Commission. There were three men in the employment of Armour and Swift who were stated to be in enjoyment of £2,000 a year each from the packers, and who were also getting 1 dollar a year from the Food Controller, Mr. Hoover. The reason given for the payment of the dollar a year was that these three men were also in the employment of Mr. Hoover in connection with the control of food bought from the packers and its shipment for the purpose of feeding the Army. These three men were to a large extent instrumental in fixing the prices at which the supplies were furnished—canned goods and meat of all sorts supplied by the packers to the Government of the United States.

Mr. Carney (Armour and Co., Limited, Australasia): I would like to ask whether that was not so in all the other industries during the war—that for all classes of work during the war men in America, instead of taking huge salaries, accepted a dollar a year for the work they did for Army and Navy?—I am not in a position to argue that point. I merely give as my authority these volumes of evidence, and they are absolutely indisputable.

Mr. Carney: It is very misleading.

Mr. Lysnar: Was it not the apparent intention of these three men to represent to Mr. Hoover that they were prepared to give their services practically for nothing for national purposes during the war?—That is not in the evidence.

I do not say it is in the evidence. They pretended they were serving the United States for a nominal figure?—As far as I have read, I have not come across that view as applied to this extreme position. It may have been so—I cannot tell.

Is there anything in the evidence to show that Mr. Hoover knew that they were getting £2,000 from the meat-packers?—Oh, yes, the statements are there.

But when they were engaged by Mr. Hoover? Was it only discovered after Mr. Hoover had engaged them that they were receiving £2,000 a year from the packers?—I have not come across that. The statement is simply made by a witness who had access to all the papers, that they were getting this £2,000 a year from the packers and a dollar a year from the State.

What were the names of the two packers whose servants they were?—Armour and Swift. Now I wish to make a general statement as to the large sums received by the "Big Five," in amounts proportionate to the size of their business and so forth, from Chambers of Commerce throughout the United States. In the case of Chicago, for example, the packers exacted large sums of money from the municipality to induce them to continue their stockyards at Chicago. The record shows that in the case of Armour he was paid £600,000 on condition that his stockyards remained in Chicago for fifteen years. In various parts of the United States this sort of thing was quite current: certain packers, according to the circumstances of the case, exacted so-much money for the trade they brought into the different localities. In Mr. Armour's case the amount was £600,000. So also to conceal the large profits made by the packers out of these stockyards, the capital was watered by adding these bonuses, and the percentages of profit made to appear much less than they really were. A great deal of this sort of thing was done in the United States, and the large sums in bonuses thus demanded and obtained were made use of to inflate the capital and so apparently lessen the percentage of profit. I think, Mr. Chairman, in deference to the desire of the Committee to shorten the proceedings of the Committee as much as possible, I will conclude by again pointing out, as I did before, that the granting of the license to Mr. Armour, or to any member of the "Big Five," would be enormously to the detriment of New Zealand, assuming that their policies after obtaining licenses would be of the same character as that which has obviously been pursued by the "Big Five" for the last fifty years in the United States. Not content with the complete monopoly of the meat trade, they reached out into the control of numerous articles, numbering something like eight hundred of the necessities of life; and if a similar condition obtained in New Zealand it is unnecessary for me to point out the enormous injury it would be to our best interests. The production of live-stock in New Zealand is of peculiar importance to this country. The industry is the basis of all our prosperity. Indeed it is obvious that we should be seriously crippled to meet our obligations were we dominated with monopolies such as we are obviously threatened with.

Mr. Jennings: How would it be to the detriment of stock-raising in New Zealand if Armour and Co., or any of the "Big Five," do not ask to be allowed to establish freezing-works here—if the packers were simply to purchase the meat here and they were to give a higher price to the producer than he receives now, how would it be to the detriment of the stock-raiser?—If they gave a higher price for the stock it would clearly be to the advantage of the stock-raiser, always provided that that higher price was not to be of a temporary character, as was undoubtedly the case in the Argentine. The "Big Five" commenced operations in the Argentine by giving big prices, which their huge capital enabled them to pay, for a time. But the original companies in the Argentine, although well established, were not able to continue to give the big prices, and speedily had to make terms with the "Big Five." Then down went the prices of stock in the Argentine. I have the figures here to show that although the price of beef in the Smithfield Market in London doubled and more, the price of beef in the Argentine remained practically the same from 1914 to 1918.

Would not that be to the benefit of the consumer if the prices remained low?—Not at all, because the consumer was in London and had to pay the increased London price.

I am speaking locally—in the Argentine?—I am here in the interests of the producer, and the producer was not given the advantage of the great rise in prices. As a matter of fact, cattle were selling here at £5 a head more than they were bringing in the Argentine at the same time, although they are within twenty days of the London market as against our sixty days, with the handicap of frozen beef as against chilled. Mention was also made last Friday before this Committee that the Argentine meat was much inferior to the New Zealand meat. I have never been in the Argentine, but I know that for years past the Argentine stockowners have been taking the cream of British stud stock, and with such good effect that instances have been placed on record of twenty-months-old steers being killed close up to 700 lb. dressed weight without any artificial feed at all. New Zealand is well known to be one of the finest stock countries in the world—admittedly so—but it would give even New Zealand something to do to equal—much more to surpass—that. Again and again I have seen the Argentine meat in the Smithfield Market, and I know the wonderful improvement they have made.