

I have other figures which I will hand to the Committee, showing the lower prices paid in the Argentine than in New Zealand, although the Argentine freezing companies had a better market for their frozen or chilled meat than New Zealand had. I would like here to quote a statement made by the President of a Committee appointed by the Argentine Parliament to investigate the cost of necessities in connection with the meat question. He says,—

"They [the combination of packing companies] suppress real competition, maintaining it only in appearance, and they determine by common agreement the prices which are to be paid to producers, reserving to themselves the right to sell at the highest price possible in order to obtain enormous profits, which do not remain in the country. Thus it is that these freezing companies have been able to show in their latest balance-sheets more than 100 per cent. of profits—that is to say, that in a single year they have made more than their capital. . . . Here is the freezing companies' contract with the foreign purchaser, who is to-day, owing to the circumstances of the war, a single party, since the Allied Governments have concentrated their purchases in a central office; and, having made their agreements at prices which they raise as high as possible, they purchase the live-stock from the producers, imposing upon them the law of the strongest."

There is no doubt that the feeling which has been shown by some producers in this country in favour of giving a license to Armour is influenced to a very great extent by the present condition of the markets for our frozen produce. Some few months back there was a great deal of apprehension felt as to what was going to happen to our markets when the Imperial purchase ended, and producers, I know, were in some cases very uneasy about it. Consequently they were in a very favourable frame of mind to receive hopeful, and in some cases glowing, accounts of what was possible in the way of marketing frozen meat in America. Armour and Co. sent out a pamphlet which went very fully into the whole question, and on the third page of the introductory part of this pamphlet there is this sentence in capitals: "What is going to happen to your prices when the meat commandeered is lifted if you restrict competition among buyers?" And in connection with what I was reading just now about the Argentine it will be rather interesting to read another paragraph from this pamphlet, which runs as follows: "Yet these statements about the existence of an American meat trust and its 'menace' to New Zealand are absolutely and demonstrably untrue. It is the object of this pamphlet to disprove those statements, and to demonstrate that unrestricted competition, whether by American, British, or colonial buyers, must inevitably be in the truest interest not only of the New Zealand farmer, but of the people of the Dominion as a whole." If this is intended to refer to the "unrestricted competition" experienced by the Argentine producers it is difficult to see how it is going to be in the best interests of New Zealand.

Referring to the United States market for lamb, it doubtless is at present a good one, and the existing exchange position is all in favour of it; but it does not follow that it is necessary for Armour and Co. to enter our internal trade in order to enable that market to become available. Up to the present time the Imperial Government has disposed of 2,294,656 carcasses of lamb and mutton for sale in America. Of these, 665,898 carcasses were sold to agents acting on behalf of Armour and Co., the largest purchases by those agents being at the beginning of the business. Twelve other buyers also made purchases. In the latest sales of all, totalling 501,500 carcasses, Armour and Co. only participated to the extent of 30,000 carcasses, six new buyers coming in, making a total of nineteen in all. Some of the buyers were British firms. No particular objection can be offered to Armour and Co., or, for that matter, to any other of the so-called trust firms, buying our frozen meat under open-market conditions, but a grave danger for the future would be created if they were enabled to operate in our fat-stock markets, or to own, control, or operate freezing-works.

One point to be borne in mind is that our most distinctively valuable class of export meat is prime lamb. The whole of the lamb output of the 1918–19 season was telescoped, and consequently depreciated from a market-selling standpoint. By far the greater proportion of the 1919–20 lamb (which was not telescoped) has been sold by the Imperial Government for shipment to America. Prior to the enforcement of Government control of sales of imported meat in Britain our lamb had its own well-established and good channels of distribution, and had gained for itself a high reputation. The longer the delay in reopening this trade the greater the difficulty in re-establishing it on a sound basis. There is no guarantee that the American market for imported lamb will be a permanently good one, but it can reasonably be assured that the British market will be. As the present American demand is principally for lamb, this aspect of the situation demands careful consideration. We do not want to lose sight of the fact that in all probability, whatever may be the immediate position, in the future we shall have to look to Great Britain as being our more solid and reliable market for frozen meat. If America can give us better money it is our business to sell our meat to the best advantage, but we do not want to forget that the British market is likely to be our most reliable market.

The Minister last week read a portion of the decree which was made by the United States Government, and which was sent to him under cover of a letter from the United States Attorney-General, and I take it that I need not go over that ground again, but I have had a number of copies of that document typed, and I will hand a copy to each member of the Committee. In addition to that, the Secretary of State for the Colonies sent to the New Zealand Government in September, 1919, a report which the British Government had received from the United States Government bearing on this matter of the packing industries in the United States. This comprises a report furnished to the President of the United States by Mr. Hoover, who was the Food Controller in the United States during the war period. I will not read this report through because it is very lengthy, but I will read portions of it and hand it in. The report is introduced by the following official statement:—

"The President has directed the publication of a confidential report made to himself by Herbert Hoover, United States Food Administrator, six months ago, in order to establish the real position of Hoover and the Food Administration on the control of the Chicago packing industries. In this report Mr. Hoover again reiterated his former advice of the national danger from this growing domination of the nation's food, and strongly recommended constructive legislation at the hands of Congress rather than the doubtful stretch of temporary war powers of the Government as being the only method by which a permanent solution can be obtained."