

The freight is, of course, a factor in determining the price to be given here on the basis of what will be obtained in the English market?—Yes; but still you have to take into consideration the long railroad haulage of 1,500 miles from Kansas City to New York.

*Mr. Poudrell:* You say there is very poor competition in New Zealand?—Yes; I have attended at the Burnside and Wallace town sales.

In regard to the works you supply to, are they co-operative works or are they proprietary works?—Both.

What system did you work under here?—The system I worked under after the commandeered was put on was to sell my meat to the Government. Some of our stock went to the Bluff and some to Makarewa.

Are the works the sole buyers, or do you allow the American operators to buy the meat?—I always sold to the buyers in the paddocks after my first experience of selling direct to the Government.

In addition to the commandeered Armour and Co. were still operating?—I believe so. There was more competition.

There was more competition?—Yes. The more buyers that came in the better it was for competition.

You are aware, are you not, that the price was fixed for sheep, lambs, and beef?—I am perfectly aware of that.

You contend that it was better for the farmer to sell to Messrs. Armour and Co. notwithstanding the fact that Messrs. Armour and Co. could only give you the same price for your meat as that given by the Imperial Government?—I only sold to the firm of Messrs. Armour and Co. for the last two years.

You still contend that it would be better for the farmer to sell to Messrs. Armour and Co. than to anybody else?—Yes; I would sell to the buyer that gave the highest price.

You still contend that Messrs. Armour and Co.'s operations were in the interests of the farmer?—I was like a good many more farmers who believed that there was only one price for the commandeered meat, and the civil population should receive the benefit of what was not used by the Army. I may say that on one occasion I put my lambs into the works, and a buyer from a well-known firm came to me and asked me to turn the lambs over to him. I told him this could not do him any good as there was only the one price paid, but he said it would do him more good than I knew of.

Did he give you any reasons?—He would have been a fool to give me any reasons. I did not give him any reasons either, because I thought I was going to get as much for my meat as he could get.

Did you?—I could not say, because I did not know what he was getting. That was settled in London.

When they offer you a price do they offer to buy on the hooks or in the paddocks alive, or how do they offer to buy?—I always sold my stock in the paddocks.

If the price was fixed and Armour and Co. could only sell their meat at the same price as the Imperial Government, how could they make a profit out of it?—Three seasons ago the buyers offered £1 15s. for 70 lb. wethers.

That was the limit?—The late Mr. John Begg came down from Balclutha and bought a line of 1,000 wethers and paid £2 per head for them.

I suppose you have heard of men making mistakes when buying fat stock?—Those experts do not make mistakes.

I suppose you are aware that in America the American farmers are very dissatisfied with the methods of the trust?—I have already said that the farmers always kick.

That is the American idea. Are you not aware of the immense ramifications of the company—for instance, they own refrigerating-cars, yards, shops, and so on? Are you not afraid that while they may be a good firm to sell to at the present time, after a while when they get control of the industry they may eventually prove a menace to this country?—They would not be any more a menace than the combinations operating at the present time.

~~Mr. Poudrell:~~ I happen to be chairman of a certain Farmers' Co-operative Freezing-works: I suppose you know that if any profit is made under this heading that goes to the shareholders interested in those works?—Yes.

You consider it would be far better for Messrs. Armour and Co. to own works and put money into the hands of the Americans rather than into our own hands?—If the freezing-works are as up to date as Messrs. Armour and Co.'s and have as good a system of buying, then I certainly say not to allow Messrs. Armour and Co. to come in. As long as the present system exists I say it is better to have outside competition.

Do you suggest that Messrs. Armour and Co. should be allowed to build freezing-works in New Zealand as well as to operate in the meat industry in New Zealand?—Yes, I am quite willing as long as they build up-to-date freezing-works. One man with forty steers put them through the Southland Freezing-works, and it cost him £1 10s. per head to do so. This man asked me what it would cost in America, and I informed him I did not know, but I said I would write to the *Kansas City Star* and find out particulars for him. I may say that this is one of the most reliable newspapers in the United States. My reply was to the effect that they would pay him 7 dollars for putting his stock through, whereas in New Zealand you charge £1 10s. In America they will take the stock from the farmer and hang it up in the freezing-works chamber for a week, and they would give him 7 dollars. That shows you how more they can get out of the by-products than you people can. They work up their by-products to such a high state of efficiency that the farmer gets the benefit.

You are aware that at the present time the co-operative works get all the offal from the sheep. They get the liver, the blood, the tail, part of the fat, and all the rest. Do you still contend that, with the co-operative works getting all this, Armour and Co. can compete and offer a better price?—I cannot answer that question. I can only refer to what I myself have seen at one of these co-operative works. At the Southland Freezing-works I saw a boy with a sledge throwing the paunches out into a field. He was throwing them out with a fork, so that all the fowls and birds and dogs could get a free meal.