class. I have always held, and everybody else, I think, must hold, that our frozen meat must go to provide the millions with food, and not the "upper ten." Bearing on that, I have the report of a Select Committee set up in London and dated 1892, on the marking of foreign meat, and there I find what I think New Zealand as a whole very little realises—viz., that Home-grown meat represented (in 1892) two-thirds of the whole consumption of Great Britain—that is to say, that the meat produced in Great Britain supplies two-thirds of the amount of meat consumed. I take it that the "upper ten" is provided for by this two-thirds of Home-grown meat, which (whatever we may think of the excellences of New Zealand meat) is better than ours. It has been grown for centuries for mutton and not for wool, whereas ours has been grown for wool and not for mutton, and it is admitted to be better than ours. The "upper ten" will be supplied with it and ours must take second place, so that when Mr. Cameron proposes to open a shop at the West End of London to supply the "upper ten" it seems to me to be a preposterous proposition. So far as the scheme is concerned, the only objection I have to it is that as taxpayers it is quite evident that we shall have to pay the loss on these shops. I look upon it as absolutely certain that these shops will lose money, and then the New Zealand taxpayer will have to make up the loss. On the face of it, if Mr. Cameron could see his way to make 48 per cent. on his capital, he would find plenty of people ready to provide the money, and I should be very glad to do so myself. At Hastings he said he would open one shop in London. Well, London has an area of sixty-four square miles, and I cannot believe that one shop in an area of sixty-four square miles would help us very materially. Of course, there are a great number of sides to this matter: there are the shop details, and he has kept absolutely clear of them. A very strong point is in connection with our lamb trade. Our lamb is sold all over the country and in large quantities; but there is a matter of detail in that. Anybody, whether he is a grocer, a chemist, or anything else, can sell lamb; all he has to do is to chop it down, quarter it, and send it away, there being no waste and no butchering skill required. Mr. Cameron appears to omit all the thousand-and-one things that butchers sell and that New Zealand does not supply. He told us in Hastings that he would get his calves and pigs and bullocks, and so on, from New Zealand, while, as a matter of fact, there is not a regular supply obtainable from New Zealand. He would have to get these things from America or elsewhere, and would lose money.

4. Regarding the distribution, it is contended that people living fifty miles north of London know very little about New Zealand meat, and that it is not placed before them in such a way as to secure their custom. What is your opinion about that?—That is an astounding assertion, and on that point alone Mr. Cameron's proposal should be discounted. He either does not know what the position is, or he does know. If he does know it he does not speak the truth, and if he does not know it he ought to know it. He made the assertion in Hastings that there were not more than a dozen shops supplied with New Zealand meat north of a line fifty miles from London, east and west. I handed this book (produced) to him to show what the C. C. and D. Company did in a single day. He opened it and looked at it, and then picked up another paper and said, "This suits me better," and it said that nobody did deliver New Zealand sheep to more than a dozen towns outside of a line fifty miles north of London. He ought to know better than that. We know that he has been engaged in the meat trade in Manchester—with what success he ought to know better than I—but if he made 48 per cent. I think he would have stopped there. This pamphlet I showed him states that there were about one hundred and fifty towns supplied by the C. C. and D. Company in one day north of the line mentioned by Mr. Cameron. Presumably a company doing that business would supply an equivalent number of towns the following day, and I might assume that certainly during a week they would supply about four hundred towns north of that line. Although the C. C. and D. Company are the largest distributors of colonial meat in England, still there are a great number of other people distributing, and no doubt in the aggregate these other houses supply double as many. Assuming that to be a fair estimate, there are from a thousand to twelve hundred towns being supplied north of this line mentioned by Mr. Cameron.

5. It has been represented that, being agents for other countries besides New Zealand, although you may have supplied a hundred and fifty towns north of the line referred to, those hundred and fifty towns may not have been supplied with New Zealand meat?—Has it been suggested what the towns were supplied with?

6. Will you state whether it was New Zealand meat that was supplied to these shops or other meat, such as Argentine or Australian meat?—When I was coming away from Hastings I was asked whether I would bring this book or one of the C. C. and D. Company's old maps. If I had brought the old map it would have shown that 450 towns were supplied eight years ago; but I did not bring that for the very reason that you have anticipated: that that, no doubt, included a certain amount of Australian meat. But to-day it is absolutely certain there is no Australian meat to supply, as there is none to be had; and, as the company has not so far dealt with River Plate meat, it follows that it must have been New Zealand meat that was supplied to those towns.

7. Have you any knowledge as to the class of shops that meat would be sent to, and whether it would be sold as *bond fide* New Zealand meat and under good and enticing conditions?—Personally I do not know the people who get the meat, but by the prices we get for it I judge that they must be respectable. There are some figures in this book that should have completely upset Mr. Cameron's statement, for in Manchester alone there are four men who took over five hundred carcasses in one day.

8. And you are, of course, only one of the companies dealing with the meat?—Yes.

9. The proposal is that the Government should open shops in territories largely controlled by the Argentine. Now, would the Argentine people not regard that action as competition on the part of this Government against Argentine interests?—I do not think to-day that that is a matter of very much importance, but there was a time, and Mr. Cameron brought up that point strongly in Hastings. He said there were people—and of course he glanced at me—who considered that the producers of River Plate meat ought not to be interfered with by the New Zealand meat people, and he asked, "Are we to sit down and allow them to take the trade?" I have always been exceedingly strong in my desire not to invade the district, which was run by the Liverpool company, and my people have always agreed that it would be much wiser to let them run their district so long as they left our district alone. This worked admirably for about eleven years, and then came the time when certain colonial wise men insisted upon sending meat into their district (Liverpool, I mean); then the Plate companies came to London. There was a time when Nelson Bros. were an absolute power, but by-and-by their power began to wane. Mr. Cameron has referred to keeping out of a district that belongs to the River Plate people, but his remarks should have been made ten years ago. Manchester is in the Liverpool district, and, as I say, there are four men there taking over five hundred carcasses a day. For the last seven years there has been no such thing as a River Plate district and no such thing as a New Zealand district. Cardiff has become, I believe, a River Plate district, but it is a place where they will only eat cheap mutton, and they might just as well have the cheap Argentine meat as ours, because they will not pay a good price for it.

10. Is it not a fact that Cardiff has been in receipt of New Zealand meat for the last ten or twelve years?—We used to have a store there, but we gave it up, simply because we could not get the value for our meat.

11. The Christchurch Meat Company opened a shop there, did they not?—Yes, and abandoned it because they could not make it pay. What really covers an immense amount of ground in connection with distribution is that different parts of England require different classes of meat, and this creates an objection to shipping direct to any other port than London. London and fifty miles round is the best district for selling meat in at the top figure, and if considerable shipments were sent to Liverpool half of it would have to go to London to command its value. If the North of England will take our inferior meat, I do not see why we should send them our best. The best meat can be sold in and around London, and they will give us the same price for another class of meat in the North.

12. Referring for a moment to Cardiff, have you seen the results of recent shipments direct from this country?—I have seen the newspaper report.

13. Did you notice whether it was an advantage to send the meat there or to London?—If it were possible to send shipments of meat to Cardiff, all of the lowest class, the public would not object to it, but in the natural order of things it is impossible to make up large shipments of meat all of one class. Some of it would be good and some inferior.

14. You do not think the opening of shops by the Government would make any appreciable difference to the trade?—No.

15. Have prices ever been better than they are now for our New Zealand meat?—The average value of mutton has been gradually going up for the past four years, and this year's average will be higher than ever before.

16. Are we likely to have so copious a supply of meat to send Home in the future as we have had during the last year?—I do not know.

17. Do you think we should work in harmony or in antagonism with the Argentine people?—I think we may just as well work in harmony as not. They are running their trade remarkably well, and there is nothing for us to be at loggerheads with them about.

18. Both countries are doing well?—I think so. With regard to the question of distribution, I would like to say that there are from seven to eight million frozen animals going into Great Britain. That means to-day over £8,000,000 sterling. Is not that a complete answer as to whether the distribution is going on largely, and probably as well as it can be, when in twenty years a trade can be built up to produce very nearly £8,000,000? Out of that number of carcasses there is a large quantity of lamb, which everybody admits is excellent. Mr. Cameron's contention in the matter of distribution is that the trade in London should be concentrated. His next proposal in the same connection is that each company in New Zealand—and there are seventeen of them—should have its own representative. To me this seems contradictory: that there should be concentration, and that each company should be represented. That is adding seventeen more complications to the scheme of concentration advanced, and which it is supposed will set things right. He said, in answer to a question, that these seventeen men could have their committee, and

agree as to certain matters. Well, they could have their committee, but whether they could agree is another matter. All our experience is that they will not and cannot agree. It is difficult to get two people to agree, let alone seventeen. What would happen is that each representative of a company would consider it his duty, according to his lights, to do the best he could for his particular company, and it is not at all likely that any one representative would on any one day agree in such a manner as would suit the sixteen others. Besides the proposal is a contradiction to the suggested concentration.

19. Do you consider it is necessary to have a sorting-shed at the docks through which all the meat should pass before reaching the various cold-stores?—The sorting-shed for many shipments is distinctly a good thing. That is to say, it is better than any one sorting a large number of consignments in the ship or on the wharf. But it would be an atrocious thing to compel any one to do it who is loading into barges. Take all the C. C. and D. Company's meat which comes by the Tyser boats: all they carry goes straight into the barges and up-river, and, if you made a law that everything should go through the sorting-shed, then everything the Tyser boats carried, amounting perhaps, to eight hundred thousand carcasses a year, would have to be put into the sorting-shed for no other reason than to be taken out again and placed in the barges.

20. What would that cost?—Per ton, I do not know; but the greatest cost would be the unknown one incurred through every handling causing a certain amount of damage.

21. Your experience of the condition in which your meat lands—at your Blackfriars Stores, for instance—does not justify you in having any such investigation at the docks?—Mr. Cameron said in my presence that all carcasses carried to the up-river stores in barges were damaged by being so carried. Well, while my company is absolutely distinct from the C. C. and D. Company, we are shareholders in that company, and it seemed to me to be my business to sift that assertion pretty closely, and I said I must ask him to withdraw that assertion so far as the C. C. and D. Company was concerned, or prove it to be true. He beat about the bush for some time and was evasive, and I said I would be much obliged if he would give me a straight answer. I said, "Do you withdraw that assertion with regard to the C. C. and D. Company?" and he said, "I withdraw it." Of course, the assertion should not have been made. It is a well-known fact that there is no better system than that of the barges.

22. Perhaps the Committee will allow me to supplement what Mr. Nelson has said, because it is of some importance. When the "Ionic" some years ago took Home a considerable quantity of lamb, ten thousand carcasses went up in the barges to your store. I had a parcel of 2,500 lambs in the store, but, owing to the wretched system of assessing then obtaining, I did not know that any claim was to be made on this parcel until three months after the arrival of the ship, when I received a claim for more than 50 per cent. out of the 2,500 carcasses of lamb. I then at once inquired from the shipping company the condition of other parcels of meat as well as mine on arrival of ship. They showed the "Ionic's" manifest, and I observed that ten thousand carcasses of lamb had gone up to the C. C. and D. Company's Blackfriars Store which had been taken from the same holds as mine, and that the ship's report of condition on leaving the ship of that going up to your store was not quite as good as that of mine; but, on my making inquiries from Mr. Kiel and others, they told me that the damage seen on opening them out at Blackfriars was so trifling that there was no necessity for a claim, whereas on my 2,500 more than half were awarded damage on them. I merely quote that as showing that taking the carcasses up in the barges caused no deterioration at all, whereas those carried the shorter distance were much damaged.—It has been a well-known fact that up to the present date the barge system has been the best, the up-river stores being close to the Smithfield Market.

23. What do you think is the relative merit of, say, North Island meat as against the best Argentine meat?—The best Argentine is better than the average North Island mutton. In making that assertion I would like to say that some two years ago I saw some forty or fifty carcasses hanging on a rail opposite our own stall at Home, and they were as perfect sheep as could possibly be grown. I do not say that their average is as good as ours.

24. Do you think they cut up as well?—Quite as well—perhaps better.

25. Perhaps you noticed that Mr. Cameron discouraged the sending of meat to agents at Home who were agents as well as dealers. May I ask if the C. C. and D. Company are dealers as well as agents?—They cannot buy—they are purely agents. The C. C. and D. Company's business originally belonged to Nelson Bros. It was assumed by some people that Nelson Bros. could not be honest if they handled other people's meat as well as their own, so they sold out to the C. C. and D. Company, a purely distributing company, and now Nelson Bros.' sheep are sold by the C. C. and D. Company on exactly the same lines as other people's meat, and none of the officials of the company know the difference between Nelson Bros. and other people's shipments.

26. *Mr. Buchanan.*] Have you any suggestion to make with regard to the fluctuations in price because we do not distribute our supplies sufficiently over the whole year?—No doubt an immensity of mischief has been done, but whether all that could be done to avoid it has been done I cannot say. Two years and a half ago the meat went up to an extravagant price.

27. In December last North Island mutton was quoted at 5½d. per pound?—The first time it got up very high—up to 5d.—the C. C. and D. Company lost over a thousand clients, who for the first time discovered that River Plate meat suited their trade, and those clients never went back to the company. That was about two years and a half ago.

28. The highest price previously was in February, 1901?—That would be about the time.

29. The maximum price for the best North Island meat was 4½d.?—These excessively high prices must do mischief, because a large part of the frozen-meat trade must be done with people who have only a certain amount of money to spend. If they cannot get our meat at a certain figure they must get something else. The cheap River Plate meat is every bit as good as our cheap meat.



30. Have you any suggestion to make that would tend to give us better prices?—No practical suggestion. Of course, one knows what is the matter, but it cannot be bettered. To get full value for our meat it must have regularity of supply; but now the sheep-farmer is the basis of all that is weak in connection with it. He insists that the freezing companies shall freeze for him as fast as they can do it, and the Meat Export Company is doubling the size of its works in consequence, and the Belfast Company is following suit. That means that he is going to get his meat to London quicker. In the South Island they used to ship with regularity, but now for months the works are idle simply because they have multiplied them, and the farmers insist upon having all their sheep frozen at once.

31. Has not the change from wethers to lambs been the principal factor in bringing about the revolution of which you speak?—One would think so; but their mutton seems to be keeping up. They are still shipping their mutton, and the excessive shipments of lamb have not, so far, reduced the quantity of mutton. Of course, their export of mutton would have been greater if so many lambs had not been killed, but it has not been reduced.

32. Would the New Zealand grower be justified in expecting a lower rate of freight now that the quantity of frozen mutton has increased so enormously as to justify the large boats now in the trade?—If the trade had been equalised I have no doubt the freight would have been lowered. You have an object-lesson in the Wellington Harbour now. There is the largest meat-ship in the world now waiting for a shipment in November—indeed, there are many ships waiting there. It is evident that if a ship cannot be loaded up in the winter time it cannot be worked as cheaply as if regularly loaded without any detention.

33. Would it not be a great advantage, and enable freights to be lowered, if the three principal shipping companies came to an arrangement by which they would not be under the necessity of running after each other from port to port, each taking a small quantity of meat? Would it not be an advantage, say, if the Tyser Line could take all the frozen meat, say, this month from Hawke's Bay, the Shipping Company from Wellington, and the Shaw-Savill Company from Lyttelton?—Theoretically it is unanswerably right, but in practice it is impossible. If all the lines were able to do that they would save a great deal of money; but each company has its trade, and delivers its outward cargo to different ports, and each one has to fight. It is just equivalent to the Meat Export Company sending its representatives to Hawke's Bay to buy sheep: Would it not be much cheaper to freeze Hawke's Bay sheep at Hastings than to rail alive to Wellington?

34. The storage rates in London have remained at the same level a good many years now. Do you not think that some reduction might be made there?—That question is answered by your first question. It is all a matter of detail. When Nelson Bros. sold their business to the C. C. and D. Company they hoped that it was such a palpably colonial institution that the whole of the colony would support it. Unfortunately they did not, but had they done so—considering the amount of trade the C. C. and D. Company could do if they had the opportunity—they would have materially reduced the cost of handling. It is just a matter of how many times a store can be emptied and filled within a year. If it could be filled and emptied often enough the cost would be considerably reduced.

35. Do you think there is any greater difference between the wholesale and retail prices of frozen mutton and between the wholesale and retail prices of English meat?—I do not think I know enough about English meat to say; but I do not think there is too much difference between the wholesale price of frozen meat and the retail price.

36. *Hon. Sir J. G. Ward.*] The object of the inquiry is to ascertain whether it is possible to bring about a condition of things that would raise or keep the price of sheep—especially in the interests of the farmers of this country—at a remunerative or fairly high level. Could that be done without the whole of the shipping people, the freezing companies, and the stores in England and Scotland coming under one control?—I answered that question in a slightly different shape a year ago, when I stated that the only way of making the best of the frozen-meat trade was by concentrating the whole thing—the freezing works, the interests in London, and the shipping. That is an ideal. It is one of those things that can only be done by wholesale concentration. Of course, London concentration by itself would be good, but it would be better if the whole thing could be concentrated, but I fear it is practically impossible to do so.

37. Then in the meantime one strong factor in keeping up the price of sheep is free competition amongst buyers in this country?—It is simply a question of supply and demand. We are talking now not necessarily of keeping mutton up to the price it is, but to do the best we can with it. There must be a time when it will not be nearly so high as it is now. Within the last few years we have had Australian mutton struck out of the calculation. Australia will come in again and have more fat sheep than ever it has had. I look forward to the time when mutton will be lower, and we must face that position. I do not know what the sheep-farmers have to complain of to-day. I have done well as a sheep-farmer myself during the last two or three years, and, I believe, so has every one else.

38. *Mr. Duthie.*] You have passed in a pamphlet here which shows that an ordinary day's transactions of the C. C. and D. Company is 757 orders for country districts. Well, I was in London three or four years ago and went through the books of the company, and have pleasure in saying that I consider this is no exceptional day, but an ordinary day's business. They were good enough to give their accountant instructions to show me everything in connection with the trade. I saw the orders from the country and the books of delivery, and can accept this as undoubtedly to my mind a fair representation of the business. It shows here that the districts set out are worked by travelling representatives of the company. It might be interesting to know the number of the staff that has been employed over the area?—I know roughly that the company have had from ten to twelve travellers constantly at work. That is apart from the resident staff.



39. On the occasion I speak of—some three years ago—they had eight men constantly employed in visiting shops in the various districts every three days?—Yes, the C. C. and D. Company have been doing that for the last fifteen years.

40. I notice by this pamphlet that your distribution for one day is 2,103½ sheep, 2,761 lambs, 2,389 pieces of mutton, and 420 quarters and 185 pieces of beef?—Yes.

41. *The Chairman.*] Have James Nelson and Sons, who have been making such large profits in the meat-market recently in connection with the Argentine trade, any connection with the C. C. and D. Company or with Nelson Bros. of this colony?—Absolutely none. James Nelson and Sons have been butchers for the last sixty or seventy years, and my family cannot claim that honour. We did not know the existence of each other until we entered the meat trade.

42. Do you mind telling us what the average profits are of the company you have been connected with during the last twenty years?—I am ashamed rather to do that. I cannot claim an average of 5 per cent. for the business during the last twenty years.

43. Have you ever paid over 10 per cent. in one year?—Never. For some few years we paid 10 per cent. with regularity, but during that period we used to freeze sheep on owners' account. Since we have become purchasers of meat we have very frequently paid no dividend at all, and never more than 6 per cent. With regard to Mr. Duthie's question in reference to the C. C. and D. Company's expenditure and staff, I may say that the C. C. and D. Company have not been made so much use of by exporters owing to their prices being higher than it is possible for the work to be done for by other agencies in London; but the persons who object to these higher charges do not realise what the company do with their money. The expenses of the travellers referred to are covered by these charges, and, as a matter of fact, the C. C. and D. Company with their increased charges do so much with the money that they do not stand to make a fraction of the profit that the agents do who show nothing for their work. The question of branding came up in Hastings the other day, and is a matter I feel very strongly about, for this reason: that, if it should be thought necessary to brand mutton, I consider it ought to be left to the discretion of owners whether it should be branded or not. My firm look upon it as a distinct disadvantage, and we are owners every year of half or three-quarters of a million of New Zealand sheep; and it strikes me that, if the law should provide that we must brand these sheep, I do not think we should be in that position, and think that the owner should be allowed to do as he likes. I cannot conceive who it interests except the owner of the meat. Mr. Cameron tried to show that it did interest somebody else, but could not say who it was. For my part, I do not want anybody to spoil my meat.

44. *Mr. Hardy.*] Would it spoil your meat?—Yes, it would.

45. Would it prevent you from selling it as prime English?—That has nothing to do with it—we cannot sell it as prime English. I wish we could. Mr. Cameron seemed to me to be too virtuous. He told us of a certain butcher who bought meat-labels and put them on North Island sheep; but out of eight millions of carcasses how many could be so treated? To say that this is done as a usual thing in the trade is preposterous. Mr. Cameron also brought up the question of grading, and said that all meat must be graded by a Government grader. The audience in Hastings cheered the suggestion to the echo, and it fell to my lot to say that they had cheered the proposition, but I could not see why they had done so. My remarks to Mr. Cameron were to this effect: that, although I had the greatest confidence in the Government methods generally, still grading was such a gigantic question, and one in which we had so much difficulty in getting men to carry it out, that if it became law the Government would be called upon to find seventeen first-class heaven-born graders right off; and I might tell the Committee that it is an extremely difficult thing to get a reliable grader in our business, as Mr. Cameron well knows.

46. In Canterbury we have the question very dearly at heart, in consequence of the trouble the companies have gone to in getting experienced graders, and I should like you to make the matter as clear as possible?—It is clear to me that no one excepting a man who has been for years connected with the trade can possibly know anything about the grading that is required to meet the requirements of the trade. It is not a scientific question on which any one from outside can come along and say what grading should be done. Such a person might tell you that one sheep was better than another, but he would not know what the trade wants at Home. We have had graders from England, and have had to let them go again, and after several years I have only two men whom I consider good enough. If I had men who did not understand the business coming to grade my sheep it would mean absolute ruin to me.

47. Then, you think that a company that has been spending a great deal of money in getting up a special brand would be seriously affected—in fact, it would mean destruction to that company?—Precisely.

48. You think that special brands are of special value to the several companies?—A special brand for a company is almost a necessity—at any rate, it is a very great convenience. In connection with this question of grading, I should like to tell you that I was the inventor of the grading system. In Hawke's Bay it is very commonly reported that the great fault with Nelson Bros. is that they do not grade properly; but there was a time, when Nelson Bros. invented the grading system, that they went to a Wellington Company and told them that they wanted their sheep graded, and they were told that that could not be done. I said "If I buy your meat it has to be done," and it was done. Now, I am told that I am the only man who does not know anything about grading.

GILBERT ANDERSON, Managing Director, Christchurch Meat Company (Limited), examined.  
(No. 13.)

49. *The Chairman.*] You have probably seen references to the schemes put forward for the better handling and distribution of New Zealand frozen meat at Home, more particularly the proposals of the Right Hon. the Premier and Mr Cameron; and as you have had a very wide

experience in the trade we shall be glad to receive your views on the matter. We desire to know whether you consider it would improve the condition of the meat trade if a policy of that kind were followed, or whether it would be likely to prove injurious?—I may say that we at one time started the shop scheme ourselves. In 1898 we opened a shop in Cardiff, our idea at that time being that it was necessary to advertise the meat. I must say, however, that the scheme was not a success. It cost us, under the very favourable circumstances we were working it, something like £300 a year.

50. That was the amount of loss?—Yes.

51. Mr. Woodley managed it, did he not?—Yes. Our idea was to get the frozen meat into the higher-class trade, but we found that that particular trade not only required the lamb and mutton we had to sell, but also calves and bullocks that we had not got to sell. I have the correspondence in connection with the matter with me, and I notice that one remark states that a very weak spot is that they have to sell American beef. I may say that this was a very great disappointment to me personally, because I held at that time that the shops were an ideal way of extending the trade. Another great difficulty we had—which, I may say, is not confined to the Old Country—was in getting efficient and honest management. Although one does not care to refer to it—and I do not know whether it is confined to the butchering trade—but it is said that it is more difficult to get what belongs to you in this trade than in any other. Another statement made in this correspondence is that “the shops give great offence to the trade as a whole.” I think that is all I need say so far as the Cardiff shop is concerned. I went into the question very fully when I was at Home, some two years and a half ago. Whatever was the necessity existing for these shops when they were opened, I do not think it exists now. I might state that we have an office in Liverpool and another in Bristol. We have a sub-agency in Glasgow, and are working right up as far as Dundee and Edinburgh. I myself got our meat into the best shops in Edinburgh. Right up as far as Dundee the better class of butcher shops take our meat, and what I found a great help was that the better class of provision-shops are openly advertising that the meat is New Zealand meat. I think the scheme was wanted some ten or twelve years ago, but I really do not see the need for it now. Personally I would like to see the Government spend the money which the shops would cost in judicious advertising. The kind of advertising I would advocate would be in the magazines which circulate throughout the country, and that every brand of meat should be advertised on large plates put up on the railway stations. I found when I was at Home that there was a strong British sentiment, and I think what we should do is to play to that sentiment.

52. *Hon. Sir J. G. Ward.*] What do you mean by the term “British”: do you use it as applied to England and Wales or to the Empire?—The Empire as against the River Plate, or American meat. No doubt there would be some advertising advantages obtained from this shop scheme, but I think we could advertise more cheaply. The shops themselves would not have the desired effect unless they were advertised, because I take it that the towns the shops were located in would be larger than Wellington—they would be somewhat on the same scale that our Cardiff shop was. If you were to put one shop, say, in Manners Street or Willis Street without advertising it, there would be very few people who would take the trouble to find out where it was. You can really do nothing nowadays unless you cry out or placard as the Americans do. There is a statement made in Mr. Cameron’s paper which I think it is best to correct: that is, with regard to the distribution of our meat. I found New Zealand frozen meat in every town in Scotland of any size right up to Dundee. I started from London and zigzagged up the north-east coast as far as Dundee, where I found it. I came back on the other side, where I picked up a little of it in Inverness, but it was very marked in Glasgow and right away down to Carlisle. I saw it. It was to be seen in the towns in and around Manchester—very little in Manchester, strange to say—very prominently in Liverpool, and right away down in the west of England. You would not only see frozen meat there, but it would be advertised as frozen meat and Canterbury meat, and you would see the tickets hanging on the sheep. Some would not have the ticket and one might have a suspicion that it was not New Zealand meat; but I think that difficulty might be got over. The plan I have this season is to have a piece of wire with a lead seal to take the place of the ticket if it is removed. The disadvantage we suffer under is, that there is no concentration or any individual whose particular business it is to personally canvass or advertise New Zealand meat as against River Plate or Australian meat. Of course, during the last two years we have not felt Australian competition, but we undoubtedly shall now. I do not think the form of advertising referred to by Mr. Cameron would be effective without the other kind of advertising, and the other advertising would be quite as effective without the shops. There is one difficulty that any one opening shops for New Zealand would have to contend against which the River Plate people would not have. I take it that our meat must appeal to the better class of people if we are to get the retail prices we are aiming at. You can only do that by opening up expensive shops that would require close supervision and fairly costly management. The River Plate people opened up small insignificant shops quite close to each other, and these shops manage themselves. The managing director of one of the large distributing companies at Home says, in reference to this plan, that “all the men in all the shops would not start stealing at once.” I do not think the profits referred to in Mr. Cameron’s paper would be realised. From our experience, and from the very close examination of men in our employ, we find you cannot cut 58 lb. of mutton out of a 60 lb. sheep. The calculation would be much nearer 54 lb. Then it is quite possible, from what I found out at Home, to get the price put down for legs, shoulders, and loins; and I do not think you would be able to get quit of the necks and breasts at anything like the price referred to. I have already mentioned the necessity of supplying a quantity of beef. In an ordinary butcher’s shop I do not think you could sell the number of lambs referred to in proportion to the mutton that he has got down here. Of course, if you could it would be a profitable business. The estimated cost of fitting up the shops is, on the whole, accurate, within, perhaps, some 10 per cent.; but for the class of business I do not think it

could be conducted at the rates set down. It is pretty well accepted that the expense of selling meat, apart from the loss in weight, &c., is from  $\frac{1}{2}$ d. to  $\frac{3}{4}$ d. per pound. From the statement I have made, the profit estimated would be turned into a loss of £230. There is no doubt that the loss would be largely diminished after the second or third year, when you have got your connection; but, of course, we could get any one to work on these profits if that could be assured—our company would, for one.

53. *Mr. Buchanan.*] Could you suggest any plan by which to regulate the output to London so as to prevent the occasional gluts which now occur?—I think the stock has to be held here, but then comes the trouble that the farmers will not hold their stock here. My experience is that you can hold the meat in the colony without virtually any deterioration, because after the meat is frozen it is put in store with an even temperature from year's end to year's end. I have eaten meat which had been in store for two years, and could not detect any difference. I do not think any deterioration or discolouration experienced in London takes place in the meat here. No doubt when one goes through the stores in London one sees a good deal of faded meat. That, I think, is caused for two reasons: the very act of shipping the meat causes it to get damp, and the same thing takes place when it goes into the store in London. The temperature is not even, and I was surprised to find that there is not a system of air-locks in the stores. They do not seem to have any regard for keeping the temperature regular.

54. Do you remember the slump that took place in London in June and July of 1901?—Yes; there was the same slump this year to some extent—at least, there was in lambs.

55. You remember that the freezing companies throughout New Zealand were compelled to store large quantities of mutton that year?—Yes.

56. Would you be surprised to learn that the Meat Export Company received many complaints of want of brightness in the meat that was stored here under the very best conditions until August, September, and October?—I should not think there would be any cause for the complaints. Of course, the Smithfield buyer is not backward in making a claim if he gets the chance. We met that difficulty by having our own representative there. We know that if there is the least suspicion on the part of a Smithfield salesman that he is buying meat that has been stored here he will call it "off colour" there.

*The Chairman* (to Mr. Buchanan): Had you a reliable man at Home to see if the meat was faded or not, or did you take that opinion from the buyers of the meat?

*Mr. Buchanan*: We have no representative at Home, but our own observation here leads us to believe that there is substantial ground for the statement that there is a slight deficiency in colour through long storage.

*Mr. Anderson*: We altered our system of freezing so as to prevent any chance of "off colour." That is how we came to discard pipes and go in for the air-blast.

57. *Hon. Sir J. G. Ward.*] Would it be possible to concentrate the whole of the interests in the meat trade in the colony and in the Old Country so as to maintain a high price for the grower?—I think it would be possible to get up a combination, say, of the freezing companies, so that they could hold out for higher or more regular prices.

58. Would such a combination as that entail combination of the whole of the shipping lines as well?—No; I think the freezing companies have got on top. At one time the shipping companies dominated the freezing companies, but now the position is reversed.

59. You think that in reality it is only by an all-round combination that permanent prices could be maintained?—I think so.

60. *The Chairman.*] If the statement is made that outside a line fifty miles north of London New Zealand meat can hardly be found in more than a dozen places, do you think that must be incorrect?—Yes. I could have brought up letters from our Liverpool office that clearly state that it has sold so many thousands of carcasses to Glasgow, Edinburgh, Leeds, and so on.

61. We would like to know how many places you do supply from your Liverpool house?—You might say that virtually Liverpool could supply all the towns from a line north of Sheffield.

62. Would the conditions under which you managed Cardiff not be better than could be obtained by a wide scheme such as that proposed by Mr. Cameron?—We thought the Cardiff shop was an ideal one. We had men well up in the trade visiting the shop daily.

63. And a man managing who was thoroughly honest?—Yes.

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