

164. Is it your intention to extend your business here as far as you can, or are you putting a limit on it?—Armour and Co. of London is a selling organization which handles, or has handled in the past twenty years, a quantity of New Zealand meat, and cheese and butter, and tinned and frozen rabbits, and we are going to try to supply that demand for them for New Zealand produce. In other words they will act as selling agents. We do not want to force anybody—that is not our business. We only want to handle what we consider our fair proportion of New Zealand produce.

165. And if this demand from London increases, as we all hope it will, you may extend your business here?—I hope so. If the demand does increase it will be the best thing that ever happened for New Zealand.

166. Your endeavour will be to extend your business to supply the demand.—Yes, sir.

167. Your parent firm is one of the biggest packing firms in America—one of the “Big Four”?—Yes, I suppose it is one of the “Big Four.”

168. You and Swift's, and Morris, and so on?—Oh, yes; but I think there are others climbing up, and it will soon be necessary to include six or eight more amongst the big firms in the packing business, instead of talking about the “Big Four.” Armour's and the others in the “Big Four” are only four out of four hundred packing companies in America, and they handle only one-third of the number of hogs killed in America, leaving two-thirds to be handled by the other packing companies. So that you can see they have not a very big hold on the hog market, which is a very important market in America.

169. But they are easily the four biggest firms?—Yes.

170. Did I understand you to say that your company had bought no freezing-works in New Zealand?—No, we have not.

171. Have you any thought of buying freezing-works?—I want to say that as long as the New Zealand freezing-works give us space, which we have had this year, we are perfectly satisfied to go on as we are. I am not saying this as a threat, as we have been treated very fairly throughout New Zealand during this last season by the freezing-works. With the exception of four works throughout New Zealand we have had nothing but courteous replies to the letters we sent out saying that we were about to start operations in New Zealand, and asking for space in the works. We made this request of all companies with the exception of the Gear Meat Company, which we knew did not kill for exporters. I understand they kill only for themselves. We wrote to every other works, and only four works refused us space. I will not say they refused, but they said they had no space for us. One of the four was the Wellington Meat Export Company, which actually did refuse. They said they had no space for Armour's, and we knew they had killed for others. The other companies were Tokomaru, Otaihape, and the Wellington Farmers' Meat Company. All other companies in New Zealand have been ready to freeze for us, and we have done business wherever it has been possible for us to buy at a fair market price. As long as this continues we have no desire to build any freezing-works or to do anything different from what we are doing to-day.

172. They have been killing at reasonable rates and to your satisfaction?—Yes, sir, entirely to our satisfaction. I say that with this reservation: we would like the works in the South Island to give us a little more for our fat, tongues, and tails. In the North Island they allow 27s. 6d. a hundred for fat, and in the South Island only 17s. a hundredweight. That is the only thing that we think is not just as it should be.

173. Is there any reason for this difference in the prices?—Not that I know of. At to-day's prices there is a great deal of money in it for the freezing-works; in fact, far too much, in my opinion. I am sure if Armour and Co. were doing it they would say we were robbing the poor farmer.

174. As to the scale of rebates, do you get the same scale from all the companies?—We only get rebates from some of the works. Some works have allowed it to the meat-exporters for years and years on the number of carcasses he has killed during the season. I think the Auckland Farmers' Freezing Company allow $7\frac{1}{2}$ per cent. to those exporters that kill with them on the understanding that they will kill as many with them in the next season as in the past. You cannot call that a rebate—it is rather a discount. There is no reason why, if I put in ten thousand lambs and you put in fifty I should not get a little better discount than you.

175. And those companies that allowed you this discount, did they all make the allowance on a sliding scale?—Yes, those that give the allowance all make it on a sliding scale.

176. You will let us know what these rebates are?—Yes, I will try to. I do not think I shall be breaking any contracts in letting you know.*

177. Do you think there are enough freezing-works in New Zealand to deal with the output in this country?—I think there are far too many.

178. You think they have built too many works?—Yes, sir, that is my opinion.

179. In giving the prices you were paying last year were you giving what you considered to be the actual value, or were you giving more than what you considered to be fair prices in order to get business?—I have brought here some interesting matter which I should like to pass round to the Committee. These are extracts which I have taken at random out of letters we have sent to buyers, and extracts from their letters to us. This will show you as near the position as I can give it to you. We started on the 29th December, and we wrote to one of our buyers as follows:—

“29th December, 1916.—The prices at which you can buy are as follows: Lambs, $8\frac{1}{2}$ d.; wethers, 6 $\frac{1}{2}$ d.; ewes, 5 $\frac{3}{4}$ d. (over all, delivered at works). Second quality and over (over 42 lb.): Lambs, $\frac{3}{4}$ d. less. Second quality and overs (over 72 lb.): Sheep, $\frac{1}{4}$ d. less. Prime ox beef, 45s. per 100 lb.; prime cow and heifer, 42s. per 100 lb. (over all, in works). Second qualities, 2s. 6d. per 100 lb. less. For preserver and boiler sheep it is difficult to give a price, but if you work on

* Witness wrote *re* rebates, as follows: Terms.—The highest terms we receive from any works are 5s. for cattle, 6d. for sheep, and 6d. for lambs.