

you have got in New Zealand is the fact that the great bulk of your works are locally owned. I consider that is one of the safety-valves to the whole situation. Now, there has been a good deal of talk about possible American conditions in New Zealand. I do not for one moment mean to say that American conditions are anything like what they have been represented to be. I am certain they are not, from what I saw in America. But even supposing they are as bad as they have been represented to be, you must remember that this is not America. The conditions are entirely different here. Nobody can own the railways. Your exporters do not own all the freezing-works, and they do not own any shipping. So that the whole of what we may call the machinery of the trade is entirely outside the hands of the exporters, and so long as that is the case I cannot see how there can be any fear of any domination by any one concern in New Zealand. In my opinion no one concern will ever dominate the frozen-meat trade in New Zealand. It is an absolute impossibility for us, or any other person, or any group of persons, to dominate the New Zealand frozen-meat trade. I give New-Zealanders credit for being sufficiently wide awake to their own interests to know what is going on in their own country, and I know that up to the present they have had nothing to say against Armour and Co. And I am quite certain that, under ordinary circumstances of trade, they will never have any more to say against Armour and Co. than they have had in the past. That is briefly the position as far as I am able to describe it. I have been trying to put the position before you as plainly as I can from the experience of a man who has been a very long time in the frozen-meat trade, and who has seen it through all sorts of vicissitudes of one kind and another. I can confidently state that in my opinion, which has never varied from the time that Armour and Co. first came here, I am absolutely sure that no harm can come to New Zealand through Armour and Co., but that, on the contrary, a great deal of good can be done by the competition of individual firms such as Armour and Co.

With reference to the treatment of by-products, you of course are experienced in these matters: do you consider that the treatment of by-products in New Zealand is in a backward state?—Undoubtedly.

Are Armour and Co. prepared to work up their own by-products?—In New Zealand?

In New Zealand?—Well, that would mean having works of some kind. When I was in Chicago I interested myself in the question of these by-products. I promised Sir George Clifford that I would spend a short time in Chicago and go into that matter. Well, I realized while I was there that some of the things they do there were impossible for us to carry out here. I quite admit that. We are a long way from our buying population. We have not got the local population. You cannot turn your by-products into edible materials like they can in America because you have not got the large local population to sell them to. There is practically nothing wasted there.

You do not think that can be brought about here?—No, because we are at a distance from the consuming population. We would have to compete with what the packers of Chicago and other parts of America can turn out. There are not only five packing companies, there are about seventy packing companies altogether: sixty-five of them are what they call independent packing companies.

You have not done anything in regard to by-products?—No, with the exception of wool and pelts.

*Mr. J. R. Hamilton:* Where do you market most of your meat?—Well, we have not marketed any meat so far.

But, under the commandeering, was it not a fact that a great many of the companies were able to get a certain amount of frozen meat on the market?—A great many companies had meat nominated to them in London, for which they received 2 per cent. commission from the Board of Trade.

Now that there is a free market you can, of course, carry your meat to any market in the world?—We will have two markets.

*Mr. Feild:* You are referring to the American market?—Yes, and the British market.

*Mr. J. R. Hamilton:* Supposing they refuse you a license, would it be possible to buy from the people who are buying from the farmers?—Yes, that is always possible in any case, whether we get a license or not. It only means that you would have to pay another commission. The sheep would have to pay for that.

The license issued here is a license to export?—Yes.

You could buy the meat at the other end?—Yes; anybody in the meat business can buy meat in that way. You cannot ship meat from New Zealand without an export license.

You would have to buy from some one who had a license?—Yes.

*Mr. Lysnar:* You have stated that you have no interests in freezing-works in New Zealand. Do you know whether Armour and Co. of Chicago have any?—I do not think so.

You cannot say definitely?—I think I can say quite definitely.

How can you say definitely?—Simply because I am quite certain that, had that been the case, we would have had some information.

You have had no information?—No information whatever.

Would not Mr. Armour be astute enough not to allow you to know everything he is doing?—I think it would be better to ask Mr. Carney that question. Mr. Carney will probably give his evidence later on. I did not see Mr. Armour when I was in Chicago, although I saw practically all the other heads.

What is your system in regard to the subdivision of profits here? You have one £5 share: what are you going to get?—What am I going to get?

Yes; how are you going to assess your profits?—We make a profit on what we turn over.

On the turnover?—Yes.

What is your profit on that?—That depends entirely on the buying.

You deal with the meat on an f.o.b. basis: you have no interest in the meat after it goes away from you?—That is so.

You derive no benefit from what it realizes at the other end at all?—No. We deal with the New Zealand business only. The London company is quite separate from us. We are not bound even to deal with the London company. If we can get a better price elsewhere we take it.

Practically when it leaves New Zealand your interest in the meat ceases?—Absolutely.