

information to you if you wish to have it. I am not keeping anything back. I will supply the information in reply to any question you put to me.

82. Will you arrange to get the actual amount of the rebate, where it starts, and so forth, for the information of the Committee?—I will.

83. Can you give us any further information about this firm in London that sells your meat?—None whatever.

84. You do not know if the same firm is selling meat from the Ocean Beach works?—No, I do not.

85. *Mr. Anstey.*] I did not quite catch what you meant at one point. I think you said at one stage of your evidence that you worked without British capital or British credit?—No, sir; we are working with British capital. We are working with the Bank of New Zealand; I suppose that is British capital.

86. That is, the firm of Armour and Co. of New Zealand: that is what you mean by British capital?—I think I said nothing about British capital. The Bank of New Zealand are our bankers, and we work with them in the ordinary way.

87. You have got a guarantee that is practically a credit from J. Ogden Armour, of Chicago, a credit that is practically a personal one. Can you tell us if a credit of that sort could be obtained on better terms from America than from England?—This credit is arranged through the Bank of New Zealand in London, and not in America at all. He gives the Bank of New Zealand in London a guarantee for any amount of overdraft which the Bank of New Zealand may give us here.

88. My question is whether better terms can be got from American financial houses than from British?—I cannot tell you that, sir. I really do not know.

89. All your meat goes to the London market. Is there any reason why it is advantageous to you to get credit from American houses or firms?—Mr. J. Ogden Armour personally guarantees this credit for us—that is all. Armour and Co. (Australasia) (Limited) have no agreement financially with Armour and Co. of Chicago or Armour and Co. of London. We are a separate concern.

90. Purely a New Zealand concern?—Purely a New Zealand concern. The only two directors are in New Zealand, and we do our business here.

91. You are a purely New Zealand concern, but you found it to your advantage to go to America for the money to buy our New Zealand meat?—We must have done so or we would not have done it.

92. Well, seeing that your meat all goes to London and that you are a purely New Zealand concern, why did you go to America to get your money?—As a matter of fact no money has ever changed hands. It is all English money that we are working on.

93. We know that: it is credit?—It is simply that the Bank of New Zealand has a guarantee by J. Ogden Armour for any amount of money which the bank sees fit to advance us.

94. Can you inform the Committee of the amount of money paid for the goodwill of Joseph and Co.?—£5,000.

95. Your total capital is only £20,000: how much of that is paid up?—All of it.

96. That leaves you only £15,000 with which to buy meat: is that ample cash with which to operate in the meat market up to £250,000?—If the bank sees fit, yes.

97. *Mr. Pearce.*] I suppose that Mr. Armour is good for five millions?—If the New Zealand Government put a law into effect that we must have £100,000 capital we could have it. Whatever money was needed we could have it. The matter has been already brought up before this investigation started as to whether we should not have £100,000 of capital instead of £20,000. Then we would not be paying the bank as much interest as we are paying to-day. That is the crux of the whole thing. Instead of having the money paid up with which to work we are now giving the Bank of New Zealand interest on a quarter of a million sterling; that is the only difference. The only difference to New Zealand would be that on £20,000 we pay £10 registration free, while if we had £100,000 we would have paid £100. Our taxation is not affected. We pay taxation on the profits of the company, whether we make £5,000 on £20,000 or make the same amount on £100,000. It is simply a question of which way to get the trading capital for our business.

98. *Mr. Anstey.*] You said in the early part of your evidence that you could buy meat in almost unlimited quantities without having any cash?—No; I do not think I ever said that.

99. I took down your words at the time?—I do not remember ever making that statement. There must have been something wrong there.

100. You have said that your capital is £15,000?—No, I did not say that. It is £20,000.

101. You have paid away £5,000 already?—We have paid away that and more for meat already this year. We have bought twelve motor-cars, and have them in use.

102. The only capital that you possess is £15,000 plus an unlimited credit, or a very large credit at all events. You can buy very large quantities of sheep without having cash provided that you have credit: is that not a fact?—Yes.

103. Is there any reason why every other firm should not do the same?—None whatever. It is done to-day. The firm that has credit does not need cash. A firm that has a capital of £10,000 has been in the export trade for years, and bought more stuff than we did last year.

104. The question arises how Sims, Cooper, and Co. can buy so much meat?—Credit.

105. It is quite possible to do so?—Yes.

106. Is the reason why you have so little capital partly in order that you may escape New Zealand taxation?—No; we cannot possibly escape New Zealand taxation in any way, shape, or manner.