

statement read do you still say it was only to inquire into groceries?—I do not think I said “only groceries.” I think I said “foodstuffs.” If I did say groceries I withdraw it, and say foodstuffs, but not packers. I say the Commission was never set up to inquire into the packing industry of America. Will you show me where it says “packers”?

It says, “storage and distribution of foodstuffs and the products or by-products arising from or in connection with their preparation and manufacture”?—But does it say “packers”?

*Hon. Mr. Nosworthy:* Reference has been made to the fact that the price of stock in the Argentine was kept up. I would like to draw your attention to the evidence given by Mr. Millward before the Meat Export Trade Committee on the 8th August, 1917. He said that in Argentine at that time special bullocks were bringing from £14 to £15 15s., and that at the same time New Zealand bullocks were bringing about £20 per head?—Yes; but for an entirely different class of cattle from what you were selling here for £20 per head. I say that in 1917 the New Zealand £20-per-head cattle were worth more than the £15-per-head cattle were in the Argentine for quality alone. I bought two bullocks a while ago in Dunedin for £46 and £57. I had them frozen at the Belfast works. If they had been in America I would have given £85 apiece for them. It was because they had quality in them, and that is where New Zealand has never had justice. I say that the advent of Armour and Co. to New Zealand would pay the producer for quality.

I take it that this would be for the ordinary average beast in the Argentine, as well as the average in New Zealand—the ordinary average grade of fat cattle?—I really cannot say. I gave the information I got from London as to the Argentine.

*Mr. Jones:* Does any company, in your opinion, register its capital and, in addition, its letter of credit, and pay tax on that?—No.

Suppose that the object of Armour and Co. of Chicago was, as suggested, to gain control of New Zealand meat, could they do it without coming to New Zealand, buying, or giving you or Mr. Lysnar authority to buy, all the meat at 1d. per pound higher than any one else could buy at?—They could, but Mr. Armour is not that kind of business man; but it could be done.

FRIDAY, 17TH SEPTEMBER, 1920.

Hon. Sir WALTER BUCHANAN examined. (No. 15.)

*The Chairman:* The Committee understand, Sir Walter, that you are prepared to make a statement with regard to this petition. We will be glad to hear what you have to say?—Mr. Chairman and gentlemen, with reference to the petition of certain settlers of Canterbury praying that a license be granted to Mr. Armour, I think I had better first say a few words as to the interest that I have taken in the subject of meat-export. Away back in 1883 I was in charge of the freezing of the first shipment of frozen meat sent from the North Island. Until last year I was continuously a director of the Wellington Meat Export Company, a period of thirty-six years. Also, in order to gain information in regard to the meat trade there, I visited America more than once, going through the principal packing-houses inquiring as to their methods of working. In regard to the petition, I understand that the principal point of the signatories is that they want the license granted to Mr. Armour in order to have more competition. Looking at the history of Armour and Co. and their compatriots in the “Big Five,” it appears to me that that would be the last thing they could expect from such a source, because, studying the matter to the best of my ability, wherever they have operated—and they are now operating pretty well all over the world—their constant aim is monopoly—to kill competition in order that they may command the supplies from the producers at the lowest price, and also to get the highest price from the consumers. In fact, the investigation that was recently made by what is known as the Federal Trade Commission—appointed by President Wilson to take evidence all over the United States, with powers of entry to strong-rooms and offices of the packers—showed that the only conclusion they could arrive at was that the “Big Five” had so perfected their organization as to be able to dictate the price given to the producers as well as that paid by the consumers. One of the complaints of Mr. Armour and the packers generally was that they were given no opportunity of giving evidence or of cross-examining the witnesses who came before that Commission. The minutes of the evidence which I have here before me show that Mr. Armour never asked to be given the opportunity of giving evidence before the Federal Trade Commission. At the same time Mr. Armour was before a Committee of Congress, and some three hundred pages of the hearings are occupied by his evidence. As a matter of fact, I have come to the conclusion, after reading over the evidence carefully, that the packers were so alarmed at what they knew was bound to come out in evidence that they did not venture to apply to Mr. Heney, who was charged by the President of the United States to conduct the Trade Commission investigation. In fact, so great was the panic amongst the packers that, instead of appearing before the Commission, Mr. Armour on his part admits, as shown in the evidence, that he spent £200,000 in one year in advertising and propaganda in order to counteract the effect which he was satisfied that the evidence given before the Commission would create in the United States. It is also in evidence that Messrs. Swift and Co. spent at the rate of £200,000 a month in propaganda work at the same time and for the same purpose. The Committee can refer at any time to the page where this evidence came out.

*Mr. Jennings:* Had you not better give that now—it would save time, and I would like to have a look at that volume?—The evidence as to Mr. Armour is on page 564 of the evidence before the Committee of Congress. The evidence of Mr. Swift is on page 56. On page 743, following the question of propaganda, is an acknowledgment by Mr. Armour in giving his evidence that for a long time they had pursued a policy of silence, and he makes the admission that silence had been a poor policy for the packers. Obviously they had completely changed their policy, as proved by the enormous expenditure which they incurred in the propaganda work which they immediately instituted. Swift and Co. and others had employed a Mr. Logan, who had a propaganda bureau, and it is on record on various pages of the evidence that Mr. Logan was in receipt of something like £8,000 a year.