219. *Mr. Anderson.*] You are guaranteed by Mr. Armour of Chicago: what profit does he get out of it?—He gets the profit on his money, the £20,000 that he has invested in it.

220. He has guaranteed your company, and he gets no profit except that?—No. We make the profit here in New Zealand—we sometimes make it—we might make a loss in any particular year.

221. Are you related to Mr. Armour in any way?—No, sir; I wish that I was.

222. I was wondering how he came to guarantee you in this matter?—I had a talk with him about eighteen months ago, and at that time they were anxious to get established in New Zealand in order to be able to supply the London end of the business with stuff from New Zealand instead of going to Mellsop, Elliott, Gilbert Anderson, Weddel, Sims-Cooper, the London Produce Company, Borthwick's, Gordon Woodrough—the men who are dealing on the c.i.f. basis. Armour's had no buyers here, and used to pay these men a profit in London. We started our own buying organization here, and we try to make that profit that they were making out of us.

223. Who gets the profit from your company?—Armour and Co. (Australasia) (Limited) get it if there is any profit.

224. You have one share: practically all the shares belong to Mr. Armour of Chicago?—If there is any profit I suppose it will go back into the business.

225. It will not go to Mr. Armour?—No.

226. Yet he owns the shares?—We pay him dividend on his money the same as if we had borrowed it from you or anybody else.

227. You buy a sheep for, say, 10s. in New Zealand, and you sell it in London for 15s.: do you get that profit or get a commission on it?—We get a profit.

228. Then some people in the Old Country get the 5s.?—Yes. We have already bought butter, and we have sent one shipment away. We draw on London and charge commission for buying that butter.

229. Then you are simply a commission firm?—Yes, we are simply a buying firm. We do not take a lamb and make two lambs out of it—I mean that we do not improve the stuff in any way. Under present conditions immediately meat goes into the works the Government takes it over at the fixed prices.

230. You have a system of tagging it?—We have not; the freezing-works have.

231. Some of it is tagged "Armour"?—Yes. It goes to McLean-Laurenson in London.

232. Have you given your buyers any instruction to outbid competitors at local sales in order to create a name for your principals?—No; our buyers have had opposite instructions. I have not done that in one instance.

233. Not in Southland?—No.

234. You have not started with the intention of wiping out the other fellows?—No; that is not our method of doing business. We do not try to squeeze out anybody. I think the best proof of that is that since we started in New Zealand we have had four different organizations offered to us for purchase-meat-export business, New Zealand produce businesses, dairy businesses. It seemed that the people were absolutely afraid. They said, "This monopolistic concern has come here. It will have us out. We will sell quickly." We have bought one business, and we did not go after that—they came to us and asked us if we were in a position to talk to them. That was the Josephs business. Our London and Chicago friends knew nothing about that business; they did not know who Josephs were.

235. I suppose you cannot answer for what Mr. Kingdon has done?—I can answer this, that Mr. Kingdon has done absolutely nothing more than I am telling you.

236. Up to your coming he had never been associated with Armour's?—No.

237. Have you ever told any of your buyers to go to a district, say Temuka, and buy a line of sheep from a very well-known farmer at a price far above the market, say 2s. per head above the current prices, in order that the farmers all around may hear of the transaction and may force your competitors to pay the exceptional price?—Never. If I knew of one of our buyers doing that I would discharge him at a minute's notice.

238. I am not suggesting that it has been done: I am merely putting a case?—I say that it has not been done. If I knew of a buyer doing it I would discharge him.

239. Well, you have not done it. I suppose, according to your statement, that any profit made on the meat that you send Home remains in England?—I think so. I am not familiar with the English taxes, but I should say Yes.

240. If you bought stock outright in New Zealand and sold in London yourself, the profit would come out here?—Yes.

241. You cannot do it with your present company?—We can do anything; we can do exactly what we think fit. If Borthwick and Co. gave more than Armour and Co. in London, then we would sell them our stuff. We are not tied in any way. Here is a copy of a cablegram we received from London last April from the London company. I had asked them something about finance, and they cabled to us as follows: "We are a separate limited company. You are not branch of ours. Cannot comply with your request. Probably Chicago could arrange through their bankers here. Consult your solicitors. Telegraph what he recommends.—Armour." The message shows that they regarded us as a separate concern. Here is an extract from a letter from London, dated 2nd May, 1917: "I wish to say in the first place that Armour and Co. (Limited) are not interested in any way in your business other than the ordinary relationship between buyers and sellers, but Mr. R. H. Cabell and the writer, at Mr. Armour's request and under existing conditions, will be glad to render assistance as they may be able." Mr. Cabell is the manager of the London office. Our original articles of association had a reference to Armour and Co., London. We referred to them as arbitrators in case Mr. Kingdon and I could not agree in any matters. The manager of the London office is commissioned by Mr. J. Ogden