

with a share of the meat from New Zealand, or if they will try to get control. I think that it would be a very difficult thing to get control of the industry in New Zealand, because there are so many works and so many farmers are interested in the different works.

130. If Armour's go on buying at a great rate is it possible for them, with their great means, to knock out practically all the companies in New Zealand by forcing up prices over their heads?—Yes, it is possible.

131. That is the way they would go about it?—I think so.

132. Then the companies all over New Zealand would be broken one by one?—Yes.

133. The only method of coping with a menace of that kind is State interference: is that your opinion?—Yes, it is.

134. *The Chairman.*] You are of opinion that Sims, Cooper, and Co. are operating to a very much greater extent than the figures has disclosed?—Yes, I should have thought so.

135. In your opinion are Sims, Cooper, and Co. operating at a loss in New Zealand to-day?—Where they are competing against us in districts where we have been losing I am quite certain they must be losing too.

136. Generally throughout New Zealand?—No, I would not say that. Generally the buying in Canterbury was more reasonable—there was not such a large loss on it there as in other parts. There was not much in it one way or the other. That is the case also in some other districts. I should not say there would be loss all over New Zealand. But in Wellington, Taranaki, Hawke's Bay, and Gisborne there have been losses. This applies partly also to Auckland.

137. Now, do you think they are making that loss, or are they recouping themselves by the sales of the free meat at Home?—I do not know what goes on at Home, whether there is anything in the free meat or not. But I should not think so, because the free meat is such a small proportion of the whole.

138. You think they are actually making a loss in the meantime?—Yes, I think that is so; in fact, it is recognized by everybody in the trade.

139. And this is done with the idea of collaring the New Zealand trade?—Not so much with the idea of collaring the trade as to keep their connection.

140. I do not mean your firm—I mean Sims-Cooper?—Yes, I understand. I think Sims-Cooper are doing this for the same reasons as other people—to keep their business going.

141. But, taking the Wanganui district, their losses have been made chiefly in that district?—Yes.

142. Where they had no connection before?—No, but they want to get a connection there.

143. You think they are making a loss really to extend their trade rather than to maintain it?—Yes, that is so. When the times become normal again they hope to be in a position to handle a great deal of stuff. And, of course, I do not say that they had no connection in the Wanganui district before. They had some connection, but they have been extending it, and now they have been centralizing their business to the Wanganui works, bringing stock into those works from Wellington, Hawke's Bay, and as far north as Waikato. Previously they used to buy in these districts and send the stuff into other works, but now they are evidently going past these works and sending all they can into Wanganui.

144. Do not the operations point to this: that Sims-Cooper, in conjunction with the New Zealand Refrigerating Company, are operating in the North Island at considerable loss with the idea of opening a trade for themselves and crushing out all the other works?—I do not think I could go quite so far as that.

145. How far would you go?—As I said before, they want to keep their present connection up, and they want to be in a position when normal times come to be able to do a fair business. They are building their business up.

146. *Mr. Reed.*] Do you know that they are operating as far afield as Whakatane?—I know that they have been bringing stuff from Hamilton and other places in the South Auckland District.

147. And the Bay of Plenty?—Yes.

148. Is that for the purpose of building up a trade or for the purpose of keeping down or destroying competition?—Of course, there is this point, about which you have not asked me, and that is that we do not know what rates they are being charged for freezing at Wanganui. They may be on a very favourable rate with the New Zealand Refrigerating Company. Supposing we are freezing stuff at Auckland and paying $\frac{1}{2}$ d. per pound: if we had our own works there we could save the profit the company makes out of the freezing-charges—say, $\frac{1}{4}$ d. per pound. If Sims-Cooper are on any rate like that in the Wanganui works it would pay for a lot of railage from Auckland and elsewhere, and it would enable them to pay bigger prices for stock. It would account also for their taking stock past other works to put into Wanganui. It all comes down to the question of whether they are getting a rebate from the New Zealand Refrigerating Company. It certainly looks as if they were getting very favourable terms for freezing with them.

149. That would be a rebate quite out of the ordinary?—Yes, I should think so.

150. And it would be of such an extent as to make it possible for them to operate in their buying to the detriment of the small buyers?—Exactly, to the detriment of the men freezing at other works, or at the same works in the ordinary way.

151. Now, the New Zealand Refrigerating Company to all appearances is in competition with Sims-Cooper?—Yes, that is so.

152. On the face of it?—Yes, they are a buying company.

153. Then if they give this rebate to Sims-Cooper that you speak of—this large rebate—it would appear that there is some kind of a secret understanding between them?—That is so.

154. And that their competition was not real?—Yes, that is so. They would hardly be likely to hit each other up in the same district. But I think the policy of the New Zealand