

## MINUTES OF EVIDENCE.

FRIDAY, 27TH AUGUST, 1920.

Mr. L. A. RUTHERFORD examined. (No. 1.)

*The Chairman* : Your full name, Mr. Rutherford ?—Leslie Askin Rutherford.

And your address ?—"Haydon Downs," Woodgrove. Postal address, 27 Nayland Street, Sumner, Christchurch.

And you represent ?—The Sheepowners' Federation.

I understand you wish to make a statement in regard to this petition ?—Yes, sir. I would like to make a statement in support of the petition. I would like to say that I am representing not only the Canterbury sheepowners, but I am representing the Sheepowners and Farmers' Federation as well. I am also representing the gentlemen who sent forward the petition. I claim to be the representative of a very strong body of sheep-farmers. What we ask you to do is to grant this license to the firm of Armour and Co., as we consider we are entitled to free competition. The producers of this country want free competition. If the Government continues to take up the stand that they have done over this matter and do not grant this license, it looks to us that we are not going to get that free competition, and if that is so we consider that it is going to impose great restrictions on the prices we will get for our meat. This firm, as you will see, is quite prepared to work under Government supervision. We know that the Government has the power now under the Act to keep an eye on any firm doing business in connection with frozen meat in this country. I would like to point out that America has proved to us that to shut up a country and only allow competition among a few strong firms is not the wisest policy, and they have now burst up the so-called "Big Five"—the so-called Meat Trust. I understand there are now in America sixty-five independent firms as well as the so-called "Big Five." Now, sir, it has been suggested that we should put a ring round these Islands by shutting out outside competition. Well, if you do that you will have just the same conditions as existed in America before she allowed herself open competition. I say that if you do not grant this license we are going to be placed in the same position. We have trusts here now. Some of the Canterbury firms are trusts. Take the Wellington Meat Export Company here : I say that is a trust. Are we to be compelled just to deal through them ? There is another trust in Christchurch, and there are others in other parts of the Dominion. We would like you to consider this matter very carefully, because we consider it is a matter of great concern, affecting all the people in this Dominion. If I may be allowed to, sir, I would like to ask Dr. Reakes one or two questions.

Yes, certainly. You can do so directly.

*Mr. Jennings* : You favour free trade generally ?—I do, sir.

*Mr. Lysnar* : Have you any evidence to offer, Mr. Rutherford, as to the commercial standing of this firm of Armour and Co. ?—No, sir.

Are you aware that this New Zealand firm is connected with Armour and Co. of Chicago ?—I understand that they are certainly in touch with Armour and Co. of Chicago, but they are quite prepared to work here under the Act—

I am not asking you that. Are you not aware that this company is a fiduciary company to Armour and Co. of Chicago ?—I cannot answer that question. Mr. Carney is here, and Mr. Alpers is here : I think they will be prepared to answer that question. I am not in a position to answer it.

You do not know ?—No. I do not know.

You do not know whether this company is a fiduciary company of Armour and Co. of Chicago ?—No. I have not gone into that question.

With regard to the signatures to this petition, from which districts were they obtained ?—They were obtained from all over the Dominion. Of course, I know that statements have been made by yourself that they were Christchurch signatures mostly—

Mostly Canterbury ?—Mostly Christchurch. I may say that the signatures were obtained from all parts of the Dominion. Certainly a large number of them were from Canterbury.

Was it sent up to Auckland and other places ?—Yes.

Generally all over the Dominion ?—Yes.

Are you not aware that uncontrolled competition in America made it possible for the trusts to shut the American market ? Are you not aware that the American market was shut simply because Armour and Co. and the other large companies were uncontrolled ?—I do not think I would put it exactly like that.

The whole of the trade of the country was forced into the hands of the five large companies, to the detriment of the country generally. Are you not aware that the cause of that was because of Armour and Co. and the other large companies being uncontrolled ?—Being uncontrolled ?

Yes, being uncontrolled ?—That may be so, but at the same time I say that you are asking for that here. We want outside competition.

*The Chairman* : You can now ask Dr. Reakes those questions you mentioned, Mr. Rutherford.

*Mr. Rutherford* : I would like to ask you, Dr. Reakes, has the Department of Agriculture found anything against the operations of Armour and Co. during the four years, I think it is, that they have been operating here ?

*Dr. Reakes* : Well, I can say quite frankly I have not found them to do anything improper in any way.

*Mr. Rutherford* : Do you know the methods by which the proprietary freezing companies carry on their business and the dividends that they pay ?

*Dr. Reakes* : I have a general idea of their methods, but I would not like to say that I can state now what dividends they pay.