

weakness from the Imperial point of view would be to leave the trade entirely in the hands of the local companies and have all the meat handled on owners' account. It would then be readily ascertainable what quantities of meat were available at any one time; the offerings in London would give the information.

4. *Mr. Reed.*] The shipping returns would show that in any case?—You cannot tell from the shipping figures just what quantity of meat is coming to be marketed through any particular channel in London; but under the conditions I have described you would know, or you could very easily ascertain, what would be the free meat coming forward to the market. Under present conditions, with British firms allowed the opportunity of getting the meat direct from the farmers in New Zealand, it is very difficult for a group in London to get sufficient information to enable them to manipulate the market to the extent that would be possible if all the meat passed through the hands of relatively small local companies here and was placed in small lots on the London market. Manipulation might be possible now, but I think that the present arrangement is a safeguard. I think I am justified in mentioning that in order to clear up any reproach that might be cast against the British companies operating here. The British firms interested in the meat trade are only following the movement that has taken place in other industries by cutting out as far as possible the intermediaries. The Americans, if they got control, would cut out intermediaries possibly, but by controlling the market and the prices they would make the same profit whether there were intermediaries or not. The British firms, by coming directly into contact with the New Zealand producers, put themselves on the best basis for competing with the Americans. We are going to have a big fight for markets probably a few years after the war, and it is going to be a factor that the British firms do the business as well as the American firms, and as cheaply as the American firms. The standard of production must ultimately fix the prices. If British countries are to hold their own against other countries that are rapidly coming forward as important producing countries they will have to cut out the intermediaries. That is why British firms are erecting their freezing-works in New Zealand and getting into touch with the farmers. They want to have the minimum number of links between the consumers and the actual producers.

5. *The Chairman.*] Is your firm English or New Zealand?—It is New-Zealand-registered, but the capital is English.

6. Then your head office is in New Zealand?—Yes. The business is British-controlled.

7. You buy in New Zealand yourselves?—Yes.

8. And you freeze for others as well?—Yes.

9. What proportion of your business is buying as against your freezing for others?—I should say 90 per cent. of our business so far. We are young, and it takes time to build up the necessary goodwill to do a business on owners' account. Ninety per cent. of the meat passing through our freezers has had to be bought by ourselves.

10. Have you experienced recently undue competition in prices?—We had experience last season of what appeared to be a deliberate attempt to push up prices. Armour's—I do not like bringing it down to personal factors, but I suppose you want the facts—Armour's have been the principal offenders in this respect. They opened up in New Zealand and immediately sent men to buy in various districts.

11. *Mr. Reed.*] What districts?

*The Chairman:* I am thinking of your own district.

*Mr. Reed:* Mr. Rowlands has two districts.

*Witness:* Armour's operations extended all over the Auckland District.

12. *Mr. Reed.*] South and North Auckland?—Yes. They paid very high prices—higher than could be paid in the ordinary way seeing the amounts fixed by the scheme of Government purchase. We did not allow these men to take any quantity of stock, because, using my own judgment, I thought that it would be a mistake to do so. It is possible that they may simply have wished to make the business unprofitable for people who have investments in the country from some policy reason, but, on the other hand, we could not afford to let them take stock away from us, particularly in the North Auckland district, where we have a small output. We have only one small works there, and if the quantity of meat going through is reduced it greatly increases the overhead expenses. It is hard to keep the works open, and we did not wish to see the quantity going through reduced.

13. *The Chairman.*] On account of this competition have you incurred losses on your purchases?—We have incurred losses on operations which have taken place under these conditions.

14. You mentioned Armour and Co.: have Sims, Cooper, and Co. opposed you?—In the South Auckland district they have opposed us very strongly, with the object of drawing a lot of stock from the Auckland District to Wanganui. Lambs have been bought as far away as Putaruru, in the Rotorua district, and have been railed right away round by Frankton Junction to Wanganui.

15. Have you been approached by any of these firms to buy you out?—No. We have been approached to do freezing for Armour's. Of course, we refused.

16. Why did you refuse—because they were in competition with you, or because they would not give you your terms?—Because they were our opponents.

17. Do you nominate your free meat to go to the Union Cold Storage Company in London?—No. When the war broke out I was nominating it to my principals, W. and R. Fletcher, who are a multiple-shop company. But the operations of the Imperial regulations at the other end of the world made that arrangement very difficult. We found that through the people who are controlling Fletcher's not being used to colonial administration and the conduct of freezing-works I was not in the best position for doing business here. I had been left more or less with a free hand. I told them I thought it would be best to do business for the time being through