163. You predict a slump in beef some time after the war: is there any reason why it should not apply to mutton as well?—It cannot apply to mutton unless some abnormal circumstances occur. We are in an equally good position with other countries to put mutton on the London market: we can produce it as cheaply and market it as cheaply. The Argentine is not producing the same quality or standard. But in beef the Argentine is producing a better standard, and can put it into the United Kingdom at half the price.

164. And you think there is no fear so far as our mutton is concerned?—No, there is no fear. We have to take the ordinary market fluctuation, but we cannot suffer a slump for any length of time.

165. You spoke of the United States as a possible extensive market for our meat: are you of opinion that a big trade can be developed with the United States?—Yes, I think that is the reason why our people are putting up cold storage there. Some years ago I went to Vancouver to try to establish a connection for trade in meat from Auckland, and on that visit I went very carefully into statistics. I found that Chambers of Commerce all over the United States were talking about the decrease in production in meat and the increase in population, and I was impressed with the possibility of an export trade in meat from Australia and New Zealand to America.

166. Do you not think the "Big Four"—the meat-monopolists—have too big a stranglehold on the trade to let us come in on any fair lines?—I do not think so. I think they certainly have a very tight hold on the trade now, but the American Inter-State Commerce Commission watches them very closely, and as long as you could keep alongside them at every point they would not be able to strangle or do anything exceptional in the way of destructive competition.

167. But with their enormous capital could they not shut out almost any competitor?—Well, no. The point is this: if you are buying in the same country as they are and afterwards selling alongside of them they could not do anything. The only thing is that you would have to have sufficient capital to keep alongside them at every point. Supposing the trust were the only buyers in New Zealand, they would force New Zealand prices down to such a level as would leave them a profit in selling the goods at competing prices in the United States. If our people were here buying in competition with the trust but not selling in the States, the trust would be able to force prices up to a high level and still, because of their control of the market, take a profit in the American market in the sale of the meat. But if our people are in competition with them at both ends—buying here against them and selling against them in the United States—the trust would not be able to put us out of the trade if we could keep alongside them at every point, and so make it impossible for them to involve us in losses in one part which they could make up in some other part where we were not competing.

168. Then you are hopeful that we may find a good market for our meat in the United States in future?—Yes.

169. With respect to the coming of the American Meat Trust here, do you say that it is too soon to take notice of it?—No, now is the time.

170. And you think it should be a British Empire affair?—I think that the British meat-supply should be in the hands of British capital.

171. You would bring in Australia as well?—Yes; they should begin in Australia immediately, and if the British Government would buy only from British and Australian firms it would go a long way to help in keeping the connection.

172. Do you think we should do something to control shipping as well?—I think the time may come when that will be necessary. Before the war New Zealand was magnificently served with shipping at very fair rates. I cannot judge of what the merits of the situation are in war-time, but if after the war the shipping companies do not drop back to the competing basis which gave us such good rates in the past I think the Government should take a hand in rate-fixing in the same way as the Inter-State Commerce Commission fixes railway rates in the United States. I do not see why the British Government and the New Zealand Government should not do something of the same sort with regard to shipping.

173. You say your company is a British company without any American taint at all?—I have no hesitation in saying that, and for corroboration of what I say I refer you to our bankers.

174. *Mr. Witty.*] I understood you to say that you purchased 90 per cent. of the stock going through your works?—Yes.

175. What proportion of lamb do you freeze?—Very little this last season. We had only about eighteen thousand sheep and eleven thousand lambs in the whole season. The rest was beef, and it has all gone to the Imperial authorities. We have nearly all of the mutton and lamb in store yet.

176. You have been telling us how very loyal your people are, and how purely British: it is proved, is it not, that one of them went to America in order to avoid paying the taxation caused by the war?—Well, my dear sir, that man has only one son, and he has been fighting on the western front as a volunteer for many months. Of the other members of the family, every one of them who is fit for service has been fighting as a volunteer in the British Army.

177. A good many men have sons at the front and still remain to pay the war taxation?—But they have not these foreign investments to protect.

178. There is another point: your firm is evading stamp duty by the small amount of capital you have in your companies registered in this country?—Perhaps we did pay a little less in stamp duty, but the capital is here, and we pay income-tax just the same. I do not think the firm are to be seriously blamed for what has been done in this respect. The arrangement was made a long time after the last visit of Sir William Vestey to New Zealand by a New Zealand solicitor.

179. You nominate your surplus stock to your own shops?—No; we nominate to Weddel's.