

5. *Dr. Newman.*] New machinery?—Yes, new machinery. We have had certain facilities. The electric power from Lake Coleridge has been of great assistance. We are now the largest private users of electricity from the Lake Coleridge installation. Needless to say we are rather proud of the business responding to our efforts, and we are out to develop new industries in New Zealand, more especially relating to waste products. We employ a chemist, and we are considering giving a sum of money to Canterbury College to employ a chemist on investigation work. But if this agitation to put us down goes on we will have no alternative but to transfer our energies elsewhere. We will probably be opening up in Australia some time. There are big openings there for dealing with waste products. We feel that in a way we are not wanted here. We have tried to put the bootmaking industry on the best footing. The boots you are getting locally now are probably the best you have ever had here. We are insisting upon the boot-manufacturers getting their machinery up to date. We are going for efficiency in every way and the saving of waste. But I can assure you that we are seriously considering getting out. We erected a large fellmongery, the largest in New Zealand. It is closed at the present time.

6. *The Chairman.*] Why?—The Requisitions Committee. We propose erecting large wool-works on the ground that it is better for the country to put as much labour into the wool as possible before it leaves the Dominion. It is not profitable to pay freight on dirt. If we are going in for that it will be on thorough up-to-date lines. We will endeavour to get all the by-products out. But if we do that there will be a cry out against us. The crowning thing, which has hurt us more than anything else, is the cry that we are Armour's. We used to be accused of being Swift's, but it is Armour's now. I was looking over the fence at the tannery last Sunday and an old chap came up and said, "My word, this place has gone ahead; it is a big place now; it is Armour's." I said that I thought he was making a mistake. I told him if he made that statement and we could prove it he might get into trouble, as we controlled the place. He said he was very glad to hear it. You see the injustice of the thing? You fasten a New Zealand industry on to the Meat Trust and the result is that you do that industry damage. That is what I feel about it. This Meat Trust is being fastened on two young men, probably two of the smartest men in New Zealand, and the damage will be hard to undo. As regards questions, I want you to understand that above all I am a professional man. If I cannot without breach of confidence answer a question I will tell you so. There is nothing to hide. Messrs. Sims and Cooper court the fullest investigation, and those letters prove it. You can come to Christchurch and examine the business for yourselves. I cannot put anything fairer than that. I know that people say Sims-Cooper are the Meat Trust, and leave it at that. They will not believe you when you deny the statement. My own friends do not believe me. Yet down in my own town I have probably got a reputation for at least telling the truth.

7. As auditor for the company, do you know the whole financial arrangements of Sims, Cooper, and Co.?—Yes, I do.

8. Could Mr. Sims give us any information that you have not got?—I have everything before me. It is my business to know things as accountant, and if anything gets past me it is lack of ability on my part. If there is anything about the main features of that business I should know it. I can tell you where the finance is and all the rest of it.

9. If we desire to have from you information regarding the financial side of the business are you going to give it to us, or do you regard that as confidential?—Really I regard it as confidential, although I am quite prepared to take the Committee all through and explain the whole business to them. I will take you along to the bankers and give you the information. I do not want you to take my word for it. I have letters enough for any man to show where the finances are, but that is confidential. I do not think it is a fair thing to ask me for the details, and I do not want you to take my word for it.

10. What support did Sims-Cooper give to the New Zealand Refrigerating Company in connection with the works at Wanganui?—Do you mean, did they put cash in? If that is what you mean the answer is "No."

11. What did your firm do to help them in the erection of the works?—As far as Sims-Cooper are concerned, I am not aware that they did anything. I will be quite open with you, and say that Mrs. Sims and Mrs. Cooper took something like £10,000 worth of the debentures. I give those figures subject to correction; I am not sure of the exact amount. I am pretty sure that they were taken up, but I may tell you that they have since been sold with the exception of perhaps a thousand or so.

12. The company as a company did not give them any financial support?—No, it took no debentures that I know of.

13. Nor guaranteed any amount of business?—Not that I know of.

14. Were these works erected practically at the request of Sims-Cooper?—I do not think so.

15. Do you think they would have been erected if Sims-Cooper had not been in business in that district?—Well, I think the fact that Sims-Cooper were operating in that district made the New Zealand Refrigerating Company more satisfied to do it—that is only natural.

16. Did not Sims-Cooper guarantee them a certain amount of business if they erected the works?—I should say there is an arrangement by Sims-Cooper to give them all their business—as much as possible.

17. What special concessions do Sims-Cooper get from the New Zealand Refrigerating Company?—I do not know the terms; they do not come under my notice in the course of business, and I have never discussed them.

18. In the audit of the company's books the rebates from the New Zealand Refrigerating Company would come under your notice?—Yes. There is no question that there are rebates, but I have never worried about the amount of the rebates.