

of Auckland, who holds 950 shares; and Ralph Lionel Ziman, solicitor, Auckland, 50 shares. The shares are £1 each, and the capital of the company is £1,000. [*Vide* Exhibit 6.] I also produce a copy of the agreement of association of the firm of Fletcher and Co., and a copy of the agreement of association of Armour and Co., of Australasia (Limited). I also promised to get some information as to Sims, Cooper, and Co.'s operations in regard to buying store stock in the Dominion. I have not got the replies from all the officers of the Department to whom I wrote, but as soon as they come to hand I will place them before the Committee.

FRIDAY, 17TH AUGUST, 1917.

ALEXANDER STRONACH PATERSON examined. (No. 8.)

1. *The Chairman.*] What is your position, Mr. Paterson?—I am a merchant and a member of the firm of A. S. Paterson and Co.

2. The Committee would be pleased if you would make a statement detailing your knowledge as to the operations of the American Meat Trust?—Yes.

3. Have you any connection with any freezing-works?—Only as a shareholder in a small degree—in an accidental way.

4. The Committee would like to hear your views in regard to what you know of the operations of the American Meat Trust?—I have not prepared any address, and I am not accustomed to appear before a Committee like this, but I will do my best. With respect to the American Beef Trust—which I think is the main object of the inquiry—I would like to say that it strikes me in this way: it is not a mere event we are inquiring into, it is not something that is going to happen in a day and can be dealt with as an event; but what I take it we are up against in connection with the Beef Trust is a new condition of things altogether. The best expression of it, perhaps, is that the process of a peaceful penetration has begun—a sort of intangible process without a discernible beginning or discernible steps, but a great power which in the end you are up against. The menace that is before us is that of an ever-increasing pressure towards a footing in our trade, conducted with the utmost of commercial ability and address, and with the ultimate object of having supreme power in the trade. The reason why one can assert that with confidence is owing to the history of the Beef Trust operations in other countries. That history is accessible to those who take an interest in it, and I do not take it that I am called upon to indicate it further at present. That refers to the whole methods of the Beef Trusts. They have been well canvassed and discussed, and they are now open to those who will give time to study them. They are described in two or three pamphlets which lately came into this country in considerable numbers. Probably these have been mentioned to you before. One is called “A Memorandum on the Imported-meat Trade of the United Kingdom,” and the other is “Fighting the Meat Trust.” There is a third pamphlet with a somewhat similar title, and they have all been sent into this country, apparently from Great Britain, for circulation. In their contents they agree with what is known by those who have studied the Meat Trusts with respect to the methods of the trusts. I should be pleased now to answer any questions that the Committee may desire to put to me.

5. Would you care to deal generally with the question of how to cope with the operations of the Meat Trust?—Yes. If one be correct in defining the methods of the Meat Trust as those of peaceful penetration, backed up by capital and ability, then there is no one effective remedy. It is not an event we are up against—it is a process; and we must meet it not by one act, but by a process also—a process of counter-moves, a process as permanent and continuous from day to day as their progress is. The only thing that one can liken it to is the progress of a glacier—continuous, but not perceptible from day to day and from hour to hour, but a cumulative force that is going on all the time and is only known in its results. Therefore I wish to emphasize the point that there is no short and easy method of dealing with this matter, but that it must be dealt with with the utmost business ability and the utmost financial strength that can be brought to bear. I will indicate a few of the methods that I think might be employed, and will endeavour to put them in their order, and to some extent to indicate their respective importance. In the first place, whatever there is that taxation can do in the way of taxing foreign companies and making certain that they are, as far as possible, made to contribute to the taxation of the country I should say ought to be done. Whether it be through buyers' or agents' profit, or their own profit, or if they so constitute their methods that they can secrete their profits, then some method ought to be devised of assessing their profits so that they will, as far as possible, be brought under our taxation system, and not allowed to escape in any way. I think also there are legislative methods that might be and ought to be employed against the Meat Trust. I do not wish to indicate them, because it has been freely done in the pamphlets to which I have already referred.

6. *Mr. Pearce.*] They do not mention any New Zealand branches in those pamphlets?—They mention the methods of legislative action. For instance: “In the event of foreign firms, or agents for the same, not showing any profits or less profits than the British firms in the same class of business, the foreign firms shall then pay on the percentage of their turnover such taxation shall be equal to but not less than is paid by British firms. No foreign firms shall enjoy the privileges of the protection afforded by the laws and administration of the country in which they desire to carry on trade unless by paying adequate taxes.” That, I take it, is a matter of legislation such as I have indicated. I think also, in the second place, the Imperial Government should be brought into co-operation in this matter. Just at present they are the