

some beef, which I will put before the Committee. [Returns produced and put in.] Here is a line of 241 woolly lambs killed at Feilding works on the 29th January, 1917. At the Government schedule prices prime quality was 6½d., first quality 6¾d., and second quality 6¼d. After deducting the freezing company's consolidated rates for killing, freezing, bagging, putting f.o.b., crediting the account with the actual returns on fat and returns from pelts and wool, the result is a loss of £1 17s. 5d. [Vide Exhibit 9.]

9. *Mr. Scott.*] Was that the loss on the whole number?—Yes, the total loss. Showing how closely the thing was cut, here is another line of 230 lambs killed at the same works on the same date. It showed a profit of £2 10s. 7d. on the 230. Then, another line of 455 showed a loss of £28 18s. 2d. I may say that these returns do not make any allowance for insurance or interest, and, of course, the longer the meat remains in the works the greater the amount of interest and insurance. [Vide Exhibit 9.]

10. *Mr. Witty.*] That loss was practically on the hooks?—Yes. As to the cost price, I may say that I have taken it at 8½d. for prime and 8¼d. for first and second quality, or slightly under current prices, because immediately after that the prices rose up to 8¾d. and even to 9d. Those bought were rather on the low side. If they had been bought at prices which I know were current at the same time in the district they would have shown a very much bigger loss.

11. Can you give us any idea of the position in regard to wethers?—I have no return here in regard to wethers, but I will have a return supplied. [Vide Exhibit 7.] I have a return here also showing the value of beef at Longburn Freezing-works on Government schedule prices after crediting the account with 5d. per pound. [Vide Exhibit 12.] That is ox beef, and hides at the full value of 1s. 1½d. per pound, with tongues, tails, and tallow, and deducting the consolidated rate for freezing, &c. The return shows 44s. 10d. per 100 lb., and that is the net return. I think everybody knows that the current price for ox beef has been in the neighbourhood of 50s. for practically the whole of this season. That is the price fixed by the Christchurch Meat Company, or, rather, the New Zealand Refrigerating Company, the Gear Company, Sims, Cooper, and Co., and they are practically the largest buyers. They are all paying £2 10s. per 100 lb. At Longburn the charges are a little higher than at other works, but they have to pay railage to Wellington, which is equal to about 0'11d. per pound. However, in the case of the Gear Meat Company, Sims, Cooper, and Co., and the New Zealand Refrigerating Company, I understand they pay the railage on live-stock to Wellington, or to Inlay (Wanganui), as the case may be, so that they are practically in the same position. Sims, Cooper, and Co. pay railage on beef from the Waikato, Hawke's Bay, Wairarapa, and even from North Auckland to Wanganui.

12. *Mr. Anstey.*] What is that return on?—It is on a line of beef put into the works by clients of ours.

13. And they only got 44s. 10d.?—Yes, that was the net return. Then the return from a line of cow beef showed 42s. 8d. [Vide Exhibit 12.] Sims, Cooper, and Co. were paying at least 45s., and in many cases 46s. Then there is a return in regard to a line of ox beef at the Wanganui Freezing Company's works, which gave a net return of 46s. 1d. per 100 lb. [Vide Exhibit 11.] That is about 4s. under the ruling price. Then there is a return of a line at the Feilding Works which averaged 700 lb., and that gave a return of £2 5s. 9d. per 100 lb. [Vide Exhibit 10.] Then I produce a return from the Southdown Works at Auckland. [Vide Exhibit 13.] I think they are a little bit low in their estimate for skins, as the wool and pelts realized more than they show here. They give a net return for wethers at 5¾d. per pound: that would be for shorn wethers. I have put in these statements to show that the value paid to the farmers for live-stock in the first instance by one or two firms, and which had to be followed by other freezing companies and exporters, was considerably above the true legitimate value. What the object was of those who initiated those extremely high prices it is very difficult to say. In the case of lamb you could possibly understand it, because under the present system of nomination of selling agents in London any meat not required for Army purposes is sold back by the Board of Trade through those agents who are nominated at this end, and they either get 2-per-cent. commission straight out as agents, or ½d. per pound as wholesale merchants. Most of the business is done on a 2-per-cent. commission, but some firms, like Fitter and Sons and one or two others, work on ½d. per pound profit, and in one or two cases it has been represented that either this commission of 2 per cent. or the greater part of it, or the ½d. per pound, has been returned to the exporters at this end, which of course is directly opposed to the principles of the Board of Trade or to the conditions. I understand that in one or two cases representations were made to the Board of Trade on the matter, and that the 2-per-cent. commission was stopped.

14. *Mr. Witty.*] Are you sure it does not go to the Imperial Government?—Yes, I am sure of that. The agents at Home or the wholesaler has to work on that, out of which he has to pay office expenses and other usual charges; but I am sure I am correct in saying that in some cases either the commission or the ½d. per pound has been wrongfully handed back to the exporter at this end, thereby giving certain exporters an undue advantage, which they should not receive. It was never intended by the Board of Trade that any part should be handed back to the exporter in New Zealand. It was represented to the Board of Trade that there were certain firms and agents doing business in London who were entitled in order to retain their connection that they should receive some recognition and some slight remuneration for their services, and the Board of Trade recognized this and made these allowances, but it was certainly never intended that anything should go back to the exporter in New Zealand.

15. *Mr. Forbes.*] But it is done?—Yes. I believe in one case representations were made to the Right Hon. Mr. Massey when in England, and it was immediately stopped.

16. *Mr. Scott.*] It is not in operation now?—Well, I believe it is, but I have no direct evidence on that point. I believe that in one or two cases the ½d. per pound has been handed back to either the freezing company or the exporter in New Zealand.