I have heard the evidence given before this Committee by stock-raisers from the South Island who are in favour of a license being granted to Armour and Co. If these people say that it is going to be of benefit to them I want to get from you some strong reason why we should not take their views into consideration ?—The answer is very simple. You had witnesses last week before this Committee who fully admitted their absolute lack of knowledge of the history of the meat trade in America.

We had a big stock-raiser, Mr. Macdonald, a New-Zealander who had been in America and knew all about the operations there ?——

Mr. Lysnar: But he said he left there in 1908.

Mr. Jones: You said you were looking at the matter from the producer's point of view. Supposing you went to America to buy property, would you buy on the strength of what you have quoted from that book, at the high price that stock has been bringing for, say, the last five or six years ?—My principal outlook in such a case as you suggest—buying property there—would be the freedom or otherwise from the control which has been exercised for very many years by the "Big Five."

But if the price for meat with the "Big Five" operating had been higher than the price in New Zealand, you would favour America as against New Zealand ?—The bigger prices in the United States might very well be the result of other causes altogether than anything to do with the meat-packers. The law of supply and demand would have effect, although possibly very much curtailed by the interference of the packers. The big packers could not keep prices down indefinitely if the supply was short of the demand.

So that the big packers could not keep prices down indefinitely ?—No.

If the big packers had been doing what that book says, how is it that America is our best market to-day ?—The answer is very simple: We know how enormously the population has been increasing in America. We know that was one of the causes of the "Big Five" going down to the Argentine—they were getting short of meat to supply their trade. They state so themselves.

Do you not say that they have got such a control of American stock and stockyards that, irrespective of the supply, they control the price ?—No, I did not say that. I say it is quite clear that they were able to an enormous extent to influence the price to the producer as well as to the consumer. There was a limit, of course, to that, as I have just said.

There are two statements you make—that they entered into a big educational campaign to increase production . . . ?—No, I did not say that. What I said was that they entered upon an educational campaign to influence legislation—to influence public opinion.

Well, from pages 750–51 you read a statement that they were out on a big educational campaign to assist production ?—Yes, there is a reference to production in what I quoted, but let me put this point to you: the expenditure of £200,000 by Armour and Co., and at the rate of £200,000 per month by Swift, was coincident with the investigation of the Trade Commission, and was meant for no other purpose than propaganda to counter the investigations of that Commission.

Well, supposing we admit that, still one of their reasons for advertising was to increase production. Yet, again, another witness said that their whole aim in certain States was to decrease the supply of meat: can both witnesses be correct ?—No; I did not say their whole aim was to crush production.

Yes, the decreasing of supplies ?—I said they took certain steps to prevent the rivalry and competition of other companies. Take the putting-out of business of Hormel and others of which I have a record here, in which it is stated that they "extinguished" no less than four hundred butchers in one locality.

In a country where you say the supply is running short, if the monopoly is as complete as you say, would you suggest that they would make a big effort to decrease or increase production ? If they gave such prices as would decrease production what would be their aim ?—I do not say that it would play into the hands of the packers to decrease production, nor do I say it would affect them much if they tried to increase production, because the value of their trade and their profits would depend upon the exchange—the difference between the buying and the selling price.

But they must do the volume of business ?—Yes; but the business is there as long as the population is there.

You referred to the collusion between the parties there: is it bad to have collusion between packing companies ?—Most decidedly if it results in restriction of competition. What is wanted in this and every other country is open competition.

Is there collusion between the companies at present operating in New Zealand ?—I should not wonder if there is. Human nature is the same here as elsewhere. It depends upon the prices. And here let me say that I have no bias against any class of people in America. I say that we should apply the same treatment to monopolies in New Zealand as I am advocating should be applied to the packers. A monopoly is not what New Zealand wants. As I said before, the lifeblood of trade is open competition and the increase of production.

The freezing companies here together fix the price of their manures ?—Not that I am aware of.

Still, their prices are all the same ?—No, they vary; and I am not aware of any agreement between any of the companies here. I was for thirty-six years continuously a director of the Meat Export Company. That company had no director upon its list who was not a producer, and when I took a part in the floating of the company my one aim was to give the producers control of the "door" to the market through which the meat had to pass.

Is the Gear Meat Company to-day very largely a proprietary concern ?—Yes; I am assured that is so.

They agreed to fix the price all over New Zealand for freezing ?—I am not aware of any such fixing.

You said that the packers made big profits out of selling their dead animals. Do not the local freezing companies do exactly the same thing to-day: they take the dead animals out of the trucks at arbitrary prices fixed by themselves ?—The Meat Export Company left everything free in the shape of offal to the producers. They were free to take their skins and anything else they could turn into money.

Could they take away the fat ?—They were at liberty to do so.