

know who supplied the capital. Take, for instance, Armour and Co. (N.Z.). There is Mr. Carney, who is an American and has been buying wool here for some years, but he is the largest owner in the registered company of Armour and Co. of New Zealand, and he is the registered owner of practically all the shares but two.

36. But it is possible to bring forward a scheme by which you could check that foreign capital coming in if there was legislation in that direction?—Yes.

37. You may be able to give the Government powers of purchase on suspicion?—Yes.

38. Do you think it would be of advantage to the country to pass legislation that no further outside capital should go into the local works, and that within a certain period all foreign capital should retire under some scheme?—I am afraid it could be got round in the way that these foreign people prefer to work through local institutions. But if once the Government purchased the meat here and the Imperial Government handled it at Home, the more competition there would be here the better for the producer. The control by the companies is immaterial, because the more they pay for stock the better for the farmers.

39. I admit that; but in the event of there being a difficulty in your scheme, we are so dependent upon the Imperial Government, over which we have no influence?—As the present purchase scheme goes on for three months after the war, something may evolve during that time. As pointed out, the diversion of supplies after the war may leave England short, particularly if a large amount of Home-grown meat be killed, and the British farmers have been instructed that they must kill off a great quantity between now and December.

40. You do not think it is feasible, then?—I am afraid it could be got round.

41. I suppose you would not suggest as an alternative New Zealand buying prior to arrangements made with the Imperial authorities—buying without having an assured market at the other end?—If you work without the Imperial authority's co-operation it is quite possible for the Argentine vendors to make a dead-set upon your marketings and put parcels in competition below cost in order to try and smash the experiment. They have done it before, and would do it again. I think the Imperial authorities are aware that it will be necessary to provide food for their population for some time. After the war there will be a shortage of food, and all revolutions or discontent come from food-shortage. I have turned over in my mind every suggestion that has been made, but they can mostly be evaded. They may be in the right direction, but still they do not close every door. This scheme I have put forward ought to close every door.

42. *Hon. Mr. Ngata.*] That is, provided the Australian and British Governments co-operate?—Yes.

43. *Mr. Reed.*] In your scheme would you suggest the State controlling the freezing-works in New Zealand?—I do not think that would be necessary. I think it would be better to leave the companies largely as they are: they are working in harmony with the Government. If it were found to be necessary an alteration could be made, but there is still a lot of work for the companies to do. The meat has been brought up to a high standard, and the grading and breeding has got to a fairly high pitch. There is plenty of room for us to develop offal and other things like that: find markets for the products and improve them. We are constantly doing something in that way, and I think the energies of the companies in this direction should be left free to expand.

44. You do not think any of the freezing-works would be calculated to suffer?—I do not think so. I think it would put all the smaller companies on a sounder basis, because they would be able to finance. Until lately there was a difficulty as to ownership of the meat in the works, and it was difficult for the small companies to finance, but the new arrangement now existing has made everything quite smooth. One of the troubles to-day is that some of the companies are not financially strong, and if the system before the war was to come back again those companies might drop into any trust at a figure below cost.

45. Would that happen under the present system?—It could not, because finance would be assured and the companies would know exactly what they would have to give for meat. According to the chart I have produced a man under the old system might be buying Canterbury lamb on the basis of 7d. per pound at Home, and when the consignment reaches its destination the value might be 1d. or more below that figure.

46. At the present time certain buyers in New Zealand are paying a certain price above the value of the meat?—Yes.

47. Are they doing that in anticipation of a free market after the war, or for the purpose of injuring other companies?—I think they are doing it more to get their footing—to stand well after the war is over in order to build up a business in future.

48. Do you think that would continue if this scheme of yours is brought into operation after the war?—There would be no object in it. I take it they are now trying to build up a business for after the war, and they would then look to reap money out of consignments. If the meat was sold on value in England or at contract price to the Imperial Government we would all be on one footing, and New Zealand concerns would be able to hold their own under such conditions. When I was at Home in England I discovered that the Meat Trust had a tremendous hold in the retail trade at Home. It seemed to be a growing trade, and a lot of it was done under other names. That is part of their method.

49. Now, in reference to shipping, would you suggest the State being the sole consignors?—That would be so in the matter of meat.

50. In that case it would be immaterial whether the State owned the ships or not?—Yes; if they could not make satisfactory arrangements with the present shipping companies they have the trump card that they could go in for State-owned ships, but I think better arrangements could be made with the present shipping companies.