

225. *Mr. Scott.*] Has your company made any arrangement, verbally or otherwise, with Sims, Cooper, and Co. or any other big exporting people for the coming season as in the past?—No.

226. You have no arrangement for the coming season with any large company?—We have not discussed the coming season; in fact, I do not think we shall have any room for exporters this coming season unless things change materially. I should say the shareholders would take up all our space.

227. *Mr. Forbes.*] Are you putting up extra storage?—Yes, we will have 50 per cent. more than we had last season.

FRIDAY, 7TH SEPTEMBER, 1917.

HENRY ARTHUR KNIGHT sworn and examined. (No. 22.)

1. *The Chairman.*] What are you?—I am chairman of the New Zealand Refrigerating Company.

2. The Committee would be glad if, in the first instance, you would make a general statement in connection with the operations of any trust which you think to be in existence?—Yes.

3. The Committee is set up to investigate the operations of any trust, particularly in regard to the meat trade of New Zealand, and the past or future prospects?—I do not know how quite to commence. I take it that you are inquiring as to whether there is a trust in existence?

4. That is so, and if it is likely to be detrimental?—I have no knowledge at all of any trust, or any dealings with any trust, as far as that goes. Of course, it is a very big question to go into. Supposing there was a trust here, the question is how to deal with it. In the first place, if legislation can be introduced to prevent foreign companies acquiring an interest in freezing-works in the Dominion, that is the first step. We have discussed this matter amongst the directors of our company, and that is the first thing we have to consider. I know there would be a difficulty even in regard to that. There are over forty freezing companies in New Zealand, and it has always seemed to us a most difficult matter for any trust to get in here. They might get control or a certain interest with a few of the freezing companies, but not control over the lot. If they could be prevented in any way from getting an interest or control of any freezing-works in New Zealand I think that would settle the matter. I know that South America and the Argentine has been pointed out as an example of the menace that the trust can become, but I would like to point out that the position in South America and the Argentine is totally different to that in New Zealand. I can tell you frankly that I have not gone deeply into the question, but in the case of South America and the Argentine there are comparatively few companies, and they are in a small radius, which makes it easier for a trust to operate and control the business, but here in New Zealand the conditions are so different that it seems to me to be almost impossible. Then, of course, there is the question of shipping. I really do not know how that is going to be controlled; it is such a huge thing, and it is quite beyond me. It has been suggested that the present system of commandeering by the Government might go on as at present—I mean the Government would fix the price for the meat, and it would simply go into the freezing-works.

5. *Mr. Anstey.*] After the war?—I am taking it for granted that after the war the same conditions must continue for a certain time, and that is in the mind of a certain number of people as a solution of the difficulty. That is a position that I should personally not like to see brought about as a director of a freezing company, because really my interests are more with the farmer. I have been farming for over thirty years, and I do not see how when a man takes up land and buys the freehold you can put him in the position of being bound to accept a certain price for everything he has to sell off his land. That would be absolutely unfair; besides, what incentive is there to go ahead with any industry if it is going to be tied up and spoon-fed?

6. *Mr. Witty.*] Could not the excess profits be brought back to him should they arise—that is, excess profits over and above what is paid on the cost of transit?—It has been very difficult to arrive at the excess profits in this country. It is a very complicated matter.

7. What I mean is this: anything above the price paid by the Government here and the cost of transit and dealing with it at the other end, should not that go back to the farmers in New Zealand?—I suppose it might, but it seems to me to be rather an unwieldy business. Some farmers may be out of the business by the time they get that.

8. In that case they would not need it?—It may be because they have needed it.

9. *The Chairman.*] Do you recognize that if this American trust or any other trust operated largely in New Zealand they might ultimately control the whole of the trade to the detriment of this Dominion?—They might, but, as I said before, I do not think they could.

10. You do not apprehend any danger from the operations of any large buyers?—No, I do not. If you look at the past history of New Zealand in particular—of course, the operations of the trust have been to raise prices in order to ultimately get the prices down—you will find that for years back there have been and always will be men who are willing to speculate and step in. I have never known prices to drop when there have been men who are willing to step in and take up the business even when they have not been brought up to it—they speculate.

11. In the case of large capitalists, do you not think they might get control of the freezing business of this Dominion?—The capital behind the American meat companies is so enormous that we could not fight them, and that is where I should expect legislation to come in.