

the entry of these American packers into the Argentine that prices have gone back. Producers there are to-day buying the best stud cattle and sheep from all over the world, as they quite realize that there is no chance for them to again receive the low prices for their stock that they did before the entry of the American companies. There has never been any agreement between the American companies in the Argentine in the purchase of stock, but there is in South America a pooling among all the shipping companies and the freezing companies—not only American but British. This was done for the purpose of assisting the shipping companies to get to know how much space they wanted for the South American trade. I have before me the newspaper report of an interview with Mr. C. Donaldson, taken from Saturday's (28th August) *Christchurch Press*, and from this it certainly does not look as though the Argentine is in any way afraid of Armour and Co. or any other large American business. Therefore, why should New Zealand be in any different position from that country? I do not think I need read the report of the interview; I will leave it on the file.

*Mr. Lysnar*: You had better not leave anything on the file that you do not read.

*Mr. Carney*: It has been published in the *Christchurch Press* and other papers in New Zealand, except the *Dominion*.

*The Chairman*: I do not think we need ask the witness to read it.

*Mr. Carney*: The enemies of Armour and Co. make two fundamental claims: they say, first, we run up the price to live-stock raisers and drive out buying competition, and then, having secured control of the markets, force prices down to an unjust level; secondly, they assert we reduce the price to the consumer and drive out the competition at this end. Both these propositions are absurd. Our great and constant primary interest is to encourage live-stock raisers to produce and fatten sheep and cattle of the best quality. These are the materials of our industry, and without them we could not go on, and we certainly could not have them if we ruined those who produced them. We must carefully consider the interests of the producer, and we must also carefully consider the interests of the consumer, for without the producer we should not be able to buy the stock and carry on our business, and with equal certainty without the consumer we could not carry on at that end. During 1917 Armour and Co. in the United States of America alone paid the producers there the sum of £68,000,000-odd for cattle, hogs, and sheep, or £20,000,000 more than a similar quantity would have cost in 1915. This certainly does not look as though prices were being forced down. It is the farmer's job to produce enormous stocks, and it is Armour's job as wholesale distributors to sell to the people who want them, and in the shape they want them. The manner in which this is carried out is vital to the farmers' interests and to getting the highest cash price for his stock, and only an organization covering the world's markets can do this—one completely equipped and run by experts, with money and credit enough to pay cash for their purchases, and capable of meeting the keenest competition, and which conducts its affairs with initiative and intelligence along business lines. This we claim to do. The efficiency of Armour and Co. has become a national by-word. Its development was not brought about overnight, but required years to accomplish. We buy stock in the open market against the keenest competition, and have no desire to do the things which one witness from Ashburton has told. Our buyers have instructions that on no consideration are they to divide lots with any one. If they buy a lot of stock cheap we want what profit is in them; if they buy a dear lot we are quite willing to stand by our purchase; and we can in no way control competition from other buyers. Armour and Co. have no desire to dominate any market—does not, and cannot. Competitors and middlemen, if they will speak honestly, will tell you that for years we have been large buyers of New Zealand produce through them, which has been an expensive and inefficient method for both producer and consumer. One of the most serious obstacles in the way of production in this country has been the limitation of the markets; and I claim that New Zealand has not had the benefit of the world's demand for meats owing to the circumscribed operations of their channels of distribution. Armour and Co., coming in close contact with the world's markets, will give New Zealand better markets for disposing of their meat and by-products than have obtained in the past. Naturally the commission salesmen do not like us. They cannot batten upon our system. We buy direct from the producer and ship to our own houses, which sell direct to the retailer, who sells to the consumer. Every unnecessary profit and handling is avoided, and this efficiency does away with an indefinite number of middlemen, who contribute nothing except useless handling and the extraction of commissions which the producer or consumer must pay. These middlemen are an unnecessary injustice, and in this country of growing intelligence any sort of injustice is dangerous. For an industry to have attained size is a proof that it must have served the public well, but to the average competitor it implies monopoly and provides grounds for the wildest of charges, and it is for the people to recognize the real facts. Only on a large scale is it possible for Armour and Co. to effect low cost of operation. It is easy to realize these middlemen are an unnecessary expense, and that in time they will have to be eliminated, because the meat business is too big and must be done at too close a margin to pay them a commission. This is one argument in favour of granting us a license, as we take the producers' supplies and place them directly in the hands of the consumer, so that we can pay him the maximum for his goods, and the consumer can purchase at the minimum price. Ignorant and unscrupulous competitors should realize that the meat industry is not only an American industry of the highest type, but is an international industry in whose success is bound up the success of the stock-breeder and farmer throughout the world. It has developed in America to a high state of perfection, and this has been brought about by the consolidation of capital and enterprise as represented by organizations like Armour and Co. Such organizations, if they are honestly and capably run—and they must be so run if they are to last—are as irreproachable morally as they are irreproachable commercially. Over 90 per cent. of the earnings of Armour and Co. (Chicago) are put back into the business to further its growth, but in New Zealand this is all taken out by small shareholders who do not reinvest in the business. We steadfastly maintain that our position is legally, morally, and economically sound, and that we have never been guilty of operating in restraint of trade or indulging in other illegal practices. We have the utmost desire for public good will, and stand ready at all times to clear away any doubt or misunderstanding with honest and straightforward information about our business. There was a time when American political humbug attacked American industry to its heart's content, and no one in New Zealand or any other part of the world heard or cared anything about it. To-day the