

"The competing-power of trusts and monopolies does not depend on their economy, but on special and unfair fighting-powers which their great size gives them. Their aim is the destruction of competition—First, by attacking the independent works or producer; second, by controlling prices paid, and the amount to be marketed by the farmer, thus restricting production; third, by unfair market conditions and control of prices to the consumer without regard to supply and demand. This is obtained by special rebates to those who handle only their goods; local cutting of prices; selling goods below cost in rivals' territory, charging higher prices in other fields; cutting the price and underselling goods until they obtain control, but making excessive profits on their controlled goods.

"To tolerate a monopoly is to vest in a few persons the power to tax the rest of the community. Monopoly is that monopoly does, and the typical act that identifies this unlawful power is the crushing of rivals. The law must protect to secure equal treatment to all. This can be done by State regulation rather than by State ownership. By common law monopolies are contrary to the public interest, and must be definitely dealt with, as anything that restricts output of production and competition is not in the interests of the community as a whole. It has been recognized that no foreign company or firm, or agents acting for or financed by a foreign company or firm, shall own or control any of the primary products of the country. The above shall apply to freezing-works and their subsidiary operations, as being linked up with the production of stock and the advancement of settlement and prosperity of the country.

"Combination to limit the killing or export of stock shall be illegal. All freezing-works wherever situated shall be free to individual farmers or their agents for killing, freezing, and handling of stock, at current rates for freezing, felling, and freight. Freezing-charges shall be subject to revision by the Government at one common rate for the district in which the works are situated. Any rebates or secret commissions shall be illegal. Rates of freight shall be at one common rate, available to every one throughout the Dominion without preference or secret rebates or concessions.

"Every freezing-works shall grade to a regular standard of quality and weight suitable to their districts. The whole output from each works shall carry the distinctive marks of the works. The grading and marks shall not be altered without the consent of the Government, but freezing-works can pool farmers' lots, with their consent, under a general number for economical handling and selling. Control of freights shall be in the hands of the Government, and regulated so that each district shall be free to make regular shipments—Wellington, Lyttelton, weekly; main ports, fortnightly; out-ports, monthly—as required.

"Taxation of foreign firms shall be the same as is paid by British firms. Foreign firms, companies, or agents acting for foreign firms shall not escape taxation on the plea that no profits are made in the country of trading. The fact that they are trading shall be taken that they are making the same profits as others. It shall be illegal for foreign firms, companies, or agents of the same to deduct from the profits managerial expenses, capital, and other charges not incurred in the country. 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 as 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."

A further deliverance to which I wish to draw the attention of the Committee is the address of the president of the Dunedin Chamber of Commerce, published in the Dunedin papers last Monday. I regard it as one of the most complete summaries which has been given on this question. The president of the Dunedin Chamber of Commerce is Mr. Fenwick.

10. *Mr. Reed.*] What position does Mr. Fenwick occupy—is he connected with any freezing companies?—No; it is an academic utterance so far as he is concerned. There are two further points I wish to mention: One is that this menace does not end with the beef trade or the mutton or lamb trade; the Beef Trust in America controls also the pork trade—hams and bacon—and they have also a very large hand in the dairy-produce trade. In New Zealand they are seeking a footing in the dairy-produce trade, as well as the meat trade. They also control in America the poultry trade—a very large trade—and also the egg trade; and it would be absurd to suppose that their programme in this country—if they get leave to carry it out—will be less than in other countries.

11. They are also handling the fruit trade in America, I believe?—Yes, that is alleged. It is perhaps worth mentioning that the very large concern of Vestey and Co., which has a footing in New Zealand already, has a controlling position in the poultry and egg export of other countries. China is a very large poultry- and egg-exporting country, and the freezing-houses there are owned by Vestey and Co. The ships that carry the refrigerated produce are run by Vestey and Co., and I am perhaps warranted in saying that no one seems to know whether Vestey and Co. is a really British firm or an American firm. We do know as a fact that when the war broke out they transferred their business from London to Chicago in order to escape war taxation, and that lends some suspicion to their being an American concern, and therefore they are to be viewed with some measure of suspicion as regards the New Zealand trade. I am sorry that in the inquiries I have made I have not been able to find out definitely what their nationality is, but when my inquiries have matured I expect full information. I consider it is certainly the business of all of us to try and locate them properly, seeing that their footing is already established in the trade in New Zealand.

12. If you get the information before the Committee has concluded its deliberations will you communicate it to us?—Yes, I shall be happy to do so. The only other remark I desire to make is to explain my relation to this trade. I was concerned as the manager of a company which