

*Sir George Clifford.*—Our company has been mentioned, and I am willing it should rest at that. But an isolated instance proves nothing. I protest against the affairs of other companies being quoted to their detriment. Isolated instances of bills of lading are of no possible use to establish Mr. Lysnar's contentions.

*The Chairman.*—I think, Mr. Lysnar, you had better quote the quantities, and not the names of the companies. I think it is a pity to mention names.

*Mr. Lysnar.*—Very well, Mr. Chairman. I have taken four companies' shipments—two companies in this Island and two further north. They are the four largest companies in this Dominion.

*Sir George Clifford.*—I say this, again, is mentioning companies, though not by name. I think that is an evasion of your ruling, and I again protest.

*Mr. Lysnar.*—I do not wish to introduce anything to cause unnecessary friction—certainly not to evade the Chairman's ruling.

*Mr. F. de C. Malet.*—He always protests, sir, that he is not doing it, and he always does it. Really, it is not fair to ask people who represent companies here, with their duties to their shareholders, to get up and justify the company before such a Conference as this.

*Mr. Lysnar.*—I now proceed. Lamb, 173, by "Paparoa"—25 damaged, equals 14 per cent.; lamb, 549, "Wakanui"—80 damaged, 14 per cent. Another company: 257, "Star of Scotland"—59 damaged, over 20 per cent.; another lot of lambs, 69—14 damaged, 20 per cent. Another company: Sheep, 646—63 damaged ("Tongariro"), over 10 per cent.; another line of lambs, 564—130 damaged ("Tongariro"), over 20 per cent.

*A Voice.*—I think you might leave the shipping companies out of it, too, in the naming of ships.

*Mr. Lysnar.*—Still another company: 112 sheep, "Turakina" carried them—12 were damaged, which equals 10 per cent.; another lot of lambs, 126, and 8 were damaged, about 6 per cent. (that is the lowest yet); another lot of 191 sheep—30 were damaged, equals 14 per cent. Now, I think, gentlemen, that proves my case, and I may say that I quoted my own averages for my own sheep that I have shipped, and I have also in Gisborne taken out—not recently, but two or three years ago—a return compiled by the largest sheepowner in Gisborne to-day, showing his averages worked out as mine did; and at another meeting, where we were assembled as a lot of farmers, I made such a statement, and two gentlemen who were large owners said their account sales did not show that. I got an order from them to get the account sales, and I proved that these did establish my statements that the damage claims were 10 to 13 per cent., although these men did not know it. I am sorry, therefore, that Sir George Clifford denied my statements.

*Sir George Clifford.*—I still deny them.

*Mr. Lysnar.*—I took these bills of lading of the different boats as they came, not picking them out, and they absolutely prove my statements to be correct, and Sir George's to be wrong. Now, I promised to show that the farmers were interested in a different way from other people. Mr. Paterson said that the average dividend of the freezing companies had not been large. I ask the farmers not to take any notice of that. I can tell you our own experience, and it applies to other companies if they have worked on the same business lines, and they work probably on better lines. We started with a capital of £15,000, and we own works worth nearly £100,000, and we have not paid a dividend of over 5 per cent.; and yet last year we made a total of £32,000. That was our earning last year.

*A Voice.*—How did you treat the farmers?

*Mr. Lysnar.*—Our articles limit us to 5 per cent.; and I say, if that is applicable to one company it is applicable to other companies, especially when those companies are on better business lines than the Gisborne company. Then there is the question of the shipping companies' interest: To-day we are paying 50 per cent. freight rates more than we used to pay. And we may take a lesson from the experience of Australia. They are the same distance from London, and they ship less meat, yet at the present time—at any rate, within the last eighteen months—they are getting far and away better rates, and that puts them at an advantage as compared with us. Negotiations are pending, and it is within practical reach that we shall get on to the Australian basis of freight rates, and it is to be regretted that the sheep-farmers of this Dominion have tied themselves up with long contracts. It is not in the interest of the farmers to do this. It is the producers and not the freezing companies who pay the rates. If we got on to the Australian basis, £37,000 would be the difference to the Gisborne freights. These mercantile people, such as Mr. Kettle's company, get from 10 to 15 per cent. on our freight rates.

*Mr. Kettle.*—That is an absolute untruth; it is absolutely wrong, and I deny it *in toto*.

*Mr. Lysnar.*—I have your own accountant's statement in Gisborne for it.

*Mr. Kettle.*—I absolutely deny it.

*Mr. Lysnar.*—Well, I can only say that your accountant said that it was so. Either you get it, or somebody else gets it. Some people in this room know quite well that the mercantile people are getting 10 per cent. on the freights.

*Mr. Kettle.*—That is absolutely wrong.

*Mr. Lysnar.*—That means that 12½ per cent. would represent £37,000 the mercantile firms would lose on the Gisborne freights. By amalgamation, wool rates have been reduced to an enormous extent, resulting in a loss to the shipping companies of £202,500. No wonder they object! I shall content myself, however, by saying that I think we should ask the Conference to approve of this motion—it is only a safeguard to the producer; and we should ask the shipping companies, and the freezing companies, and others here assembled to approve of this report, and not disapprove of it. It does not affect them one iota, and it will help the farmer immensely. There are other matters I should like to bring out and show that there is real cause for complaint;