

side of Dunedin, so that I could kill down there, I could wipe out the New Zealand Refrigerating Company and kill entirely with farmers' companies. I say the more farmers' companies the merrier, and the producers ought to help them.

If your firm got the offal, would you give back the meat?—Not in New Zealand. Do not misunderstand me. We have not got works in New Zealand, and we do not want any. We want an export license. I hope you will not confuse the thing; let us stick to that.

Are your works connected with any shipping company?—No.

Or any other big works?—Would you put your question again, please.

Is your company or any other of the big meat-packing companies interested in any shipping company?—Not that I know of. I think I am honest in my statement when I say that.

So that no rebates can be given from that source?—No.

What was the reason you gave up the grocery lines?—I would like to explain that. Armour and Co. and all other packers in America have big organizations, and in order to reduce the cost of operating they buy from Jim Jones in California the season's output of peaches or tomatoes, as well as sardines and salmon, all of which are grocers' lines, and sell them in conjunction with meat to grocery stores throughout America. Those are the lines which the packers voluntarily gave up. They were not asked to do it by the Government. The Federal Trade Commission recommended it, and the packers went to the Government and said, "We will get out of this thing in two years," and that was agreed to, but not the meat-packing industry.

Was there not mention of a rice deal?—In the pamphlet there was some mention of it, but I ask you to be broad-minded about it. If there was a big deal made, somebody else made something out of it. Armour and Co. had brains and perhaps made a little money. But I may ask you, How much money do you make in your works?

*The Chairman*: That is not a fair question.

*Mr. Poudrell*: I do not mind answering the question. Any money we have made has been in cooperative works; and the principle is that no meat-dealer enters here, and the company shows as much profit as any other company.

*Mr. Carney*: Out of the farmer.

*Mr. Poudrell*: It is owned by the farmer, and the profits go back into the works, except for the dividend—which is better, I contend, than into the meat-packers' accounts.

*Mr. Carney*: I am not disputing it at all.

*Mr. Lysnar*: What is your share in Armour and Co?—One share.

The value of it?—£5.

In anything you are doing you are trying to make money for Armour and Co?—For Armour and Co. of Australasia.

Of which the main interest is held by J. Ogden Armour?—Armour and Co. of Australasia.

And the main shareholder is J. Ogden Armour?—Yes.

J. Ogden Armour is doing business practically all over the globe?—Yes.

Does your company control or is it interested in your operations after the produce leaves New Zealand?—No, not at all.

It goes out and your interest stops?—It will if we export. Our company will start on its own bottom. I make money for Armour and Co. of Australasia. Armour and Co. of Chicago and Armour and Co. of London have absolutely nothing to do with me, with the exception that Armour has the money; and if Armour had done as others are doing to-day—given me £100,000 and allowed me to operate on my own account—perhaps all this trouble would not have occurred.

How do you treat the produce?—We have nothing here for the treating of it.

But on what basis does Armour and Co. of New Zealand work its profit? Directly you put the stuff on the ship it belongs to——?—To the Imperial Government.

But how are you going to work it?—I will sell my meat to Armour and Co. of London, or Armour and Co. of Chicago, or to W. D. Lysnar if he can pay me a better price, and I will sell it to you f.o.b. in New Zealand.

If you sold to W. D. Lysnar, do you think Armour would allow you to continue as manager, since he has put up the capital?—Yes. He would rather I did not sell to you, but he would not say a word to me. Last year we had a deal in tallow, as others had, and I asked Armour and Co. of London what price they would give for the tallow, but as I could get a better price from Turnbull and Co. of Liverpool I sold to Turnbull and Co.

What price do you take as a basis—the local price? You have been operating for four years in New Zealand?—Yes. We take the Imperial Government price that they pay us for the stuff.

In some years you made a loss and in some years a profit: what did you put the meat in at?—At the price the Imperial Government paid us.

That would show that in some cases you have given more to the farmers than was justified?—Yes.

And you have lost up to £16,000 a year?—In one year. Would you like to know how we lost it? No, I do not ask for it.

*Mr. J. R. Hamilton*: I think it would be a good thing to hear it.

*Mr. Carney*: In the first year we had four bad buyers. One buyer in Auckland lost an immense lot of money; the buyer in Timaru lost us money; the buyer in the Southland district lost us money, and so did the buyer in Ashburton. Further, our competitors got together at that time and said they would prevent us making money, and one exporting company lost £40,000 in that year.

*Mr. Lysnar*: You lost in another year—£16,522 in one year and £13,000 in another year?—Yes; the same thing happened a second time. We were out to get a fair share of the stuff, but we had bad buyers and bad management.

Was it not that you wanted to get the stuff at any cost?—No, absolutely no. Let me tell you that is not so.

You say it is not so?—It is not so.

You have paid no income-tax to the New Zealand Government?—Last year is the first year we were called on to pay.

But you have paid no income-tax?—We have a reserve for income-tax.

Will you please answer the question?—Yes, in my way.