

*The Chairman* : What is the acreage of your farm ?—832 acres.

What kind of farming do you carry on ?—Chiefly grazing sheep and cattle.

Do you do any buying and selling in connection with your business as a sheep-farmer?—I buy store wethers and sell them when fat.

Your occupation is solely that of a sheep-farmer ?—Yes.

Mr. W. M. TYERS examined. (No. 9.)

*The Chairman* : Your full name, Mr. Tyers ?—William Morris Tyers.

And your occupation ?—Public accountant.

And address ?—Christchurch.

Will you make a statement ?—Yes, sir, I am the auditor of the company of Armour and Co. of Australasia (Limited), and Mr. Carney has asked me, as auditor, to give the Committee certain information which he believes it requires. Armour and Co. of Australasia was registered as a private company on the 3rd October, 1916, with a capital of £20,000 in four thousand shares of £5 each. I was appointed auditor of the company on the 16th November, 1916. The capital of the company was increased by resolution at an extraordinary general meeting held on the 4th January, 1918, to £100,000 by an issue of sixteen thousand additional shares of £5 each. The purchase-money for the additional shares (£80,000) was received by cable on the 26th January, 1918. The present membership of the company is as follows: Mr. Jonathan Ogden Armour, of Chicago, U.S.A., 19,997 £5 shares, £99,985; Mr. W. Irving Carney, of Christchurch, one £5 share; Mr. O. T. J. Alpers, of Christchurch, one £5 share; and Mr. Norman Lindsay Macbeth, of Christchurch, one £5 share; the share capital totalling £100,000. Now with regard to shares or interests in other concerns: Armour and Co. of Australasia purchased the business of A. L. Joseph and Co., of Christchurch, on the 1st November, 1916, for £5,000. That purchase included goodwill, brands, trademarks, and books of account, but did not include taking over the liabilities. Armour and Co. of Australasia also purchased on the 19th July, 1918, twenty £5 shares in Combined Buyers (Limited). Combined Buyers (Limited) are importers and agents, principally of motors and motor accessories. A great many firms have shares in Combined Buyers (Limited) because of the assistance they can give in connection with motor-cars. The only other interest outside of the business that Armour and Co. of Australasia has is in connection with the New Zealand War Loan. They hold £5,000 worth of inscribed stock, which was taken up on the 29th September, 1919. The company's bankers are the Bank of New Zealand at Christchurch. The company's overdraft is guaranteed by a London letter of credit for £280,000. That letter of credit came through the London office of the Bank of New Zealand. The manager of the Bank of New Zealand tells me that it is not within his knowledge who it was that gave the guarantee. The bank here was simply advised by the London office of the bank that they had a letter of credit—

*Mr. Lysnar* : He was not aware that it came from Mr. J. Ogden Armour ?—No. He assured me that he was not aware that it came from Mr. J. Ogden Armour. I may say, however, that I assume that it was Mr. J. Ogden Armour who gave the guarantee. I am assuming that he would naturally assist the company, seeing that he has practically all the shares in the company. Now as to the amount of the overdraft: The company balanced originally on the 31st October in each year, that being the usual balancing-day for businesses of this class. The company was registered on the 3rd October, 1916, and the first period is therefore for the thirteen months ending 31st October, 1917. For this period the maximum bank overdraft was £246,359. Of course the maximum amount does not tell you very much. That might only be for a day. The average bank overdraft for that period was £153,977. For the second period, from the 1st November, 1917, to the 31st October, 1918, the maximum bank overdraft was £257,852, and the average bank overdraft was £98,430. The third period was from the 1st November, 1918, to the 1st November, 1919. There was one day extra. This was simply because Armour and Co. in America balanced on that day, and we decided to do the same here. The maximum overdraft for that period was £96,040, and the average overdraft was £25,617. The last period is for the ten months ending the 31st of last month. The maximum overdraft for that period was £85,961 and the average overdraft was £13,883. The large average bank overdrafts for the thirteen months ending 31st October, 1917, and for the year ending 31st October, 1918—the first two years of the company—were mainly necessitated by the delay in receiving payment from the Imperial Government for frozen meat. New Zealand frozen meat was requisitioned from the 1st March, 1915, but under the original requisition payment was not made until the meat was actually shipped. It was not until well into 1918 that an arrangement was made for 75 per cent. of the requisitioned price to be paid six weeks after killing, and it was not until the 4th July, 1918, that the company received any relief under this new arrangement. So that an unexpectedly large overdraft had to be provided for during the first two years of the company's operations, an overdraft which would not have been necessary under normal conditions.

*The Chairman* : Can you give the Committee any figures in regard to the purchases of stock ?—No. I have not brought up any of those figures. I believe that Mr. Carney will be able to give you those figures.

WILLIAM MORRIS TYERS re-examined.

*The Chairman* : You wish to say something further to the Committee, Mr. Tyers ?—Yes. I have here a statement showing the profits and losses of Messrs. Armour and Co. of Australasia (Limited) from the commencement to the half-yearly balance-sheet at the 1st May, 1920, which I should like to read out to the Committee. I may say that the company balances half-yearly, and there will be a balance on the 1st November next. We do not know the results of the last four months. The statement reads as follows: "Losses have been made in some periods; profits have been made in others. The losses to 1st May, 1920, exceed the profits by £18,606 14s. 10d. The loss to 1st May, 1920, is therefore £18,606 14s. 10d. This loss, however, includes the writing-off of non-trading assets to the extent of £5,592 7s. 11d. (preliminary expenses, £592 7s. 11d.; goodwill, £5,000),