

12. Have you any further suggestions besides that?—One other point is that they get concessions from almost every freezing company in New Zealand. I think there are only four who are standing out against them. They work with all the other companies, and play off one against another. It is far cheaper for them to freeze in that way than it would be for them to put up works of their own. These concessions ought to be stopped, and they can be stopped. That is a big source of the trouble.

13. *Mr. Reed.*] Have you any further precautions you can suggest?—Well, there is no doubt they ought not to obtain concessions in freight either. If the shipping is kept in British hands I have no doubt that could be arranged. We are old hands here—over thirty years in the business—and they come along and get all sorts of concessions one way and another. They would wipe us gradually out if that state of affairs continued.

14. *Mr. Scott.*] Do you think that the Government should take action at once in the way of legislation?—They should certainly take action in regard to income-tax at once. These outside firms should be made to produce their account sales and to pay taxation on every pound of their profits from New Zealand produce. It is not enough merely to return a New Zealand profit and loss account. I do not know what their balance-sheet shows, but it ought to be prepared in the way that I have to prepare my company's balance-sheet.

15. Have you given any thought to what the operations of the trust will mean to New Zealand if allowed to go on?—I know it from my friendship with Nelsons, on the River Plate. The producers will get crushed. It cannot be helped unless we look out. I know it so well because I have known the Nelsons for very many years. They were personal friends of mine thirty years ago, and up to the last few years, when the American trusts went in there, they were very wealthy people.

16. We have had several witnesses who state that the American trust would never do any harm here: would you deny that?—Absolutely. It is absurd. Do they know what the Americans have done in the River Plate? I know personally.

17. Then you think that immediate action should be taken by the Government?—Undoubtedly, especially in regard to taxation. Why should I, who have been paying taxes here for thirty years, be submitted to this injustice? These people are getting out of it somehow or other. It is not for nothing that Borthwick's are working under license. Why should not my company do the same? If Armour's can work on £20,000 capital, why should not any other company registered outside New Zealand? It is simply a means of getting out of taxation, and it is not fair to the New Zealand farmers.

18. Do you not think that if Armour's have picked up a large credit at Home they can work here with a small capital?—Yes. I could work with a small capital the same way. I show an actual loss on every balance-sheet I have sent Home from here on New Zealand business.

19. *Mr. W. H. Field.*] You made the position quite plain regarding the evasion of taxation by these companies: how many of these companies are conducting their operations in New Zealand in this way: which ones do you refer to?—There are only two I know of—Armour and Co. (Australasia) and Borthwick and Sons.

20. You know of nobody else who is doing this kind of thing?—I fancy that Swift's are much in the same game. I remember between fifteen and twenty years ago one of the heads of Swift's came round here, and he came to see me at the time. This was the first invasion there was. He was one of the heads of Swift's, direct from America. He was a fine big Yankee, and he put me through my facings, asking all sorts of questions. He said that he hoped to do business over here, and that he certainly would be back to see us. I have never seen him again, but there was a firm in New Zealand suddenly blossomed out.

21. You refer to Sims, Cooper, and Co.?—Yes; they blossomed out suddenly, and you cannot do that sort of thing without some kind of backing. If one is in the trade for a long time one gets an instinct for things. That is all I know about this business.

22. You think that Sims, Cooper, and Co. are evading taxation?—I cannot say—it is impossible to say. I should say it is more than likely. What can a man like the Commissioner of Taxes know about things of this kind unless they are plainly put before him by a man who has been at the trade for a long time? It is only by experience in a trade that you get knowledge of it.

23. What knowledge have you of American companies? You know that Armour's are operating here under their own name?—Yes. A friend of mine got a cheque from them.

24. What Americans are operating here?—Swift's and Armour's.

25. What knowledge have you that Swift's are operating here?—It is hearsay to some extent. I cannot get at it—not that I have ever tried.

26. You are quite convinced that the Americans' operations here are dangerous?—Undoubtedly.

27. You think that if they are left alone they will play the same game as they did in the Argentine?—Absolutely. It will be merely history repeating itself. Why should not they do the same? I do not blame them if they are allowed to. If they can get out of paying taxation and so forth, or pay less than their neighbours, more power to them.

28. Apart from the question of taxation, do you not think that they would have more difficulty in getting control of the New Zealand meat industry than they had in controlling the Argentine?—No. There was a far stronger position in the Argentine. James Nelson and Sons could have bought out every freezing company in New Zealand without trouble.

29. We are told that there are so many freezing companies here that the Americans would have more difficulty than they had in the Argentine, where they had to deal with only a few companies?—No, not a bit of it.