

51. In the event of the State going in for ships, would you suggest amalgamation with the farmers or a company formed with half local capital and half State in preference to a purely local company?—You mean something in the same direction as the Bank of New Zealand? I think that would be preferable, because we would all have an interest in it. The Bank of New Zealand arrangement has worked very satisfactorily.

52. *Mr. T. A. H. Field.*] According to your scheme there should be only one consignment of meat in the first place?—Yes.

53. In the second place, you suggest that the Imperial authorities should control the wholesale market at Home?—Yes.

54. In the third place, you suggest that there should be Government control of the shipping? Yes. With regard to the Government being the sole consignor, at present we are free to handle our offal and develop it, but probably it would be better if it were all under Government control. With the high price of meat in England at the present time there has been a good demand for offal, but probably the offal trade would sink into insignificance after the war. The offal trade has run up simply because the price of meat has been so high.

55. *Mr. Witty.*] Have you lost any of your buyers to these American people?—No, we have not lost any of our buyers.

56. Are you aware of any other companies who have?—Yes, I think some of them have. Of course, Armour and Co. bought out one firm, buyers and all. I think they took over nine buyers.

57. Are you aware that they are taking over buyers from other companies?—I think they have done so. I know they have done so. I know they have been angling for some of our buyers, but they did not go.

58. I think you said that the arrangements made during the last few years have been very satisfactory?—Yes, they have worked absolutely without friction as between the Government and the companies.

59. But has it been satisfactory to the farmers at this end and the public at the other end?—It has been satisfactory to the farmers at this end, but at the other end the public have not had the advantage, simply because the Imperial Government have been putting so little on the market. You must remember that the Imperial Government has been supplying the Armies, and at a lower price than can be done under any other scheme.

60. But they have not been supplying them with lamb, and therefore would it not have been better for the lamb to have gone in the ordinary way?—I do not think so. There may be a difficulty in regard to what is lamb and what is hogget.

61. There is a Board of Control at Home which controls the prices, is there not?—They fix the price of the lamb for the week, but the committee I suggest is a different one to that.

62. I am alluding to the Board composed of three men?—Yes.

63. They sell lamb at 10½d., and yet the retailers sell at 2s.: that is not giving the New Zealanders a fair deal, is it?—No, it is not. I should have preferred to see them fix no price at all for lamb or for released mutton, and leave it so that our meat would stand on its own relative market value at Home. They have not released enough to be of any value in controlling the prices.

64. Are not these low prices likely to affect New Zealand lamb? You admit yourself that our lamb is much superior to the Argentine, and yet the Argentine lamb is fetching a higher price than ours?—Ultimately our quality will tell again, but in the meantime we must admit that one of the disadvantages owing to the war is that our meat has been largely taken off the market, but we hope to get it back.

65. But if the Board regulates the price at 10½d. per pound are they not to blame for not putting the price higher?—Yes.

66. Is it not a fact that most of the meat from the companies at this end is sold to agents in the Old Country in the ordinary business way?—I do not think there are many New Zealand freezing companies who have their own shops.

67. But they have agents to whom the lamb is sold by this Board?—So far as we are concerned we sell our lambs through Fitter and Sons, against whom there is no suspicion.

68. But the margin between 10½d. wholesale and 2s. retail is very extravagant?—Quite so. Under the present system it is quite clear that if lamb is being put on the market at 9½d. and sold at 2s. retail somebody is getting the advantage. So far as the producers of New Zealand are concerned, they would sooner see the consumers or the Imperial Government get the advantage than that it should go into other hands.

69. That is, the Board of Trade allow the firms to get that lamb at 9½d. or 10½d., and then make a huge profit by selling to those who retail it?—No, the wholesalers are controlled—their profit is limited to ½d. per pound.

70. But they have sub-agents to whom they sell?—I cannot say as to that.

71. In regard to the question of the Government buying, do you not think it would be bad policy for the Government to buy direct from the farmer?—I think there would be a great deal of difficulty. This country is getting cut up into small parcels of land. For instance, our works receive in one day as many as seventy-five different mobs. We have to go back into the country as far as sixty miles from the railway-lines and take small lots from the different farmers. It is quite impossible for us to drive those lots separately and identify the different brands after they have passed along miles of dirty roads. The marks become obliterated. That will be one of the difficulties if the Government bought from farmers.

72. There will have to be the speculative element if the Government buys from the farmers as your firm does?—Yes. The farmer at the present time knows exactly what he is going to get for his meat—he can work the thing out better than under any other system.