

Carney; "Armour and Company Year-book, 1920"; "Statement of Armour and Co. (Limited) of London to the Interdepartmental Committee on Meat-supplies"; "Average Selling-price, Dressed Beef, Lamb, and Mutton from 1913-1919 inclusive in United States America."

*The Chairman:* Before Mr. Carney answers questions I may remind members that they are here in their capacity as a parliamentary Committee, and I ask them to confine their remarks as far as possible to asking Mr. Carney relevant questions without commenting on his answers.

*Mr. Jones:* It has been stated that prices are fixed in London for New Zealand. If that is so, does it not prove that we are in the hands of a very powerful trust or combination now?—I do not think that is so. I think there are certain middlemen in London who have agents in New Zealand. Ballantyne and Co., for instance, cable out every week to their representative, Arlow and Co., the price they are willing to give for stock, but I do not think that is so with every company. Probably some of the freezing companies have their agents in London who cable to them, perhaps every week, the price they are willing to pay for stock. I do not know that the thing is all talked over in London before the price is sent out. It may be so.

If so, we have a powerful trust or combination controlling us?—I think you have—absolutely. I am sure of it.

Are Armour and Co. in that trust at Home in any way?—No. Armour and Co. are treated at Home as they would be treated in New Zealand. To illustrate what I mean, when the meat commandeered took place it was agreed in New Zealand with the Hon. Mr. Massey that any meat not wanted by the British Government for the Army and Navy would be released to parties nominated by the New Zealand shippers. Armour and Co. of Australasia nominated Armour and Co. of London. The Board of Trade asked that we should do this, and we did it. The Board of Trade was composed of men not in favour of Armour and Co. coming into the thing, and we did not get the meat nominated to Armour and Co. of London owing to the fact that the powerful organization at Home, of which Armour and Co. are not members, was allowed to dominate what was going to happen in London. On one occasion when Armour and Co. were nominated for ten thousand carcasses of New Zealand lamb, which the Board of Trade said London was to have, the Minister of Food said we were not to have them. Armour and Co. of London sent vehicles or vans for these carcasses for a week, but did not get them, and they were finally put into the digester as unfit for human consumption. That shows we are not in any ring in London or anywhere else.

Would you pay for doing business in New Zealand the taxation that any other company would pay?—Yes; and in anything we do, no matter what it is—meat or any other line—we are a company of our own. I do not sell to Armour and Co. of Chicago, or to Armour and Co. of London, unless they will pay me the best price I can get. As illustration, our hides this year: There was a time when we could have exported hides, and I telegraphed Armour and Co. of Chicago and asked what price they would pay, and they said 20d. I worked round New Zealand and found a concern that would pay me 24d., and I sold to that concern all the ox-hide we had. It is the same to-day. We are buying a little cheese. Armour and Co. of London cannot see their way to pay me the price I want in order to make a profit on my cheese, and therefore I am not selling to Armour and Co. I will consign it to them and take my chance on the London market. I will pay tax on the profit I make in New Zealand, and not in London. I am anxious to get that profit back here and pay tax on it in New Zealand. I will consign my meat to Jim Smith if he will pay a better price than Armour and Co.

In fixing the price they charge the farmer for freezing do the companies take into consideration all the offal—tongues, &c.?—I think they take it in, but I do not think they pay enough for it. I think the farmer to-day is getting a low price for his offal—fat, tongue, and tail. The offal he gets nothing for: he gets it in an indirect way in his freezing-charge.

Would your company risk money in freezing-works with an annual license which was liable to be cancelled?—No. Armour and Co. are business men enough to know that New Zealand has far too many freezing-works to-day, and I am sure Armour and Co. would never invest money in any freezing-works in New Zealand. We have had the chance and turned it down.

You have had the chance of buying?—Yes.

*Mr. J. R. Hamilton:* If you owned freezing-works or put them up could you lower the charges of freezing to the producer?—Yes. I believe Armour and Co., if they had freezing-works in New Zealand, would give you back all the meat if you gave them all the by-products—the offal and everything that goes with it. I believe they would give you back the meat after killing it for you. Although Armour and Co. are in the meat business they make no profit out of meat. The profit on meat is absolutely nothing. They make their profit out of the by-products. Some years ago the farmers in Texas wanted to start freezing-works. They asked Mr. P. D. Armour to come down there and speak to them. He said, "Gentlemen, do not start freezing-works here. Send it to Chicago. Pay the freight, and I will send you back the meat. You give me the by-products, and I will give you the meat back, and I will not charge you anything for killing." That is an absolute statement.

You think the producers in New Zealand are paying too much for getting their stuff frozen?—No, I do not think so. I think the freezing-charges are low, but I consider the producer is not getting enough for his fat and tongue and tail.

The freezing-works have made big profits?—Yes, out of the farmer, but not out of the killing-charges; and out of the four millions the British Government paid the companies for storage.

*Mr. Powdrell:* Do the works here not hand back the meat?—Yes. We buy either on the hook or from the farmer. I do not want any confusion about this matter and the commandeering. In the commandeering all we did was to go on the open market and buy at the best price we could, and we put it into the farmers' companies wherever we could. In all our killing, we killed over 60 per cent. with farmers' companies. The balance was killed with the New Zealand Refrigerating Company. Outside our killing with the New Zealand Refrigerating Company we killed with farmers' companies, and we are the best friend the farmers have. Sir George Clifford says we are the best friend he has, and he does not want to lose our competition.

Do Sir George Clifford's works buy?—No. Sir George Clifford welcomes us, but the New Zealand Refrigerating Company do not want us to get a license because we buy in the districts they are in. If I had my way and the farmers' companies or somebody would put up works on the other