

200. Prior to the war did you ever freeze there on owners' account?—I was not in the business prior to the war.

201. Is it not a fact that your company never has frozen on owners' account?—No, I do not think so. We could not have done very much of that sort of business, because it was not easy to get the confidence of the people. It never is easy for a new business to get the confidence of the people in a new district.

202. You are advertising that after the war is over you will freeze on account of owners?—Yes.

203. Is that to beat out the farmers' company?—No; it is because we are doubling up storage now, and we shall not be so congested. Additions to storage in our works were not justified until the Government agreed to pay continuous storage. The output from the works has been very small—not enough to keep the works running under ordinary conditions. We could not have relied on the farmers to bring us all the business we required. If we had not been able to get sufficient stock for the Whangarei works it is quite possible that our people might have cabled us to close the works down and put everything through Westfield. The only way to ensure a supply of stock is to buy it and put it through for the company.

204. You know that on many occasions your buyers have refused to buy at the fat-stock sales because your works were full?—That is scarcely a fact; we were always able to advise the auctioneers in time, and no fat stock came forward.

205. How can you reconcile that statement with your other statement that there were not enough stock?—It has happened in all parts of New Zealand. Owing to the lack of shipping we were not able to clear the works, even although our output was so low. We are building more storage, but the small amount of stock offering would certainly not justify it under normal conditions. Not one man has suffered in the Whangarei district through having stock held back. As to the buyers refusing to buy at the sales, I do not think they have ever bought more than fifty head of fat stock at any stock-sale in the North Auckland district. All the business is done at the farms.

206. Do you really say this as a fact—that you have never bought more than fifty head at auctions of stock in the North of Auckland?—That is what we say.

207. I do not know what the northern people will say when they read your evidence?—It is as I have said. Our business is done on the farms.

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WEDNESDAY, 19TH SEPTEMBER, 1917.

*The Chairman:* I put in copy of telegram sent to the High Commissioner concerning the alleged statement by Mr. Gilbert Anderson as to Sims-Cooper having a Morgan credit; also the reply received by Mr. Massey thereto:—

“As Gilbert Anderson stated that Sims-Cooper have a Morgan credit, telegraph briefly Anderson's statement of his information or opinion hereon as to this firm's financial support by American companies or capital.”

The reply was as follows:—

“With reference to your telegram of 8th September, Parliamentary Meat Committee, Gilbert Anderson states that he is surprised that statement as to Sims-Cooper should have been attributed to him. He informs me that he has no knowledge of present arrangements of that firm, nor has he ever had such knowledge. He states that reports such as that mentioned in your telegram were sent to him confidentially from New Zealand some years ago.”

I also produce statement from Mr. R. H. Johnson, of Wellington Street, Auckland, being—

“A.—*Scheme for Prevention of Meat Trusts, and fixing Universal Price for all Stock killed in the Dominion to the Advantage of the Grower and the Public.*

“Government to commandeer all freezing-works and abattoirs. The initial cost of same should not be great on this basis at valuation of last balance-sheet, the Government paying shareholders the average percentage they have received in the last five years, and the full payment of works in ten years hence.

“The benefits derived from the scheme would be that there would be no dealing or sale of fat stock, there being only one buyer; therefore, as soon as stock was ready it would go to the nearest works, and paid for at scheduled hook prices, such prices being fixed by the general management. The whole scheme being really a mammoth co-operative trust, with the Government at its head, the net profits accruing should be returned to the grower—*pro rata* on stock supplied—ensuring them even better prices than they are receiving now, and the working-cost of the freezing-works should be infinitely less worked as one firm instead of all the different freezing companies competing against one another with their numerous buyers, &c., to say nothing of the saving to the grower of auctioneers', buyers', and dealers' profits, commission, &c.

“Offices would be necessary in London to deal direct with the retailer, cutting out at that end the numerous charges and the middleman, who at present are reaping the largest profits. If a sinking fund were established of, say, 2s. on beef, 4d. on sheep, lambs, and pork, by the end of ten years there would be enough capital in hand to pay for the present works.

“It should be possible also with the amount of stock handled to run one's own marine insurance, which would be a considerable saving. The Government also would be able to supply butchers of the Dominion at such prices that would enable them to sell at considerably less than at present, and could properly insist upon the price at which it should be sold, as they would be then controlling the wholesale prices.