54. The greater the quantity the greater the rebate?—Up to a point.

55. It is on that principle?—Yes.

56. The greater the business that a client does the more powerful position that client gets into with regard to his competitors?—Yes. The only thing is that if you take it in relation to the value of the business put through it is not such a tremendous lever as all that.

57. You told us you pay an increased rebate to-day as against the rebate paid before the commandeering of the meat by the Government, and that was with a view to giving the purchasers of meat—the dealers—a chance of carrying on their trade, otherwise the farmer could freeze on his own account and the dealers would have no business?—I do not think that is quite how I put it. The greater rebate to-day was owing to the continued pressure being brought to bear upon us by the dealers that we were on too good a wicket.

58. Did you not say that the dealer who had the freezing company behind him was in a very much better position than the dealer who had no such facilities, and in order to allow him to continue his business you gave him those rebates?—What I meant to make clear was that the conditions which had arisen owing to the commandeering scheme, with its fixed values, were such that the owners of freezing-works were in a very much stronger position to pay than those who had no freezing-works. That is to say, there is no speculative element now entering into the business, and of course the companies have their operating margin for carrying on the work. Therefore the buying company is relatively in a much stronger position as compared with the outside operator. Before the war the operator might have had a better outlet than the freezing company, but to-day that advantage does not exist.

59. At any rate, it is a fact that there is a greater rebate, and necessarily the worse position the small buyer must be in?—Yes.

60. *The Chairman.*] You say that to-day the advantage of output does not exist?—The outlet in disposal does not exist to-day.

61. Might it not exist by reason of these buyers having some direct interest in the retail trade at the other end of the world, where all the profits are made?—It might.

62. It could without difficulty?—If they were interested, yes. If those large profits have been made.

63. They have been made?—Then assuming the profit is out of all reason, in spite of that Eastman and Co. have had to close up many of their shops, and I understand the shrinkage of output is responsible for that.

64. *Mr. Reed.*] Are Sims, Cooper, and Co. shareholders or debenture-holders in your company?—I do not think they are shareholders, and I think they are not debenture-holders.

65. As far as you know they have no financial interest?—They have no financial interest. They may have a few hundred debentures, but it is nothing relative to the finances of the company. At no time have we ever received any financial backing from Sims, Cooper, and Co.

66. Or from their principals?—They are the principals, I believe. I wish to emphasize the statement I made at first, that there has been no reliance in any way on English capital since the debentures to the shipping companies were paid off about 1910. At no time in the history of the company has any American capital been employed. The finances of the company are entirely self-contained, subject to trading facilities, which have been obtained as required from the Bank of New Zealand.

67. It is said that Sims, Cooper, and Co. do not call themselves an American company?—Yes.

68. Did you require to raise any capital for the Imlay works?—We raised £150,000 worth of debentures.

69. What did the Imlay works cost?—I do not think that is a fair question.

70. Surely there can be no objection to answer that—it has been said they cost £250,000?—The Imlay works could not be replaced to-day for £250,000. As a matter of fact, I could not tell you absolutely what they cost. They did not cost us less than a quarter of a million.

71. Where did the balance of the money come from?—Internal resources.

72. But in loose cash?—No, we never have loose cash.

73. Have you paid for the works?—I believe so.

74. We have found £150,000, and you say £250,000 would not cover the cost. Where does the balance of the money come from?—Our internal resources.

75. Can you enlarge upon that?—I do not think it requires enlarging.

76. But the cash had to be found?—Yes.

77. Did the internal resources find the cash?—The internal resources plus our financial arrangements.

78. What were the financial arrangements?—I must decline to answer that question.

79. I think it is very much to the point?—If you will pardon me, it is not at all relevant to the point in any way.

80. Have you been to America?—Yes.

81. And Chicago?—Yes.

82. At the expense of your company?—Yes, certainly. I have gone to England, and have gone to the United States specially.

83. Did the machinery of the Imlay works come from America?—No.

84. Did any of it come from America?—May I make a statement?