

MINUTES OF EVIDENCE.

FRIDAY, 3RD AUGUST, 1917.

Right Hon. Mr. MASSEY. (No. 1.)

Right Hon. Mr. Massey, (Prime Minister) made the following statement: I shall not be able, Mr. Chairman, to remain with the Committee this morning, as I have other important engagements; but I desire to place before the Committee a report of the Imperial War Conference, containing a resolution moved by Sir Albert Stanley, President of the Board of Trade, and also a speech made by myself. [Printed documents handed in.] I also desire to add that we fear the trusts in this country, and have good reason to fear them seeing what has taken place in the Argentine. To me it seems so serious because if they once get into the position in London of controlling the meat trade there it will very seriously affect New Zealand, and no doubt that is what they are aiming at. If they get established in London they would be able to squeeze the producers at this end and squeeze the consumers at the other. The British Government, especially the Board of Trade, sees this possibility, and I can assure you that everything possible to prevent the trusts there going in for exploitation will be done, but they want our assistance and ask for it, and I think we should do everything we can to assist them.

Mr. Reed: Do they indicate the direction in which we can assist them?

Right Hon. Mr. Massey: In the way of supplying them with information as to what is going on here and making recommendations. They want the Government to help them by continuing to control the export of meat from this country. I believe that will have to be done. I do not know whether the control will remain as it is, but I think it would be a huge mistake for the Government to allow the meat to be dealt with by the trusts and other people concerned in a way that possibly might happen after the war. I think some sort of control is absolutely necessary.

Mr. Pearce: They are doing it now under the present arrangement with what they release in England.

Right Hon. Mr. Massey: Yes, but it is very satisfactory to notice that the meat which is released and goes into the hands of the Meat Trust is only about 1 per cent. of that released, and would probably be not more than $\frac{1}{4}$ per cent. of that sent from New Zealand. We cannot, however, shut our eyes to the influence. Personally I am rather afraid of it. They must possess an enormous amount of influence, with an enormous capital behind them.

Mr. Anstey: In order to do anything effective it seems to me you would have to go to the extent of the Government buying all the meat here and eliminating the outside buyer altogether.

Right Hon. Mr. Massey: Speaking for myself, I am prepared to go that length. As a matter of fact, I would stop at nothing to prevent these people getting control. It would be the most serious thing that has happened to New Zealand if they did.

Mr. Anstey: The evidence we have had from Dr. Reakes that two firms—Armour and Co. and another firm—are buying large quantities. It seems to me if we are going to control it the Government will have to buy the whole lot.

Right Hon. Mr. Massey: Yes. There is also the shipping problem, which will have to be taken up. I referred to it at the Imperial Conference. The Imperial Government contemplate controlling the whole of the overseas shipping as between Britain and the Dominions. The manner in which they will control it has not been decided upon, but the idea is that it may be done in the same way as what is called the Inter-State Commission in the United States controls the freights in both shipping and railways in that country. The idea is that something in the way of a Commission of experienced men should decide upon reasonable freights as between, say, the United Kingdom and New Zealand. I am taking New Zealand as an illustration. Then, if it is not possible for the shipping companies to carry our produce at those rates arrangements will be made whereby the shipping companies will be subsidized; but the underlying principle is that of preference. It is a matter in which very substantial and satisfactory preference may be given to British citizens resident in the Dominions. This is the sort of body they have in view, which will tend to make the Empire, in the words of Sir Albert Stanley, self-sufficing or self-supporting.

Dr. Newman: It is possible that the trusts may get a preferential rate from the mercantile marine, and squeeze us out and get a hold upon the ships.

Right Hon. Mr. Massey: What do you mean by "squeezing us out"?

Dr. Newman: The large steamers at present belong to America, and supposing the trusts go to the shipping companies and say, "You must give us preference in rates and preference in shipping," instead of being common carriers they are the servants of the meat trust there, and the producers here will be shut out.

Right Hon. Mr. Massey: It will be the duty of the Government to prevent that sort of thing if anything like it is attempted, and I do not think it would be extremely difficult to stop it.

Dr. Newman: Supposing the Government were to approach the P. and O. line, do you think they would give the Government a guarantee that there would not be preferential rates to the American Meat Trust?

Right Hon. Mr. Massey: I think that is possible. The Government must see that there will be no such thing as preferential rates with the American Meat Trust.