

203. While you are here we would like to know what chances you think we have of getting a market for our produce—meat, cheese, and butter—in America?—The best chance in the world, I should say.

204. Is it true or not that the American meat firms have such a control of the market in America that it would be impossible for outsiders to come in and give a fair price to the producers?—That is not true.

205. In America at present are these companies making huge profits?—They are, sir.

206. Can you give us any idea of the percentage paid on capital?—I think the dividend would be about 3 or 4 per cent.

207. Is that the total profit divided?—Yes; but where they have made their money is not on meat at all, but out of the by-products, which they make into eatables and into other products, such as soap and glycerine—that is where they make the money. And I want to put myself on record as saying that in dealing with offal your people in New Zealand are very backward. Furthermore, every freezing-works in New Zealand is making 30s. a head on the offal of every beast that is killed. The freezing-works are making this out of the exporter.

208. Do you think they are making an undue profit?—I do not say it is an undue profit, but it is the profit they are making, and they are making it because of the high prices ruling for offal now.

209. What are you selling to America?—We are not selling an ounce of anything to America.

240. Why not, when there is a market there?—There is a market in America for New Zealand butter, but I think that is about all; and we cannot get space if we wished to ship butter to America.

211. Otherwise you would send it?—I do not say so; perhaps we might. We have not thought of it up till now, because there has been so little space available for the shipment of it. We have really not looked into it. There is a good market for wool in America, I can tell you that.

212. You say there is no such thing as the trust?—I will guarantee there is no such thing as a trust in America, or any combine of the American meat companies. That has been proved by the Supreme Court in America—that there is no agreement or concert among the meat companies in America.

213. *Dr. Newman.*] Not any kind of agreement?—It has never been proved by any documentary evidence of any kind, or by any action. I might say that business men in America get together more than they do here and talk things over—thrash out business problems together. Their object is to keep things running smoothly. Here it is not the practice, as far as I can see, to do this—the rule seems to be to fight all the time. I will read you an extract from something we have written up about the company which I represent: “No company operating under the Armour name controlled by Mr. J. Ogden Armour is either directly or indirectly connected with any other American company in the treating and sale of chilled and frozen meat. We make this statement without reservation, and offer to pay a thousand guineas to any worthy charity in New Zealand or Australia to be named by the parties proving by documentary evidence that this statement is incorrect. We would respectfully point out to the public that we are not asking favours from the Government beyond those extended to any other merchant or manufacturer who comes into your midst with the very laudable desire of helping to develop your country in general, the stock-breeding and freezing trade in particular, and to earn a fair return on investment. In other words, it is our wish that Armour and Co. of Australasia (Limited), of Christchurch, should become a colonial institution, and a benefit not only to the present but the coming generation.”

214. Then you think that you can help to open up an extensive trade with the United States in New Zealand meat?—Yes, I am sure of it.

215. Will not the American Government or people or trade organizations hamper us with undue restrictions?—They will welcome you—that is more than New Zealand has done with Armour and Co.

216. Now they are our Allies in this war they may be the more anxious to do business with us?—That is all right. I think there have been statements made about my company in New Zealand during the last three months—in the newspapers and elsewhere—that are absolutely damnable.

217. You can understand that your company is watched with suspicion here after experience with American concerns in the Argentine?—I quite understand it. I say further that if you gentlemen had wanted to know anything about our company I wish you had all come down to Christchurch and gone through our books, letters, and files. We have nothing to hide. I invite you now to do it and find out about our company, and see if there is reason to be afraid of anything that we may do. We simply wish to do business in a fair and open way—it is all aboveboard. I am not new to New Zealand. I have been known here as a wool-buyer for very many years, and I do not think that any buyer or commission man can say that I have ever acted in a way that is not honourable and straight—that is my method.

218. *Mr. Scott.*] Who do your buyers reckon is your most dangerous competitor: is there any particular firm?—I would not say that. There might be some extracts in this paper that gives names. Here, for instance, are extracts from letters from our buyers: “January 22nd, 1917.—Your prices are a little under the rest down here: Prime ox 47s., prime cow and heifer 45s., seconds 43s.—the Meat Company and Sims-Cooper are giving these. Some of them are over 8½d. for lamb, and wethers and ewes are up a bit. I hear some of the last sales are well over 9d. Borthwick’s have no limit.” “February 12th, 1917.—Things are very hot down here. I got thirty-two lambs at Temuka last week, and to-day at the Point sale I got nothing. They would cost 9½d. over all, and some over. Borthwick’s got 1,200, Sims-Cooper 1,300, lambs and sheep, and all the rest did not get 500 between them.”