

There is no reason why I should not give the history briefly. I was a director of the Southland Frozen Meat Company in its early days over twenty years ago. I resigned from that board because in my own business there were a number of comparatively small farmers trading with my firm—men owning from a hundred up to five hundred sheep—who could not get space allocated to them in the company of which I was a director in the ordinary way, for the reason that there were men representing large sheep interests to whom the bulk of the space was allocated at the beginning of the season to those who were prepared to take it up. Those who took it up had an advantage under that system over the small sheepowner. The second season that was done I said I would resign unless it was abolished and the works made free. I did resign. What was happening was that numbers of the small men trading with me and others could not get their own space in the works, and they had to sell to the controlling men, who then became practically monopolists of the sheep business. It was not fair to the small men. That is why I resigned and embarked on what turned out to be a difficult undertaking in establishing the Ocean Beach works. That system with the other company soon stopped, and the management of the present company has carried on a perfectly free and fair business to every one. I afterwards sold the Ocean Beach Freezing-works to Nelson Bros., who later on sold to or through Mr. Birt, of Birt, Potter, and Hughes, London. Mr. Birt came to New Zealand to establish or purchase freezing-works to get freight for the Federal Steamship line of steamers. As a matter of fact, I understood at the time the works were bought on behalf of the Federal Steamship Company, and they have been held by them as owners for a good many years. Mr. Birt, who came to New Zealand, retired a few years afterwards from business, and has been dead for some years. That, shortly, was the origin and the start of the Ocean Beach Freezing-works. I did not go into the establishment of the Ocean Beach Freezing-works from any sentimental or rash motive, as some people may have thought and may have said. I went in almost from necessity, because a large farming clientele of my own in Southland felt that they were not getting equal treatment with some of the large men. Most of those men have long since passed away, and in what I am saying I am not reflecting upon them. They were all perfectly honourable men, but their position in those days gave them a distinct advantage. I am only stating the facts.

7. Who has the controlling interest in the Federal Steamship Company? It has been stated that the controlling interest was acquired by the New Zealand Shipping Company, which is now the P. and O.—I do not know of my own knowledge, and can only give you what I have been told. The New Zealand Shipping Company and the Federal Steamship Company, I was informed in London, came together because some other large steamship companies were endeavouring to buy up the shares in both companies in order to become the controllers of the two companies, and to prevent that result the two companies came together, and now a majority of the shares in each company is held by the other company, so as to make it impossible for any other outside shipping company either in England or elsewhere securing and holding a majority of the shares in either company, which, if they succeeded in doing, would, of course, change the ownership.

8. Are they not held by the P. and O.?—I do not know anything as to the actual position with the P. and O. Company, as I have not heard anything whatever as to the details. I know that the P. and O., which is admittedly a great British and Indian company, and they have merged, but I have no knowledge of the details excepting what I have seen published, and I also know that since then the Union Steamship Company has also merged or been purchased by them. I heard nothing whatever about the possibility or intention of the Union Company joining in with them when I was in England, nor do I know anything of the reasons for their doing so. I saw Sir James Mills only once, at the end of a meeting I addressed at a large club in London—Mr. Holdsworth was with him—and neither of them mentioned to me that the Union Company was likely to be merged with another company, and I heard nothing regarding it from any one else.

9. You say that when the Federal Steamship Company acquired the works it was to get a cut into what was then a shipping ring?—I do not know if there was a shipping ring, but there is no doubt about the position that existed at that time, and I thought it was necessary to take the action I did in building another freezing-works.

10. The other shipping companies controlled the output?—At that time the position was that the refrigerating-steamers required to have contracts over a period of years, and the freezing companies, to enable them to effectively carry on the continuity of their business, to have contracts with them. No outside steamers with refrigerating machinery would or could with advantage come into the country unless they could get sheep.

11. That was the reason why the Federal Steamship Company bought the works?—Yes. As a matter of fact, I know of my own knowledge that it did not buy for speculative purposes in sheep. If so, it would have provided the money, but it has never provided money to speculate in sheep, nor have Birt and Co. Some of the other shipping lines have interests in other works in New Zealand in order to secure freight, but those shipping lines are not meat speculators or operators so far as I know.

12. *Mr. W. H. Field.*] I think we ought to tell Sir Joseph Ward that whatever remarks may have reached his ears no remarks came to us as a Committee, and no statements were made to us which reflected on his patriotism and integrity?—No, I do not suggest that; but all sorts of unfounded rumours have been circulated regarding the Ocean Beach works.

13. I should judge that in buying the Ocean Beach works for the purpose of obtaining freight the Federal Steamship Company was really conferring a benefit upon the farmers of Southland. It brought about competition, and therefore a reduction of freights?—I think it has proved a good thing for the farmers of Southland. There is no jealousy or envy between the two freezing concerns now operating there. Both do their best to secure trade. The other company do their work well, so far as I know, and have a large clientele among the farmers and shareholders. So does the Ocean Beach works do its work well. There was at the time I refer to room and need for a second works, and the Ocean Beach works have served a useful and beneficial purpose to the