

price to give the retailer a profit above the wholesale price. This higher price for Argentine lamb had the effect of raising the retail price of New Zealand lamb, which has been sold retail at the same price as Argentine lamb.

7. Can you tell us why the people releasing the meat are voluntarily making a loss of 1s. a pound? What reason is there for doing this?—I cannot give you a reason. That is a question only these people themselves could answer. It is a very extraordinary state of affairs.

8. Have you any idea when the arrangement is coming to an end, or does it go on indefinitely?—You mean the present method of putting New Zealand meat on the market in England?

9. I mean the present discrepancy between the wholesale price and the retail price?—The fixing of maximum wholesale and retail prices will have some effect in reducing the discrepancy.

10. *The Chairman.*] You think that the fixing of prices will decrease the discrepancy between wholesale and retail prices?—Yes, it should decrease the big differences between the wholesale and the retail price that existed before. The Food Controller now is fixing both wholesale and retail prices.

11. *Dr. Newman.*] Then will the British Government get more than 10d. a pound for our lamb?—No, I do not think so.

12. Then is the same process to go on by which our lamb is released at 10d. and sold at 1s. 10d., allowing the middleman to make 1s. a pound profit?—I do not think that the retail price fixed by the Controller is as high as 1s. 10d. a pound. I could give you a statement by the High Commissioner on that point. A cablegram has been sent by him in connection with some representations he suggested he should make to the Food Controller, and if the Prime Minister has no objection I could supply the information the High Commissioner gives as to the actual prices fixed. [A copy of the cable containing the information was afterwards sent to the Committee. *Vide Appendix A.*]

13. *Mr. Pearce.*] Is it not a fact that the Home Government said they would release this meat in order to keep down the price to the British consumer?—That, I believe, was the original idea, but it did not work out in practice.

CUTHBERT STRACHEY HARPER examined. (No. 24.)

1. *The Chairman.*] What is your representative capacity?—I am manager for the firm of Borthwick and Co. in New Zealand.

2. You know the objects of this Committee?—Yes.

3. The Committee would be pleased if you would make any general statement you would care to make on the subject, and after that members of the Committee might wish to ask some questions?—I only knew yesterday that I was coming to Wellington, and I was not quite sure what would be asked of me by the Committee. I should be very glad to answer any questions the Committee may wish to ask, but I have no statement to make.

4. *Mr. Pearce.*] You are the general manager of Borthwick's works in New Zealand?—Yes.

5. How many works have they?—We have three in New Zealand—one at Waitara, one at Hastings, and one in Canterbury.

6. Do you freeze at these works solely for Borthwick's, or do you freeze for others as well?—We do freeze almost entirely for ourselves, but we are open to freeze for clients if they wish. We have frozen for clients in the past, but not to any great extent.

7. You buy in the open market?—Yes.

8. And you ship to London to the same firm there?—Yes.

9. During this war period you have sold to the Government?—That is so.

10. And any meat not taken for the troops is released to your firm in London, I presume?—Yes.

11. That means all the lamb and ewe mutton you can ship?—All the lamb and most of the ewe mutton. I think latterly they have taken some of the ewe mutton for the troops, and there is talk of taking some of the lamb also.

12. I suppose you do not know anything about operations in Argentina? Your firm owns works there, do they not?—No, we do not.

13. You did then?—We were once interested in works there, but I cannot speak with authority of that, because I was not connected with the firm when we were connected with the Argentine trade. We certainly have no interests in works to-day that I am aware of.

14. Probably your firm sold out their interests?—I think so.

15. Do you find any excessive competition in the buying in any of your districts from outside firms?—Yes, very extensive, especially this last season, and more in some districts than in others.

16. From what firms have you had this competition?—The Taranaki District was the severest, or, rather, the district from Wellington through to Taranaki; and this very intense competition was due to the advent of new works in Wanganui and to the new buyers putting into these works.

17. Were they giving higher prices this season than other buyers?—We were all giving about the same. We had to keep our business—we could not let it go without a fight. The new buyers had to pay for their footing in the district—had to take our usual supplies away from us, and from other firms regularly operating through the Wellington and Wanganui districts, and the consequence was that there was a scramble for the stock and higher prices.

18. You did not kill as much at Waitara as usual this year?—No, we did not.

19. There is a farmers' co-operative company competing with you, too, in this district, is there not?—That is so. That is another reason for the excessive prices.

20. Did they compete with you as regards prices?—Oh, yes.

21. It has been stated in evidence that such high prices were paid for stock that an actual loss must be made on the business?—That is quite so.