180. And they nominate to your shops?—Well, they have never had anything to nominate; it has been all beef that has gone forward, and all the beef goes to the Imperial authorities.

181. You did not clear up the difference between the retail price of lamb in England and the wholesale price—the difference between 10d. and 1s. 10d. per pound: can you tell us any more about it?—I think the average retail price of lamb in England would not be higher than 1s. 6d. per pound, probably not so much as that.

182. Even allowing it at 1s. 6d., is not that an enormous profit?—Yes, on the face of it the profit looks a very large one, but I have always been under the impression that the Home Government looked into this, and decided to allow the price because the shops were handling such small quantities, and they wanted to keep a reasonable number of shops open. It is a fact, as I understand, that it was difficult to keep the shops open owing to the shortage of supplies of meat and the lack of men.

183. Have you sent any lamb away?—We have sent only two hundred carcases, and those went to the British Red Cross.

184. *Mr. Anstey.*] You say that your firm has very little money, and yet you operate very largely?—I do not say we have very little money. There must be a considerable amount of British money for the carrying-on of the buying. [Reporting stopped by request of Mr. Anstey.]

185. *Mr. Reed.*] What was the object of the true owners of these companies not holding the shares? For instance, the Whangarei Company and the Westfield Freezing Company are owned by Mr. James, the engineer, and Mr. Duncan, the draughtsman, each of whom holds 500 shares in each company; and W. and R. Fletcher (N.Z.) (Limited) is owned by Mr. Chambers, the accountant, who holds 950 shares, and the solicitor, Mr. Ziman, who holds 50 shares. What is the object of that?—I was not in the employ of the firm at that time, but believe it happened in this way: Cabled instructions came out from the head office to Mr. Ziman to form these companies, and somebody had to sign the applications for registration. Mr. Ziman asked for instructions, and the advice was to use the people here in New Zealand at the moment. Mr. James and Mr. Duncan were the only employees of the firm here at that time. Later, when the application had to be signed for the registration of Fletcher's, I recommended that Mr. Ziman and Mr. Chambers be put in. It seemed to be only a nominal matter. I do not think the companies could have been formed except with the signatures to the application of two residents of New Zealand.

186. So that actually what small capital there is in these companies is not held by the real owners at all?—No, it is not held by the real owners.

187. If the shares are not held by the real owners, how are the companies carried on: are there any directors?—Oh, yes, there are governing directors. These men in New Zealand actually signed after the companies were formed. The articles provide that they must not act without the instructions of the governing directors. The minutes setting this out are open for inspection.

188. You said to the Chairman that you were freezing on owners' account?—Yes.

189. For whom have you frozen in Whangarei this year?—I do not think we have frozen for anybody this season. It is not the custom of the trade in any part of New Zealand to freeze on account of owners at present.

190. But you said to the Chairman that you killed on your own behalf about 90 per cent., and froze on owners' account about 10 per cent.: that was your evidence, was it not?—Yes.

191. I ask you to give me the name of any farmer for whom you have frozen in the Whangarei works?—No farmer has asked us to freeze on his account in the old way, but we do take stock into the works on account of farmers, and buy on the hooks in the same way as is done in other parts of New Zealand under present conditions.

192. No farmer ever asked you to freeze for him?—No.

193. Do you know Mr. R. Murphy?—Yes.

194. Did he ask you?—I understand he saw our Mr. Nelson and asked him about the prospects after the war, but he did not ask to be allowed to send in stock at once—nothing of that sort.

195. There is one?—And he is only speaking of the future. We are prepared to freeze for farmers in the future. He has nothing for us to handle just now, in any case.

196. Do you not know that he owns about eight thousand to ten thousand sheep?—I would be surprised to hear it. I understood that he had only an unimproved property. If he wished to have stock put through on owner's account we would have let him do so. In any case, it is not the custom of any companies now to freeze on owners' account in the same way as the business was done before the war. The farmers' companies still put stock through nominally on owners' account, but they sell it to somebody else on the hooks. A man put some stock into the Auckland Farmers' Freezing Company the other day with instructions to put it through to the Government, and he got a cheque from Armour's.

197. Is that the Auckland Farmers' Freezing Company?—Yes.

198. What was the man's name?—His name is Knowles, and he comes from Helensville. Quite a number have had this experience. The practice is only subject to criticism in this case because the meat went to an American firm. Every works in New Zealand is not in the way of selling to the Government. Many of the works are turning over the meat put through them nominally on owners' account to dealers who buy the meat at per pound on the hooks, and they deal with the Government. If a man wants to sell to the Government through us we offer him the Government price. If we did not do this we should have to keep all these little lots of meat separate, and in these times when storage is of so much importance this would not allow us to get the maximum of utility out of the stores.

199. Your Whangarei works were the first works to be built?—Yes.