a skin value of a sheep as 5s. to 6s. it will be a guide. If a sheep passes as a preserver the meat is worth 1½d. per pound, but if boilers there is no value other than the skin. The price for reject meat paid by the works this season are increased to—Lambs, 4d.; sheep, 3d.

"9th January, 1917.—Regarding your letter of 7th, in which you ask us to give 6½d. for wethers and 6d. for ewes, as other people are giving this: while we do not expect you to be able to buy at much less than these prices, we do not wish you to quote them or buy over all."

"13th January, 1917.—We telegraphed you this morning to take . . . lambs at 8½d., prime. We are aware that some of your competitors are offering this price, and you are quite at liberty to give it also when you have to."

180. *Dr. Newman.*] Did these prices continue through the season, or did you have to bump them up?—Certainly they did not continue. How would you like to have sold your lambs in December, and then to have sold them with three months' weight of wool on them after that at the same price?

181. You started out with certain prices: in the season did you have to bump prices up in order to keep the business?—No, sir.

182. *Mr. W. H. Field.*] Were the prices payable last season? Did you make a profit?—I cannot tell you yet. I should say not. We do not balance until the 1st October.

183. Can you tell us if increases in prices were paid for stock owing to excessive competition?—Yes.

184. The suggestion is that the American companies are willing to make losses in order to close out others?—That is not so. I know this is being said, but I can assure you it is not so. We want a fair share of the produce offering in New Zealand. We have the money to pay for it. We are bringing here better facilities for handling business, and we are giving you the best things any producing community has got.

185. *Mr. Pearce.*] Have you ever been in Argentine?—Yes, sir. And there is no country in the world where Armour and Co. have come in that has lost by it. I know what you are referring to: you are referring to the prices that Armour's had to pay when they were trying to get a footing in that country. Prices were bumped because English operators already established there were not going to allow American companies to get in. They bumped prices—the same thing as is occurring here now. Afterwards, when Armour's got a footing in Argentine, prices got down to value, and since then they have not looked back.

186. Why are prices below value now?—They are not. They are getting more for stuff than you are getting in New Zealand.

187. That is not correct according to the evidence we have?—I may be wrong, but that is my opinion. They are certainly getting more for it in London than you are.

188. *Mr. W. H. Field.*] I suppose you admit that the American firms practically control the Argentine?—I do not think so. I do not think they do 50 per cent. of the business.

189. We have it in evidence that they do 70 per cent.?—Possibly, but I do not think so. I am not familiar enough with present conditions in the Argentine to make a positive statement.

190. You say that the same thing is being done here as was done in Argentine before the Americans got control?—That is so, in some districts.

191. You say that you pay full taxation on the income made by your firm in this country?—Yes, on the profit we make here we will pay your New Zealand taxes. We do not care; in fact, we hope we will have to pay you a million sterling in taxes.

192. The more you pay the better you like it?—Absolutely. We are not here to do any harm to the Government or to anybody. We want to live and let live, and we do not want to ask favours from anybody.

193. Are there any other American firms here?—No, sir.

194. Are there any other companies operating as you are with finance from America?—Not that I know of.

195. Do you know Sims-Cooper?—I know nothing of them except that they have been in competition with us.

196. You do not know whether they are associated with an American firm?—No, I do not. I have heard rumours that they are, but I know nothing further.

197. You say there is no concert among American firms generally?—No, sir; none whatever.

198. It would be quite easy for American capital to be utilized in New Zealand as it is used in your business to a very large extent, and for an arrangement to be arrived at between the New Zealand firm and the American firm as to a division of profits?—I do not see how that could be done.

199. I mean to say that there would be no harm in Mr. J. Ogden Armour putting his money into a New Zealand concern, and at the same time having an arrangement with the parent company whereby they should take a share of the profits?—Of course, there could be such an arrangement—I do not see why not.

200. There is nothing illegal about it?—I do not think so.

201. Speaking about your operations last year, were the prices very much above what they should be, or were they just about fair?—Well, I should say they were fair prices taken right throughout New Zealand. I will speak more of the South Island than of the North Island. We did not consider the prices in the North Island were as cheap as in the South Island. Our purchases will show, I think, where we thought the stuff was cheapest to buy. Our purchases in the North Island were only about 5,000 lambs and 6,000 sheep, whereas in the South Island we bought about 169,000 lambs and 88,000 sheep. I am just judging from that that we did not consider the North Island as cheap as the South.

202. Do you say definitely—or do you not know—whether the operations of Birt and Co. of Australia are connected with the Chicago company?—No, sir. I made the statement that I did not know. When Mr. Reed read that out to me this morning that was the first I had heard of it.