

advisable. The cold-storages of the country are principally in the hands of three corporations—(1) the South African Cold-storage and Supply Company; (2) De Beers (Limited); (3) Kamps. Leaving Nos. 2 and 3 out of account, the existence of No. 1 would in itself be almost sufficient to justify the opinion expressed above. The South African Cold-storage and Supply Company are a gigantic monopoly. They control, to all intents and purposes, the meat-supply of South Africa. They have a fighting-fund of a million sterling, and are able to either crush or absorb any who are likely to attempt to compete against them. The building by the New Zealand Government of cold-stores would entail a systematic trade campaign against this powerful combination. They have such a hold over the butchers everywhere that to reach the buyer we should require to follow up the erection of cold-storages by the establishment of wholesale depots, retail shops, and agencies in all the important centres—in fact, wherever we wanted to trade—inasmuch as the butchers are at present controlled by either this corporation (South African Cold-storage Company), or by De Beers, or by Kamps. And when we had done all this we should, in order to get customers, be obliged to sell our meat at a price that would leave no margin for profit. Obviously it is not for a Government to embark on so risky a venture, even were additional cold-storages necessary. But they are not. At this moment the three corporations named can take up and store as much frozen meat as we can give them, provided always, of course, that our prices compare favourably with those of Australian and other competitors. (At present they do not. This is a point I will touch upon when dealing with the introduction of New Zealand produce into this country.) Apart from these circumstances, additional stores are to be erected by the different companies at Durban, Port Elizabeth, and Cape Town, and in twelve months there will probably be more than enough. I understand that both in Natal and Cape Colony new companies are to be formed with a view to breaking the ring, or, at all events, impairing its vigour. I am aware that some of the promoters contemplate asking the New Zealand Government to take shares in these companies, and to otherwise back them up. While they deserve encouragement, I venture to think that they should receive attention from private enterprise in New Zealand rather than at the hands of the Government. I consider that the Government should confine its efforts to promoting the wholesale export trade in frozen meat, leaving it to the South African Cold-storage Company and De Beers and Kamps, and to any other companies that may arise, to take up what we export and distribute it to the consumer. If our prices compare satisfactorily with those of other suppliers, and if we can guarantee regular delivery, such companies will only be too glad to take our meat. If we are successful in this purely wholesale export it will be enough for the present. If we are not successful we would certainly not be successful in a wholesale export trade, coupled with all the worry, and risk, and cumbersomeness of retail business, and the fighting of a “price-cutting” campaign.

While on this subject I may be permitted to say that the South African Cold-storage Company, better known as Combrink's, is a large and wealthy combination originally founded by the late Mr. Combrink, and now directed by his relatives, the Graaff brothers. Sir Pieter Faure, Minister for Agriculture (Cape Colony), Sir James Sivewright, a former Minister for Crown Lands in Cape Colony, and other notables are greatly concerned in the company. The business has grown to very large proportions of late years. The outbreak of the war gave it a big fillip, as it was the only concern capable of undertaking the immense army contracts. The company secured these at high rates (10d. for mutton and 11d. for beef, delivered to any point on the South African railways indicated by the military, but this has now been reduced to 7d. all round), and last year they made £1,000,071 net trading profit. They supply butchers at the rate of 4½d. per pound. In Durban they have a store-ship in the harbour and cold-stores ashore, which were formerly Sparks and Young's (a firm they absorbed). The combination includes all the local butchers (who are reputed shareholders), and it practically monopolizes the trade. In Cape Town and other centres the company also have extensive stores. Several attempts to compete against the combination have proved failures. De Beers, powerful though they be, with Mr. Rhodes and no end of money behind them, have tried, and are generally considered to have not succeeded. The feeling against the monopoly is strong, but people are powerless to overthrow it. The company also enjoys on the railways certain facilities denied to their rivals, and this in itself gives them a great advantage, especially in these days when rolling-stock is at a premium.

Apart from the companies already mentioned, there is in existence the Transvaal Cold-storage Company. They began operations in 1899 in Pretoria, under Kruger auspices, and therefore have not flourished. But they got from the Natal Government a grant of land abutting upon the Durban Inner Harbour, and having a valuable water-frontage, and built stores there. The business in Durban is managed by a Mr. Palmer (formerly of New Zealand). Those stores have come under the control of the Imperial Government, and pending further arrangements the company is only nominally carrying on the business. The stores are now fairly stocked with Australian frozen meat and other perishable produce (the first lot arrived from Sydney in June of this year); but owing, it is said, to the tactics of the South African Cold-storage and Supply Company little or no business is being done. The failure of the Transvaal Company to make sales may in part be attributable to the transitory state in which the concern finds itself at present, and also to the fact that the outbreak of the war has disorganized the plans of the promoters. The ultimate fate of the stores is at present undetermined; but, considering all the circumstances, I cannot recommend New Zealand shippers to place any reliance on the corporation for either buying or storage purposes. Indeed, the stores are likely to be closed, the site now being urgently required for harbour-extension.

Speaking of Durban, I may mention that there is great rivalry between that place and Cape Town for the Transvaal frozen-meat trade, and I am told that a strong concern has been created in Durban to compete against the South African Cold-storage Company, whose citadel is in Cape Town. I have not been able to get very definite particulars, beyond the fact that the proposition has taken practical shape and plant is said to be on the water. In any case events in Durban