33. *Dr. Newman.*] You said that the Americans themselves tried to tackle the matter?—The American Government dissolved the trust as a trust. It is not a trust now—each company is acting individually; but there is reason to believe that when anything happens which acts as a menace to their common interests they will work in combination to combat that menace. That is the general impression. In some cases you will find them buying against each other and in competition with each other, but as soon as something comes along which acts as a menace to them, they may be expected to act in combination.

34. The United States brought in a law which regulates freights, but it has nothing to do with the meat companies?—No. The meat companies are very powerful in the United States at the present time. For instance, I met an American gentleman two or three years ago who came over here to see what could be done in the way of buying live-stock, freezing it, and sending it over to Seattle. His firm was not in the slightest degree suggestive of the Beef Trust—apparently it was acting quite independently of them; but I got very reliable information later that they were one of the offshoots of the Beef Trust firms. It is the same in most cases in America. If any one tried to start an independent company in connection with the business they would find it very difficult. I do not think I can say much more now except to refer to a firm mentioned by the Prime Minister—namely, Vestey Bros. The company which they are particularly interested in is known as the Union Cold Storage Company, one of the most powerful companies in the meat trade in England, and I took steps last year to get as much information as I could regarding that company, and the information is embodied in this statement, as follows: "Regarding the Union Cold Storage Company I have got some information about them, but nothing whatever which points to any collusion between them and the Americans or any American control of their company. As mentioned in my last letter, their share-list is available at Somerset House, but as it is a huge volume of three to four hundred pages it takes some getting over. My clerk here has been along twice already, but it will require a few more visits before giving any definite decision. Up to the present, however, the following has been ascertained: The share capital issued consists of 500,000 6-per-cent. £1 cumulative preference shares, 50,000 6-per-cent. £1 cumulative preference shares (10s. paid), 300,000 10-per-cent. £1 "A" cumulative preference shares, 300,000 ordinary £1 shares. The directors are: Roger Percy Sing, Eastham, Birkenhead; Thomas Baptist Horsfield, Manchester; Sir W. Vestey, Denmark Hill, S.E.; Ed. H. Vestey, Croydon; Sam Vestey, Herne Hill; John Jos. Vestey, Purley. The first two of these only hold small lots. The whole of the ordinary shares are held by E. H. Vestey, Sir William Vestey, and Sam Vesty. Of the 10-per-cent. shares, 40,000 are held by E. H. Vesty, 21,000 by Sir W. Vestey, and 1,585 by the two of them jointly, and there are several other of the Vestey family holding comparatively small numbers. Of the other shareholders there appears to be no one, or no group, holding sufficient to give them any control over the company. There are dozens of people holding from 1,000 to 2,000 shares, but the only larger numbers noted up to the present are 5,000 shares held by E. Hughes and P. Forester, and 4,000 by the Industrial and General Trust; but of course neither of those are large enough to have any influence." That seems to indicate that there is no preponderance of American influence in the company. I do not think I need say more, gentlemen. I have given you the general position as it appears to me, but I wish to emphasize the fact that I consider no steps should be missed to do what we can to prevent these so-called Meat Trust companies getting any measure of control over our business here, and do it as quickly as possible. Sims, Cooper, and Co. form a problem which will have to be elucidated.

35. *Mr. Pearce.*] Have you any suggestions to make as to the way in which this menace can be checked: for instance, getting hold of shares in New Zealand?—It would be a very difficult thing to prevent any reputable person buying shares in any company. You could not do it under the existing law.

36. This Committee could recommend that the law be altered: have you any suggestion to make in regard to legislation for the purpose of stopping it?—There was one suggestion I made to the Government, which was only made after a great deal of thought and with the realization that it would probably be looked upon as not being very effective; but if it can be laid down as a principle in law that the operations of certain firms are a menace to the well-being of the Dominion—if that can be done, then the Government already has power in its hands which would enable it to act, and that could be done by authorizing the Minister of Agriculture to refuse to renew the annual license of any company whose operations, on account of it operating on behalf of one or more of such firms, were of such a nature as to render them a menace to the well-being of the country.

37. They do not have a company of their own?—But a New Zealand company can pass over to the American people.

38. I understand they do not do that, but take portion of it?—You could not get at them entirely in that way unless you are prepared to lay down a rule that these firms are not to operate here at all. You must allow a company to carry on its business.

39. Of course, you would have to have some proof before taking any steps?—That is so.

40. Do you not think that one of the first things that ought to be done is in connection with shipping? In your report you state, "The trust firms had attained such a measure of control over the meat trade in the United States and over shipping-space to England that they were able in the United States to fix the price of beef both to the producer and the consumer"?—Yes, that is what happened.

41. You do not say where you got that information?—That was from the report of the United States Commission which reported in 1890.

42. They got control of the shipping-space—that was the lever they used?—Yes.

43. Do you not think that would be the first lever they would use in New Zealand?—I think it would be if they were able to do it; but that position could be met if the arrangement