

32. With all this carrying-power and room for development, how do you account for the comparatively moderate increase year by year in the quantity of frozen mutton exported?—This year the increase would have been very much larger but for the very large shipments sent to South Africa. I have not the figures, but I know that steamers have been taking full cargoes of frozen meat for a number of years to South Africa. They have practically the whole trade there. Where New Zealand sends one ship a month the Argentine sends eight or ten.

33. Are you aware that the New Zealand freezing-works are unable to quote second-class mutton at a sufficiently low price to make any sales in South Africa?—Quite so.

34. That, in short, New Zealand has to go down to third-class to get an opening at all?—Quite so.

35. Will you explain how it is that the Argentine people accept such low prices for large quantities of their mutton when at the same time you assert it to be of good quality?—As I told you some time ago, they have a very much larger margin between profit and loss than you have. Their cost of production is very much under your cost. The cost of freight from Buenos Ayres to Cape Town, with a fair wind all the way, and being only fourteen days between the two places, makes it very much more in their favour. South Africa, up to the present time, has proved a magnificent outlet for them for meat which would not be acceptable in the southern counties of England. Argentina can undersell you in South Africa with the greatest ease, and the people of South Africa do not want the best or fat meat.

36. Would it not pay the Argentine to send a larger proportion than they do at present to the south-of-England markets, rather than send such large quantities of their meat to South Africa at the admittedly low prices they get for it there?—I think the three works I have mentioned have been working to their full capacity. A large proportion of the meat going into those works is second-class mutton. There is always a proportion, the same as in New Zealand, of the high-class mutton, but I believe the three works to their utmost capacity deal with all qualities of meat. They buy sheep by the cut—that is to say, they put a rope right across a paddock and take their chance. Amongst a number of sheep there will be a proportion of prime, a proportion of second class, and a proportion of third class, and the meat-works have to deal with all these. They send their best mutton to the southern counties of England, the next quality to Cardiff and the north, and a good deal of it to the South African people. But I think, when these nine works I have spoken of are in full swing, you will find the prime quality of mutton increased in the same proportion as the other qualities. I suppose you know that these three companies I have referred to have paid a big subsidy to keep one company closed for the last few years. There is no competition with them.

37. *The Chairman.*] Is that the Fletcher Company?—Yes.

38. *Mr. Buchanan.*] Do they use turnips or any other class of artificial feeding?—Yes. Mr. Stent, a New-Zealander, largely feeds his stock on rape and turnips. He has a very large station, and a lot of his neighbours are following his example.

39. Is it found that the best English-bred stud sheep deteriorate after some years in the Argentine? In other words, do they find it necessary to replenish their stud stock from headquarters?—Yes, all the time. The Argentine buyer is a big buyer of stud stock in all the English markets.

40. But will those first-class strains of stud stock reproduce themselves in the Argentine and maintain their original high standard of character?—Some of them certainly seem to. They get very high prices at the annual sales in Buenos Ayres for their breeding-stock, particularly in cattle. Of course, that is a matter I would not like to be too definite upon. I may say that their merino wool is increasing in quality and value every year.

41. *Mr. McNab.*] Generalising what you know in regard to the Argentine, what are your suggestions in connection with the New Zealand trade? What does all this lead up to in the way of suggestion to us as to what we should do?—First of all, I think there should be some arrangement made with the steamship companies by which they should not be required to go to perhaps ten ports to pick up a little cargo here, there, and everywhere. As instancing that I might mention that the "Corinthic" was five weeks here on her first trip waiting for a cargo, at an enormous expense to the owners. The Argentine steamers go right alongside one of the works there, load up a full cargo, and away they go. That is one very great improvement that could be made here. I do not know how it could be done, but I think something could be arranged, either by the steamers arranging for exchange of cargoes, or by "feeding" steamers. Again, either the Government or private enterprise might erect several big receiving-stores in the colony, so that you could get more regularity in your shipments to England. To show you the great danger you are running, I might mention that during the present year you have already shipped to London, up to the end of last month, 1,676,845 sheep, and 1,801,065 lambs. This is up to the beginning of August, and during the next five months you will only send away 400,000 sheep altogether as a maximum. That means that for a large period of the year there will be hardly any New Zealand sheep available in London. Your regular customers in Great Britain are forced, therefore, to go to the Argentine companies to keep up their supplies, and it is very much harder to get a client back than to get a new one. I consider that if big receiving-stores were erected here, you could keep up a more regular supply to London. The Argentine shipments never vary much. From January to December they average about 255,000 every month, and from 45,000 to 54,000 quarters of beef a month.

42. Can you tell us whether the Argentine fat sheep come into the market regularly throughout the year, or irregularly?—I think they come in in good condition all the year round, and I will tell you why. The whole of the New Zealand climate in winter is cold, while in the Argentine you have a latitude varying from the tropics down to Patagonia, so that you can get any climate you like. There is no time of the year when you cannot get sheep in good condition. There is a district in Argentina called Entre Rios. It is nearly all sheep and cattle country, owned mostly by