

17. *Mr. Witty.*] Is it a fact that the Board of Trade sells the stuff that is ticketed from certain works to the same companies at Home who have retail shops?—Well, I have heard that mentioned, but it seems to me it would be impossible. You mean a particular line of lamb or mutton goes to a firm nominated?

18. Yes?—I do not think so. I believe they get an equivalent quantity, but not a particular line. They may get a particular line, but it does not follow it is from any particular works.

19. Why should they give a higher price for the lamb here—that is, those who have got shops at Home—than the ordinary freezing-works give, unless they are getting back their own lamb at the other end?—The explanation is that it is owing to the American companies operating at Home, who do not belong to the Incorporated Society of Meat-importers. They are able to manipulate large supplies of South American and Argentine and Patagonian lamb, and they are able to make a loss on New Zealand lamb and use it as a lever to sell South American lamb. If a retail firm say they want twenty carcasses of New Zealand lamb, and the Board of Trade say that any retailer is to be placed in the position of getting a fair proportion of what he wants—but supposing he goes to an American firm which controls large supplies of New Zealand lamb and says he wants twenty carcasses of New Zealand lamb, the American firm insists on his taking perhaps a hundred carcasses of Patagonian lamb before they supply the New Zealand lamb. Therefore I think the nomination is to some extent playing into the hands of the American companies. Of course, it is against my own interests to say so, because we nominate our agents for shipments, and if the nominations were stopped, of course my firm would lose that. But I think regulations should be made to stop the American firms manipulating the market.

20. The same stuff does not always reach the same destination?—No, I do not think so; but as long as they get supplies of New Zealand lamb you see what a lever the American companies can make of it. Before the war the New Zealand mutton and lamb was worth 1d., 2d., and 3d. per pound above the American lamb, but now it is the reverse.

21. That is wholesale, but not retail?—No, I should say not retail. The whole trouble, to my mind, is that the Imperial Government command the disposal of the meat up to a certain point, and then lose control of it altogether. They take control here in New Zealand, arrange shipment of it and arrange agents, but immediately it gets out of the hands of the wholesalers they lose control of it entirely, and consequently the consumer at Home is forced to pay exorbitant prices.

22. Would it not be better for the Imperial Government to control it right to the consumer?—Yes, that is the solution of the difficulty if it could be arranged. Of course they could, as has been suggested, place a maximum price that could be charged to the consumer. Of course, one of the difficulties is that South America has such enormous supplies of beef that the firms handling that beef are placed at an advantage over the New Zealand firms, who have not the same corresponding lots of beef to deal with. I have drawn up a few suggestions, Mr. Chairman, which, if adopted, might be a step in the direction of attaining the object which the Committee has in view. I will not say for one moment that they will cover the ground or go as far as it may ultimately be found necessary to go, but you will agree with me that it is necessary we should make a start with the matter. It has been suggested by many people connected with the trade in New Zealand that we cannot do anything in New Zealand, and that it must be left to the Imperial authorities in London, and that they are the people who have to take the steps necessary to deal with the matter. Well, I do not agree with that. I think if we take the initiative here, and show them we are thoroughly in earnest about the matter, and then ask for their support, it is very much better than leaving it to them to take the initiative.

23. Better than the two combining?—Certainly the two combining is the proper thing, but the initiative must come from us. We must show that we are in earnest in the matter and desire their assistance, and we can only do that by drawing up certain regulations and asking the Government to pass legislation carrying them out, and then ask the Imperial Government to support us in the matter. With that end in view I have drawn up a few suggestions which might be of use, and with your permission I will read them. They are as follows, but I should first like to refer to the aims of trusts. The competing power of trusts and monopolies does not depend on their economy, but on special and unfair fighting-powers which their great size gives them. Their aim is the destruction of competition—first, by attacking the independent works or producer; second, by controlling prices paid, and the amount to be marketed by the farmer, thus restricting production; third, by unfair market conditions and control of prices to the consumer without regard to supply and demand. This is obtained by special rebates to those who handle only their goods; local cutting of prices; selling goods below cost in rival territory, charging higher prices in other fields; cutting the price and underselling goods until they obtain control, but making excessive profits on their controlled goods. To tolerate a monopoly is to vest in a few persons the power to tax the rest of the community. Monopoly is what monopoly does, and the typical act that identifies this unlawful power is the crushing of rivals. The law must protect to secure equal treatment to all. This can be done by State regulation rather than by State ownership. By common law monopolies are contrary to the public interest, and must be definitely dealt with, as anything that restricts output of production and competition is not in the interests of the community as a whole. It has been recognized that no foreign company or firm, or agents acting for or financed by a foreign company or firm, shall own or control any of the primary products of the country. The above should apply to freezing-works and their subsidiary operations, as being linked up with the production of stock and the advancement of settlement and the prosperity of the country.

The recommendations I make are as follows: (1.) Combination to limit the killing or export of stock or to fix prices shall be illegal. (2.) All freezing-works, wherever situated, shall be free to individual farmers or their agents for killing, freezing, and handling of stock at current