

And do you not think that the farmers themselves would create sufficient competition to get the full increase for their stock?—Well, the average farmer is not an astute business man.

And in the event of Armour not giving the full price our farmers would still have the world's markets open to them—they would get the full price for their products, and the profits made would still be distributed amongst the farmers?—Yes; but provided they had the organization for making proper use of the world's markets.

So that if the works were held entirely by the farmers, and Armour and Co. were kept out, they would still get the full value for their stock?—Yes. If you could only get the meat-producers organized in the same way as the dairy-farmers are organized the matter would be a very much simpler one.

You made the statement that in one particular bullocks were sold in the Argentine for £14 while they were being sold here at £20: is not that evidence that the present system in New Zealand is more satisfactory than in the Argentine?—Yes, it is undoubtedly more satisfactory.

And is it not a fact that the trust should have given a much higher price in view of the fact that the freight from New Zealand to London is much heavier than from Argentine to London?—Yes.

A statement has been made that one of the freezing companies has paid 100 per cent. dividend in one year: have you any evidence of that? No, not personally, though I know there have been pretty good dividends paid of late; but one member of the Committee has said that he actually participated in what was equivalent to a 100-per-cent. dividend, and I must accept what he says.

Do you know whether it is a fact that in some cases the freezing companies have watered their capital with the result that 100 per cent. was paid in one year, whereas it was the profits over many years, and that it was not in reality 100 per cent. for one year?—Possibly accumulated profits have been paid out in one year. And, as I pointed out, large stocks of accumulated tallow, pelts, &c., were put on the market.

Mr. Jones has stated that bullocks were sold at 19s. 6d. in 1903 and £3 in 1918 in America: can you give us any indication of the rise in the price of bullocks between 1903 and 1918 in New Zealand?—I am afraid that I could not give you that from memory, but the figures would not be difficult to obtain.

Is it a fair comparison in view of the fact that New Zealand has to send her bullocks twelve thousand miles to the market?—There is certainly a great difference.

It means putting New Zealand at a distinct disadvantage?—Yes; and 1918 was a war year, when prices outside were influenced by war conditions while the New Zealand price was controlled.

*Mr. Burnett*: The Armour Company started operations in New Zealand in 1916?—Yes.

Have they been working under license all that time?—They have not needed a license, because the conditions of the contract with the Imperial Government were that the meat became the property of the Imperial Government when it went into store in New Zealand; consequently the only exporter of meat from New Zealand was the Imperial Government itself.

But they have been buying in our stock-markets?—Yes; the Act provides for the licensing of people to export meat: it does not provide for people to buy stock. Consequently, during the currency of the Imperial Government purchase no license was necessary.

But from now on a license will be necessary?—Yes.

And if Armour and Co.'s agents should operate in our markets without a license they will be breaking the law?—It would be illegal to export such meat.

*Mr. J. R. Hamilton*: As long as they do not ship they will not be breaking the law?—That is so; but somebody else must ship.

If they sell it to anybody else in New Zealand will they be breaking the law?—Well, I say that the refusal of a license to Armour and Co. forbids them to trade in the exportation of New Zealand meat from New Zealand. Therefore if they arrange for somebody else to export for them that means a deliberate evasion of the law.

*Mr. Burnett*: A great number of people are agreeable that Armour and Co. should be allowed to buy on the hooks, but I understand that it does not suit them to do so. Can you give any reasons why that system would not be agreeable to them?—One reason for wanting to operate and buy on the hoof is probably that they want to get into the country and establish themselves here, and another presumed reason is that by buying fat stock they can get all there is in the animal, except that as long as they do not go in for freezing-works they cannot well get absolutely everything there is in the way of by-products.

*Mr. Lysnar*: Will you look at this schedule [produced] which Mr. Jones quoted, which shows that the 1918 prices of cattle in America were the highest on record?—Yes.

In 1916 it was 9.50 dollars—that is, 37s.—that was the highest since 1903, so the 1918 figure was not a fair average?—The point is that the price for beef steers in 1903 was 4 dollars 80 cents; in 1915, 8 dollars 40 cents; 1916, 9 dollars 50 cents; 1917, 11 dollars 60 cents; 1918, 14 dollars 65 cents. Those high figures for the last years could reasonably be put down to war conditions.

Is not that 1916 price (39s.) below the New Zealand price?—Yes; the New Zealand price in 1916 would be 42s., as far as I can remember. As to the question I was asked about the finance of the five large companies, they grew from being worth about £18,000,000 to a net worth of £95,800,000 in 1918, and in this same period they paid in cash dividends amounting to £21,000,000.