

1902.
NEW ZEALAND.

FROZEN—MEAT COMMITTEE:

REPORT, TOGETHER WITH MINUTES OF EVIDENCE AND APPENDIX.

Brought up on the 30th September, 1902, and ordered to be printed.

ORDERS OF REFERENCE.

Extracts from the Journals of the House of Representatives.

FRIDAY, THE 29TH DAY OF AUGUST, 1902.

Ordered, "That a Committee be appointed, consisting of thirteen members, to consider the question of the export of frozen meat, and also the prices obtained for stock in both Islands of the colony, and to report to the House; three to be a quorum: the Committee to consist of Mr. Buddo, Mr. Field, Mr. Flatman, Mr. Haselden, Mr. Hornsby, Mr. Lang, Mr. Lawry, Mr. Lethbridge, Mr. T. Mackenzie, Mr. McNab, Mr. G. W. Russell, Sir W. R. Russell, and the mover."—(Hon. Mr. DUNCAN.)

THURSDAY, THE 18TH DAY OF SEPTEMBER, 1902.

Ordered, "That the names of Mr. McLachlan and Mr. O'Meara be added to the Frozen Meat Committee."—(Hon. Mr. DUNCAN.)

REPORT.

1. YOUR Committee regret that, owing to the limited time at their disposal, they have not been able to obtain sufficient evidence to justify them in bringing down a complete report dealing with the large questions relating to the disposal of the frozen meat of the colony in Great Britain and elsewhere. The present may, therefore, be regarded in the light of an interim report, and we would suggest that His Excellency the Governor be requested to set up a Royal Commission for the purpose of taking evidence upon the questions of the branding, grading, transit, insurance, freight, storage, handling, and disposal of frozen meat in the present British markets, as well as in other markets that may be available.

2. The magnitude of the interests involved, and the bearing of the trade on the well-being of the colony, will be seen from the following figures: In 1882 the exports of frozen meat from New Zealand were 1,707,328 lb.; in 1901 they had reached 191,440,971 lb.; while during the first six months of the year 1902 they had reached the phenomenal quantity of 149,058,274 lb. During the year ending the 30th June, 1902, 122,135,878 lb. of frozen mutton, 68,842,800 lb. of lamb, and 31,562,175 lb. of beef were exported from the colony in a frozen state. It is noticeable that while the mutton and lamb trade obtains throughout the entire colony the frozen-beef trade is almost entirely confined to the North Island, the exports from the South Island being only a small proportion of the whole.

3. In order to make the inquiry complete and representative of all interests involved your Committee invited representatives from all freezing companies, agricultural and pastoral associations, and farmers' unions in the colony, as well as individuals of standing in connection with the export of frozen meat, either farmers or dealers, to supply information or give evidence.

4. One of the subjects referred to the Committee in the order of reference was the price obtained for stock in both Islands of the colony, and your Committee recognised that it was expected to inquire into the complaints that have been made, especially in the Wellington and Hawke's Bay Districts, as to the smaller prices that are obtained by breeders of sheep in those districts than are obtainable in the South Island. That these complaints were justified by the evidence submitted to them your Committee regard as fully proved.

5. It was abundantly shown by the evidence of experts residing in the North Island, as well as those who gave evidence with a knowledge of the sheep bred in both Islands, that as things stand at present the bulk of the sheep produced in many districts of the North Island are not of equal value with those produced in the South. This may be accounted for, first, by the breed. The North Island is largely stocked with sheep of the Lincoln and Romney breeds, which, though tending to heavy carcasses, have not the same quality, so far as meat is concerned, as those produced in the South. On the other hand, the South Island breed of sheep has largely as its foundation the Merino ewe, from which the crosses of Leicester, both Border and English, and the Down crosses, have produced a class of sheep which for mutton and lamb is considerably superior to

either the Lincoln or the Romney, while the finer wools which are obtainable from the Merino and Leicester cross have for a number of years past been of greater value in the markets of the world than the coarser wool obtainable from the Lincoln.

6. The evidence given before the Committee showed that the average, taking a 60 lb. sheep, prime Canterbury mutton had a higher value of $\frac{1}{3}$ d. per pound than North Island carcasses, whilst the evidence further showed that the by-products of the southern fat sheep were on an average worth 1s. 6d. per head more in value than those of the northern. Still, after making the reduction of 4s. per head on North Island fat sheep your Committee are of opinion that the prices paid in the Provinces of Wellington and Hawke's Bay are not of equal value to the producer to those obtainable by sellers in the South Island. The reason for this became clear to your Committee from the evidence—viz., that in the North Island there is not the same competition in regard to the purchase of fat sheep that there is in the South. The market system has been considerably developed in the Provinces of Canterbury, Otago, and Southland, and although a proportion—probably one-third—of the fat sheep disposed of are purchased in the open market, yet this gathering of sellers and buyers tends to acquaint both sides with current values, and the result is an average standard of prices which is not obtainable in the North Island.

7. So far as your Committee could gather, until the advent of southern buyers, who have to a slight extent only affected the position in the North Island, there was little or no competition either in Hawke's Bay or Wellington, where c.i.f. buyers have not hitherto operated.

8. One of the great disadvantages which many North Island breeders suffer under is that, the buyers for the companies operating in their districts giving a uniform price, the breeder gets no advantage by improving the quality of his sheep. This is a matter for very great regret, as it is manifest that if quality in meat and in wool is not taken into account in purchasing the improvement of the breed is likely to be considerably delayed in the North Island.

9. The inquiries of the Committee further showed that the methods which are employed in the South Island of providing artificial feed in the winter for sheep do not obtain generally in the North Island. The result, of course, is that in severe seasons the sheep fall back in condition during the winter, and although with the flush of feed in spring they rapidly improve, yet neither the wool nor the mutton, nor the sheep as a whole, reach the condition they would if the sheep were kept improving during the whole of the year.

10. In Wellington District the principal buyers of sheep for export to the Home market are the Wellington Meat-export Company and the Gear Company; and in Hawke's Bay, Nelson Bros., and the North British and Hawke's Bay Freezing Company. The method of buying appears to be that the buyers for these companies have their own clients from whom they regularly purchase fat stock. Whether it be by coincidence or accident your Committee have been unable to determine, but it has been conclusively proved to them that the buyers for these companies in their respective districts invariably work upon the same basis and offer the same prices. The result is that the farmer is either compelled to sell to them at the price offered or make some other arrangement. Apparently the method of the buyers of the companies is usually to purchase first the heaviest sheep offering, leaving smaller weights for subsequent dealing.

11. An explanation of this is found in the fact that in the North Island a system obtains of exporting legs and pieces. Out of 529,886 legs and 308,394 pieces exported from the colony during the six months ending the 30th June, 1902, only 388 legs (exported from Port Chalmers) and 4,402 pieces (exported from Lyttelton) were from the South Island; the whole of the remainder came from the North Island. So far as your Committee can learn, these are the exports of the heavy-weight sheep which are the first purchases of the North Island buyers. As a further explanation it may be stated that in the South Island the exports are chiefly two-tooth sheep, whereas in the North Island sheep of greater age are frequently exported, and a considerable proportion find their way to the London market as legs and pieces.

12. The position, therefore, of the small sheep-farmer whose operations are not on a sufficiently large scale to freeze on his own account, or whose financial position may not justify him in doing so, is that he is either confined to selling to the companies at the prices they offer, or to hold his stock at a loss after it is ready for market, or to sell it locally, or take the chance of forwarding it to some distant market, where if there should not be outside buyers present he may again have to fall back upon the export companies.

13. These remarks apply to both the Wellington and Hawke's Bay Districts, and cases have been cited before your Committee in which sheep have been forwarded to the Addington market and have there realised higher prices, after paying the cost of transit and all other charges, amounting to about 3s. 6d., than were offered on the farm by the buyers of the meat-exporting companies.

14. As to whether the values that have been offered to the farmers are fair, your Committee had placed before them a document which they regard as conclusive. One of the witnesses, who had frozen on his own account 3,000 sheep during the earlier months of the present year, placed a table before your Committee showing the prices at which one of the Wellington companies was buying sheep at the same time, and also the result that he obtained by freezing on his own account. The result was as follows: That upon 3,000 sheep there was a gross surplus of profit made of £554 13s. 2d. Deducting from this £60 for insurance, a net profit was cleared of £494 13s. 2d., being at the rate of 3s. 3d. per head over and above the price which the producer would have obtained had he sold his meat to the company with which he does business. It is quite true that the same gentleman for the previous year handed in a return showing that upon 16,065 sheep he had by the same method made a loss during the year 1901 of £962 7s. 1d., less £129 0s. 6d., being items on which he made a surplus. This leaves a balance of £833 6s. 7d. to debit, to which has to be added £231 16s. 10d. for insurance, showing a total loss on the 16,065 sheep of £1,065 3s. 5d. as compared with what he would have received by selling to the company. But whereas the prices

for the 1902 shipment were based on 10s., 11s., and 11s. 6d. for mutton, which your Committee believe to be the values offering during those months to farmers for fat sheep, the prices during 1901, when the deficit of £1,065 3s. 5d. was shown, being, roughly speaking, a loss of 1s. 6d. per head on the 16,065 sheep, ranged from 16s. to 13s. 7½d. for nearly the whole of the sheep, the average probably being about 15s. 6d.

15. As already indicated, your Committee are of opinion that the steadier values obtained for sheep in Canterbury are the result of the marketing system there, and until some method can be devised of concentrating fat stock for sale at various centres in the North Island, thus attracting a larger number of buyers, there is not much prospect of an improvement in the prices. Clearly, while the sheep-farmer is shut up to two or three possible buyers he has not the advantage which necessarily springs from the competition arising from the gathering of a number of purchasers all competing for sheep for export.

16. The remedy appears to your Committee to lie in the setting-up at suitable centres in the North Island of fat-stock markets, and to this end it might be desirable for the Minister of Railways to consider how far it is possible to revise the railage rates on fat stock for export, with a view of encouraging the setting-up of such new markets.

17. The present supply of fat sheep unduly taxes the capacity of the North Island freezing-works, and with the certain growth of the trade it appears clear that unless increased accommodation is provided difficulty will be experienced in handling the sheep fit for export.

18. Unfortunately, there appears to be little prospect of a combination being set up amongst the farmers themselves, which combination your Committee regard as a direct solution of the difficulty if it could be arranged. Were a co-operative association organized by which a number of sheep-breeders in different districts could combine for the purpose of jointly having their meat frozen and sold on their own account the present difficulties would soon disappear, as in that case, no doubt, *c.i.f.*, buyers would be prepared to deal direct with the association for the purpose of purchasing sheep at this end, or, if thought desirable, an association which controlled a large number of sheep would be able to arrange for its marketing at the other end on better terms than a single individual is able to do. This, of course, is a matter for the farmers themselves to arrange, and were such an association as is suggested started it ought not to be difficult to arrange for advances being made to the purchaser upon his factory receipts. This would provide him with working-capital, and would secure to him the profits (if any) which now go into the hands of the purchaser of his stock.

19. One of the witnesses from the Canterbury District, Mr. Waymouth, of the Canterbury Frozen-meat Company, informed the Committee that though his company had never been a purchaser of meat for export it nevertheless has developed a system of making advances to sheep-farmers and dealers against stock passed through the hands of the company for freezing, and frequently, though not necessarily for sale, through them as intermediaries. This system, apparently, does not obtain at the North Island factories, and your Committee is of opinion that if the North Island companies were prepared to apply this method to their business a considerable improvement would be effected. On the one hand the company would be paid its freezing-charges, and thus would be guaranteed payment for its labour and the employment of its machinery and methods, whilst on the other hand the sheep-farmer would obtain actually the price which his sheep brought when finally sold in the open market.

20. The chief evil in connection with the sale of New Zealand frozen meat in London and other United Kingdom markets appears to be that it is within the power of individual owners, salesmen, or agents to weaken, and in frequent cases to cause a decided slump in, the market through placing quantities of mutton or lamb upon it at inopportune times and at less than current rates. Whether any remedy can be devised for this is an open question. Your Committee have sought from every witness capable of giving an opinion his advice as to what is possible in the matter.

21. The suggestions that have been made are, first, that exporters should be required to declare their selling agents in London. Of course, it would be manifestly difficult to legislate to this effect, but the desirability of the suggestion being adopted will be evident. Another proposal made to your Committee has been that a central Board should be set up in London, which should have power, as is done in regard to the sale of Argentine meat, to fix the prices from day to day, and thus to regulate and control the sales so that slumps could not be caused through the exigencies or caprices of individual salesmen and owners. This may be at present regarded as idealistic, but the trade will never be on a sound footing until this is done. On the one hand there is the right of the individual owner or seller to do his business as suits himself, but, on the other hand, the time has surely come when, in connection with a trade so great as has been stated in the former part of our report, the power should be withdrawn from any individual to damage the market by offering meat at less than current rates and thus slumping the market for days and even weeks.

22. The evidence which has come before your Committee shows that the number of places in the United Kingdom at which New Zealand meat is sold represents only a very small proportion of what should be possible; consequently the Agent-General and the Produce Commissioner in England should be instructed to make careful inquiries as to what the prospects would be of shipment direct from New Zealand to other ports than London, especially to those which would reach the great manufacturing and distributing centres.

23. Suggestions have been made by various witnesses that Government assistance might be afforded to the industry in some form or another, but your Committee recommends that this question should be considered by a Royal Commission to be set up by His Excellency the Governor.

D. BUDDO,

Chairman, Committee on Frozen-meat Export.

30th September, 1902.

MINUTES OF EVIDENCE.

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TUESDAY, 9TH SEPTEMBER, 1902.

WILLIAM NELSON, of Nelson Bros. (Limited), Tomoana, Hawke's Bay, examined. (No. 1.)

1. *The Chairman.*] You are aware that you have been communicated with with the object of asking you to attend and give evidence before this Committee on questions concerning the frozen-meat export trade, the price of meat, and other matters connected therewith on which you may think fit to give evidence. Would you care to make a statement to the Committee in reference to any improvement you think might be desirable, either in the shipping or the sale of meat, or other matters connected with it; or would you rather that your evidence be confined to answering leading questions?—I think I would rather answer questions put to me, because I might wander off into matters you would not like me to speak about.

2. *Mr. Lawry.*] It has been stated before the Committee that there is a great discrepancy between the prices of sheep in the North Island and in the South Island for freezing purposes. Is that so?—There is a difference between the prices of some Canterbury sheep and some North Island sheep. I do not know whether I can describe it as a discrepancy, because it is easily accounted for. The explanation is simple.

3. What is the explanation?—I think I would like to begin by saying that the critic—the outside man who criticizes this question of value of the North Island sheep against the South Island sheep—speaks in a rather airy way of sheep as being necessarily the same, and that all sheep are alike, whereas, as a matter of fact, they vary enormously. I think the best proof of what I mean by this can perhaps be arrived at by referring to Canterbury's own yards—that is, at Addington. In the Addington yards every week there is a difference in the price paid for sheep, and I imagine it is on account of their value. There is a difference of 5s. to 8s. and 9s. between one pen of sheep and another pen of sheep. Now, if in the Addington yards there can be all that difference, then it is quite easy to understand there is a difference between some North Island sheep and Canterbury sheep of from 5s. to 9s. I have seen them myself at Addington yards, where there is that difference between one pen of fat sheep of 5s., and a difference of up to 9s. per head—some pens selling for less than other pens. The difference between the best Canterbury sheep and our North Island sheep is entirely due to the breed, and in Hawke's Bay, the district I come from—and it applies chiefly to the whole of the North Island—our sheep have a Lincoln basis, a Lincoln sheep being admittedly a profitable sheep for wool, but a very bad sheep for mutton. In Canterbury, on the other hand, they have high-class Merino crossed with some other breed—either with Leicester or Down sheep, but without a particle of Lincoln blood in their veins. It will be absolutely impossible for us to get such sheep, because we have to get rid of the Lincoln strain. That is the difference between the Canterbury and North Island sheep. The Lincoln man in Canterbury cannot grow mutton such as the man who produces it from Merino with a Leicester or Down cross. Then, the Canterbury man takes a great deal more trouble in feeding the sheep. We have the misfortune to breed sheep, frequently feeding them badly.

4. *Mr. G. W. Russell.*] You said "misfortune"?—Yes, because it is a misfortune. We can grow a good article there, but it is a different article to the South Island sheep, and is not the best for mutton.

5. *Mr. Lawry.*] The same argument would apply to the two islands with regard to fat lambs?—We are getting nearer together very fast. Some years ago there was a vast difference between the two, but we can get a little bit nearer with the lambs because we can grow North Island lambs with a Down or Leicester father. For some reason or other the lamb carries the mark of paternity more than the sheep does; but, on the whole, Canterbury lambs are better than ours.

6. Generally speaking, is the quality more uniform in Canterbury than it is in the North Island?—I should think it is; but there is not the same difference between Canterbury and our lambs as there is between the best Canterbury sheep and our sheep.

7. *Mr. Field.*] When comparing Canterbury sheep with North Island sheep, what do you consider, speaking generally, is a fair difference in price, in point of actual value: What should be the difference in price between a North Island sheep with a Lincoln foundation and a first-class

Canterbury sheep—say, a 65 lb. wether?—That is a question one can only answer indirectly; but I should expect to find a difference between a 65 lb. sheep, such as we grow, and the best 65 lb. Canterbury sheep of 4s. or 5s.

8. We are speaking of sheep fit for freezing purposes?—Yes.

9. Can you account for this: It has been the experience of men in the North Island that they have sent sheep to Christchurch, and after having paid the necessary expenses, amounting to nearly 3s. a head, the sheep have realised in Addington yards considerably more than they were offered for them here?—Yes, that is quite explainable. You refer simply to the fact of sheep sent from here realising more than if they had been sold here?

10. Yes?—That is simply accounted for by the butcher's-shop figure in Christchurch. The meat sells at from $\frac{1}{2}$ d. to 1d. per pound more than for North Island sheep. I imagine that difference in the value of mutton is determined in Christchurch by the butchers freezing mutton, and you may take it as a fixed point that 90 per cent. of the sheep going from the North Island find their way to the butchers' shops—that is, all the big sheep that are sent South. I have had complaints myself on the same ground. I have had a man offer 5,000 sheep in a line. He picks out 250 of the 5,000 and sends them down to Canterbury, where he gets a good price, and then holds that up as an example of what a low-down man I must be to offer him so little for 5,000; but it is an absurdity, of course.

11. How do you account for the difference in price between the meat in Christchurch and here?—From the fact that $\frac{1}{2}$ d. to 1d. per pound higher is obtained for it, and the best North Island sheep are sent down; but that is no criterion as to these big sheep comprising all the mobs of sheep sent forward. I have been told by the people who have complained to me that they know these sheep are frozen. I have asked them how they knew they were frozen, and they have replied, "Because the Christchurch Meat Company have bought them"; but my informant does not know that the Christchurch Meat Company are the largest butchers in Christchurch, and the sheep they buy are not mixed with their own sheep. It is ridiculous to say they would sell their own sheep in their shops while the North Island sheep are good enough.

12. You say the best of our North Island sheep go to Christchurch. Do you mean to say they are only second-grade sheep that are exported from the North Island to the Home market in a frozen state?—If you compare them with the best Canterbury ours are distinctly second grade.

13. You say there is a difference of 4s. or 5s. in value?—Your question involves two points. You asked me about a 65 lb. sheep for freezing purposes, and then the difference between sheep sent from here and sold in Christchurch.

14. How do you account for this, that in the London market a first-class North Island sheep will bring within a shilling of a first-class Canterbury sheep?—I am not aware that that is so.

15. A halfpenny or a penny per pound is the difference between North Island and Canterbury mutton?—That is not exactly so. The difference has generally been, for the last year or so, about $\frac{3}{4}$ d. That is the cable quotation, but even cable quotations do not cover the whole ground.

16. I think you will find that $\frac{3}{4}$ d. is the difference between the Meat-export Company's brand and prime Canterbury, which is about 8d. a sheep?—I would remind you that it is not always $\frac{3}{4}$ d. It has been $\frac{1}{2}$ d. and $\frac{3}{4}$ d. during the last few months. The cable quotations are always of necessity somewhat misleading. I have been at Home many times myself and have found there the difficulty there is in saying what is exactly the figure to cable. I have been in the office of my own company in London when we have had to determine the figure to be cabled out here. It is a difficult thing to settle, but you may take it as a fixed point that there are a considerable number of sheep sold both above and below the cabled price. The nearest average they can get at is cabled, and the Government Agent says that is the average; so that there may be always a few thousand sheep which would probably show a difference not only of $\frac{1}{2}$ d., but of 1d. and $1\frac{1}{4}$ d. between some Canterbury and some North Island sheep, and sometimes $1\frac{1}{2}$ d.

17. In that case the cable messages are not of very much use to us?—They are not of very much use to the producer, but they are of great use to men like myself. I know exactly how to interpret them, but the public find a great deal of difficulty in interpreting them in the way they would wish. To the man who can interpret these cables they are of value. But another very important item in the difference between the best Canterbury sheep for freezing purposes and the North Island sheep is this: It comes back to the breed once more. For the breed of sheep grown from Merino crossed by a Leicester to-day the value of the wool is 9d. to 10d. per pound; from my own premises at Tomoana our Lincoln is worth $4\frac{1}{2}$ d. per pound in London; and not only so, but we get nearly all our sheep frozen when there is a very small amount of wool on them. We get an average in six months of $3\frac{1}{2}$ lb. of wool valued and sold in London at from $4\frac{1}{2}$ d. to 5d. a pound. The high-class Canterbury sheep, due to better feeding and attention, grow such an enormously better fleece that there is not only $4\frac{1}{2}$ d. to 5d. per pound paid for ours, but 9d. to 10d. per pound for theirs, which is just double the price.

18. That does not affect the market at Home for the sheep?—I had to explain to you why a frozen sheep was worth 5s. more in Christchurch, because part of that value was made up at Home and here. There is an enormous difference in the wool, amounting to several shillings, because in Canterbury their sheep are killed later than ours, and there is more wool on them, while the wool is more valuable. Added to that the sheep is very much better fed, and produces three times the amount of fat. They are full of fat, whereas our sheep often have practically none. Our average of fat during the whole year is $4\frac{1}{2}$ lb., while in Canterbury sheep it is a very common thing to have from 12 lb. to 14 lb.

19. You said that the fleece of a Canterbury sheep, taking the ordinary sheep used for freezing, is worth 2s. or 3s. more than a North Island fleece?—Yes; but you must not take it at all stages

and in all conditions. It is the period at which we take the sheep that has to be considered. If we fellmonger a skin with 1 lb. of wool, the cost of taking the wool off and selling in London would be 2d. a pound, that leaves us 2½d. It will only cost 2d. to do that in Canterbury, so that when we get the wool to London, where we get 2½d. they get 7½d. In my case expenses nearly halve the value of the wool, and theirs take only one-fourth. Speaking roughly, the difference is made up in the London value, which may be from 1s. to 2s. The difference in value in the wool may be anything from 2s., and the difference in fat may be anything from 1s. to 2s., so that the difference of 5s. between the sheep can be quite easily arrived at. It depends a great deal upon when the animal is taken.

20. Do you know anything of the complaints that have been made rife in this part of the colony for some time past that there is no market here for North Island sheep: that is, that there is only one buyer, or, in other words, there is a monopoly? Suppose a man in the Lower Wairarapa district is not going to freeze on his own account, but has some freezing-wethers for sale: he looks round for a market, but finds that there is only one price, owing to there not being any competition. He finds that he can get exactly the same price from the Gear Company and the Meat-export Company: you know of these complaints, of course?—Yes, I know of many complaints, but I know of no foundation for them. I look upon it as a very natural thing that there should be people who think that their sheep are worth more. The buyer, whether he represents Nelson Bros. or the Meat-export Company, or the Gear Company, knows that a sheep is worth so much, because there is the London market to work on. There is the value of the sheep to sell, and a good buyer would know the value within 2d. of what the sheep was worth. Under these circumstances it would be a most surprising thing to me if these buyers should be very far apart. Further than that, I should think it would be a ridiculous suggestion.

21. Do you know anything about a "fighting fund" which has been set apart for the purpose of fighting those who go into the market?—As you ask me that question I would like to say that I have seen a document which states that the Gear Company, the Meat-export Company, and Nelson Bros. have this large fund. I can only say that it would give me immense pleasure to ascertain where that fund is. I do not know where to look for it, but if I did I should very soon lay my hands on it. I do not know the purpose to which it is devoted; but I know to what I would devote it if I could find it.

22. You said it was only natural there should be one price, and that a fair price, for sheep. Take the case of a 60 lb. North Island freezing-wether. Assuming that a sum of 11s. 6d. was paid by a company for that wether, and that the wether was sold in the English market for 3¾d. per pound: that is getting £1 for the carcase in the Old Country, while 11s. 6d. is paid for it here. Do you think that 11s. 6d. is a fair price to pay?—I think it would be almost impossible to suggest what is a fair price. There is no such test that would give you the information that you would want. The position of that would be this: I might state that my own company are very considerable dealers in sheep. We buy some seven or eight hundred thousand every year, and naturally have a fair amount of knowledge of the workings not only of the purchasing but selling portions of the business. The profit that a freezing company makes in buying sheep is such an enormously variable quantity that no man could attempt to say what is a reasonable amount. Sometimes it would be absolutely necessary for my firm to make so much profit as 7s. or 8s. or 10s. per head, and we do it. But if a sheep-farmer were to become aware of the fact that we ever made 10s. a head on his sheep he would not hesitate at once to say that we had defrauded him, and done something that was improper. If, however, the sheep-farmer saw the other side of our books he would find that unfortunately in an enormous number of instances we have lost not only 10s., but a good deal more than 10s. per head on such sheep. There are times when our losses are simply enormous, and naturally there are times when our profits must appear to be excessive; and the only wit required in the meat trade in the colony is to try and know exactly how to make the balance of profits and losses come out on the right side. As far as we have gone in our twenty years' experience we have been able—I tell you at once—to make a profit of 10s. a head frequently; but unfortunately we have made ten-shilling losses oftener.

23. It is stated that 11s. 6d. is given for a sheep; that sheep is sold in the Old Country at £1, and the by-products are worth 5s. I quite understand that if you had made severe losses you could only give 11s. for that sheep, although to the c.i.f. buyers at Home it is worth £1, and the by-products are worth 5s?—I do not know that the by-products are worth 5s. Of course many of these assertions that have been made in print about the value of by-products are made at random. They are misleading, and in many cases they are untrue. There is no fixing a figure at what the by-products may be worth.

24. Take the average fluctuations in the market?—There are fluctuations in the value of the by-products. Take the difference in the value of the fat. If you take a sheep and fatten it with very great rapidity, as we can do in the North Island—in my own district we can get sheep fat enough to freeze inside of six weeks—it would have no inside fat at all, but outwardly it would be fat. The inside would not have a couple of pounds, while if fattened during the previous twelve months it might have 12 lb.

25. The main items are the pelt and the fleece?—That is a jump again. Take the fat: 2 lb. at 2½d., that would be 5d.; take 12 lb. of fat, and it would be 2s. 6d. That is a difference of 2s. on that one item, so that you see it all depends upon the sheep. Then there are some cases in which the wool is finer than in others, and out of a mob of two thousand or three thousand sheep you might pick up a number which would have fine crossbred wool on them. That wool might be proportionately worth 4½d. to 9½d. a pound, or in its net result it is worth 2½d. against 7½d.

26. I will read you an extract from a paper I have:—"The pelt and wool of a prime sheep are worth upwards of 3s., and the fat, tongue, kidneys, runners, oil, manure, and other parts are

worth more than 2s., making the total value of a sheep's raw by-products over 5s." You say that is a random statement?—Yes; taken at random, on the face of it. Surely it must affect the question whether there is any wool, or whether there is none. There may be 2 lb., 4 lb., or 10 lb. of wool on a sheep.

27. Would you fix the minimum and maximum of the by-products of a sheep?—There is the element of discrepancy—the wool is included in that 5s. The pelt of a full-woolled sheep may be worth 5s., but what those items are that you read off at 2s., I do not know where you get them from. Those items depend mainly upon the fat. The fat may be anything in value, as it depends on the value of tallow; but in every one of these questions the great element of risk is the one that the sheep-farmer and the gentleman who acts as critic on behalf of the sheep-farmer entirely leave out. Nothing illustrates this better than tallow. A year ago we were buying sheep, the fat of which was worth 1d. per pound, while now it is worth 2½d. We are buying on the basis of 2½d., and possibly before we have sold it it will be down to 1d. The sheep-farmer critic takes not the slightest notice of that risk. There is a gain of £10,000 one year, and perhaps £10,000 loss in another, and he takes no notice of the latter. All our work from year's end to year's end is based on the knowledge that we have got to lose on some sheep, because so certain as it goes up to a high price, and we keep on buying, so certain it is that it will come down to a low price, and we have got to lose. The sheep-farmer's friendly critic is never about when the freezing companies are losing money. He is then absent.

28. Have they lost money for years past?—It is not part of my business to speak for other companies. I know that as lately as last year we lost a large sum of money on our purchases; but equally so I am prepared to say that we made money the year before, and if we had not we should have been in a very bad way last year.

29. You apparently run a risk which other companies I could mention do not appear to run to a very large extent—namely, you do not wait until you have got an order before you buy your sheep?—No. I suppose you refer to the Meat-export Company?

30. Yes?—They take an enormous risk in wool and tallow.

31. I mean to say that they have the orders from the Old Country before they buy sheep here?—Of course, I am not in the inner circle of the Meat-export Company, but I know that this must happen: that they have no difficulty whatever in getting orders for all their meat on a rising market, and I am tolerably certain they have a difficulty in getting orders for meat on a falling market. Last year, when on the downward grade, they probably found great difficulty in getting rid of their meat, and lost large sums of money.

32. Is it conceivable that one company, whose method of doing business may be different from that of other companies, may be making a loss at the same time as another company is making a profit?—Yes, it is the case. One company—the Belfast Freezing Company—never can lose money unless they change their method. They only freeze—they never buy.

33. Is it conceivable that a company by concentration may be making money while another company is losing money at the same time?—Yes, I should think it is possible, from my own personal experience only.

34. You said it was not astonishing that the price of sheep should go up and down exactly at the same moment for each company, because prices depend upon the loss or gain of previous years. How could that price be uniform if one company had lost and another gained previously?—I did not say that prices depended on the loss or gain of the previous year.

35. As a sheep-farmer my experience in this part of the colony—between Palmerston North and the Wairarapa—is that sheep can go up and down in value at the self-same moment. The price is fixed for wethers off the shears at the beginning of the season. At a certain date it goes up as the fleece grows—precisely at the same moment. Can you account for that except by the combination of the companies?—Yes. I do not know whether we are to suppose that the companies are business companies or not, but if any business concern is to make money I take it that they must take the best means they can for running the concern wisely. Naturally, then, every buyer and every chief interested in the freezing business always keeps himself posted up as well as he can in regard to everything going on in the district. The experience of one company which guides his action may be useful for the other company to guide its actions. Sometimes we have knowledge of the value—or probable value—of the meat in London, and we do not hesitate to give that information to other freezing companies. We should think it rather a low-down thing if we did not. That may partially answer your question. If I thought I saw a big rise or fall coming I should, as a decent business-man, tell my mate what was likely to happen.

36. If I had a line of sheep only just fit for freezing purposes and a sheep-buyer came along and gave me 11s. a head for them, and for the inferior sheep of my neighbour he gave 13s., which makes a difference of 2s. a head for my sheep, which are worth more, do you think that is fair?—I have heard that assertion, exactly as you make it, before; but I find that there is this huge difficulty: that everybody thinks his sheep are better than everybody else's—there is no solitary exception to it. The Freezing Company, when it has to take the responsibility of buying these sheep, has to use its own judgment.

37. Supposing I have a very coarse variety of sheep: I am growing coarse wool, while my neighbour has a good variety of Down or Leicester sheep—really good mutton. How is it that the freezing companies in this part of the colony will only give the same average price for coarse Lincoln or Romney Marsh as for the Down sheep?—I cannot speak for what happens in this district, but when tallow is at a high price it makes many coarse sheep worth more than other sheep. A few years ago freezing-sheep were worth more than boiling-down sheep, but now boiling-sheep are worth more than freezing-sheep. In my own district my figure has varied more than 4s. a head. I bought freezing-sheep for 8s. 6d. and 12s. 6d. in the same week. They have been down as low as 8s. 6d. for freezing-sheep. I have myself frozen some thousands of sheep averaging

from 50 lb. to 50½ lb., and that means that there are sheep in that lot down as low as 40 lb. Now, is it conceivable that any man can be such an idiot as to go round the country and give a full price for 40 lb. sheep? I cannot help thinking that if one could get into the inner circle of these other companies it would be found they had a better method of buying than is indicated. I cannot think it possible that any buyer in this district would buy—I want you to be careful in listening to what I say—a mob of sheep averaging 50 lb., and give the same price as he would give for a mob of sheep averaging 60 lb.

38. Do you know what the average price is in the butchers' shops in the Old Country that is paid by the consumers of New Zealand mutton—that is, the man who actually eats the shoulders and loins?—The last time I had the means of seeing myself the butchers were selling legs at 6d. per pound—6d., roughly, for the best joints downwards.

39. 6d. per pound all through?—No, not all through. 6d. and 7d. for legs, down to 2½d. for necks.

40. What is the average price?—The amount sold at 2½d. would be considerable; after you have taken off the legs and loins what remains is not high-class meat.

41. I would like to have the average price?—I do not profess to be an expert in the English market. I took the trouble to ascertain the cost of selling the meat, and any one who wishes to criticize the difference ought to keep that in his eye. Whatever the difference in price the cost of selling remains constant. The average cost is pretty big.

42. *Mr. G. W. Russell.*] Your firm had shops in London, had they not?—No. That is a common belief, but we have not. We are often confounded with Messrs. James Nelson and Sons, of Liverpool.

43. *Mr. Field.*] The people you are connected with are the distributing company?—The Colonial Consignment Company, but they are not retailers.

44. But they do arrange for the distribution of the meat?—Yes, very largely.

45. You do not sell through a buyer in London?—No.

46. I thought you would perhaps see something more of the retail distribution at Home?—Only for curiosity. When I am at Home I see these prices, and they vary with the prices of meat; but it is a very misleading quantity.

47. What was the average price, speaking generally, that the consumer had to pay in the Old Country for good New Zealand frozen mutton? You say up to 6d. and 7d. for the better joints and 2½d. a pound for the worse portions?—That was the result of my inquiries about a year ago, They offered me a leg for 6d. a pound.

48. Do you think it would be 5d. all through?—No; there is so much waste in a sheep.

49. You say that as far as you know the better class of joints never bring more than 7d.?—I did not say that; but, speaking generally, I should say so. That would be roughly. When our meat goes up to 5½d. wholesale they could not sell a leg of mutton at that price. Our meat a year ago went up to 5½d., so they could not sell it at 6d., and there must be times when they would want something near 1s. for legs. There is nothing in the way of fixing a standard, because our mutton varies so enormously and so rapidly. When I was at Home a year ago the average value of mutton in London was 3d. and 3½d. a pound, but we could not sell it in sufficient quantities.

50. At the present time, or very recently, a 60 lb. or 65 lb. wether was being bought here by the freezing companies for export: the quotations in the market at the present time at Home, which are fairly reliable, are 3½d. a pound—about 17s. a sheep. The by-products are alleged to be worth something like 5s. It is stated—I think truthfully stated—that that is about the best state of things for the sheep-farmers that we have ever had in this colony. That seems to allow for a very large margin of profit, and when it is the best state of things in this colony should not the price very largely increase next season?—I do not know at all. No wise man who has ever been connected with the meat-freezing trade would venture to give an opinion about what was likely to happen next year.

51. You say the price one year should be largely a guide of the price next year. You said there were very large losses very often which made it incumbent on you to earn a profit of 10s. on sheep bought from farmers because of the previous year's losses?—Always on a rising market we make considerable profits; and equally always we make on a falling market considerable losses; and it is a question not only this year or next year, but how long it will be before it rises and how soon it will fall. A year ago it fell for a whole solid year. For a solid twelve months we did not sell a single sheep except at a loss. We lost on every sheep for twelve months more or less.

52. Are there any others besides yourselves buying in Hawke's Bay?—Yes, there is the North British Freezing Company, and there are always a few southern buyers.

53. *Mr. Lethbridge.*] Do not Messrs. Abraham and Williams buy too?—Yes.

54. *Mr. Field.*] Do you think the market here, speaking generally, is satisfactory to the producer?—I think exceedingly so. I wish the producer could take my position. He is always right. I am astounded myself at the producers' utterances. I am a producer myself, and I am treated exactly the same as every other sheep-farmer, and I am well satisfied. He has no item of risk. If he thinks he is being got at, why does he not ship for himself?

55. It is within your knowledge that the small man does not do that, is it not?—Yes. I have frozen seven thousand sheep on owners' account in the last three years.

56. How is it they will not do it?—Because they are too wise. They prefer me to take the risk rather than themselves.

57. They will take the cash and have done with it?—They will continue to take the cash, in spite of this Committee or anybody else. I have had written requests during the last month or two not to buy a sheep. I thought, the first time that request came to me, the gentleman was facetious, and was trying to pull my leg; but the palpable answer to that is that the gentleman who feels that way should decline to sell his sheep, then I could not buy.

58. *Mr. G. W. Russell.*] Who asked you not to buy sheep? What interest was involved in it?—It was the outcome of numerous meetings of so-called farmers' unions, and other meetings which have been offshoots of it in connection with methods of dealing with meat. We were asked to stop buying. I thought the thing was chaff; but I am told that the cure is that we shall not be allowed to buy anything, and that the sheep-farmers shall put all their sheep in a great "scoop" and deal with them somehow. I am asked in the meantime not to buy; but if they do not sell their sheep I cannot buy them.

59. Do you think it is satisfactory for a man to freeze 50 lb. wethers on his own account and send them to the Old Country without knowing what is to become of those sheep?—I do not think any small man can afford to freeze on his own account. That is my private opinion. I would be willing to freeze anything on owner's account. It is not that he will not get full value at the moment, but if he happened to strike a bad market it might ruin him.

60. Do you consider the present method of marketing our meat satisfactory or unsatisfactory; and, if unsatisfactory, have you anything to suggest by way of remedy? I mean in the matter of consigning, adjusting, or grading, or in reference to markets or anything else: you have said that shiploads coming into a market cause the market to become congested, and so forth?—That is one very important factor that is being emphasized year by year, and it is a matter which is largely in the hands of the sheep-farmer, if he would take the trouble to render assistance to the trade generally; and that is, that he will insist, the moment his sheep is fat, on the freezing company taking it—he will not wait. As a sheep-farmer he is right, but from a frozen-meat-trade point of view it is essential that the meat should not be put on the market all at one time. Up to a few years ago the shipping companies were being very much harassed because they could not find tonnage enough to take the meat away, but now they have supplied the tonnage, with the result that the meat gets to the market very much quicker. Then, there are complaints in this district that there are not sufficient freezing-appliances; but supposing there are more put up, and they freeze faster, and the meat is carried faster, and gets to London faster, it will mean that in a short time the whole of the products of the colony will be in London within seven or eight months of the year, and for four months out of the twelve there will be no meat. Now, that is one of the greatest difficulties the London market suffers from.

61. A business regularity?—Yes, the loss from the high price for mutton we had about two years ago. Mutton went up to 5½d. a pound, and that did the greatest injury the trade has ever had, for this reason: because it is most commonly believed that most of our mutton is sold as English mutton. As a matter of fact the frozen-meat trade for the million—that is, the largest consumers—is entirely a distinct thing from the sale of fresh meat, and the men who sell this meat can only sell it at a price, and if the meat goes up to 5d. and 5½d. a pound, these men disappear—they are lost altogether. Our own experience was this, that we lost some hundreds of our regular clients, and we lost them at this period of high prices. These men were able to supply themselves with River Plate mutton, and, much to their astonishment, they found that River Plate meat suited them—that, for their purposes, it is equal to New Zealand—and they have never come back to us. That is simply the Colonial Consignment Company's experience, but all others who had mutton to sell had the same experience. The statistics we have had show that there are over one thousand butchers buying River Plate meat as a result of those high prices.

62. *Mr. Hornsby.*] With regard to the breed of the sheep: in this district the course pursued is that the buyers take the largest sheep whenever they go to the sheep-farmer. They simply take away the largest sheep they can lay their hands on, and yet the freezing companies always say that the farmers are breeding a small, compact sheep. Can you tell me whether that obtains in your district or not?—Undoubtedly it would.

63. That the buyers would take the biggest sheep that they can get hold of?—Yes; first.

64. Can you give this Committee any hint at all as to why it is that, while the freezing companies ask that the farmers shall produce a small, compact sheep for freezing purposes, they always take the biggest sheep they can get?—The first answer is that if the freezing company has a client it buys sheep from, this client's sheep must be taken. The buyer has to take the lot before he is finished with them, and naturally he would take all the fat sheep first. It is not a question of the biggest; it is a question of the fattest.

65. I am speaking of the largest?—Supposing it to be large and fat he would naturally take the largest first, because the largest will get larger, and he has got to take them all.

66. Do I understand you to say that in your district you look forward ultimately to buying the lot?—Certainly.

67. Then, it would be news to you if you were told that, with regard to the Wairarapa, the buyer comes along, drafts the sheep himself, and will not have anything to do with the balance of the sheep after he has had his pick. The farmer knows that he will never come back again after he has picked out the prime sheep. Does that obtain in your district: In the case I mention the farmer has to sell the balance of his sheep in any way he can?—I do not understand the condition in the case of a man not coming back.

68. He will not take the balance of the sheep. I understand you to say, in answer to Mr. Field's question, that ultimately a sheep-farmer would look forward to selling the balance of his sheep to the freezing company, even after the first draft of fat sheep was taken from his flock?—Yes.

69. As a matter of fact, does the buyer go back in Hawke's Bay?—Certainly; he goes as often as he thinks there will be any more sheep ready. If I were turned loose into a mob of sheep that I knew I would not see again, if there were sheep in that lot varying from 50 lb. to 90 lb., and if tallow was £38 a ton in London and mutton was 3d. a pound, I should then unquestionably take all the heavy sheep and boil them down—that is, if limited to a certain number; but if, on the other hand, tallow was only worth £19 a ton in London, as it was a couple of years ago, then

I should do the reverse. I do not know whether that question of tallow conveys to your mind everything. The expense of handling tallow is £9 a ton when its selling-value is £19 a ton, and when its selling-value is £39 it is still £9 a ton; thus in the former case the net return is £10, and in the latter £30 per ton.

70. Would you be surprised to know that settlers in the Wairarapa district, after taking an infinity of trouble to get a buyer to come and draft their sheep, find that the buyer drafts the sheep himself, takes the biggest sheep, and will not take anything less than 60 lb., and then will not come back to that man again?—That condition of things is inconceivable to me.

71. That absolutely exists in my district?—It is quite inconceivable.

72. Now, with regard to lambs: last season they would take nothing under 40 lb. lamb; now they offer 10s. a head for lambs. At the same time 40 lb. lambs were bringing 14s. at Addington yards. Can you give me any idea why there should be such disparity in the prices?—Do I understand you to say that the freezing companies decline to take any lambs under 40 lb.?

73. Yes?—I do not know how to answer that question. I am not a parliamentarian, but if that statement were made to me I should simply not believe it.

74. I make the assertion: Samuel Cundy, the buyer for the Gear Company, and Sandy McKenzie, the buyer for the Meat-export Company, would touch nothing in the way of lamb under 40 lb.?—Well, I cannot believe it.

75. You do not believe my statement?—You do not know that of your own knowledge.

76. Yes, I know that of my own knowledge; and I know that the same lamb was bringing 14s. a head on the London market?—It is so utterly impossible for that to be true. A man taking nothing less than 40 lb. lambs would mean that he was taking the lowest value of lambs he could possibly procure. He could not deal with them. It is against common-sense. The best average of lamb is 36 lb., and to get an average of 36 lb. you would require to have lambs from 30 lb. to 40 lb. An average of lambs of nothing less than 40 lb. would be absolutely unsaleable in the London market. You will excuse me for saying that I cannot grasp the position. I answer the question by saying that it cannot be true.

77. With regard to the understanding between the companies, I understood you to tell Mr. Field that you did not know of any understanding between the different freezing companies: Have you seen what Mr. G. P. Donnelly said at a meeting of farmers in Hawke's Bay in regard to that matter?—No, I have not. I have heard that he talked a great deal of twaddle, but I do not even now remember what it was, because it was so astounding that I did not allow it to take root.

78. Are you aware that certain southern buyers were to go into the district, and they did not go at the rate specified or understood, and that it was because of an understanding that they were under not to go past a certain boundary in the North—that there was an understanding that kept them from going past that boundary? Are you aware that Mr. Donnelly said that to a meeting of sheep-farmers?—I should think it possible he may have said it.

79. Do you think there is any truth in that?—I cannot tell, of course. I have no means of knowing. By that I mean I do not know who the understanding was with. I do not understand what understanding he referred to. It was certainly no "understanding" that I know anything of.

80. With reference to the difference between the quality of sheep in the North Island and in the South, are you aware that several lines of sheep—rather large lines—were sent down from the Wairarapa and sold at Addington yards at only just a shade under the price paid for Canterbury sheep in competition in the open market?—I am aware that a number of sheep went down from our district and were sold within a shilling or two a head of some Canterbury sheep, but not of the best Canterbury sheep; that is to say, there are some sheep in Canterbury that are not worth more than a shilling a head above ours; but there are some Canterbury sheep that are worth 5s. or 6s. a head more than ours: so that they might easily sell as you have indicated.

81. Suppose that in the *Lyttelton Times* market report—giving the name of the owners in each case, the name of the station and farm from which the sheep came—that in that report attention was drawn to the fact by the *Lyttelton Times* that these sheep from the North Island had been landed the day before from the steamer and had been put into the Addington yards after all the loss and waste which must have occurred during the journey from the Wairarapa, and that these sheep brought within a penny or two of the price paid for the best sheep in the Addington yards? The *Lyttelton Times* called attention to that—are you aware of it?—I should not be surprised at that, but I was not aware of it.

82. In reply to some question put to you by Mr. Field you said that the sheep-freezing business was a very risky one. Now, how do you account for a clear profit of 35 per cent. per annum paid by the Wellington Meat-export Company for the last three years?—I would not attempt to explain anything that was done by any other company than my own.

83. I just want to emphasize the question which you have answered already—that is to say, you say the difficulties in the way of small men freezing their own sheep are such that you would look upon them as very foolish men to freeze on their own account?—I did not say there was a difficulty in the way. The reason I gave is a private reason: that they could not afford to take the risk. A man might strike a low market and it might ruin him. Any man shipping on his own account ought to ship twelve times a year.

84. Do you attach any importance to the Government Representative's (Mr. Cameron) caution to shippers in this colony not to send too many "tags"—not to send too many parcels?—It would be very much better for the trade if the whole thing were concentrated. The best cure at the London end for it, and if one could get the sheep-farmers to take a little more interest in the business, is this: that concentration is distinctly wanted. The object of concentration really is to do away with what I should call tinkering with the trade. We suffer very much from the constant efforts from this side to improve the trade. The

attempt to be always improving the trade is one of the greatest evils that exist in the London market. Every new man who goes in to improve the trade has got to spend the first few years in learning what we have been twenty years in learning. Meantime much mischief has been done. If the meat could be concentrated in the hands of three or four who are chiefly interested in the Home market, the trade would then have the best chance it can have.

85. How do you view the idea of branding the meat and grading it at this end: I know the companies themselves grade, but how would you view the branding and grading of the whole of the meat of New Zealand before it was sent to the London market?—I think branding would be the greatest curse that could happen to it: it would be very bad indeed. Anything that would disfigure the meat would be distinctly bad.

86. Supposing it did not disfigure the meat?—It would be an expense without gaining any point whatever. When the meat reaches Home the butcher who gets hold of it does not care twopence what is upon it. He does not attach any importance to any brand that can be put on. He buys what he wants, and if he wants it will give full price for it. The consumer neither knows nor cares. He does not know where the meat comes from and does not concern himself about it. But anything in the shape of disfigurement would be bad, and if the branding is done it will prevent the meat being sold as English meat. To my mind I do not think I am endangering my soul in my desire to see every pound of New Zealand meat sold as English meat. As a matter of fact, it is not sold as English, and we never shall sell it as English meat. The proof of that is that no retail butcher would be found to buy English meat at 8d. per pound if he could buy New Zealand meat at 4d. which he could sell equally well. If he could palm off New Zealand meat as English he would do it and make the greater profit.

87. If, as you say, there is no use in having a distinctly New Zealand brand on our meat so that he who runs may read, why is it that prosecutions have taken place at Home, where dealers have been fraudulently selling River Plate mutton as New Zealand mutton?—I look upon all those prosecutions as “rot” and a great waste of time. There is no good done by them. I have already put it into writing, and repeat it, that the time will arrive when the River Plate people will prosecute us for selling our meat as River Plate meat. I saw River Plate meat opposite our own store, and it was in every respect better than ours. I do not say it is all like that, but they have some meat equally as good as the Canterbury sheep.

88. *Mr. Haselden.*] As a sheep-farmer, and also an exporter, do you consider a cross between a Lincoln ram and a Merino ewe would turn out a good sheep for freezing purposes?—It certainly would be a good sheep for freezing. It would not be so good as the Leicester cross. A Leicester is a very much better sheep than a Lincoln, and it is desirable, if you can, to keep every bit of bad blood out of a sheep. You cannot in Lincolns get rid of the difficulty of the fat being in junks in one place, whereas the Leicester will put it all over, and there is so much less lean in the Lincoln in proportion to the fat that it must deteriorate the value of the mutton. That is why all our North Island sheep must for twenty years be inferior to the best Canterbury, because we have nothing but the foundation of the Lincoln to work upon, and it takes a good many years to get through the first generation.

89. Is not the Canterbury Merino the best foundation?—Yes. The “comeback”—that is, the Merino ram with the Lincoln ewe—produces the most unshapeable carcass; it has all the faults of the Merino—the high shoulders and crooks on his back, every imperfection—although the crossing reversely with the Lincoln ram and the Merino ewe produces a shapely sheep, and the English butcher attaches so much importance to shapely sheep. I take it that a shapely sheep makes the best joints.

90. Would it be better to cross the Leicester on the Lincoln or on the pure Merino ewe?—To get the best freezing-sheep, and supposing every other condition can be carried out, there are cases in which the country must determine what you shall do. You cannot lay down a fixed law as to what every man in the colony should do; but, supposing the country to be suitable, I cannot imagine anything better in the present day, if a man can procure the Merino breeding-ewes, than to cross them with Border Leicester sheep, with a Down or a Leicester to follow.

91. We can get the Merino ewe cheap in the Hunterville district. Should we continue to work into the Merino ewe?—No.

92. We should work into the Leicester?—Yes, or go into the Down after all.

93. But Wellington and Wanganui buyers will not look at sheep with a trace of Merino in them?—That is the trouble. You do no harm in keeping the ewe as a Leicester. On the West Coast they will not look at anything with Merino blood in it because the country will not carry it: they go wrong in the feet. I think there must be something wrong about this matter. I have lost the run of my ordinary source of getting half-bred Merinos because they have always been paid more for by the Wellington buyers than I could give.

94. I saw in the papers that Mr. Donnelly was offered 9s. for sheep in Hawke's Bay, and they were sent to Addington and averaged 16s. 7d., the transit cost being 3s.?—It is a little difficult for me to answer that question, because it is known that Mr. Donnelly is very cautious in the way in which he speaks; but I think that on this occasion his memory must have played him pranks. I should suppose the real answer to the question is that at the commencement of the freezing season we started operations at 9s., which no doubt Mr. Donnelly was offered; but this price improved, and we offered up to 11s., and so on. He allowed a period to elapse between our offer, and the sheep gradually increased in value by growth of wool and so on, and the market improved in our district up to 3s., and then he quotes the price which he got.

95. If they cost 6s. in going down to Addington, that has nothing to do with the price there?—I reckon there is a difference at any time, owing to the price in the butchers' shops, on that basis alone, of 3s. to 4s. I have mentioned that before.

96. *Mr. Haselden.*] Would your buyer give the same price for a 60 lb. freezer as for an 80 lb.

freezer—the same class of sheep exactly—or is there a difference in the price according to the value of the sheep?—If I were offered to-day a mob of sheep that would average 80 lb. I would give more for that mob than for a mob averaging only 60 lb., assuming that I had knowledge that one would average 80 lb. and the other 60 lb. That is to-day, while tallow is high.

97. I do not mean considering tallow at all; I mean for freezing, not for boiling-down sheep. Which sheep do you get most profit out of in the London market?—That is a variable quantity that would depend upon the London market. To illustrate that, I cut up every sheep I had last year over 60 lb. until the last two months of the season; then I began to freeze them up to 70 lb., and if sheep had been scarce I should have frozen up to 75 lb.

98. We are told to breed sheep of 65 lb. and yet they are the last the freezers take up; and we have been educated up to believing the 65 lb. sheep are the best sheep in the London market?—That is only going over the old ground again. At one period big sheep may pay and at another period smaller sheep may pay.

99. *Mr. Lethbridge.*] You say that it would not be of use to brand sheep in New Zealand. If the brands were put on by Government officers and all mutton was passed by veterinary surgeons as perfectly healthy, would that be an advantage?—We have that now, but I do not attach the slightest importance to it. It is piling up expenses. Government inspection costs us £1,000 a year in all our places. The sheep-farmer goes on piling up all these expenses and the sheep has to pay them eventually.

100. What about Government grading?—Government grading would be a most preposterous thing to attempt. The difficulty first is as to who is capable of grading sheep. That is a most difficult thing to decide, even for the companies' own requirements. But if we get an army of Government graders they would assume that they were Heaven-born graders and there would be trouble. The grading of butter is a different matter, because you can condense that; but if you take a thousand sheep and grade them there are a hundred samples that can be picked out by a really expert butcher, and we cannot afford to have sheep cut up into a hundred different grades. We, as a purchasing company, have naturally spent our lifetime in finding what we want, and the Government grader would probably tell us that we wanted something else. If I was forced to abide by the Government grader's decision I should cease to buy sheep. I had a great complaint brought against my mutton because in Wellington they ship two grades of sheep while at Tomoana they only ship one, and this was looked upon as a preposterous thing on our part. The man came to inquire, and went into our works and found that the difference was that we did not ship our second quality at all, but put them into the pot. If everybody did the same thing it would be good for the trade.

WEDNESDAY, 10TH SEPTEMBER, 1902.

Examination of WILLIAM NELSON (No. 1) continued.

1. *Mr. T. Mackenzie.*] I will touch on matters connected with the shipping, landing, and distribution of meat in the Old Country: have you much damage now reported on your meat going Home?—No, very little.

2. Are not the rates of insurance you pay considerably less than those some of the other companies have to pay?—I am afraid that is a question I cannot answer. It is all done in the London office, and I do not know what they do pay. At one time I know we paid considerably less, but now the ships employed by other companies have been much improved.

3. Was there not another reason why you paid less—because you did not claim unjustly for damage?—Yes; that is well known. Of course we never make any frivolous claims.

4. After the vessel arrives in London, will you mind describing the mode of discharge and conveyance, say, up to Blackfriars store: does it not go into cool-barges?—All our meat goes into insulated barges after arrival, and thence to the store, where it is all sorted into lots for the different owners and different grades, and is then sent straight away down into the freezing store.

5. You have probably noticed that a great many people going Home from the colonies have recommended the erection of a sorting-shed down at the docks: what is your opinion?—Nothing could possibly be equal to the arrangements we have ourselves. A sorting-shed would simply mean one more operation. Sorting never can be done easier than when the sheep come out one at a time from the ship.

6. As a matter of fact, would it not expose them to damage, and mean double sorting?—Yes; and a second risk of damage.

7. You do not favour that suggestion?—No; I am distinctly against it.

8. *Mr. Field* referred to the distribution at Home: is your system a wide system of distribution?—Yes; we distribute the meat everywhere.

9. How many agents have you in England?—I do not know that. The starting-point of our distribution is that the whole of Great Britain is cut up into sections—I think, seven or eight—and at each of these sections we have a traveller at work, and always have had for the last fourteen or fifteen years. In addition to these sections, in most of the important towns we have a store of our own, or have an arrangement with people who have stores, which makes it practically the same thing. In addition to these we have a very large number of country clients that we supply year after year.

10. Direct from Blackfriars?—Yes, direct.

11. I have seen a map of your system of distribution: have you got one here?—I am sorry to say I have not; but I could get one sent down from Napier.

12. Will you do so?—Yes.

13. That map shows approximately the ramifications of your business?—That shows what it was ten years ago. But there is no spot you could put your finger on an inch apart where we do not distribute meat.

14. Did you notice any remark by Mr. Graham Gow, New Zealand Government Commissioner, about the difficulty of obtaining New Zealand meat in Cardiff?—Yes, much to my astonishment, I did. Cardiff is one of the places we have had a store at for years. I do not know that it is our own store, but it is a depot.

15. Outside your company is New Zealand represented there by any other company?—There are, of course, a great many people selling meat all over England, but not to the same extent probably.

16. Have you heard that the Christchurch Meat Company was specially represented there by a shop?—I do not know that I have.

17. What do you think of that remark made by the trade representative actually hired by the Government to report on the distribution of meat at home?—Well, I think somehow that when anybody—the ordinary onlooker—talks about meat he seems to talk at random. England is full of frozen meat all over it. The fact that seven million carcasses are sold there is evidence that it must be so.

18. With regard to sale, you have a fixed charge covering all costs?—Yes.

19. Do you mind saying what that is?—Speaking of the Colonial Consignment Company, they have a standard charge for selling meat of 0·35d. without insurance and 0·45d. with it. It has been a great bone of contention that the Colonial Consignment Company's charge is too high; but we believe ours is the proper method of conducting the trade, and that is treating every one alike. Now, if a man sends his meat into the Colonial Consignment Company's store the charge is uniform whether it is there for a week or for three months, unless anybody interferes and says his meat must not be sold when we think it ought to be sold, and then we make an additional charge. But so long as the meat is there to sell at our discretion the owner of it is not charged for any additional storage. The point is that there is no inducement to sell in a hurry in order to prevent charges. I have known cases where the nominal charge was $\frac{1}{4}$ d., and it went up to 1d. a pound. That is in cases where the nominal charge is $\frac{1}{4}$ d., but with storage at per week after a certain period.

20. Then the Colonial Consignment Company, I understand, are not buyers of meat, but sell on commission?—They are not allowed to buy. I might say that the company was formed at my own request, because I found that Nelson Bros. as sellers and purchasers of meat were looked upon with disfavour. The whole concern is run entirely independently of Nelson Bros.

21. A good deal was said about the heavy profits of freezing companies, and you remarked that you had only received moderate dividends for twenty years: do you mind telling the Committee what your dividends have averaged during the twenty years?—I do not think I can. I know that on account of our losses on meat we had to write off £2 a share to enable us to get into the position of paying dividends again.

22. What are your shares?—£10. We wrote off £2 in one lump to meet losses on meat. For four or five years we paid no dividend at all, but since we knocked that £2 off our capital we have been paying 5 and 6 per cent.—never more than that.

23. It has not averaged more?—No. When we froze on owners' account we made money. We paid dividends of 10 per cent. for several years, but then they ceased.

24. Do you know the Army and Navy Stores of London?—They are one of our clients we supply meat to.

25. Referring to the question of distribution again in connection with what has been said by the Trade Commissioner, I may say that I have been fortunate in getting a report of your Blackfriars store. [Produced.] This covers about fifty-seven pages, and there are about forty lines in each page. I suppose it is fair to assume it is made for distribution among a thousand people. It is called "The Country Delivery." As far as I can see you do not actually reach the retail buyers, but you supply small shopkeepers and hotels?—We supply small shopkeepers, but I do not know about hotels. We have set ourselves against doing anything that will interfere with the trade. If we begin to fall foul of the butchers, and they come to combine against us to do battle with us, we should simply have to collapse. That means that the man who wildly suggests that we ought to turn retail butchers does not know what it would mean. It would mean attempting to displace the butchers all over England. What commercial man would think of starting out one fine morning to do that? It is simply impossible.

26. You believe in using the existing channels?—They must be used; you cannot do without them.

27. I see on page 13 of this report that it has a wide distribution. For instance, there are fifteen sheep divided out to thirteen people, going to Bromley, Belfast, and so on. With regard to beef—page 27—I notice that fourteen fore-quarters are distributed amongst ten persons. Then on page 43 I notice that as low as one haunch of mutton of 20 lb. is sent to a person and half a sheep to another person?—If they write for it they get it forwarded.

28. In sending away small quantities like these, are you able to get better prices than by selling in bulk in the market?—Yes.

29. Is a small consignor charged the same rate as a large one?—Yes; a small owner is charged exactly the same as the man with six thousand sheep.

30. The 0·35d. covers everybody?—Yes.

31. And you consider that, as nearly as possible, you reach all the people that can be reached under the present arrangements of your system?—Yes, certainly.

32. *Mr. G. W. Russell.* You spoke of "selling to shops": These are not butcher's shops, but ordinary shops which might want a leg of mutton?—They are butcher's shops generally, but we supply to anybody. We do not interfere with the trade.

33. *Mr. T. Mackenzie.* You urged yesterday concentration in the handling of consignments?—I began to urge concentration twenty years ago, and persisted in it for twelve years without success, and then gave it up. Now other people are taking it up.

34. What kind of combination is possible now if carried out on voluntary lines?—I know of no method by which it can be done, unless any man should be clever enough to draw up a scheme by which all the works in the colony would be under one management, all the sheep sent away under one management, and all the farmers worked under one management.

35. *The Chairman.*] Every farmer who exports his own?—I say all the meat in the colony, to make the best of the trade—although I look upon it as an impossibility—should be shipped under one control. So long as there are these hundreds of instances where people are working against each other, so long shall we not get the best out of the trade. I feel very strongly on the point, because there are so many propositions nowadays. There are proposals now about “pooling,” and the moment you start “pooling” you get a difference. Mr. Field mentioned yesterday the difference there was between his sheep and his neighbour’s sheep, and I made a remark which he might have thought facetious, but it was not.

36. *Mr. T. Mackenzie.*] You do not think it will ever be brought about voluntarily?—I do not. If Mr. Seddon were here and said he would take the lot, I suppose he would do it.

37. Do you remember the disastrous slump that occurred in lamb in 1897?—Yes.

38. Perhaps you will remember that that was entirely brought about by want of combination?—Yes. There is a slump at the present moment brought about by want of combination. Mutton might just as well be 1d. a pound more as not.

39. That slump of 1897 was brought about by one man who received a lot on consignment?—Yes, that is so. I feel satisfied myself that, notwithstanding all the talk of to-day, eventually the price of meat will be lower than it is now; but that fact only shows the necessity for getting all the improvement in our methods that can be obtained. If this combination existed the price of mutton would still be lower, in my opinion. It will be lower because of the outside competition. Australia will soon come into the market again, and the Argentine will be larger producers. If any efforts should be made to bring about some such arrangement it would be as well to make it as large as possible.

40. With regard to the west coast trade of Great Britain: that is, Cardiff, Manchester, Liverpool, and the Glasgow trade. As you are aware, there is no direct shipping there at all just now. The meat is landed in London, and distributed. Would you be in favour of the Government offering a subsidy to steamship companies to run their steamers up to those ports?—Well, no, I should not. The question of subsidies to steamers: I would rather your question was put in another way, if you would permit me to say it: that is, whether it is a practical suggestion to send vessels up to those ports. I do not believe in Government subsidies, speaking generally. The sending of vessels to these numerous ports I look upon as an unpractical suggestion. It is the matter of detail that makes it unworkable. In the first place it is very expensive. The sending of sheep by vessels up the coast is supposed to be a cheaper method than sending sheep by rail; but, as a matter of fact, these vessels are now so big that the expense of converting such steamers into coasters would be very heavy. I tried to get an estimate from a shipping-man, and he said he could not send a steamer to Manchester probably under £1,000. The fact that our New Zealand ships must go to London eventually on account of their general cargo is another difficulty. But a more important detail is this: that the different ports of England require different classes of mutton, and it would be almost an impossibility to send fifty thousand sheep to Cardiff and fifty thousand sheep to Manchester, or any other port, where the whole of that fifty thousand sheep would be adaptable to the requirements of that particular market. There is one market, perhaps, that takes heavy sheep of 80 lb. or 90 lb., and another port would take very small ones. London takes the best mutton it can get, so that, in fact, all sheep must go to London, as being the great sorting-shed of Great Britain. There are different weights of sheep and different qualities of sheep, and all have to be discovered, and at Cardiff, perhaps, the better class of sheep would have to go to London to be sold, to enable their full value to be realised.

41. You mean that certain classes of mutton suit certain trades, and that those trades are catered for?—Yes. The Argentine trade has had, in the past, a uniform article, and does not trouble anybody. They will have troubles later on.

42. *Mr. Field.*] Do you think, if we shipped to different ports, we should have to sort the mutton at this end?—Yes, there should be an expert at this end to sort the mutton, and he could not do it. If a butcher wants a 6 lb. leg he would not take a 12 lb. one. It is quite a common thing for us to have to sort out three cargoes at one time to get individual classes of sheep that our customers want at the moment. One of the greatest grievances against our company was that we did not take a ship and sell it straight out before tackling another. It was not fair, it was said; but we could not do it, because we could not get out the different classes of mutton required daily.

43. Supposing you had a parcel of 40 lb. to 50 lb. lamb to sell, and another parcel between 30 lb. and 40 lb., and you had these to sell in large lines, which would be bought by the buyers in preference?—The 30 lb. to 40 lb. lambs, of course. Those over 40 lb. would be often worth less by 1d. a pound. It is, comparatively, an unsaleable quality.

44. *Mr. T. Mackenzie.*] Would you characterize the sorts running from 35 lb. to 36 lb. as distinctly gilt-edged sorts?—We have now established a 36 lb. average, and the community needs to understand that when we talk about “40 lb. and over” lambs there would be 40 lb., 50 lb., and 60 lb. lambs among them—there would be really mutton among them. The 36 lb. average means 32 lb. to 40 lb. One man wants 32 lb. lambs and another man wants 40 lb. lambs; but we sell one thousand lambs of the 32 lb. class to ten of the other. In the meat trade there are always certain things happening which are contradictions to anything one might say. If the market happened to be very empty of lamb you could sell anything temporarily.

45. You are speaking of abnormal conditions?—Yes. Anything that may be said in connection with the meat trade is subject always to some illustration which may show it to be apparently wrong.

46. Would a man in the trade think that lambs over 40 lb. would be preferred to lambs under 40 lb.—or if a man made such a statement, what would you think of him?—If he was a man in the trade I would say he was a fool.

47. Do you think it is possible in the Home market just now to improve on your system of distribution?—My answer is this: I should be rather egotistical perhaps in saying that, but I would like you to believe that what I say is true. I do not think at the present time, so far as our own work goes, that any system could possibly be better; but our system is so neutralised by the action of other people that we are becoming powerless. The action of our company is really to nurse others. We do a good deal to nurse the trade which other people are able to take advantage of, and we are the only people of such large interests that we cannot afford to do otherwise.

48. *Mr. G. W. Russell.*] You have had a very long experience in connection with frozen meat?—Yes, as long as most people.

49. Have you, through the whole of that time, been buyers of mutton for freezing on your own account?—Of course, in the earliest days we simply froze for other people as long as they would freeze with us, and when they would not we had to buy. They were not sufficiently satisfied with the results of freezing on their own account, and we had to buy.

50. You were prepared to freeze for them, and when they declined to give you the stock you had to go into the market as buyers, and have been operating in that way ever since?—Yes, we have offered every opportunity to people to freeze.

51. How would your charges for freezing compare with the charges of the Belfast Company, or Christchurch Meat Company, for the same work: have you any idea?—Yes, there is a difference in our charge of $\frac{1}{8}$ d. a pound.

52. More than they pay?—Yes; but one-sixteenth of that eighth is additional money out of pocket by having lighterage at our port and additional wharfage as against the others. But it is more than accounted for by the excessively small number of sheep we do as compared with other companies, and this subdivision of work by a multiplicity of freezing-works is a most serious element at the present day. The more freezing-works the more it is going to cost to do the work. As a matter of fact, the profit we make in Hawke's Bay out of freezing for owners is less than any other company in the colony, but the actual difference in charges is $\frac{1}{8}$ d.

53. But that is only consolidated charge, and is not represented by your charge for freezing as against the other companies. I want you to discriminate what proportion of that money goes into the pockets of your company and what you distribute to the Government in railway fares, lighterage, wharfage, and so on. What you mean is that, although the consolidated charge is $\frac{1}{8}$ d. more against you, you, as a freezing company, do not get that money?—We charge, as I say, $\frac{1}{8}$ d. more than southern companies will freeze for speculators. I mean that if anybody comes up into our district we encourage him to the extent of $\frac{1}{16}$ d. in order to get him; but that is $\frac{1}{8}$ d. higher than the Belfast people charge, but $\frac{1}{16}$ d. is money out of pocket for lighterage, wharfage, and so on, and the other $\frac{1}{16}$ d. is explained as greater expense owing to the small amount of work we do.

54. I understand you to mean that if an operator comes into your district, in order to encourage him you do the freezing at $\frac{1}{16}$ d. less than you charge an average client?—Yes.

55. Is that sixteenth out of one-eighth in the increased cost below that of other companies?—No; that is the difference given to outside clients. The Belfast and Islington people freeze for such people, so that in comparison I want to put the two men alongside one another.

56. You are aware that the inquiry had been largely brought about by the complaints of North Island breeders?—Yes.

57. Have you ever heard of any complaints among sheep-producers in the South Island—that is, analogous complaints to those of the North Island producers?—I do not know that I have. I have not heard that they do complain.

58. Do you not think, if a complaint were general in the South Island that the farmers could not get a reasonable price for their mutton, that you would have heard of it?—I think so.

59. Can you account for the fact that there is this general seething complaint as to the prices sheep bring in the North Island, whereas these complaints do not exist in the South?—I must refer you to the answer I gave yesterday, that the action of the North Island farmer is absolutely unaccountable. I do not suggest that he tells untruths, but there have been fabrications in connection with this matter. One gentleman in my district stood up at a meeting and made the assertion that Nelson Bros'. charges were from 3s. to 4s. a head more than those of Canterbury. Now, at the moment that man was speaking, about 4s. 3d. covered the lot, including freight to London, yet that was seriously held up as one of charges against us.

60. Does that 4s. 3d. include your taking the by-products?—That is all we get for freezing.

61. Independent of the cash, do you take the by-products?—Yes, but they are very small. They are the same as in Wellington.

62. Are you aware that the Christchurch Meat Company not very long ago offered to kill all the meat for the butchers in Christchurch at their works, and take as their payment the by-products only?—I do not know. That term "by-products" is such a doubtful quantity; it might mean anything from 2s. or 3s. to 2d. or 3d. It would be a very great point as to where they ceased. In their case they might have stopped off at any point.

63. Of course, you have in your works the opportunity of manipulating anything that can be converted into money?—Yes. All the by-products you refer to are the sheep's tongue, manure, and oil, and a certain amount of dirty fat—gut-fat. As far as the dirty fat is concerned, it is an uncertain quantity, and the manure and oil are infinitesimal. All these things are looked upon by outsiders as so much to the good, omitting the cost of manipulating the article. The tongue, of course, is a fixed quantity, and worth 1d.

64. Have you never heard of any cases in Hawke's Bay of shipments of sheep to Canterbury

bringing actually more net profit than the sheep-farmer would have obtained for them if he had sold at the current rate in Hawke's Bay?—Yes.

65. Do you consider that the explanation you gave as to the quality of the sheep of the North Island fits into cases of that kind? How do you account for it? If there have been shipments of sheep from Napier to Addington, and these sheep have brought, say, 3s. more, net, than they would have brought if sold at the current rate in Napier, how do you account for the difference in price?—I do not know that that has happened.

66. I think I could produce to you a gentleman not very far away—in these Buildings, probably—who could quote a case to you?—I do not know of it. But, there again, it is like what I was saying to Mr. Field: there is hardly a thing that you can say but what a solitary instance can be brought to prove the inaccuracy of it. What you say might happen, because the sheep might have struck the Addington market at a time when mutton was scarce, the same as sometimes happens in London. I know of many instances of sheep going from Hawke's Bay which have not made any profit whatever, and there are several instances in which money has been lost. I am not aware of the case you quote, but I look upon it as quite possible that it might happen. But it would prove nothing. If this could be done, and done with any sort of certainty, is it reasonable to think that a single sheep would stop in our district? Do you not think they would all go to Canterbury? The law of supply and demand is what settles these matters.

67. You do not think that the question of risk and the difficulties of arranging the shipping and transporting so far would enter into the mind of the sheep-farmer as an element at all?—I do not know what they would do, but I know they would get this additional money if they could.

68. Have there been many southern buyers in your market?—There have always been a few. The southern people are represented by many agents in our district.

69. Outside your own company are there many persons operating in the purchase of sheep for freezing?—The North British Company buy for that purpose.

70. Where do they freeze?—At the Spit, at Napier.

71. And you and they are the principal buyers?—Yes; they are local buyers.

72. Is there any arrangement between you and that company for the purpose of regulating the values you will give for sheep?—Absolutely none. I say that most emphatically. I will go still further than that, and say that a few years ago, when it was not a sin to conduct trade on trade principles, I have frequently endeavoured to make such arrangements. I have endeavoured to make other freezing companies see that making money was part of the business of their company, and that it was better to stop in their own district and make money than to go poking about in other districts and losing money. I had to object to sheep being bought out of paddocks round Tomoana, but I utterly failed to prevent it. I have absolutely no arrangement with anybody of any description in connection with the purchase of sheep.

73. Is there any competition between you in getting hold of sheep?—If you speak to the manager of the North British Company I dare say that he will say he thinks Nelson Bros. are very bad people. He complains about some of my methods, and that indicates, I suppose, competition.

74. You said yesterday that the public find a difficulty in interpreting the cables as to the value of meat: what would you suggest with a view to making the cables more serviceable, so as to get an idea of the real value of stock at Home?—They cannot be made any better than they are.

75. You said yesterday that you read between the lines, and therefore understood them?—Exactly. The difficulty in reading cables depends upon how far the reader is able to understand the trade. After years spent in watching the cables, I begin to make out what I think is of a certain amount of use to me. I keep them and put them on the wall, so as to be able to see what happened at this time last month. The cable gives the average value of meat. It is stated every week in the Government cable message—or Press Association message—that this figure is for so many hundred carcasses, and so on.

76. Are you of opinion that one cause of the high prices obtained for sheep in the South is the large amount of competition by a large number of operators on the market as compared with Hawke's Bay and Wellington?—I should think, as a rule, it is not; but I should think there are times when it is so, because the wildest speculations take place in the South Island at times, and gigantic losses. Periodically they seem to go mad, and the more lunatics there were the more speculation there would be.

77. And if a man has engaged space, he is bound to fill that space, no matter what the price may be?—We are more liberal here. We do not know anything about anybody engaging space.

78. There was some of your evidence yesterday that took an argumentative form?—I did not intend it to be argumentative—it is not my strong point.

79. The point of it was this, that the Canterbury sheep bring more money because they are better fed, better bred, and are better looked after. What proportion of difference does that represent, taking the best qualities of both Islands?—That is a very large question to put in figures.

80. Supposing you have two pens of sheep, one the best lot that the North Island produces, and the other the best lot the South Island produces, one having, as you said, a Lincoln foundation, and the other a Merino cross with a Leicester? What do you think would be the difference between these two lots of sheep?—I think the answer I gave yesterday is the correct one. There would be a difference in some sheep—the best sheep, of 4s. or 5s. There is a constant difference in the commercial article for the butchers, and the best freezer as against the worst freezer would be 5s.

81. I am speaking of the best freezer in each Island?—The answer becomes of no value except it be on a commercial basis. There are some people, but very few, who breed high-class sheep on a commercial basis. The commercial article, taking the Merino basis on the one side and the

Lincoln basis on the other, would show a difference of 4s. or 5s. per head. It is not only the carcass that goes to London; you have to add the amount of wool, and the amount of tallow, which are enormous factors in the whole thing, and will make up a difference of 4s. or 5s. per head.

82. As to the attention that the sheep get in the North Island as compared with that in the South: You know, of course, that the farmer in the South Island is much more scientific with regard to bringing lambs on than he is in the North. Is it not a fact that in the North Island nature has done so much in the way of climate that the farmers do not farm so scientifically as in the South, and therefore do not produce the same quality of sheep?—The most serious item is that we can struggle through the winter without artificial food; but during most of our winters the sheep suffer, and that suffering leaves an indelible mark on the mutton. The sheep that go back in my own district suffer much from lung-disease, caught during the cold winter; and then we get an enormous amount of feed in the spring and the sheep are fattened with great rapidity, with the result that I have seen really good fat sheep outwardly with practically nothing inside in the way of fat, and the kidneys are simply lying in a bag of skin.

83. If your North Island farmers adopted the Southern plan of using oats, Cape barley, and so on, the feed would be a great deal better for the North Island sheep?—With all his fuss and fume, the North Island man probably makes just as much money out of his sheep as the South Island man. If more artificial feeding were done the sheep would come out better, but they would not make fine instead of coarse wool come out, and feeding would not make a shapely sheep out of an unshapely one.

84. You say that the farmers do not ask you to freeze for them?—I cannot induce them to. I have many times tried to induce them, but they will not do it. We have frozen only seven thousand in three years.

85. I suppose it would suit you better if some large organization such as the Farmers' Union were set up and employed you to freeze for them, the same as at Belfast?—Certainly.

86. And you are prepared to meet the organization, take the whole financial obligations, and act as freezers for them?—Certainly, freezers and shippers.

87. *Mr. Lethbridge.*] And if that were the case you would freeze at a lower price, on account of the numbers?—I do not know that we would do that, because we are freezing at so low a charge now. I do not know that we could freeze lower. I explained that we made less money by freezing than any company in the colony, by reason of the shortage. We are freezing in a much hotter climate, and we get all our sheep practically delivered in about five months in the year instead of ten. All these elements enormously increase the cost, and the fact of our having to freeze our sheep in such a hurry involves works as large as those at Belfast.

88. *Mr. G. W. Russell.*] You spoke yesterday of the desirability of the Merino basis being introduced into the North Island for the purpose of improving the quality of the sheep, so as to bring it up to prime Canterbury. Do you think the North Island sheep-farming country is adapted to carrying Merino?—I do not think I said that, because one of the things I deplore more than another is putting a Merino ram on anything, and it would be to my view disastrous. The Merino ram seems to produce every bad feature of the Merino, but reverse it with the ewe and the good points seem to be developed.

89. In the event of North Island farmers seeking to purchase Merino ewes in the South Island, or obtaining them in the interior of the North, do you think the North Island is adapted to carry them so as to build up a suitable sheep?—No. A great many parts of the North Island could not carry the Merino. There is no rule that you could lay down for every part of the North Island. We could not carry Merino down on the flats at Hastings.

90. You spoke of the possibility of prices for meat going lower?—I look upon that as certain.

91. On account of the competition of other countries, and so on?—Yes.

92. Is there a margin left if there should be an appreciable reduction?—You can only answer that as a sheep-farmer. It is a sheep-farmer's question, pure and simple. The best evidence one can give of that is that when I commenced in the freezing business—exactly twenty years ago—for the two previous years I had been boiling sheep down. I was buying sheep part of that period at 5s. and 6s. each, for which at any time during the last few years I have been giving 10s. or 12s.

93. But you would not say that sheep-growing paid at the old boiling-down rates?—The sheep-growers did not go astray. People who have bought lands at too high a price and have got plasters on them, if sheep go down in price, will not like it; but sheep at 8s. and lambs at 9s., except where the land has been bought at too high a price, might still pay. I do not think it is a question of whether we can or whether we cannot raise sheep at this price; it is a question of having to do it. Frozen mutton has reached the point of seven million carcasses, and the general belief that the demand for meat is unlimited is quite true up to a point, and that is that it is unlimited up to a certain figure. The spending-power of an enormous number of people in Great Britain is so limited that frozen meat going beyond 3d. limits its sale.

94. Do you think it desirable to put lower grades of meat on the London market with a view to reaching the lower strata of population?—No. I think the lower grades of sheep should be kept out of the market. I have cut up sheep which I have not considered fit for freezing purposes and put them into the pot, the principle being that if inferior mutton goes into the market it fills a gap, and the more the best quality can be sent there the better.

95. You are speaking of what are called "rejects"?—They are not what are commonly called "rejects," but call them "rejects." It may be that they are big sheep and are not worth sending Home. A sheep bred from the Merino might not be too fat at 75 lb., but we might have a sheep which might be too fat at 65 lb.

96. *Mr. Lethbridge.*] It has been stated that the companies in the North Island have refused to freeze for southern speculators, and yet you say you freeze at a lower price for speculators to encourage them: is that so?—My company has never refused to freeze for speculators, and the

proof of it is in the fact that we do offer inducements for them to come up by offering a reduction in the rate.

97. *Mr. Haselden.*] We farmers are always under the impression that the Smithfield butchers and the London ring always interfere with transactions, and you cannot interfere with them at all?—There is no such ring at all—absolutely none. Of course there are all sorts of silly things done in the trade by the Smithfield owners, and it is due to that fact that we want this concentration which has been spoken of. But it is not what is in the eyes of the public an unholy ring—it is only a feeling on the part of the owner that if he does not make haste and sell his meat he may be left. The c.i.f. buyer, if he can make a small profit, may sell out below market value and affect everybody.

98. *The Chairman.*] You spoke of the low price of by-products: This question comes from the fact that there have been more complaints from the North Island than from the South—and there have been very few from the South. You spoke of the low price of products, what would you suggest to improve the stock so that the by-products would be of more value?—I do not know that I have any suggestion to offer.

99. Would you suggest the improvement of the breed of sheep?—Yes. There could be an improvement in the breeding of sheep by the use of Leicester or Down Rams. The North Island farmer cannot and will not do all that the South Island farmer does.

100. Then you are of opinion that the breed of sheep will be to a great extent influenced by climate and the conditions of the grass products of the North Island?—Undoubtedly, and all our manners, and customs, and beliefs go to prove this. If I were to speak about improving the sheep every sheep-farmer would be found to follow his own line, and possibly with wisdom, because he grows a particular sheep to suit his farm.

101. He is largely influenced by climate and other conditions?—Yes, all kinds of conditions. The great factor is what I mentioned yesterday: that, whatever we do, all our flocks are very full of the Lincoln strain, and we cannot materially improve the breed of these sheep for many generations—it cannot be done. But, still, we can make a beginning. To-day Lincoln mutton is known by everybody to be the worst mutton in the world, and it will always remain so; but the Lincoln sheep has paid the North Island grower for the last thirty years, but because it has paid him it is no use his trying to stuff it down my throat as the best mutton, because it is not.

102. Is there any damage to carcasses between the freezing-works and London that can be avoided?—I do not think so.

103. Can there be any improvement in the railway-carriage or shipping facilities?—I do not think so. They are all very good, so far as I know. Anybody who visits a ship might by an accident see something some day that he thinks might be improved upon. He might see one of the wharf lumps pick up a sheep and throw it twenty or thirty yards and break a shank bone; but anybody who knows anything about labour conditions understands that it is no good touching that question.

104. Then, in your opinion, is there a sufficiency of cool-storage at London or at the other ports where frozen meat is landed?—Quite; there is enormous storage there.

105. When you freeze for individual exporters and yourselves at the same time, have you any difficulty in picking out the various tags or brands: does it delay or cause any deterioration of the meat in London?—Personally we have no experience of it, because we freeze most of our own sheep and they go to our own store; but it must of necessity be troublesome.

106. Would you suggest any provincial brand indicating first-class meat for the purpose of sale in London? Would it benefit the sale in any way? Would you suggest that an improvement could be effected by the putting of a provincial brand on the meat to indicate first-class qualities coming from a particular part of the colony?—I do not think so. It would not have the slightest influence.

107. You are firmly convinced that concentration of supplies on the London market would be of advantage to sellers?—Yes, and producers undoubtedly.

108. Would you suggest that one office should control the sales, or a combination of offices—say, three or more, working in unison at a fixed price?—What we have done is to recommend that three or four of the best people should be engaged in it. We recommended that because it is outside of practical politics to suggest any one person doing it. Still, one control is the ideal thing.

109. But that, in your opinion, is impracticable?—Yes.

110. But you think if it could be effected it would be of material advantage?—Undoubtedly. There are so many outside influences connected with it that nothing but one control could possibly put it right.

Evils of C.I.F. Sales.

C.i.f. sales appear at first sight to be right, and, no doubt, will continue; but as a method for providing the producer with full values it is utterly wrong. The evils will be best shown by the following illustration:—

A consistent purchaser of meat like my own company (by “consistent” I mean purchasing all the year round) should, under the law of averages, make considerable profits on a rising market, invariably making losses on a falling market, with the result that the purchaser obtains an average value. The c.i.f. buyer also makes money on a rising market, but ceases to buy on a falling market; thus, as he does not intend to buy on the falling market, he is satisfied with a smaller profit than we require (he having no losses to provide for) and is able to—and does—accept lower values on the London market, thereby reducing our possible profits and consequently reducing the profits of the producer. To put it another way—the producer should place himself in the position of the “consistent buyer,” and become a seller, making large profits on the rising market to cover

the reduced prices of the falling market; he must then get all there is in his meat. It may be asked what the c.i.f. buyer does for meat on a falling market. Answer: The purely speculative c.i.f. buyer does nothing; the man who buys for his own consumption purchases in the London market day by day at the market price of that day. I recognise that all sheep-farmers will never become "sellers," and, unless all do, then any attempt to improve the trade will be futile.

With reference to my remarks before your Committee as to irregularity of supplies from this end, I omitted to supply figures which I now give. There were afloat for great Britain—

On 33rd October, 1900 ...	...	110,000	New Zealand sheep and lambs
On 23rd April, 1901 ...	...	900,000	"
On 8th October, 1901 ...	...	300,000	"
On 8th April, 1902 ...	...	1,000,000	"
On 2nd September, 1902 ...	...	325,000	"

and in two months time there will probably be not more than 125,000, and from the 2nd September to the 2nd January next (four months) it is tolerably certain there will be nothing like the number of sheep shipped altogether that were actually afloat on the 8th April last, all of which would be in London by the 28th May. On the 19th February of last year, including Australians, there were 1,200,000 afloat.

W. NELSON.

15th September, 1902.

WEDNESDAY, 17TH SEPTEMBER, 1902.

HERBERT JAMES RICHARDS examined. (No. 2.)

1. *The Chairman.*] What are you?—A farmer, residing at Te Horo. I am secretary of the Te Horo Branch of the Farmers' Union, and a member of the colonial executive of the Farmers' Union.

2. I suppose you have certain evidence to offer that would be useful to this Committee: would you care to make a statement to the Committee, or rather answer questions which may be put to you?—I think I could make a short statement as to the reason why the meat industry could be improved, particularly as applying to this portion of the colony. The point I wish particularly to bring out is the difficulty and disadvantage under which the sheep-farmers of the southern portion of the North Island are labouring as against other portions of the colony, inasmuch as we have two companies here which are practically in combination, and there is no opposition to them whatever. Taking, in the first instance, the two companies here, we find that they always have one price to offer for stock. They come up, for instance, to a sheep-farmer's yards and draft his sheep. They have a fixed price from month to month as to what they will pay. They take the sheep from A, B, and C's yards, and will give precisely the same price, notwithstanding that the three individual owners' flocks may differ in value several shillings per head. They invariably pay the same price. The buyers for these companies opened last season at 10s. a head for wethers off the shears. For argument's sake, to show you that there is a difference between one flock and another, the sheep that were shorn in the month of September, very early, and sheep just off the shears must show a difference in value in the price of the pelt alone, because one would have three months' wool on it and the other none. They would, however, pay the same price for each. The second thing I wish to emphasize is that they tell you that they require sheep of a certain weight—65 lb. If you have a lot of sheep—they may be perfectly prime, and would weigh that weight of 65 lb. scattered through a flock—where the majority would be 80 lb. or over, they will invariably take the heavy weight up to 80 lb. and over and leave you the small ones. If they take the sheep at all they offer the standard price, and invariably pay the same. To show that there is no competition in this portion of the district, I can give several instances where sheep have been railed to Longburn and have brought a higher price from the companies there. For fat lambs the best price obtainable last season was 10s., and at the same time they were bringing 10s. 6d. at the Longburn Works. I know several individuals who obtained that price. One lot of sheep were taken from Porirua. I know of an instance where a parcel of lambs were ready for drafting, and an arrangement was made with the Meat-export Company to take these lambs at 10s. 6d. at Porirua, to be drafted in, say, a week. Subsequently the buyer told the owner that he was sorry he could not keep to his price. The owner then stated that he was very glad, inasmuch as he had made an arrangement to send them to Longburn at 11s. 6d. a head. That shows, to my mind, that the two companies here are acting in combination, and that they have really no competition. We thus ship away from the port, which I think is very absurd. Another thing to emphasize what I mean is that the Gear Company pays in the Rangitikei and Manawatu districts a bigger sum per head than it pays at Otaki in nearly every instance. The buyers will give us 10s. and go up to those districts and give 6d. and, in many instances, 1s. more. In connection with this you have to consider that the freight from Rangitikei to Wellington is something about 1s., while from Otaki it is 4½d., or thereabouts. Then, again, they have a monopoly here. The greatest thing we suffer from is that the companies monopolize both the retail and wholesale trade. We have now no retail trade at all worthy of the name. Johnsonville practically consists of four or five retail butchers. The Meat-export Company supply, if my information is correct, twenty-eight retail butchers in Wellington, and every one of them supplied takes away the competition at Johnsonville. If half a truck of lambs are sent to Johnsonville the local buyers say they cannot take any more. About sixty or seventy lambs is all they can consume at Johnsonville, and if more are sent they come down in price to 7s. or 8s., because the company get their own sheep. The small farmer cannot take them back again, and has to sell them for what they will bring. I think the companies should be satisfied, if they monopolize the wholesale trade, to leave the retail trade alone. If a man has, say, fifty sheep, it is not enough to warrant a buyer going to his place for them, and he has no retail market if he has not sufficient to make up a truck. With regard to the question of shipping to

Christchurch, I tried that myself last season, with some store lambs. They were a very indifferent lot, I will own, that was sent. I picked out the best and sent the balance down South, where I obtained 7s. 1d. per head, while the utmost I could realise here was from 3s. 6d. to 3s. 9d. The expenses were 3s. 1d. per head, and after paying that huge cost on the sheep of that class I was still better off by shipping to Christchurch, because I saved the commission in the North Island, after paying the 3s. 1d. We are told that the sheep going down South are sold to the local butchers, but if that applies to fat sheep it does certainly not apply to stores. They are fattened down there, and immediately become Canterbury lambs. We are told by the freezing companies that it is the breed and class of sheep which count for so much, but the breed is the same. Our sheep simply eat the Canterbury feed for two or three weeks, and that cannot make the difference, in my opinion. From the evidence given by the representatives of the companies at a late conference of farmers in Wellington, at which I was present, the Canterbury people seemed to be absolutely satisfied with the state of things appertaining to this end, and only were dissatisfied with the methods in vogue in the Old Country. Various things, as many of the Committee will know, were suggested at that conference, such as Government branding, sending consignments to other parts of Great Britain than London, and the general distribution of the meat in England. That brings me to suggest the only remedies I can possibly think of, which are these: Of course, the proposal that the Government should take up the freezing business is, to my mind, out of the question, for the simple reason that I think the southern portion of the North Island is in a worse position than any other part—in this respect, that there is a monopoly here, and if the Government established freezing-works in the North Island they would be immediately met with requests for similar works in other parts of the colony, and that would be far too much for them to undertake. But there is one thing that might be done. The Government might grade frozen-meat and brand it, dividing it into three classes—first, second, and third—and some system might be adopted whereby the farmer might receive a warrant as to the number and weight of each individual parcel of meat, so that he might be able to draw against it at per pound on the Government grade. I think it feasible also for Government to appoint agents in London, or in other parts of Great Britain, to whom the farmer might consign his meat, as this would inspire confidence among the small growers. We are told frequently by representatives of the meat companies that they do not want us to sell our meat and do not want to buy it, but they want us to freeze on our own account. But we cannot feel that there is any real truth in that proposition that they do not want to buy; because, if our sheep are sent down and the companies have large numbers of their own sheep waiting to be frozen, would it be good business on their part to freeze our sheep and allow their own to lie in the pens to depreciate? My opinion is that, under such circumstances, our sheep would be held over until the companies' sheep were in the cool-store. In the case of small consignments to the London market the same argument would apply, and I think it would create confidence if the Government were to appoint some one in London to whom the mutton could be consigned, and so do away with one of the grievances mentioned at the Farmers' Union meeting—viz., that there are too many consignees. The Government might assist also in arranging for shipments to such places as Cardiff, Hull, Glasgow, &c. It seems to me to be utterly absurd that all our mutton should go to the one port. I have not had much experience in the trade myself, but it seems to me absurd that the one port of London should be the place to which our mutton should go, and that then we should have to pay freight and carriage to other places from London. I come from the west of England myself, and I think there is a large opening for our frozen meat at Cardiff and the other places referred to. I think some steps might also be taken in the direction of prosecuting people in London who pirate our meat and sell it as English mutton, and so on. I say, let it be sold for what it is—namely, New Zealand meat. I do not know that I can add anything more. That is the only remedy I can suggest without going into a very much larger question, and I do not know that it is feasible.

3. Your principal cause of complaint is that you apparently have nothing but a combination of the two freezing-works in Wellington Province to do business with?—That is the position.

4. Have you no c.i.f. buyers?—None that I know of. The only two buyers I know of are from the two companies. I never heard of any other ones.

5. Apparently you believe the trade has drifted into a monopoly?—I am certain of it.

6. And the only way out of the difficulty you can think of is for the Government to appoint agents and assist the trade?—I think that might assist. Of course other people have had far more experience in the matter than I have, but it seems to me that that would create more confidence, because a lot of us feel that if we ship through a company we do not get fair treatment. I do not know that there is any ground for the complaints, but that is the feeling.

7. *Mr. Field.*] Can you tell us what the value of the by-products of sheep is, say, about the month of July?—I do not know that I could exactly tell you the value of them now.

8. What is the skin worth?—For the last lot of skins that I sent down I got 3½d. a pound—about 3s. They would be killed from the month of May to the month of July.

9. What is the whole value of the by-products—the tongue, and so on?—The fat would be worth about half a crown—somewhere about that. In the tallow they take the kidney fat out.

10. Do you think 5s. would be an extravagant value to put on the total by-products in the month of July?—It is more than that—I think confidently more than that.

11. Do you think there would be any large difference between the value of the by-products from North Island sheep and South Island sheep?—I have had no experience of South Island sheep, but I am told that South Island sheep have more internal fat.

12. It has been suggested by a witness that there is a difference of between 4s. and 5s. in the value of the North Island sheep as against the South Island sheep—that is, for freezing-sheep?—

I do not think there can be any great difference between the actual value of the by-products. You might have a fine-wool sheep, where the wool would be of greater value, but the number of pounds of wool would not be so great. I am told that the internal fat would be larger in South Island sheep than in North Island sheep—especially in lambs. There cannot be 5s. of a difference. If you take a South Island sheep as worth more per pound in the carcase, say, a 65 lb. sheep at 3½d. a pound and a North Island sheep at 3d., you would find that the buyers will always take the biggest.

13. According to the last London quotations the difference in value between the Meat-export Company's freezer and the best Canterbury freezer was ¼d. per pound, which, in a 60 lb. sheep, would be 7½d. Assuming that the difference would be ½d.—that is, 1s. 3d. on a 60 lb. freezer: Do you think the difference in value of the by-products in a North Island sheep as compared with a South Island sheep ought to account for the difference being paid for the North Island sheep in Christchurch and that paid here? There is a difference of 1s. 3d. We know that a North Island sheep sold in Wellington fetches less by about one-third than it would fetch in Christchurch—that is to say, say a sheep fetched 10s. here and 15s. in Christchurch, that is a difference of 5s. We know that the value of the meat accounts for 1s. 3d.: would the difference in value of the by-products make up the difference?—It would be impossible, I think.

14. Do you consider that the price paid here is lower than it should be, in view of the price obtained for our sheep in the Old Country?—Yes, and I think that must be borne out by the returns of the two companies who trade exclusively in our sheep.

15. *Mr. Hornsby.*] If a previous witness before this Committee stated that there was no monopoly or understanding between the Meat-export Company and the Gear Company, would you say that he was well informed?—There may not be any actual written agreement, but it is a certainty that there is a sort of understanding whereby the two companies invariably give the same price. They have never been known to differ.

16. You can never get them to alter their price?—No, they always have the same price. If you send for the buyer of one company as against the other you know that the price will be actually the same. There is no competition at all.

17. If a witness has stated to this Committee that the farmers in the southern portion of the Wellington Province had really no grievance and were doing extremely well from the price they were getting for their sheep and the conditions under which they were selling to the companies, what would you say to that statement?—I do not know what to say, except that it is absolutely contrary to what is really the case. We are doing worse than those in other portions of the colony. You have only to cross into the Manawatu and get a price from another buyer of the same company to prove this. There is no boundary-line, but take the very next farm, for argument's sake, but where the buyer does not come into the other man's ground, and he will give 1s. more.

18. Then, you think the farmer has a grievance?—Undoubtedly, in this portion of the colony, at least.

19. Do you think it would be a good thing if a good style of brand could be got? Would it be an advantage to brand meat going from New Zealand?—I think so, because I have been told by reliable people—friends of mine—after they have come back from the Old Country, that New Zealand meat is continually being sold for other than it is, and I think it would stop or check that largely if we could have some brand showing that it was New Zealand meat.

20. Supposing a large meat buyer and exporter were to say to this Committee that the prosecuting of people at Home—that is to say, dishonest traders who sell Argentine mutton for New Zealand mutton—that the prosecution of these swindlers was a waste of time, what would you say of his statement?—I should simply contradict it, because I cannot see how that could be borne out in the case of any man who was committing a fraud, and I cannot but think that if he were prosecuted it would lead to good results. I fail to see how a man can say that a person committing a fraud is benefiting, for instance, the New Zealand trade.

21. Have you ever seen any returns published in the *Lyttelton Times* regarding sales of lines of freezers from the North Island?—I have seen reports that come through the *Evening Post*. I have seen the weekly-sales reports in the *Post* and *New Zealand Times*.

22. You know, as a fact, that lines of freezers have gone from the North Island and been sold at Addington yards at as high a price as 15s. 7d. and 16s.?—I have frequently seen those prices quoted.

23. And you knew that those were lines of freezers?—Yes, by the quotations; I have not seen the sheep. The only ones I have sent myself have been stores. I have never sent fat sheep.

24. Are you in a position to say whether there is three times as much fat in a fat Canterbury sheep as there is in a North Island fat sheep—that is, in prime sheep?—I do not know what internal fat there is in a South Island sheep.

25. You have seen the telegrams that come out from London—from the Agent-General's Office, for instance?—Yes.

26. Do you regard it as a good thing that these prices which are sent out by the Agent-General should be differentiated—that is to say, what is commonly known as North Island and Wellington Meat-export Companies' prices?—I have never really considered the point.

27. The Press Association's cabled message which comes from London merely says: Canterbury mutton so-much a pound, South Island so-much a pound, North Island so-much a pound. Now, the Agent-General differentiates in this way: Export Company's meat so-much, Canterbury meat so-much, and North Island meat so-much?—That ought to be of some assistance to the Meat-export Company.

28. The point is this: The Dunedin, South Island, and Meat-export Company's meat brings the same price—that is, about ¼d. less than Canterbury, while other North Island meat brings sometimes ½d. or ¾d. less?—I do not see why the Export Company should be better treated than

the Gear Company, because they both buy the same meat. It must be an advantage to the Meat-export Company, inasmuch as the price indicates that it is better meat than that of the Gear Company, although it is precisely the same sheep.

29. Do you know whether any buyers have ever given any inducement to the farmer to breed a class of sheep which they say you should breed—that is to say, about a 65 lb. sheep? By the way in which they purchase do they ever give you any inducement to breed 65 lb. sheep?—No; they never make any difference whatever. If you had those sheep they would be the ones the buyers would leave on your hands.

30. They would not take a 65 lb. sheep if you had sheep of 70 lb. or 80 lb.?—No. If you had a hundred and fifty wethers they will invariably take the biggest sheep you have got in the pen.

31. *Mr. Haselden.*] What do you do with the sheep that they will not take—the 65 lb. sheep?—If you have no others you must keep them yourself.

32. Will not the buyers take them eventually?—If I have got more than sufficient I am tied down to send them to the Johnsonville sale and get what I can for them.

33. The freezing buyers absolutely refuse to take the 65 lb. sheep?—They say that they are not good enough.

34. You said there was a difference of from 6d. to 1s. in the price higher up the coast, in the Rangitikei and Manawatu Districts?—Yes.

35. I am sorry I never saw that advantage. That is against your statement that there is only one price?—There is only one price in our district. As far as the buyers for the Meat-export Company and the Gear Company are concerned, they only go up to Shannon, and they have only the one price. But if Mr. Gillies is buying for the Gear Company higher up he will frequently give more. I have been frequently told by my own relations in Palmerston that they have received 11s. and 11s. 6d. for lambs which were no better than those we have down below.

36. But the railway freight is higher?—Yes; but they have competition with the Longburn Works.

37. You object to the English butchers selling New Zealand meat as English mutton; but do you not think it enables them to give us a bigger price for our mutton if they do so?—I do not think so. They will not pay any more, and they pocket the difference. We do not get it, and therefore do not benefit by it.

38. *Mr. G. W. Russell.*] I suppose you are quite aware that all the people connected in a large way with the frozen-meat trade object to anything in the way of compulsory branding?—I suppose they would object to anything in that way.

39. Do you hold that your North Island sheep is as good as the South Island sheep?—Pound for pound it is.

40. What is the breed of your sheep?—Mine are Romneys.

41. Crossed with anything?—No; they have been practically Romneys for the last eight or nine years.

42. Have you ever had any estimate of the quantity of inside fat there is in your sheep?—No. A butcher told me some time ago the actual amount of fat he would get from a North Island wether, and I think it was 10 lb. That is how I arrived at the half-crown—at 3d. a pound, the price of tallow to-day.

43. You are aware that the custom of feeding sheep in the South Island is a great improvement on the North Island practice in the winter?—Yes.

44. Do you not consider that sheep systematically fed all through the winter season, so that they never stop growing or putting on fat, must produce a better class of sheep than the North Island sheep, which have to do the best they can during the winter, and then get a flush of feed in the spring?—That applies to some farmers, but other farmers keep their sheep going right through in the North Island; and as far as the lambs are concerned they are treated pretty well.

45. The principal grievance you have is that, as there are only two buyers, you do not get the benefit of competition?—Yes; and there is no retail trade whatever. Down South you have the Addington market, where, if you do not elect to sell on your own premises, you can send your sheep. Here you have to send your sheep to two or three yards; there is no option.

46. Has there ever been any attempt on the part of farmers to form a combination, and to employ the freezing-works to freeze on account of the combination?—Not on our coast.

47. It has not occurred to you that if the farmers, say, in the Horowhenua and Manawatu districts employed the freezing companies to freeze on their own account, you would then have the remedy in your own hands?—To a certain extent we should; but the bigger farmers on the Horowhenua side are largely interested in these two companies. Mr. Gear himself owns the biggest place at Te Horo, as large as nearly the whole of the rest. He has nearly 6,000 acres. A little further on there are big places with fifty or sixty thousand sheep, and these people are largely interested in the companies, and therefore it is not reasonable to expect them to assist a combination as against themselves.

48. You spoke of the Government making advances against the shipping-papers?—Yes.

49. Is it not possible for farmers to get advances from their bankers on the same terms?—Yes, you can get advances from the bankers; but it was suggested by me to carry on grading by the Government, so that you might get your advances from the bank. I think the Government should grade the meat, and then you have your warrant, and can get your advances.

50. But, after all, the difference between the grades would be only a bagatelle as against the total amount of the advances against your stock after it was frozen?—I do not think there would be very much difference in that portion of the thing as in the other point: that we want the handling of the meat at the other end. I think the meat should be graded and branded by Government Inspectors.

51. Of course, the altering of the arrangements at the other end would not affect the purchasing?—No.

52. Now, about the local trade: you say there are only four or five butchers who are outside the control of the two companies?—Yes.

53. Do both of the companies supply meat to the butchers here?—Yes; the Gear Company have carts, and I believe the arrangement is that the men who take the carts round buy so much meat from the Gear Company. The Meat-export Company actually supply the meat themselves to their own butchers' shops.

54. Is not that a great advantage to the small butcher: is he not able to finance himself better by being able to get meat as he wants it instead of having to buy it at the yards?—It suits some of them, but many of the sheep are rejects.

55. What remedy do you propose for the state of things which you say is one of your grievances?—I do not know that the Government can alter that portion of the thing, but I think the mere fact of the Government assisting us at the other end would do away largely with the necessity of the retail market. They would have better means at the other end than we could. We could ship our meat, and that would do away with these two particular companies, and should not feel the want of the retail market at Johnsonville.

56. Your whole remedy means this: that the Government should establish a number of agencies in Great Britain, and you should be able to ship to those agencies?—I do not suggest that the Government should have a large number. I think if they appointed a consignee to act as salesman in some of the large centres that we should simply sell to them instead of to the present large number of consignees.

57. *Mr. T. Mackenzie.*] You say that there are two companies, and that A, B, and C may sell and each receive the same price from the freezing companies?—Yes.

58. Although there may be some difference in the value?—Yes.

59. And that the buyers prefer an average of 80 lb. sheep to 65 lb. sheep?—If I have got 150 sheep, out of which they want 120, they invariably take the 120 largest, and leave me the little ones.

60. You said they would not take the 65 lb. sheep at all?—I said they would take some objection to them, and take the big ones.

61. Is not that because the light sheep are not so well finished?—No; they might be as well primed as the other ones, and yet they will not take them if they can get the big ones.

62. Will they not give you one price for the big sheep and another price for the small ones?—No; they have the same price. They opened this season with 10s.

63. Then it is weight and not quality that they want?—Yes.

64. And they will reject a 65 lb. freezer and not give you an offer for it?—They will not budge an inch in the prices in any of the instances I have known.

65. They will not give you an offer for a freezer of from 60 lb. to 65 lb.?—I cannot say that I have actually gone and asked them to take the balance at a less figure.

66. Do you think they would take the balance at a less figure?—I do not say that if you offered them at three half-crowns they might not take them.

67. What is your idea of the value of the sheep they might take for three half-crowns?—If their idea as to weight is the principal one, they would give you 10s. They tell you they want sheep at 65 lb. and do not want the heavy ones, and you are asked to breed sheep of 65 lb. weight; but when they come to your yard they take the big ones at a standard price of 10s., and if you wanted them to take the other ones they would want a reduction. Two or three years ago I had about eighty or ninety wethers in the yard, and the company's buyer came and took half a truck out of them, and he took in every instance sheep of about 80 lb., and some of them over. They were very heavy wethers, and the sheep he left were smaller-grown, but prime; they were shorn in September, and the company took them the week before Christmas.

68. Suppose you went to the yard under normal conditions with a flock of 500 sheep, 250 of which would average from 60 lb. to 65 lb. and the balance were heavy weights?—Yes.

69. Could you sell both lots, or only one?—I think they would take the primest ones, and then the small ones at a reduced figure. I think it is probable they would.

70. That admits the fact that they will take the 65 lb. wethers?—Yes; but it is a question of price.

71. Will they take sheep of that weight at that price?—I have never known any difference in price. They might take them if I chose to give them away at a less figure.

72. But not at the fair market price?—Not at the fair market price.

73. What weight do you think they want in lambs?—The same thing applies. They prefer to take the large ones.

74. Over what weight?—They tell you about 36 lb. or 38 lb.; but if you have lambs going to 50 lb. they will pick them out, and prefer them.

75. If you had a parcel of, say, four hundred lambs, and a buyer wanted to select from those, what would he take?—Those of about 50 lb.

76. Beginning at what weight?—Over 40 lb.

77. Do you know of any instruction given here by the meat companies not to take any lambs under 40 lb.?—No; I do not know what instructions they have.

78. You said you preferred to freeze for yourself, and ship for yourself: why?—I did not say that. We have only two buyers, and the only other alternative would be to ship ourselves.

79. What is the objection to that?—I do not think a small man has the chance of favourable treatment with the large consignments going Home from the companies and from the larger private owners.

80. Do you think they have not the same treatment at the works here, or that they cannot get the same treatment in the Home market?—I do not think these small parcels would be likely to be handled to the best advantage at Home, or here for instance. If you take a truck of sheep to

be treated on your own account and the company have a thousand sheep themselves to treat, it is hardly reasonable to expect them to treat yours first. Your sheep would probably stand in the yard for a few days, and would deteriorate.

81. Have you thought of starting a company yourselves?—Not down here; they have further North.

82. Have you any reason for thinking personally that a small man would not have much chance at the other end?—I have never shipped myself.

83. That is a mere speculation?—Yes. We have no confidence that shipping on our own account would be advantageous, unless we had a certainty that the sheep would be handled at Home by an independent person.

84. You would be content to have your meat graded by Government and pooled?—Yes. If you have a guarantee that it stands as Nos. 1, 2, or 3, as the case may be, you know what to expect. If the Government fix a standard and your meat is No. 1, and you get an A1 price for it at per pound, I fail to see that there would be anything wrong in that.

85. Speaking as a farmer and the representative of the Farmers' Union, would you favour the proposal of the Government taking up the whole trade?—I do not believe in the Government starting freezing-works.

86. But taking up the trade at the other end?—I would not object to it if it was considered feasible; but I was thinking it would be too large an undertaking altogether for the Government. That is my only objection. If it could be made feasible I think it would be a good thing to do.

87. Do you think it would be any earthly use for small farmers to ship to any person the Government might pick up?—I think small farmers shipping in that way would, by combining, do better than by shipping through the large companies.

88. *Mr. Flatman.*] You spoke of fat being worth half-a-crown; what weight of sheep would that be out of as a by-product?—The average of North Island sheep is 72 lb.

89. The fat would be worth half-a-crown out of that sheep?—That was what I was going on.

90. How much would a 70 lb. sheep be worth?—That was basing it at 12lb. At present prices it would be worth about 2s. 7d.

91. Is raw fat worth that amount?—No, not raw fat.

92. Then you cannot get half-a-crown out of the sheep?—I think many of our North Island sheep would have more than 12lb. of fat.

93. Is it worth 3d. a pound?—Not in a crude state.

94. Could you get space ahead for 100, 200, or 1,000 sheep—say a month ahead—if you wanted to freeze for yourselves?—I dare say it could be done, but they are very chary of doing these sort of things, because the companies have so many thousands that they freeze for themselves.

95. Do you know of any instance where it has been refused?—No, I cannot give any instance, but I know of several instances where sheep have been kept in the yard waiting until the companies have frozen their own.

J. R. STANSELL, Chairman of the Te Horo Branch of the New Zealand Farmers' Union, examined. (No. 3.)

96. *The Chairman.*] You know the object of this Committee: would you care to make a statement to the Committee, or would you rather answer questions that may be put to you?—I wish to be as quick as I can, and I have a statement that I can make, and account sales that will verify my statement. From February, 1900, is the first shipment I tried. The reason I tried this shipment was because I was not satisfied with the price given by the local buyer as compared with Addington prices. I had been told that the quality of the sheep was superior at Addington to those in the North Island, and I, like a great many more flats, believed it. I do not believe it now. I had a line of ewes which I sent to the Addington sale-yards. They were sold alive. I had a line of 119, but I sold the pick of them—ten of them—to Mr. Richards, the last witness, for 7s. a head. I sent the balance down to Addington because I could not get 6s. 9d. here for them. On sending them to Addington they realised 12s., 12s. 1d., and 13s. That was in February, 1900. You will see the difference in the gross values of the two places. I reckon they would lose from 1s. to 1s. 6d. in value in transit—that is they would deteriorate. There is the trucking to the ship, trucking again from the ship to the railway, then drafting and yarding in the sale-yards. That line was sent through Messrs. Murray, Roberts, and Co., of Wellington. In the next year, February, 1901, I shipped 140 ewes and lambs. The ewes fetched 14s. 8d., against 10s. 2d. here; the lambs fetched 9s. 1d., against 5s. here. In February, 1902, I sent 170 down to Addington. 157 lambs fetched 6s. 8d. each, and the wethers 10s. 5d., while two woolly lambs brought 7s. 1d. The disparity in these prices was not so great in this case as in the last shipment. In every instance the price has been bigger, and the first price was the biggest. What handicaps us to a large extent in getting better value is the price of the Union Company's freight. For the first lot, I think it was 1s. 6d. per head, but they raised it to 2s., and they now charge 2s. for full-grown wethers, and the same price for lambs, which do not take up so much room; and I think if it is too much for wethers it is a great deal too much for lambs. I made one of a deputation from the Farmers' Union to interview the Government with regard to overcharges made by the Wellington and Manawatu Railway, and also the Union Company, to get a reduction rebate on their over-charges. The first lot I sent to Addington were not special sheep. They were sheep that I had made a great noise over. I bought them as ewes in lamb. I bought 200 of them, and got six lambs from them. I did not like it, and my neighbours laughed at me, and I did not like that, so I went to Court over it and won the case. To show you that they were not special sheep these were the returns that I got for them. I mentioned the matter in the Press. Mr. Lewis stated through the newspapers that they were ewes sold for breeding purposes. A neighbour sent some of his wethers to

make up part of the truck, and for his wethers that he could not get 9s. 6d. for here he realised at Addington 15s. 5d. I told Mr. Lewis that he could hardly claim that these were sold for breeding purposes, and he did not reply.

97. *Mr. Haselden.*] Have you ever sent fat sheep to Addington?—No. I sold ten out of this line, as I say, to Mr. Richards, for which he gave me 7s., and he said the others were not fat, in his opinion.

98. You do not know whether they sold them for fat sheep or stores?—No.

99. *Mr. Flatman.*] What is the difference in the cost of freight for sheep on the Government railways and the Manawatu line?—It is the same.

100. I understood you to say that you had a grievance with regard to railway freight?—Not on the sheep. It was a matter connected with the Manawatu line, but since then we have had a change.

101. You know something about the weight of sheep: you have killed a large number in your time?—Yes.

102. Taking the by-products, what weight of fat would you get out of a 70 lb. sheep, including the kidney fat?—About 10 lb., I should think, but sheep vary. Merinos are different from cross-breeds.

103. What would that be worth at per pound to-day, or, say, an average for the last twelve months—the fat in its raw state?—I could hardly tell you. The market is subject to fluctuations.

104. Do you think 14s. a hundredweight would be an extravagant price?—No.

105. What do you think would be the value of it?—It is always worth within a halfpenny of what it is at Home.

106. What would you like to give per hundredweight for it?—It is many years ago since I was butchering—not since 1869.

107. Then you do not know what fat would be worth at the present time?—No, I could not tell you. You could get it from the market quotations.

108. *Mr. Field.*] Are you aware that there is general dissatisfaction throughout the sheep-growers in this part of the North Island as to the price they are obtaining for their sheep?—Yes, there is, more especially since I tried this little experiment in shipping. They all believed as I did that the sheep were superior in the South Island to those in the North. That was always the “gag,” and I believed it, among the rest of the flats, but I do not believe it now. Mr. John Gillies, the well-known stock-raiser, told me that our sheep were inferior, but I said the South Island sheep were inferior in some respects.

109. It has been alleged that there is a combination existing between the two companies, and perhaps other companies, and that these companies in the North fix the price of live sheep, and that price is lower than it should be?—That is the only possible construction I can put upon it. They send buyers from Addington, and how can they give these prices unless there is something of the sort? The companies fix the prices for the farmers, and have some clever way of doing it which the public cannot understand. That is our opinion, rightly or wrongly.

110. Are you aware, as a settler on the Coast and as a grower of sheep, that the prices go up and down which are paid by the two companies, precisely at the same moment?—Yes.

111. It has been stated that the sheep which go from here and are sold in Addington at very much advanced prices than are obtainable here are sold to the butchers there for local consumption? Do you believe that to be the case?—I know that the butchers compete there. I have been twice there myself, and it is quite an eye-opener to see how things are conducted there. If you go to Addington and then come up to Johnsonville on the Tuesday, you would think you had got to some out-of-the-way place where there was no population. It is a sight for one who has not been out of this Island to go down to Addington. This place ought to be better than Addington on account of its position, and yet we have the most miserable sale at Johnsonville in the whole of the Wellington Province. We are jammed. If we send stock down to Johnsonville we have to sell it—there is no taking it back. I know people who have driven their stock all the way from up above Pemberton, and in one case the buyer offered him more than 6d. locally for them more than he realised at Johnsonville Sale-yards; but he could not take them back again. That was Mr. J. D. McGregor.

112. Speaking generally, would it be a fair thing to say, judging by the experience of those who have shipped their sheep down South, that you get about half as much again as you would get for them here?—The expenses for my first lot were 3s. 7d. per head. The difference between the 6s. 9d. I mentioned and, say, 12s. would be about half as much again.

113. Assuming that to be true—that is to say, a butcher here can get a fat sheep at 10s., and a butcher in Christchurch has to pay 15s. for it—it would appear as though the consumer in Christchurch would have to pay considerably more than the consumer here for his meat?—It would seem so.

114. Do you know if that is the case or not?—I do not.

115. Assuming that the price paid by the consumer here for meat is the same as that paid by the Christchurch consumer, the natural deduction would be either that the butcher here was getting paid too much or that the Christchurch butcher was getting too little?—Yes. The companies make the profit here. I do not think there are more than four or five independent butchers in Wellington.

116. *Mr. Hornsby.*] You say you went down to the Addington Yards?—Yes.

117. Lately?—I was there last year, I think.

118. Did you see any North Island sheep being sold there on that occasion?—I did not observe whether there were North Island sheep. I saw Chatham Island sheep there, and they fetched more than we are offered for ours here—the biggest scrubbers.

119. As a practical man who knows a sheep when he sees it, do you think there is 5s. difference
4—I. 10.

in value between a prime South Island sheep and a prime North Island sheep? Do you say that that difference is correct or incorrect?—I say it is incorrect.

120. Do you believe that the difference is anything like 5s.?—No, sir.

121. *Mr. G. W. Russell.*] How many times have you shipped to Addington?—Three times; in 1900, 1901, and in 1902.

122. If those prices are so much higher than can be obtained locally and are got so easily, how is it there is not a general shipment from the North Island to the South Island?—There is a great deal of trouble involved, and people do not know how to go about it. I have a system of my own, but I do not advertise it. I tell people who want to know, but I do not go about lecturing on it.

123. Are you of opinion, from your own experience, that if sheep were regularly forwarded to the Addington market they would always bring these higher prices you have given instances of?—Yes. It is the cost of sending them that kills us.

124. I suppose you do not deny that the South Island sheep, as regards their breed for mutton purposes, and as regards the system of feeding them on turnips and rape, and so on, for market, produces a better article than the North Island?—They have sheep that are superior to ours, but not if taken as a whole.

125. Do you not consider that the cross of the Leicester with a pure Merino produces a better mutton sheep than the Lincoln that you have up here?—The Lincoln is going very much out of favour up here.

126. The bulk of the sheep in the North Island are Lincolns. Do you not admit that the South Island sheep are better for the quality of mutton and in the value of the wool?—I would not say much about the wool. I did believe that the sheep were of better quality, but after I tried experiments I did not think so.

127. When you visited Addington did you not see a better class of stock yarded than in the North Island—I mean, as to quality?—I suppose I did; but I did not see any fat-stock market here, except at Johnsonville.

128. *The Chairman.*] With regard to the sheep that you sent down to Addington, and which brought from 12s. to 13s. per head—the wethers and ewes: did you consider them fat or stores?—Well, I considered them fat, but Mr. Richards considered that they were not, and I sent them down for what they would bring. There were four wethers and the rest were ewes. The wethers fetched the lowest price.

129. Shortly, what you complain of is that you are not receiving sufficient value for your stock?—That is so.

130. And you put it down to the fact that there is a combination of the freezing companies against you?—Yes.

131. Have you made any efforts to get clear of this disability, by co-operation or otherwise?—We formed a Farmers' Union, and that is one of our objects.

THURSDAY, 18TH SEPTEMBER, 1902.

CHARLES MARSHALL CRESSWELL, Secretary of the Wanganui Meat-freezing Company, examined.
(No. 4.)

1. *The Chairman.*] In tendering your evidence, would you rather make a statement to the Committee or answer any questions that may be put to you?—I would rather answer questions. I do not exactly know what you require of me.

2. Is there any improvement you can suggest with regard to the carriage of sheep to your factory at Wanganui: have you a sufficiency of trucks?—During the busy part of the season there is a great shortage. At times we have had sheep waiting for more than a week on account of the scarcity of trucks.

3. Is there a waste or deterioration in the carcasses in consequence of that?—Yes; sheep lose in weight, and do not kill out so well. They do not show the bright bloom as they would if they came direct from the grower to the works.

4. You would suggest increasing the rolling-stock?—Yes.

5. I presume that the appliances in your factory, like those in other factories, are well up to date?—Yes.

6. You have adopted the ammonia process?—Yes.

7. What shipping company do you employ?—The Tyser Company. We have a contract with that company to carry all our meat from the works.

8. Is the service quite satisfactory?—It is very satisfactory now.

9. Do you consider that any benefit would be derived by the concentration of supplies through one or more offices in London?—I have never been Home, and have had no actual experience at the other end at all. The experience I have gained has been from this end. In dealing with frozen meat I would not pose as an authority in that way.

10. With regard to the distribution of your meat at Home, I suppose the fullest sources of distribution are available to you the same as they are to others?—Yes. I think there is no doubt that New Zealand frozen meat can be procured in almost every part of England; but whether the distribution to those parts is the best I cannot say.

11. *Mr. Field.*] Does your company buy the stock, or do you simply freeze on commission?—The biggest proportion of the stock passing through our works is bought by the company. We would prefer to freeze on owners' account; but they do not seem to care about freezing themselves, and we have to buy their stock to keep our works going.

12. Through what area of country does your purchasing extend?—From Hawera in the north to Feilding in the south, and inland to Mangamahoe and Hunterville. Generally speaking, our supplies are drawn from within that area.

13. You do not come nearer to Wellington than Feilding?—We have occasionally done so; but it is very seldom that we do.

14. You do not buy further afield because there is plenty of stock available in that radius?—At times there is a shortage; but it is only when stock is scarce that we go further. For two or three months in the season we have more than we can do with in that area.

15. Is there any arrangement between your company and any other company for the purpose of fixing a standard price?—Not at all.

16. You simply compete openly there?—It is just open competition so far as we are aware. There is no agreement.

17. Do you consider that the treatment of our meat at Home is fairly satisfactory: that is to say, that the middlemen's profits are not more than they should be; or do you think there is room for a great deal of improvement?—I think there is room for improvement; there must be. Speaking personally of our particular meat, we have very high charges to pay as regards storage. Whether it is absolutely necessary to store for the time the meat is stored or not I do not know; but the charges are very high, and the meat is very much deteriorated by the storage. Some of the stores at Home do not seem to be so good as they ought to be. We have had meat damaged in the stores, and we had to instruct our agent that our meat was not to go into any store in which damage had occurred.

18. Do you think the rates charged by the shipping companies for freight are pretty satisfactory?—We would like them to be lower; but whether they are able to carry for less I cannot say.

19. It is generally reported that there is a ring among the shipping companies: does that ring, if it exists at all, extend to the Tyser Company?—I do not know if there is a ring.

20. You have heard it stated that there is a ring?—Yes, I have heard so.

21. For the purpose of improving the market at Home, have you ever considered whether Government control or assistance of some kind would be of benefit—say, Government grading, Government branding, Government cool-stores, and Government means of distribution?—As regards the distribution at Home, there might be some benefit; but my company is not in favour of Government grading.

22. There is a feeling among a certain section of the farmers—particularly small farmers who are afraid to freeze on their own account—that they might do so, and with advantage, if the Government were taking charge of the shipments, arranging for stores in the Old Country, for supplies and for distribution, so as to get direct to the consumer: do you think anything could be done in that direction?—Yes. I think it is against the interests of the trade that so many small lots should go Home and get into so many different hands. If it were possible to bring these small lots into larger lots it might be possible to deal better with them.

23. You think that if all the shippers in the colony were acting in unison, so as to arrive at a combination, we should be able to do far better than we are doing at the present time?—I think it is reasonable to think so. If anybody had control of the shipping going from New Zealand he would be able to deal better with the trade.

24. Are you in the habit of entering into long contracts—five or seven years contracts—with buyers at Home?—No.

25. Are you aware whether that is done by other companies?—No, I am not.

26. Do you know anything of the South Island sheep?—Yes, I had about five years' experience in the freezing business down South. I was there very soon after the starting of the industry. I was engaged in receiving and drafting stock.

27. Are the South Island sheep superior to the North Island sheep?—There is no doubt about it—for freezing they are.

28. What do you consider would be the difference in value between a North Island freezing-wether and a South Island freezing-wether?—The difference in value on an average line is rather big. For one reason, the sheep as freezers are better shaped and they cut out much better. But, independent of that, there is a very much larger percentage of sheep bought here as freezers which, when slaughtered, turn out to be not fat. Down South about 2 per cent. would cover the whole of the rejects—that is, bad colour, deformed, and grown sheep that are bought as freezers and rejected for those reasons. It would take quite 7 per cent. to cover the rejects in the North Island, taking one year with another. This year our average was $6\frac{3}{4}$ per cent.

29. There is that difference after the buyers have made their purchases?—Yes. Again, on that line of sheep bought in the South as freezers, 2 per cent. would cover the lot not frozen; but, after taking out 7 per cent. of our sheep, we have another lot of sheep that are not suitable for freezing, owing mostly to their being coarse, patchy, and wasteful. You might take such a sheep to be a big-framed coarse sheep alive, but when he is slaughtered he turns out to be very unsuitable to be sent to the freezer. We find it best to cut that class of sheep up and make the best we can of the joints.

30. What would be a fair estimate of the difference in value between the North Island and South Island freezers?—I make it 4s.—that is, taking the difference in wool, the difference in weight of the inside fat, and the number of sheep that have to be dealt with otherwise than by freezing, and also the difference in the value of the meat.

31. You reckon in that difference the trouble you have in weeding out so many?—Not only the trouble. Supposing that the whole of the joints of the sheep are fit for freezing on a sheep that is not suitable for freezing as a whole, the legs fetch so-much per pound more than a frozen sheep, the loins and shoulders fetch so-much less, so that the average price might be very little, if

any, more than for the whole carcase if frozen, leaving the balance of the carcase worth very much less.

32. Take the case of a sheep in the month of July at the price then ruling and the condition of the fleece then, what do you think is a fair estimate of the value of the by-products—such as inside fat, fleece, tongue, and so on?—I should say it would run out about 5s., covering everything of value.

33. It has been stated in evidence before this Committee by a number of witnesses that the experience of those who have refused to sell to the meat companies near Wellington, and have elected to send their stock to Christchurch to be sold at the Addington yards, is that they have received about half as much again as they were offered by the companies here. That is to say, that sheep offered at 10s. here have fetched 15s. there. It has also been stated that those sheep are not frozen in Canterbury, but are used for butchers' purposes. Are you aware that the price paid for meat in Christchurch by the consumer is more than it is here?—The consumer does, I believe, pay $\frac{3}{4}$ d. a pound more there.

34. You think that would account for the difference?—Yes. I understand that when sheep are shipped from the North to the South Island they are big heavy sheep that the butchers would compete for down there. But at the price paid for them by the butchers the freezing companies would not take them.

35. The evidence is that for fat, store, or any class of sheep that has been the experience, and it is indicated that there must either be a larger amount paid by the consumer there or that the butcher was paying too much, or less was being paid for it here?—There is no doubt that the butcher there pays a high price for his meat.

36. Then, the difference in a 60 lb. sheep would be about 3s. 9d.?—Yes.

37. *Mr. Haselden.*] Do you allow your buyers a margin to work on, or is the price fixed at the factory?—They are not allowed to go beyond a certain price without referring to us. The maximum price to be paid is given to our buyers, they using their own discretion entirely in buying; but before giving more than the maximum price arranged they must refer to the office. The price to be paid is altered by my directors from time to time, according to the price our mutton is selling at in London.

38. Do you buy anything that is fat, or is that left to them?—Yes, that is left to the buyers.

39. They would not give a maximum price for anything light: they would give what they consider value if they bought?—Yes.

40. You said that your company had no agreement with the companies?—Yes.

41. But the directors could make that agreement without your knowing it?—They could, but I do not think they have done so.

42. I have had three buyers at my place, and they all offered the same price?—The price is fixed on the basis of values at Home, and we are all, I presume, working on that basis.

43. Do your company ship direct Home on their own account or sell to the Tyser line?—We have sold none to the Tyser people. We sell to arrive, where possible.

44. What class of sheep do you prefer for freezing?—The crossbred to the Lincoln.

45. Crossed with what?—The Leicester we like. We do not get a big variety of crosses. I much prefer the Southdown and Down cross as a mutton sheep, but they, I understand, do not suit our country.

46. Crossed on the Mérimo?—We like the Merino foundation if we can get it.

47. What weights do you prefer?—55 lb. to 58 lb. is the sheep that sells best at Home—that is, speaking of those going from our works.

48. Then, can you explain to me why your buyers always pick out the 75 lb. to 80 lb. sheep?—Buying at per head they naturally take the heavy in preference to light sheep.

49. Would you give the seller the maximum price for a 55 lb. sheep?—Yes; the buyer will take a 55 lb. sheep if in condition. The grower would naturally object to buyers leaving sheep going to 55 lb. weight. We kill sheep under 50 lb. weight, and we have had any amount that would only average 52 lb. or 53 lb.

50. What do you do with the rejects: do you tin them down or sell them to the local butchers?—We sell some that are suitable to the butchers, and we bone the rest out. We have a contract for our preserved meat.

51. That meat goes to the tinning-works?—Yes.

52. Is it a fact that your works are sometimes unable to cope with the supply of sheep for the want of slaughtermen?—This last season we were hampered for that reason. We had to put on men we did not consider exactly suitable, and would not have employed them if we had been able to select others.

53. And can you get good men if you want them generally?—Yes; this last season only had we a little difficulty.

54. You said that the by-products were worth 5s. For a 60 lb. sheep that is only a penny a pound for the meat?—We do not get any 10s. sheep in July. I am taking our average for tallow at £1 15s. a hundredweight at Home.

55. *Mr. Lang.*] Are your buyers sent round the district from time to time, or do they only pay one visit during the season?—We expect our buyers to keep in touch with the growers, and, generally speaking, in the slack season they take a turn round before the season starts.

56. At the start of the season I suppose you send your buyers round first of all, and they buy the sheep that are fit for freezing, but do they then go round month after month?—Yes.

57. So long as you think the sheep are available?—Yes.

58. *Mr. Lethbridge.*] I suppose you know the history of your company pretty well?—Yes.

59. Are the directors farmers or business-men?—Some are farmers and some are business-men.

60. Some of them are suppliers, in fact?—Yes, whose interest it is to get the highest price for their sheep.

61. And has your company always paid a dividend?—No; for three years, I think, they paid no dividend at all.

62. During that time did they buy or freeze on owners' account?—Mostly they were freezing on Nelson Bros.' account.

63. And during that time they paid no dividend?—No.

64. And then the company started to buy?—Yes. The first year they started buying they paid no dividend either.

65. You send your buyers round to all the farmers, and when the buyer goes to a farmer the latter says generally, "I want you to take so many"?—Very often they do.

66. And because of the competition your buyer takes a very much larger number than he otherwise would take?—Sometimes our buyers take sheep they should not take.

67. Sheep that would not be bought at Addington yards?—Yes.

68. Does not that account for some of the difference in the price?—Yes. At Addington yards the sheep have to be classed by a yard classer before they are admitted into the fat-sheep pens. If a seller puts lean sheep into the fat pens the classer will have them removed to the store pens.

69. And practically the price at Addington means the price at the freezing-works?—I believe there is some arrangement that they have to be delivered at the works.

70. Your buyer pays for them at the owner's yard?—Yes. It costs about 7d. a sheep to deliver our sheep at the works, on an average.

71. I suppose it would cost the Wellington companies more than that on account of the railway rates: they could not offer more than that difference in the price?—It is a big item.

72. And then the companies in the South have not to keep buyers?—I think they have buyers out, but they have not the same distance to take the sheep to the works.

73. There is only one company that buys there?—I do not think the Belfast company buy yet.

74. The others have buyers out?—Yes; the Christchurch Meat Company have.

75. *Mr. G. W. Russell.*] Are you aware that there is any dissatisfaction amongst the sheep-growers in the territory you cover as to the price you pay for sheep?—Yes; I understand there is, and some of them have expressed that dissatisfaction to me. Some of them consider they ought to get as much for their sheep as they do in the Canterbury District.

76. What competition is there in your district against yourselves in buying sheep?—There are the two Wellington companies, besides the Aramoho and Longburn. The Longburn company are not operating up to Wanganui regularly, but they have bought there, I believe.

77. North of Wanganui, I suppose, the Aramoho company and yourselves have the trade to yourselves?—No. The other companies have buyers up as far as Hawera, and then the Waitara people come in.

78. Have you any idea of the price given in the district north of Wanganui by the Wellington companies as compared with what they give in a district like Otaki?—That I could not say.

79. Are they a hot opposition to you in buying?—They are keen competitors.

80. Do you mind telling us what the price is that your company pay for, say, a line of wethers of between 70 lb. and 80 lb.?—We do not get lines averaging anything like that.

81. Well, what is the average weight you buy for freezing?—Our average would run out at about 56 lb. for freezing-weights. This last season has been an exceptionally good season, and it runs to about 58 lb. freezing-weight.

82. And do the two Wellington companies buy in the district north of Wanganui sheep of those weights?—I think they do. Whether they are more particular or not so particular as our company is I do not know.

83. In competing against the two Wellington companies are you aware that in your district they give the preference in purchasing to heavy-weight sheep as against sheep of an average of, say, 50 lb. to 60 lb. weight—or, say, between 60 lb. and 65 lb.?—I think that during two or three months of the year, when stock is very plentiful and the works are hardly able to cope with what is offered, a buyer of any of the companies might say to a farmer, "Well, we are very pushed just now and I ought not really to take any sheep from you; but if you are agreeable I will relieve you. If you have five hundred, I will take a couple of hundred and come back in a couple of weeks time." If he went in the ordinary way to pick these sheep from the farmer he would take all that were fit. My experience has been that they have done that.

84. If you were told that a witness stated yesterday that after picking the heavy-weight sheep the buyer never came back when the others were fit for market, what would you think?—I should think the buyer would never show up at that place again. The farmer would have the remedy in his own hands, and never deal with that man again.

85. But if there were only two companies in the district, and the farmer was shut up between those two buyers, he would hardly be in a position to do that?—My experience in my own particular district is that if one buyer does not go round the farmer never has any trouble in getting another man in. There is a feeling among the buyers that they should not trespass on any other man's ground. If you have been dealing with the Gear Company, say, and I have been dealing with the Wanganui Company, the Wanganui man would not care to come to you unless he was asked.

86. The companies do not poach on each other's preserves?—They do not tout against each other in that way. Although you have been dealing with the Gear Company for years, however, if you ask a Wanganui Company man to come in he would have no hesitation in doing so.

87. What proportion of fat sheep are sold in the yards in the Wanganui district?—My experience of sheep that have been put in as fat is very little. I think the main fault lies in not having them properly drafted. I have seen cases myself where there have been really good lines of sheep spoiled through containing a percentage of sheep that were not fit for freezing or shop purposes.

88. How do you account for the markets being so large a feature of the Canterbury trade and regulating the price throughout the whole of the province, while on this coast the markets appear to be a mere bagatelle and do not affect the value of sheep?—Because there is no good system of marketing the sheep. Lines of sheep supposed to be fatts are put through the yards and are not fatts: they are simply a mixture.

89. Do you consider that if at Wanganui, Palmerston, and the other centres the sheep-farmers were to enter into an agreement that they would yard a much larger proportion of sheep than they now do, and if the owners adopted the Addington plan and thoroughly classified the sheep in the pens, that would have the effect of raising the market all along the coast?—I do not think it would raise the value on the farm, but it would be very much cheaper for us to go into a central yard and secure a big line of sheep on one day, provided they were ready for us.

90. You spoke of your company making a loss during the period when they were freezing sheep for Nelson Bros.?—No, I did not say that. I said we did not pay a dividend. The company was just in its infancy, and could not see its way to pay a dividend.

91. Were you freezing for Nelson Bros. at a rate per pound?—Yes. 90 per cent. of our sheep going through the works were for Nelson Bros., who had a contract with the farmers at so much per pound, and our company did the freezing for Nelson's.

92. Yet while freezing for outside people you did not pay a dividend?—No. My company started in a very small way.

93. How does the charge you make for freezing for owners compare with the charges at Belfast?—I do not know what the charges are just at the present time. It was 1½d., and our charge comes to a trifle less than that. That is taking the summer rates. It would be less still taking the winter rates.

94. Do you say your charge if you freeze for owners is less than the Belfast Company's?—I believe the Belfast Company has reduced its rates lately, but our charges up to this summer have worked out a trifle less. We have a different way of working out our charges.

95. But you cover the same work as they do?—Yes, I think so.

96. What is done with the 7 per cent. of rejects?—We sell some of them to the butchers. We treat them to the best advantage.

97. You spoke of the difference in the value of the South Island sheep as compared with those of the North Island as being 4s. more?—Yes.

98. What is the difference in value in the by-products, taking the skin, inner fat, and everything?—The difference in the skin is 9d., and I make it out in this way: The wool, owing to its fineness, is worth 3d. per pound more, and, taking the average weight of wool on the skin at 3 lb., that gives the 9d.

99. What is your experience as to the quantity of the inside fat of a North Island freezer as compared with a South Island freezer?—I should put it down as quite a pound, and I think I am understating the case—I certainly am as far as the time I was down there is concerned; but I think possibly, if they have still got the Merino strain, it is what it was when I was down there. I should put it down at 2 lb.

100. Not more?—No.

101. Then, including both meat and by-products, what do you estimate to be the market difference in the value of a prime North Island sheep as against a prime South Island sheep?—Well, working it out myself, without reference to a chart I have here, I make it at least 4s. But taking this chart [produced] as a guide, it would make the difference much greater.

102. You had a good deal of experience in the South Island. Now, is it a fact that there is a large difference in the value of the sheep itself in the South Island? Supposing, for example, you take the values of sheep in Southland or any parts of Otago, is there not a considerable difference in valuation between those prices and the price obtained at Addington?—Yes. The Southland sheep at Home are worth less than Canterbury sheep. I believe there is as much difference between Canterbury and Southland sheep as there is between Southland and North Island.

103. And consequently the sheep do not bring in Southland the same price as Canterbury sheep?—No.

104. How would the average value of sheep in the North Island compare with the average value of sheep of the same class in Southland?—I should take Southland sheep as between the two. Taking the difference between the North Island sheep and the Canterbury sheep as 4s., I should take the difference between the North Island and Southland sheep at 2s.

105. Then, there is a variation in value even in the South Island itself?—Yes. For the six months ending the 30th June, 1892, there were shipped from Lyttelton as Canterbury sheep 327,440, and 4,402 pieces; from Wellington during the same period there were exported 306,617 sheep and 348,660 pieces—that is, Wellington exported 10,831 sheep less and 344,258 pieces more. These figures show what a different class of sheep is put through the works at the two places.

106. *Mr. Haselden.*] What is the average weight of the Southland sheep as compared with the North Island sheep—are they heavier or lighter?—I should say there is not a great deal of difference—the difference is in the quality. I would like to point out that the difference between the sheep is not only in the sheep itself as you see it hung up. You see the two different classes together. The North Island sheep is a long-legged, unshapely sheep, not evenly-fatted—a sheep without very much quality. The Canterbury sheep, on the other hand, is short in the leg, small in bone, showing plenty of bloom and quality. But the difference does not end there. The two sheep cut up vastly different. In the Canterbury sheep you find a good proportion of lean and fat, but evenly distributed, and the fat is nicely mellow. But the Lincoln when you cut him, although in good condition, is long in the leg; and when you come to cut him up there is a little bit of lean and a lot of fat on the top of that, and the fat is tallowy.

107. *Mr. G. W. Russell.*] How many brands do you send out of your factory?—Six brands for wethers alone. We have three grades of what we term heavy weights and three grades of light weights. We put them over the scales and the weight goes on them. Then we put them into six different grades for quality.

108. Then you have, of course, the one uniform Government tag, and at the back the particular class to which it belongs by its distinguishing mark?—Yes; and the label is branded with the company's brand and the class brand as well.

109. *Mr. Haselden.*] Do you always get six different prices for those sheep?—No. Sometimes, for whatever reason I do not know, we find our second grade of light weights will fetch as much as our best grade of heavy weights.

110. How do you account for the fact that our sheep sent to the South Island have brought a great deal more than they would fetch here?—If you sent your sheep down in quantity, as they are sent to the works here, they would not fetch more, but if you pick a line of heavy sheep it would be different. The butchers compete for them because they are worth more to them.

111. That would apply in the case of fat sheep, but we had evidence that it applied to lambs and store sheep?—There are climatic reasons, and difference in the feed.

112. Do you mean to say that our sheep would turn out a better class there than here?—Yes, there is no doubt about it. The Canterbury sheep are a better sheep than those in the North Island. I have had experience, and I say that your sheep would do better down there than here. If you sent down a well-bred line of sheep from the North, cutting a big line in two and keeping half of it here, they would have their half fattened first, while your half, when fat, would not be so good.

113. Is that on account of the grass?—I do not know, but there is something altogether different in favour of Canterbury.

114. *Mr. Field.*] What is your company paying at the present time for, say, 60 lb. fat wethers for freezing?—We are not operating just now. We are closed down for our annual overhaul. We have not purchased lately.

115. When you last purchased, what were you paying?—I think it was 14s. to 15s. for wethers. The latter price for a special line.

116. That was a month ago?—Yes.

117.—Are you aware that that is a better price than men are getting in Wellington here?—No. I might say that it was just before we closed down that we gave that price.

118. A month ago what price was being paid for your mutton on the London market?—If I remember rightly, 3½d.

119. That means that for a 60 lb. sheep you would be getting 17s. 6d.?—Yes.

120. The by-products you said just now would be worth 5s.?—No; that is for a full-woolled sheep. The skin was worth less then. It is worth more now.

121. A month ago were the by-products worth 4s. 6d.?—Yes, reckoning everything.

122. That would be £1 2s. altogether as the gross amount you would get?—Yes.

123. Do you think the difference between the 14s. you paid and the amount you received is necessary to cover everything and enable you to get a profit?—Yes.

Re Regular and Proper Handling of Frozen Meat.

Great improvement might, I think, be made if shippers would combine and insist on their meat being properly and carefully handled from the time it leaves the works until it reaches the consumer. Generally speaking meat is handled with the greatest care at the various works, and every effort is made to turn it out as sound and clean as possible, I understand that it is often delivered from the stores at Home not only in a dirty state, but with shanks broken and large pieces knocked off. Meat moved twenty times carefully should not be in this battered condition. The only way, in my opinion, would be for some one with necessary authority and power to go round with each steamer, see that meat was properly handled in loading, go Home with it, checking temperature on the voyage, and see that it is carefully handled there. I am sure if this were done there would be a big difference in the appearance of New Zealand meat as received by the consumer.

Re More Regular Supplies by Winter Feeding.

A great deal might, I think, be done by the farmer in the North Island towards securing a price for his sheep more in accord with the price ruling in Canterbury—firstly, by breeding sheep more suitable for freezing, and, secondly, by more systematic feeding in winter. At present sheep are allowed to get very poor in winter, and the companies receive very few for freezing during six months of the year, and only for three or four months are their works kept going to their full capacity. Let the farmers do what they will, I am of the opinion that there will still be a difference owing to conditions, "climatic and otherwise," over which they have no control, but that they can do a lot in the manner mentioned above I am sure.

Re Government Grading.

I am not in favour of Government grading, because the various companies have learnt by experience how to grade the particular sheep treated at their respective works. The bulk of the sheep treated in one part of New Zealand are of a very different class to those treated at works in another part. Each company has graders who have been educated up to deal with the particular sheep passing through their works, and I am of opinion that an attempt to grade the whole of the sheep in different parts on the same lines would prove disastrous.

C. M. CRESSWELL.

FRIDAY, 19TH SEPTEMBER, 1902.

W. KINROSS WHITE, General Manager of the North British and Hawke's Bay Freezing Company, examined. (No. 5)

I. *The Chairman.*] You are aware of the object of this inquiry: would you care to make a statement to the Committee, or would you rather give evidence on examination?—Well, I happen to have a letter with me which states to the secretary of the Farmers' Union at Woodville—which met with the object of ascertaining the cause of the difference in price between North Island sheep and South Island sheep—the reasons for such difference. It is as follows: "Napier, 15th July, 1902.—William Nicholson Esq., Woodville, Secretary, Farmers' Union.—SIR,—I am in receipt of your favour requesting me to submit my views with regard to the difference in price between North Island and South Island sheep, and it gives me much pleasure to do so, as I feel as much interest as any in raising the standard of sheep and getting the best price available. In the first place, Christchurch is a large centre, and it is a well-known fact that retail butchers there obtain very much higher prices for their mutton than are obtainable in Hawke's Bay or even Wellington. I think it will also be acknowledged that the facilities for fattening in Canterbury are very much better than prevail in any other part of the colony, the climate being a great aid in this direction. Any one who has followed up the reports of the Addington market will find that there is a vast difference in prices of the different classes of sheep, while every week prices for the same class vary in a very marked degree. For fat sheep, in accordance with the state of the London market; while the price of stores is often regulated by the fattening facilities offering, such as stubble-paddocks and root-crops, which can usually be purchased. For various reasons, also, freezing-facilities in Canterbury yield better returns than elsewhere. In the first place, the Canterbury brand alone is worth from $\frac{1}{4}$ d. to $\frac{1}{2}$ d. per pound, which has often been proved by sheep from Otago actually being sent up to Canterbury to be frozen. Freezing companies there have a very great advantage in being able to dispose of, at their very doors, every pound of manure that they can turn out. The manager of one of the companies there informed me recently that he had turned out annually 4,000 tons of manure that netted him £4 5s. per ton, which in itself means a very big dividend. I may mention, too, that to dispose of this immense quantity of manure only one traveller is employed; while one company there put through three-quarters of a million of sheep and lambs without the aid of a single buyer or stock agent, whereby a considerable saving is effected; whereas North Island companies have to spend thousands annually in sending round buyers, which has now become a custom here. The class of stock in Canterbury is certainly, as a rule, more suited for fattening, the Border Leicester and Down crosses being the best for this purpose. But the great secret in connection with the quality of stock in Canterbury as compared with North Island sheep is that the sheep are not allowed to go back in condition in winter; indeed, in the winter season the larger proportion of their freezing is done. The Canterbury works are able to keep going all the year round, which greatly reduces the cost of freezing, while in the matter of labour they have a very considerable advantage over the companies in the North. In conclusion, I would suggest that, if in the North Island sheep could only be turned out on more even lines, and spread over a longer period of the year to enable freezing companies to keep their works going regularly, they could afford to pay very much better prices, while they would also participate in the lower freights that prevail during the winter months.—I am, &c., W. KINROSS WHITE."

2. You apparently wrote that letter in answer to an inquiry as to why the price of Hawke's Bay sheep was not so large as for Canterbury sheep?—Yes, that is so.

3. You have no reason to think that any better marketing of produce would assist your trade in Hawke's Bay: I mean at the London end?—I do not think so. All our meat is consigned to our own managers there, and they either sell to c.i.f. buyers or dispose of it on the market, just as they see fit.

4. They have no fixed method?—No.

5. They would either sell in small parcels or large?—Yes, according to the state of the market. Sometimes it is advisable to sell c.i.f., or, if the markets are good, to sell for different parts of the country.

6. You have no connection with the Colonial Consignment Company?—No.

7. Do you think any system of concentration of supplies would be likely to give you a more even all-round price for your stock?—Unquestionably it would.

8. You feel satisfied as to that?—Yes.

9. And, if you were asked for an opinion as to improving the frozen-meat trade of the colony, you would say that that should be one of the objects aimed at?—It is rather difficult to answer that question straight off, because one has to remember that if the trade in London gets into too few hands it would raise a lot of outside opposition. There is no doubt that, if certain persons were to regulate the price to some extent, for large dealers that would be of great assistance; but at the same time, if it is put into too few hands it simply means very great opposition from other parts of the world. We have done a great deal to assist London prices by being on very good terms with the River Plate people, one of whom is a director of our company, and he has helped us. If we were not on friendly terms with those people there is no doubt that they could swamp us, because they are in a very large way. You do not want to offend such people by making our trade a close borough or corporation.

10. You do not think it should be an aggressive concentration or combination?—No.

11. Do you think that if concentration were aimed at, it would lead to an improvement in the trade?—Yes, there are at present too many small consignees who do not understand the trade.

12. *Mr. Field.*] Your company is the North British and Mercantile?—The North British and Hawke's Bay Freezing Company.

13. Do you sell to c.i.f. buyers or distribute your meat yourselves in the Old Country?—We

sell to c.i.f. buyers if our London managers consider it more satisfactory, or we sell on the open market in London.

14. You are not tied down by long contracts for five or seven years?—No.

15. Do you know whether any other companies are tied down by long contracts—c.i.f. contracts?—No.

16. Companies do not contract to sell their output to one set of buyers for years?—I could not say.

17. If they did so, it would prevent them selling to South African and other markets: I wanted to know whether any of the other companies were hampered or not?—I do not know. All I can say is that we are not.

18. Are you aware that there is strong dissatisfaction in this part of the North Island—that is to say, in the Wellington, Hawke's Bay, and West Coast districts chiefly—as to the price paid to producers?—Yes, I am, and I think it is greatly in their own hands. They will not take the same amount of trouble with their stock as the Canterbury farmers do in fattening their sheep properly.

19. You are aware that it is alleged there is a combination among the companies in this part of the North Island to fix a standard rate of prices?—Yes.

20. Do you know of any such combination?—Not on our part.

21. In Hawke's Bay, are you competing in the open market with other buyers?—Yes.

22. You, of course, have seen reports of meetings comparatively recently at Waipukurau and other places?—Yes.

23. Do you say the complaints are groundless?—The growers have only themselves to blame—there is no doubt about that at all. It is a curious fact, but I might mention that the two largest fatteners in Hawke's Bay are the two freezing companies. We have had to take to fattening for ourselves. Nelson Bros., are far and away the largest fatteners, and we come next to them.

24. What price were you paying for freezing-wethers the last time you were buying?—I think 14s., but we have not bought since May. We closed down about the 1st of May, no more fats offering.

25. Were you buying at 14s.?—Yes, we paid from 13s. to 14s. then.

26. Prices were better than now?—I do not think so.

27. You were offering 14s. in May, you say?—That was for some special lines perhaps. There is a great variety in sheep. I think the general price was 12s. to 13s. For a special line we have gone as high as 14s., simply because they were good sheep.

28. What was the price ruling for your mutton in London at that time?—From 3d. to 3½d.

29. What is the average weight of sheep you bought—about 60 lb.?—The average weight last season was between 56 lb. and 57 lb. The previous year it was more than 60 lb., but we had a very bad spring in Hawke's Bay.

30. At that time what would you consider the value of the by-products, including the skin—in May?—To tell you the truth they vary so much in the different lines of sheep that it is difficult to say.

31. In the quantity of fat?—Yes, and in the wool. Some wools are worth so much more than others, in some cases nearly double. It is a very difficult question to answer, because they vary so much. We had a very bad spring last season in Hawke's Bay—the worst I have known. When sheep do not have a good spring they never gain their constitutional size.

32. I suppose you have a sprinkling of Merinos?—No, only up in the highlands in the Patea district.

33. You have no Merinos?—No, there are none offering.

34. What do you think is a fair thing to state as the difference between the average price of a North Island freezer and a Canterbury freezer?—I have just cut this report out of the morning paper. It is the report of the Addington markets, and says: "Prime heavy wethers made 20s. to 22s. 4d., freezing-quality 17s. to 19s. 6d., and the lighter sorts 14s. 1d. to 16s. 6d.; prime heavy ewes, 19s. 6d. to 21s. 6d., good 15s. to 18s. 6d., and inferior 11s. 6d. to 15s.; prime Merino wethers, 15s. to 17s. 6d., and others 10s. to 14s. 6d. This shows the difference in freezers. We buy in big lots, and the farmers like to get out-and-out prices. Sometimes we buy before there are any fats in the market. The worst of the Hawke's Bay sheep is that there is such a tail to them. There are about 20 to 25 per cent. of prime sheep equal to Canterbury sheep almost, but there is a tail of very different sheep.

35. And they are considerably below the Canterbury values?—Oh, yes. I can give you an actual experience of my own. Last year our buyer bought a line of 1,200 ewes with 5 per cent. of rejections. As I said, it was a very bad season, and when he went up to take delivery he found the ewes were in a very bad condition, and he could not get any fat. We expected that a great proportion of them would be fat—they had been the previous year. I sent them up to Waipukurau for sale by auction. Our buyer gave 9s. 6d. for these ewes, and the highest price we could get was 2s. 6d. That is a positive fact. I took the sheep back to one of our properties where we happened to have some good feed, and we gradually brought those ewes on, and I have sold them in small lots for 9s., and have been getting as high as 12s. for some with the pelts on. At the same time these were not prime mutton, but simply old ewes with scarcely a tooth in their head. But, of course, it costs a lot of money to feed them in winter.

36. There are a lot of ups and downs in the business?—Yes. They were a good line of sheep, with a Border Leicester cross, or they would not have recovered. Unless I had had this good feed to put them on I should have lost the difference between the 9s. 6d. and 2s. 6d. We only want the fats.

37. What do you prefer, the 56 lb. or 60 lb. sheep?—We prefer them to go about 56 lb. to 65 lb. You can get about as much out of an 80 lb. sheep as a 60 lb. sheep, on account of the tallow. We would not freeze them; we would freeze the legs, and boil down the rest.

38. They are better for butchers' purposes?—The butchers in Hawke's Bay cannot afford to give the price for these heavy weights. They never have been able to give the prices, within 5s. or 6s. of Canterbury. It is a small place as compared with Christchurch.

39. Do you run butchers' shops?—No; we did run carts, but dropped money by it.

40. But you do sell meat?—There are a few hawkers who go round.

41. Are the markets good up there?—There are so few of them.

42. Still it is a free market?—Yes.

43. We have had it in evidence that a number of men in this part of the colony have had the experience of offering their sheep to the local companies, and, rather than accept the offer made by the companies, have shipped to Christchurch, with the result that they have netted, after paying 3s. or so for expenses, considerably more than was offered by the companies here?—Yes.

44. Can you account for that?—Yes. They have been mostly sold as stores, the lines from our district. I remember one line of 500 fat ewes and 500 wethers that were too heavy for freezers, and were sent down to Christchurch, where, I think, they brought 15s. They were offered 11s. in Hawke's Bay for them. They had been previously offered 13s. in November, but the owner declined at that time, and sent them down in December. The London price at that time was 2½d. per pound. There was a terrible drop, and these sheep were sent down to Christchurch and sold to the butchers.

45. Were they fat?—Yes; there was just this line of 1,000. Another man bought two lines last year, and he says he dropped £2,500 over them. This year he has bought some lines at 10s. 6d. They were not offered to the freezing companies.

46. Have you any suggestion to make for the improvement of the market in the Old Country, and particularly do you consider the Government could be of any assistance to the market, either by grading, undertaking shipments for farmers, or by cool-stores at Home, or by distributing the produce?—I really do not think so.

47. You do not think the middlemen's profits in the Old Country are excessive?—It is just this way, the more profits the middlemen make the better it is for us. The more competition there is the better it is for us. People talk about River Plate mutton being sold as New Zealand, but I never heard any complaints about the West-end butchers selling New Zealand mutton as prime Welsh. The butchers buy the meat on its merits, and the more the middlemen make out of it I say the more power to them, for the better it is for us. I have tried the butchering business, and I find that you require to get double what you pay for your stock to get any profit at all. The sheep that are bought at 4d. per pound you hear are sold at 7d.; well, the butchers require that profit on account of their shop-rents and bad debts. I know that our butchering business cost us £1,600, and we lost heavily by it.

48. *Mr. T. Mackenzie.*] Do you mean to say they require a margin of 3d. a pound at Home between the wholesale price and retail? Supposing a butcher buys at 4d., what do you consider would be a fair profit on a sheep?—He would require to get 2d. or 3d. to make it pay. I do not know anything about the working of the London trade: I only know that we require very big profits here.

49. You would not think that 1½d. would pay? Supposing a man buys a sheep at 4d. and gets a gross return of 5½d.: would you not think that sufficient?—No, I do not think so. It depends upon the turnover. You would find some of them would go to the wall.

50. You say "more power to them" if they sell at the West-end price: Are you aware that, although they get a big price for the meat, they only pay the New Zealand price for it?—If the butchers are making a profit out of it they will buy our meat more readily.

51. Say the market value of prime meat is 4d., do you mean to say they will give ½d. more?—Yes. But even among the prime sheep there is a difference. We get weekly notes of sales, and I have seen as much as 1d. per pound difference from the first of the line to the tail-end of the line.

52. Where is the benefit of that to New Zealand?—It brings in a fresh client for our meat if a profit is made.

53. Do you not think that if the best of our stuff is picked off the hooks and sold for something else New Zealand loses its good reputation thereby?—I do not see that at all.

54. If the best that this country produces is sold for something else are we not robbed of our reputation?—To tell you the truth I do not think people at Home care two straws about it.

55. Assuming that it affect our reputation?—The great thing is to get the reputation from the butchers at Home to start with. They have to buy the stuff and sell it to the best advantage they can.

56. Do you approve of branding the meat?—It would not be a bad idea, but I believe the butchers and the Smithfield market would not care two straws about branding. They buy on the merits of the stuff.

57. If there are meat rings more powerful than Argentine and Australia, and if our meat is sold for what it is and turns out to be good, will the inclination of the consumers not be to come back and buy that meat; whereas, if our best is sold for something else and our inferior meat is sold as New Zealand meat, will not that permanently injure the reputation of our meat?—Doubtless it would.

58. How do you sell your meat at Home?—It is consigned to our managers in London, and they watch the market. They sell to the highest bidder. They either sell c.i.f. or on the London market.

59. This is what they actually do at Home: they either sell the lot to the c.i.f. buyer to arrive, or give it to the market?—But if the market is good we sell portion c.i.f., and the rest we put on the market.

60. To whom do you make c.i.f. sales?—We sell to any one in the country.

61. Could you give me the name of any one to whom you do sell?—No. All I know is that they do sell to country buyers.

62. Do you reach the people with the c.i.f. lines?—I could not tell. I have nothing to do with the selling. Our managers do their level best and get a salary.

63. My object is to find out how near they reach the consumer at Home?—I could not tell you.

64. That which is not sold c.i.f. is put into the hands of the salesmen?—Yes.

65. And their commission is 2 per cent.?—I think so, but could not say.

66. Does your agent go to the London market every morning to see what is realised for your meat?—Yes.

67. Do you think these men sell honestly?—Yes.

68. Do you think the 2 per cent. is all they get for the sale of the meat?—We do not do it in that way. We pay the broker. It used to be three-eighths, taking delivery, storage so long as we liked, and sale charges to cover everything.

69. It is something like the consolidated rate the Colonial Consignment Company charge, which it has been given in evidence is 0.35d.?—Yes. Our stuff may be kept in the stores in London as long as we like.

70. Do you know the charges for storage in London?—No. We just pay on that basis, and they store as long as they like.

71. You pay a consolidated rate and they can place the meat as they like?—Yes. We have the advantage of holding it over when it is thought desirable.

72. But what is the effect of holding over the stuff?—It deteriorates, of course, by being kept too long; but at the same time we have saved our bacon by holding it over.

73. Have your people ever reported about a better method of distribution at Home?—No.

74. You have not considered the question of the Government taking over the whole trade at Home?—In a measure I have; but I think it would lead to less friendly relations with other people, like the River Plate people, if it were turned into the form of a monopoly and other people did not get their whack at it.

75. Do you not know that the River Plate trade is a monopoly now at Home?—It may be, but they are doing very well. They have raised the price not only of their own meat, but of that of New Zealand.

76. You are aware, perhaps, that the three companies trading with the Argentine are working in harmony?—Yes.

77. Does that harmony prevail among the New Zealand salesmen?—No.

78. Is it not the fact that so many people having control of the meat is a frequent cause of depression?—No doubt it is, to some extent, because it is a question of supply and demand.

79. Is it not a fact that one holder has reduced the price in the market by 1½d. per pound?—I could not say that.

80. Could that happen if the Government took control of the whole lot?—I do not know but what it would; but it might irritate these other people, and they would drop things down.

81. Surely you would not say the Argentine companies would be more antagonistic to our interests if we combined than they are now?—I do.

82. In what way could they show it?—They would discredit our meat throughout their places. At present they buy New Zealand meat for their own shops. When I left Home in 1890 they had six hundred shops in the Midland Counties of England. That is, the James Nelson and Son Company, who are the oldest people in England in that trade.

83. Why do they buy our meat?—One of them is a director of our company.

84. Is it not because of the demand among their customers who would not take Argentine meat?—No; they simply cater for a higher class of trade.

85. Do you mean to say they would not continue to do that if we combined?—I do not think so. There would not be the same friendly feeling towards us.

86. Regarding the purchase of sheep in the North Island: It has been given in evidence that buyers here will not buy 60 lb. to 70 lb. prime sheep. Is there any truth in that statement?—I only wish we could have got them last season, we would have bought them quickly enough.

87. It was said that was so unless they gave them to you at throw-away prices?—No; we simply could not get them last year.

88. In reference to the question of combination, it has been given in evidence by a farmer that there was a fixed price, and the buyer would go to A, B, and C, representing different farmers who had sheep of different quality, and would offer them a fixed price for all three qualities?—Yes, I quite believe that. If a farmer up our way got 6d. more than another there would be a rare storm. In our position we do not get a sufficient supply to keep us going. We have to buy everything that comes in our way, and we have to average the thing out.

89. What weights do you prefer to buy when all things are normal—at a time when there is no extra demand for all?—We prefer 60 lb. to 70 lb. sheep. We do not freeze anything over 70 lb.

90. What are your favourite weights of well-finished lamb?—35 lb.

91. If a statement of this sort was made, that your buyers were instructed to take no weights under 40 lb., what would you say?—I should not think that would be the case. I know our weights are terribly light in lamb. I do not think they averaged 31 lb. last year. We paid too much for them: we gave 11s. and I see that we got 4d. a pound lately.

92. At any rate, your statement is that your average is about 31 lb.?—Yes.

93. *Mr. Haselden.*] What class of sheep have you mostly on your side? We have mostly Lincoln on our side?—It is pretty well the same with us—Lincoln and Romney. Perhaps I have had more experience with Romneys than most of the farmers, because I have been freezing them for the last fifteen years.

94. Do you think Romneys are a good cross on a Leicester?—I do not know, but at the same time the Romney is a first-class mutton-sheep. I have frozen them perhaps more than any one else in New Zealand, because two of my clients were very large suppliers of Romneys, and I have six or seven thousand of them every year for the last fifteen years. They were splendidly bred sheep, and their wool has topped the market at 9d. and 9½d. There was a cry about them being yellow, but that is not the case. I am speaking of prime Romneys. Second-class Romneys, of course, are not so good.

95. Do you fatten sheep on artificial feed or grass?—Artificial feed mostly. Nelsons and ourselves do more ploughing than anybody else. There is no doubt they are better topped off on artificial feed.

96. Does your company make any manure?—We sell all our offal to somebody else. In Hawke's Bay there is scarcely any manure consumed. All of it has to go away, and it is a handicap to us.

97. But they want it at Wairoa: they would take it there, would they not?—No, the Wairoa country is not bad. The freight and charges kill it, and the brand. I used to make it, and I found our brand was discounted by from 15s. to 20s. a ton. The Canterbury farmers send their sheep to Islington and Belfast, and those people expect the farmers to buy their manure.

98. You said there was a difference in the value of Canterbury freezers?—Yes.

99. How is it that there is that difference in the price as compared with Wellington?—It is through the habit of selling lines of freezers.

100. Therefore the farmer suffers?—I do not think he does. Down in Canterbury they draft their sheep very carefully. They put them in the yards, where they are bought on their merits. Then there is another draft, for which the farmer would not get within two or three shillings of the first draft.

101. But ours are not bought on their merits—they are bought in a line. If there is not a ring there is an understanding between the companies; they will not go beyond their own price?—I do not know that that is the case. In November last we were giving in Hawke's Bay 13s. The meat went down to 2½d. a pound in December on the London market, and we were losing 6s. and 7s. a head at that time. We had to give a lower price, down to 10s., and there was a fearful outcry among the farmers about it. The sheep actually dropped 4s. in London between the time we started buying at 13s. and December.

102. You said that if you gave one farmer 6d. a head more for his sheep there would be an outcry on the part of the others; but there is no encouragement to farmers to breed good sheep if they cannot get more for them than for bad ones?—If we had good sheep coming forward in sufficient quantity to keep us going we should certainly give more, but we have to take the stuff as it comes.

103. But suppose you give a man 14s. for prime wethers and you give the next man only 12s., it would encourage the last man to improve his sheep. That would put us on one level?—But every sheep-farmer thinks his sheep are the best.

104. Is it not a fact that there is no good in a farmer trying to improve his sheep because he will get no more than the average price? There is no margin in your prices?—I would not say that, because if a man produces the better quality he would get his sheep away in larger drafts and benefit by the winter freights.

105. He might not be able to hold over his sheep, and they might go back?—You must bear in mind that, as far as possible, we pick them out according to the quality of the sheep. Supposing you produced a really good level line of sheep, our buyer would take the lot. Another man, whose sheep were not so good, might only get one-fourth of his taken. That is where the advantage is.

106. Would the buyer take the other sheep if they got fat?—If they are coming on he will.

107. Do you think the consumer could not be brought nearer in the Home market with the producer? Could we not send our meat out in carts and sell it ourselves?—No, the people at Home are far too strong for us to do that with success.

108. There is a ring at Home among the butchers?—I do not say there is a ring, but they have to make a living.

109. I am told that we cannot break down the butchers' ring; but if we concentrated our supplies and sent the meat out in carts, and sold it at the doors of the consumers, could we not break down the butchers?—I do not think so. They are a very big corporation, and if we attempted that they would simply discredit the meat amongst their customers.

110. That means a ring?—Not necessarily a ring, for if you sent your wool past the brokers it would be the same thing. I think the fairest thing would be to have a meat exchange and sell the meat in the same way as you sell the wool, and sell it by public auction if possible. That is just a rough suggestion I make, and I think nothing could be fairer. We do not hear the same complaints with regard to the way in which the wool is disposed of, and it is disposed of openly. We see the particulars of the different classes of wool and the prices obtained, and the meat might be sold in the same way.

111. *Mr. Flatman.*] When it comes to the question of wool, I think we have more to grumble about than we have with meat. There is more discrepancy in the profits made in wool than there is in meat, or a larger margin I should say?—I cannot say anything about that.

112. It looks so upon the face of it, when you get, say, 1s. 5d. a pound for wool and find it is worth 3s. a pound after it is spun. What is the fat worth as a by-product, as an average, on a 70 lb. sheep?—It depends. I have seen a 70 lb. sheep with almost no fat in it at all, while another sheep may be full of it.

113. Do you think it would give 7 lb. of fat?—Not a 70 lb. sheep.

114. Nothing near it?—I think, as a general thing, a Canterbury sheep would average 7 lb. of inside fat as against 3 lb. to 5 lb. in a North Island sheep.

115. What would that be worth per pound?—It depends entirely upon the London market. It would be worth perhaps 2d. or 2½d. per pound. Of course, it has been very high lately.

116. You would doubt a statement that the fat of a 70 lb. sheep is worth half-a-crown as a by-product?—I do not think so.

117. You are acquainted, of course, with the markets for live-stock?—Yes.

118. What is the difference in the price of ewes at Johnsonville and Addington at the present time, for sheep of a similar weight?—I could not say. I do not compare them. It varies so much every day.

119. *Mr. Field.*] Supposing your company or any other company were buying lambs, but not in large quantities—that is, assuming that lambs were offered for sale and they did not want to buy the lot but were prepared to buy some—which would they prefer to take from the farmer, the heavy- or light-weight lambs?—They would want lambs going from 35 lb. to 36 lb. We do not like them too heavy or to go over 36 lb., because they very often grow into tegs.

120. Can you conceive of a buyer going into a flock and taking those of 40 lb. weight and leaving the others?—It might have been done for butchering purposes. For every heavy-weight lamb you get ½d. or ¾d. less per pound in London, but that is made up in other things.

121. You could conceive of a buyer here selecting heavy-weight lambs out of a flock?—Yes.

122. You said you could not get wethers last year: Did you try to buy in this district?—We sent up as far as Woodville, because we were very short of the right sort of freezers. I sent a buyer right through the Coast, and he found all the sheep were engaged. He could not get any in the Weber district, and found the sheep had been pledged up to Woodville.

123. Why not buy nearer Wellington: Is your buyer not allowed to come so far?—We do not as a rule. We should have been very glad to take them if any had been offered.

124. The farmers here would be very glad to get outside buyers?—I did not get the slightest hint that they wanted to sell. I sent a man up specially, as I said, but it is very expensive to do that. It cost from £1 to £1 10s. a day. The Belfast Company freezes 750,000 per annum at £400 a year travelling-expenses, and it costs us about a couple of thousands for railage and so on. We reckon it costs us £500 or £600 a year for each man. If the farmers sent their sheep to us, as they do in the South, it would save these expenses. Unless I send men out, I cannot get the stuff. At Addington the cost of railage is deducted from the farmer's account.

125. And the sheep are properly classed at Addington?—Yes; splendidly classed.

126. The sheep-farmers complain that there is no market and only one buyer, and I know from my own experience that that is so. They also think the price offered is not a satisfactory one. They are asked why they do not freeze on their own account, but the answer to that is that they are very small men, and do not care to run the risk when they do not know how their meat is going to be dealt with when it gets Home?—Just so.

127. If there was some kind of Government assistance or control of the meat and its distribution in the Old Country, do you not think some of the small men might be encouraged to ship on their own account?—I think the representatives of the freezing companies at Home are honest men, and I know they will sell a hundred sheep if they are put into their hands. Our representatives are paid to do their very best for our clients, and I believe they do their best. When my company started about fifteen years ago, for two years we did nothing but freeze on owners' account, and the company was started with that object in view. There was no intention of taking the market risk, but the third year we could not get any one to freeze on their own account.

128. At any rate, the small men would not take the risk, and probably took the price offered?—Yes.

129. And it is very galling, is it not, to be told that, "That is the price, and you cannot get a penny more"?—I quite agree with you. I am a sheep-farmer myself, and have one or two places myself. I sell both large and small lines, and I quite agree that it seems hard; but at the same time I think that if the sheep-farmer took more trouble in fattening his sheep, and keeping the trade going all the year round, the freezing companies could do more for him.

130. *Mr. Lang.*] Do you think it likely that any freezing company would give instructions to their buyers not to buy lambs of under 40 lb. weight?—No, I do not. Of course, the difficulty is to get buyers who can tell the weight of a lamb. The buyers in the North Island are not so well educated in that respect as they are down South. They have not been on their own "hook" and bought their experience, and it is quite possible a freezing company might say to their buyer, "You are not to take anything under 40 lb.," probably well knowing that his 40 lb. lamb would pan out about 35 lb.

131. The reason you think that is because your buyers are not competent men?—No, not that; but because it is a difficult thing to tell. When men tell me that they can tell the weight of a mob of sheep I conclude that they do not know anything about their business, because there are not two sheep exactly alike; they differ as much as people do in appearance and weight. No man who knows his business can tell the weight of a sheep to a pound.

132. It has been stated before this Committee that the buyers for the freezing companies in the Wellington Province are given instructions not to buy lambs for freezing purposes under 40 lb. in weight?—That would be my explanation of it that I have given.

133. A member of this Committee put that question to Mr. W. Nelson, who was representing a freezing company, and he said that if any one told him that a buyer was instructed not to buy lambs under 40 lb. in weight he simply would not believe it. He was very emphatic about it. Does it not seem unlikely that any freezing company would give such instructions?—I do not think they would make any restrictions unless it was to a buyer of the class I have mentioned.

134. Surely, if the buyer was not a judge of lambs he might err in the direction of underweight as in overweight?—Up this way it depends a great deal upon the season as to how the sheep will

open out. If we had a few mobs in from well-known flocks I can tell how the rest will turn out pretty well during a season. The worst of it is that farmers do not draft out their sheep themselves. They simply put a whole mob into a pen and expect the buyer to pick out the weights he wants. I have known farmers to bring in a lot of sheep to be gone through; the buyers become accustomed to the small ones, and when they see another lot coming in that are bigger they find it a very difficult thing to draft them properly.

135. I understood you to say you fix a price for the sheep, and give the same price for all, your reason being that there would be an outcry among the farmers if you gave one man 6d. more. Is there not an outcry at the present time because you give the same price for inferior sheep as for the better class?—I have tried to explain that if a man has a really good mob of sheep the drafter will take the lot; but if he goes into an inferior mob he will perhaps only take a quarter of them. The first man will get his away earlier, and the second man does not get that advantage. If a man produces a good line of sheep I would make a deal quicker with him than with another man. It is a difficult matter to deal with. As I have said, the average farmer thinks his sheep are the very best, and it is very difficult to convince him to the contrary. I have asked men over and over again to come to our freezing-works and see the sheep killed, but they will not do so. I think it is a great pity that the farmers themselves will not take more interest in the matter. Dead stock and live stock are quite different things. I have known farmers who could not tell the difference between a ewe and a wether when they have seen them hanging up, and many cannot tell the difference between an old ewe and a maiden ewe. It is a difficult thing to tell what is a maiden ewe, but it can be done by butchers. I think the farmers in Canterbury take more interest in their sheep, for they know perfectly well that if they put a bad sheep into a pen at the yards that sheep will be marked.

136. *Mr. Field.*] Assuming that the farmers did the proper thing here, and that markets were established at such places as Levin, Masterton, and Wanganui, do you think the freezing companies would send down their representatives to buy for them?—If it would pay us to do it we would undoubtedly do it.

137. Would it not pay you to do it if the farmers did that?—Undoubtedly it would. I go down to Canterbury every year—I have relations there—and naturally take a keen interest in the market; and last year I took several men with me from Hawke's Bay to look at the pens. They said they did not see any difference between the sheep there and ours in Hawke's Bay. But I said, "You feel the sheep," and they did so. Well, it simply opened their eyes. Those sheep were as hard as nails, and there was no blubbery stuff about them. I saw Merinos there being sold at 18s., and of course such a thing is unheard-of up here.

138. *Mr. Haselden.*] Pure Merino wethers?—Yes.

139. Would you buy pure Merino wethers?—No; they are only used for butchers there. There is a great difference between the North Island and South Island climate, and it would be impossible to get Merinos into the same condition in our climate as they do down there, on account of the frosts and turnip feeding. Our sheep would get weak in the knees and suffer from footrot. I would like to mention one or two things that have been omitted in my evidence. In Canterbury there are more of the Border Leicester and Down crosses, and I believe they are the best. My butcher was one of the big buyers in Canterbury, and he is a thorough judge of sheep, and that is what he has pointed out to me. You cannot get a decent chop in Hawke's Bay. I mention this to show the difference in value of the carcass. When I go to Canterbury I order a chop for breakfast just as a treat, and this shows how much more profitable their sheep are than ours. You can make more out of each portion of the sheep. A great disadvantage with us is the falling-off of the sheep in winter. They lose their flesh, and when once they lose flesh they never recover it; they will get fat and blubbery. In Canterbury there is so much grain and root-crops grown, and you must know that there is a great deal of good in those stubble paddocks. We lose the advantage of winter feeding. Again, labour costs more in the North Island than in the South. We have to pay our butchers 6s. a week more in order to retain their services, or they would clear out, because they have only the six months' run. The men deserve more, and therefore they get it. Then, in reference to South Island buyers coming up and buying here: It must be borne in mind that if there is a good crop of turnips or stubble in Canterbury it pays them to come and buy our sheep to take down there, and often these big buyers of Canterbury have contracts to fulfil, and must buy even at a loss. But they are fair-weather birds and clear out again, while we have to take the sheep all round. If we make a good profit we raise the price. I have already stated that we only get from 20 to 25 per cent. of stuff equal to good Canterbury mutton. Another factor is the early maturity. We cannot get any two-tooth sheep to freeze—there is practically none in Hawke's Bay. They are the best, for the reason that none of the flesh has gone off them. They have been kept going as lambs, the fat is not so gross, and is not so tallowy. In Canterbury they are mostly two-tooth, I believe, while here they are mostly four-tooth and six-tooth, and the two-tooth is better meat and give better chops. Then, with regard to the charges: The more valuable the article the less the percentage of charges right throughout, and that has to be taken into account. Again, our rejects are very heavy as compared with Canterbury rejects.

140. *Mr. Field.*] Have you shipped to South Africa?—No. Of course, ours is such a small concern as compared with others.

141. I believe the Argentine people are offering very largely there?—Yes, and there is one thing I am very much afraid of. There is a very powerful company going to be started in the Argentine, and I am afraid there is going to be very heavy cutting there, because the companies that hold the reins there will not stand competition, and they are very wealthy. The Weddells Company are starting there with a capital of two millions, I believe, and there will be strong competition.

TUESDAY, 23RD SEPTEMBER, 1902.

J. HURSE, of the firm of Chapman and Hurse, Meat-exporters, North Canterbury, examined.
(No. 6.)

1. *The Chairman.*] You are aware of the objects of this Committee, and that you have been requested to attend and give any information within your power to enable the Committee to report as to whether any improvement can be effected either in the manipulation of the carcasses, the shipment and freight, or the distribution of the meat in England. Knowing that your connection with the trade extends over many years, we thought your advice would be valuable on these matters. Would you care to make a statement, or would you prefer to answer questions?—I would prefer to answer questions, and may enlarge on them at any particular point.

2. Have you had any experience in the purchase of stock in other provinces of the colony than Canterbury?—Yes.

3. Have you purchased stock in Wellington?—Yes, in Wellington and Hawke's Bay.

4. Do you find that on taking those sheep to Canterbury you are able to place them as freezing-sheep?—You might do so with a few, but not as a rule. I should be afraid to send a lot to freeze at the Belfast Factory. They would kill them there, but they would be classed as second quality and branded as such.

5. Would the proportion amount to more than 25 per cent. of good freezing quality as compared with prime quality Canterbury sheep?—During the time that I have been up here I have always endeavoured to get the fine-woolled sheep. The wool is more valuable on fine-woolled sheep, and as a rule they throw out more fat than the big coarse sheep do. I like to freeze the light sheep, not the heavy coarse sheep. I would not freeze heavy sheep if I could avoid it.

6. You would place the greater part of the sheep up here as butchers' sheep?—They would grade as second quality. There might be some rejected, but we should get little for those.

7. Taking the average sheep of that class and comparing the average 65 lb. Canterbury sheep, what do you consider would be their average value?—Well, in the first place, North Island sheep produce very little more than 50 per cent. of fat as compared with ours. Here we get what you call the running fat, while in Canterbury we do not. Here you would have $4\frac{1}{2}$ lb. or $4\frac{1}{4}$ lb. fat, while in Canterbury the average will throw nearly 8 lb. We get 3d. a pound for our tallow in Canterbury, which means a difference of 1s., and then I reckon there is 1s. 8d. in the skin. They give more for the pelts in the South Island than they do up here; here you have to pay for heavy truckage or driving.

8. If you had the sheep you speak of in Canterbury alongside Canterbury sheep, what would you consider the difference in value?—For butchers' sheep there would not be so great a discrepancy, but for freezing purposes I would not like to buy them there.

9. Is there any method or system you could advocate with regard to improving the distribution of our frozen meat in the Old Country, or which would favourably affect its distribution?—There is no doubt that so much meat going to London has a very bad effect upon the market. If two or three ships go into port together down goes the market, and if there is any great interval between the arrival of the ships up goes the market. If we could prevent the occasional gluts it would help the trade very considerably. If we could place the meat at different points where there is consumption for it as well as in London we could keep the London prices up and secure a better state of things altogether. Directly two or three ships arrive with sixty, seventy, or eighty thousand carcasses, as the case may be, down goes the price of mutton.

10. Are you aware whether the various firms which have charge of the River Plate meat send their managers down every morning to the market and decide upon the price of it?—Yes.

11. Do you think a similar system could be arranged with regard to New Zealand meat?—The River Plate meat is in very few hands at Home. They work together as a board would work, while our meat is in thousands of hands, with one man quoting one price while another may quote a different price. I have myself known meat at one time in the morning sold at $4\frac{1}{2}$ d. per lb. and in the afternoon or at 1 o'clock I have known it to be sold at $4\frac{1}{4}$ d. per lb.

12. Do you think it would be possible to combine those firms so as to make it one uniform price during the day?—No. I think when we commenced the freezing business we began wrong. We should have concentrated the business. If there had been an agent through whom the meat went, those freezing on their own account could have told that the meat would have to go through one firm, who would have been able to say, "We will give you an advance on your meat, but it must go to the market through us," and by that means the amounts could have been curtailed to suit the market. If a scheme of that kind had been formulated it would have been different. At present every little man can send his meat to different agents, with the result that it is "all over the shop," and it is almost impossible to concentrate the business.

13. You would consider concentration an ideal system, but think it is impracticable?—Yes. At present one man can put down the whole market if he likes.

14. *Mr. T. Mackenzie.*] You did not give us an idea of the difference in the average values between Wellington sheep and Christchurch sheep: When purchasing a line of prime sheep up here and also a line of Canterbury primes, what would be the difference in value?—There would not be the same difference in prime as there would be in coarse sheep up here.

15. What is the difference between the coarse and primes—approximately?—Of course we have to pay truckage. The difference in the meat would be something like $\frac{1}{2}$ d. per pound, and there is a difference in the fat. The difference would be about half-a-crown.

16. I understood you to say you knew of meat being sold at Smithfield in the morning at $4\frac{1}{2}$ d. and at $4\frac{1}{4}$ d. in the afternoon?—Yes.

17. Was there any particular reason for that—such as the market getting scarce?—No. Supposing a man has a small stock on hand, and he knows there are three or four ships coming

in, he says to himself "These ships will be in in a day or two, and I will place what I have got." He does so and puts down the price, knowing that he can buy forty or fifty thousand of the expected shipments cheaper. A salesman could do that very well.

18. Perhaps you remember one salesman who put the market down for six weeks in that way?—I do.

19. Who are your agents at Home now?—Blankley and Parsons.

20. Have they stores?—Yes, they have six or seven stores.

21. With regard to the concentration of the meat in single hands: would you be in favour of legislation requiring that all the meat should go through one centre? You are of opinion that the ideal system would be to concentrate the meat through a board in London?—Certainly.

22. Do you think there is any hope of that being brought about if you leave the matter to the individual people concerned?—Not the slightest.

23. In order to make the ideal system certain, would you be in favour of the Government requiring that all the meat should go through that centre?—I think the less the Government have to do with it the better. The people concerned ought to do it, but I do not think they will. It ought to go through a board.

24. But you do not think the people will ever unite to send it through a board?—I think a board is necessary, but that it is hopeless to get a board to do it. There is the matter of freights and insurance to be considered, and if there was one control over everything there would be a very great difference.

25. Is it within your experience that one representative acting for New Zealand has, in spite of the union of all the others, broken down the market for weeks?—Yes; I have heard of that.

26. *Mr. McLachlan.*] If we can establish the fact that the South Island sheep are better than the North Island sheep it will satisfy all the grumbling of the North Island men. Are you satisfied that the South Island sheep are better than the North Island sheep?—I am. I like your North Island beef, but not your mutton.

27. And that applies to the whole of the Middle Island?—Yes.

28. The South Island sheep mature better?—Yes.

29. *Mr. Haselden.*] Do you remember Mr. Nathan's scheme of a few years ago for concentrating the whole of the frozen-meat trade?—No. If he had been a meat-expert I would. There are so many people who have schemes.

30. That seems to be the trouble—the want of concentration in the Home market?—Yes. We commenced wrongly.

31. You do not see any way out of it at present except by Government assistance?—I do not see how you can get out of it.

32. Do you buy North Island sheep for freezing to send Home?—Yes.

33. Do you send them to Canterbury first?—We put them through the Meat-export Company, and have our brand underneath theirs.

34. Do you freeze in Canterbury?—We freeze where we buy, either in Wellington or Hawke's Bay. We do not put our brand on your sheep at all—that is, our registered brand. We dare not.

35. Some of your sheep go down to Canterbury?—Some do, but not to freeze.

36. Do you think if we sent our sheep to Canterbury they would become as good as Canterbury sheep?—You would never alter the meat.

37. As a rule our sheep are heavier weights?—Yes.

38. Would not that make a difference in the price?—It would make them less in value.

39. But if they are larger sheep would that not make a difference in the price?—There are other expenses, such as freight.

40. The buyers here select the biggest sheep they can get?—I do not do so.

41. *Mr. Field.*] You have stated that for freezing purposes the South Island sheep are better than the North Island sheep?—Yes.

42. You estimate the difference at half-a-crown a sheep?—Yes. There is also a difference in the value of the wool.

43. And the difference would be accentuated later in the season when the sheep began to grow?—Yes.

44. I understood you to say that you bought several classes of sheep in the North Island—good sheep and bad sheep?—No. I buy different classes, but not bad sheep. I have got a good few thousands of fine-wools here.

45. In both the Wairarapa and Hawke's Bay districts do you find that there are two different values of sheep? Do you find some sheep superior to others?—You find that everywhere—even within a radius of ten miles.

46. Do you find several shillings' worth of difference?—No, not several shillings. It is the difference in feeding, wool, and quality.

47. What would be the difference in value between the better class of North Island sheep and those not of the better class?—I think I have already told you that the difference is half-a-crown in the fine-woolled sheep of the North Island.

48. You can buy here sheep of different values?—Yes, and they go from half-a-crown upwards.

49. Yes, but take two fat sheep in the North Island, one may be worth a good deal more than another?—Yes.

50. Can you give us an idea of the difference?—No; I could not give an opinion without seeing the sheep.

51. Why I ask the question is this: It has been stated before this Committee that the people here have to sell their sheep at one price to the local buyers, and that is complained of?—Yes.

52. I want to get from you an idea as to the difference in value?—If they take the good with the bad it is——

53. But if one man takes the good sheep, and will not take the bad ones?—Well, they need not sell them to him.

54. It has been stated before this Committee that it is advisable only to ship our sheep to the Port of London, and to distribute them through that port?—That is a great mistake.

55. It has been stated that different markets require different classes of sheep, and that it is necessary to sort the various classes out in London?—If you send them to London instead of direct to other places you have to incur greater expense. When they are landed they have to be lightered and put into the stores, and there are lighterage-charges to meet, and then they have to go to the different places; whereas, if you sent, say, thirty thousand sheep to Manchester, they would not require to be stored in London at all.

56. Do I understand you to say that the River Plate people have a board, and that their meat is better looked after than ours?—Yes.

57. In the case of the River Plate meat, does the Government do anything in connection with the matter?—No. I saw in the newspapers a statement that they would not buy coarse Lincolns. They were put under offer to them and were refused. They refused to buy them.

58. The River Plate system practically amounts to a concentration of supplies?—Yes.

59. And this system you say we should adopt if we could?—Yes. If you have the meat in a few hands you have a better chance of getting good markets than if you had it in the hands of fifty people.

60. Do you think the present unsatisfactory condition of things is likely to go on for all time?—I do not see how you can avoid it. The only thing you can do is to ship to some one in London direct. I think if we had a thoroughly good man to advise us as to how things are going on it would be a very good thing. As to these cablegrams, they are not of very much use. I know of one man who resigned simply because they wanted him to make the price higher than it should be. He said the price was not so. The man who controls things at Home for the River Plate has a seat on the board, and never gives any information—not the slightest. He has a seat on the directorate of one of the companies there.

61. *Mr. Hornsby.*] Would you regard the branding of meat from New Zealand—supposing you could have something like control from this end—as a useful thing?—I hardly know what to say about that. If you brand the meat here you will stop the consumption of a great proportion of it at Home. There is a lot of New Zealand meat consumed by English people as English meat, and if you branded that I think it would stop its consumption a good deal; otherwise it would be a good thing.

62. It has been stated before this Committee that there has never been any New Zealand meat sold as English meat?—That is wrong. That was said by some one who does not know anything about it.

63. Would you regard the prosecutions that are brought against the people who sell Argentine mutton as New Zealand mutton as a waste of time?—No, I do not.

64. You regard it as a proper thing that those prosecutions should be brought?—I do. Our meat is as good as theirs, and I do not see why we should not have the benefit.

65. *Mr. Lang.*] Are you sure New Zealand meat is superior to Argentine meat?—Yes, I am. They are coming up very fast. I noticed it eight years ago, and again two years ago, and I consider they are getting up very quickly. There is a very great difference in their meat now.

66. It has been stated to this Committee that the Argentine meat as is good, if not superior to New Zealand meat?—No, it is not. You can pick out a number of carcasses that are, but they are not so nice in the killing and dressing.

67. How long is it since you have seen them?—About two years.

68. With reference to the difference in value between North Island sheep and South Island sheep: do you attribute that difference entirely to the breed?—Chiefly, but not altogether.

69. Has climate anything to do with it?—The feed has.

70. Not the climate?—Probably you have more wet here. The climate has always something to do with the fattening of sheep; but I do not know to what extent that difference would be in your sheep. We have more artificial food in Canterbury, and break up our paddocks after a certain time and put fresh food down, and the sheep will do better than on the old grass.

71. Supposing they fared the same, would there be any difference in the mutton?—I will answer you in this way: I see no difficulty in growing sheep here as good as in any part of the world.

72. There should be no difference in them?—Not if they were properly looked after and you had a proper class of sheep.

73. *Mr. G. W. Russell.*] I understand that you have had experience in buying stock both in the North and South Islands?—Yes.

74. Judging from your experience in the North, in your purchases, do you think there is room for complaint on the part of the breeders here that they are not getting fair value for their sheep?—It is difficult to say what is a fair value. There is so much speculation about it. You buy to-day and you cannot say what you are going to get for your purchases. You do not know until your sales accounts come out from England whether you are going to make a profit or loss. There were hundreds of thousands of pounds lost in Canterbury last season, and, of course, you cannot always go on losing. You must keep within the market when you buy, and you cannot tell what is going to happen. A great deal has to do with by-products—that is the skin and the fat, and the price of wool goes up and down. Sixpence or eightpence a head makes a big difference.

75. This Committee is really set up on account of complaints made in the Wellington and Hawke's Bay Districts that there is a monopoly in connection with frozen sheep, and consequently the producers do not get fair prices for their stock from the local buyers or from anybody. Now, you have had a large Canterbury experience and have also had, apparently, experience in the

North Island: do you think there is legitimate grounds of complaint on the part of sheep-breeders in the North Island that they are not getting fair prices from the local buyers?—So far as I am concerned, what I have bought they have got a fair price for. I give a trifle more than the companies do.

76. Did you, in order to be able to buy profitably, give more than the local companies were offering when you came to the North Island?—Not exactly. I picked the finest sheep. I bought a good quality of fine-woolled sheep, and they were better for me.

77. You were able to give more and make a profit?—I do not know whether we are going to make a profit yet. There was a loss last year.

78. *The Chairman.*] I believe you, along with others, have been at great pains to establish the brand known as "Prime Canterbury"?—Yes.

79. Are you aware that large quantities of Southland sheep are yearly railed up to Canterbury, frozen there, and branded there?—I have heard so, but I have never seen it. Still, at the same time, you might have as good sheep in the Southland portion of the island as we have in Canterbury. They have as good sheep as we have, excepting that they are not so valuable per head on account of the fat. They are as good so far as meat is concerned.

80. Do you think that the freezing of Southland sheep in Canterbury is lowering the standard quality of Canterbury sheep, and also lowering the price on the London market?—I would not say they are lowering the price on the London market, but I think they are lowering the tone of the Canterbury sheep.

81. And they are branded as Canterbury sheep?—I do not think they are. It would be a disadvantage if they were branded as "Prime Canterbury."

82. Are you aware that South Island buyers do give more for Wellington and Hawke's Bay sheep than the local buyers do: has that been your experience?—Yes, but they pick their sheep. It is a difficult thing to get a certain price for one article as you can for a number of articles. If I were to say, "Yes, they do," I should be saying something unfair. If a man takes a number of good, fair, and bad sheep, he cannot afford to give the same price. I want good stuff and am prepared to give a good price for it.

83. *Mr. Haselden.*] You say you picked the sheep?—Yes; I picked good-quality, fine-woolled sheep.

84. But would you not go back and take the rest of them?—I take the pick of the class of sheep for the wool and quality of mutton.

85. You will not take the whole of a farmer's sheep?—I would not take his big, coarse sheep for freezing.

86. You would not touch them?—No, I would not touch them for freezing.

JOSEPH D'ATH, Farmer, Otaki, examined. (No. 7.)

87. *The Chairman.*] You are aware of the purpose of this Committee—the intention. Would you care to make a statement to the Committee, or would you rather that you were asked questions?—I would rather answer questions.

88. *Mr. Lang.*] I would like to ask you about the system of buying in your district: you sell to the freezing companies?—Yes.

89. And the buyers come round to your farm?—Yes.

90. How do they arrange about that: do they pick out the best sheep, and not come back for the others?—They always take the biggest and best first, and leave the small ones.

91. And do they come again and take the next pick after awhile?—Yes. I notice that as soon as Mr. Hurse came to buy in the North Island, sheep went up 1s. 6d. a head. The companies began to pay 1s. 6d. a head more for our sheep, taking them the same as they had been taking them before, and the same sort of sheep.

92. You had no competition before?—One company gave the same price as the other company.

93. Have you not a local market?—No.

94. *Mr. Hornsby.*] Have you noticed in this morning's paper the price cabled out from London?—Yes.

95. Do you notice in the Agent-General's report from London that there is always given a price for the Wellington Meat-export Company's meat?—Yes.

96. Do you notice that in the Press Association's message from London there is no mention made of the Meat-export Company, but that the whole of the North Island meat is lumped together?—Yes.

97. And the price given by the Agent-General for North Island mutton is less than that for the Meat-export Company?—Yes.

98. Before the Agent-General sent out his prices, at the request of the Government, did you ever hear of any difference in the price between the Wellington Meat-export Company's meat and the North Island sheep?—I never heard of it until the Agent-General went Home and sent out weekly reports.

99. You never heard of any difference until then?—No.

100. Do you remember on one occasion Mr. Dilnot Sladden, manager for the Wellington Meat-export Company, published the price of his company's meat in London?—Yes.

101. And you never saw it after?—No.

102. That was the only occasion on which it was published?—That is the only occasion I saw it.

103. The difference between the price of North Island—that is, the Meat-export Company's meat (I am giving the Agent-General's information)—and the Canterbury meat is sometimes $\frac{1}{2}$ d., sometimes $\frac{1}{4}$ d., and sometimes less than $\frac{1}{4}$ d. on the London market?—Yes.

104. Now, with the extra weight of the North Island sheep, what do you think would be the difference in price per head on the London market? Would there be any difference in the value per head in the carcase in London?—What would be the weight of the Canterbury sheep—68 lb.?

105. Take the Canterbury sheep at 60 lb., but I think it is 57 lb.—the North Island sheep is heavier. The price is sometimes $\frac{1}{8}$ d. and sometimes $\frac{1}{4}$ d. more for the Canterbury sheep. Do you not think the heavier sheep, pound for pound, would realise as much on the London market as the lighter sheep from Canterbury?—I think it would be about the same.

106. You are aware that Southern buyers are giving more for sheep in the North Island than the local buyers are?—Yes; as soon as the South Island people came here last year to buy the companies put the price up 1s. 6d. a head at once.

107. Did you ever know the companies' buyers—take the Gear Company or the Wellington Meat-export Company, or any other buyers—offer a different price to farmers for their sheep?—No; it was always the same.

108. None of them will advance—they will simply keep to the same price all the time?—Yes. If one raises the price they all raise the price, and if one lowers the price the others will lower the price.

109. What is the rule with regard to lambs: what do the buyers demand in the matter of weight?—When they come to pick the weights, they always pick the heaviest they can find.

110. What would be the average weight?—They prefer the 40 lb. lambs and upwards.

111. They prefer the heavy weights?—Yes. They never take lambs of 32 lb. if they can get the others.

112. *Mr. Field.*] Are you a farmer on a large scale?—No; not very large.

113. How many sheep and cattle do you run?—I run sometimes between four and five thousand sheep and three hundred head of cattle.

114. Are you aware that there is a strong feeling of dissatisfaction amongst the farmers in this district as to the price they can obtain for their sheep?—There always has been. They are always grumbling. They say there is only a chance of getting one price because there is no one but the company to purchase them.

115. Is it your experience that there is only practically one buyer in this district?—There are two buyers, but they only give the same price.

116. From the buyers themselves have you ever had any indication that there was a combination between the two companies?—It would not do for the buyers to tell me that there was a combination.

117. Have they ever mentioned the price paid by the other companies?—Yes; they have said "That is what the other company is giving."

118. Do these companies encourage southern buyers to freeze with them?—I heard that a southern buyer had to go back because he could not get his sheep frozen last year. I heard that he had come up prepared to buy seventy thousand sheep, but that he could not freeze them here and it would cost too much to take them down to Canterbury. If he could have got them frozen here he would have saved the freight of 2s. a head besides the wharfage.

119. It has been said that every sheep sold here and that has gone to the Canterbury markets is used only for butchers' purposes?—I think they made a good price if they are for butchers only. A lot of them are frozen, at any rate, after they get down there, and are sent Home; but I could not be positive, because I do not know whether that is so.

120. Could you give us any idea as to the difference in value between a good North Island sheep and a good Canterbury sheep?—The difference at the outside would be 2s. 6d. For the sheep I froze this year I could not get my price, and I sent them Home. They averaged 6 lb. of fat each. Mr. Hurse said they could get 3d. a pound for their fat in Canterbury, but we do not get the same price here. There is no difference between our fat and their fat.

121. But has there not been a rise in the market?—No. Fat has been at a high price for the last few years—£35 a ton.

122. What has been your experience in the case of your own sheep in regard to the average of fat?—The average of fat in anything I have frozen has been $5\frac{1}{2}$ lb. all through. Take the last lot of nine hundred sheep in May: they had 7 lb. of fat. If they had been killed when Mr. Hurse's were they would have had 8 lb. of fat.

123. The farmers here complain that there is only one buyer, that the price is fixed for them, and that there is no opportunity for competing buyers. They are asked the question, "Why not freeze on your own account?" and they answer that they are only small growers?—Yes. When they say they want money they can only get 50 per cent. of an advance of what their meat will bring from the company. The company advanced me £320 on sixty bullocks, and they would have given £512 for them if they had bought them.

124. Is there any complaint about getting returns?—There is delay of six months from the time you send your stuff away until you get your returns. There is a good three months after they are sold in London. My beef was sold, I think, on the 8th June, and the returns are just to hand.

125. I understand the feeling to be in this district that what is wanted is competition or a market?—Yes; that is so, beyond doubt. That is the cause of dissatisfaction.

126. *Mr. Haselden.*] What class of sheep do you find buyers prefer? Do they go for heavy Lincolns or for crossbreds?—They go for the heavy sheep and leave the others. The fine lines are all right, but they are light.

127. Do they come again?—They come later on, but will not give you the same price as for the bigger sheep.

128. Do you think you are fairly treated at Home after the freezing?—Yes; but the commission is too high.

129. Among the people up my way they think they are not so well treated with regard to their sheep as the companies' sheep are?—People think, if the companies have any meat of their own on the market, that they will sell their own sooner than sheep which are shipped through them. What I send Home I do not grumble about. I am satisfied with the way in which they have treated me.

130. Most of our people have frozen on their own account and "fallen in" over it. When we complain about the price of sheep the manager says, "Why don't you freeze on your own account?" And yet some of us have lost 4s. a head on them?—I have never found that to be the case. I have always done better by freezing on my own account.

131. *Mr. G. W. Russell.*] How many fat sheep and lambs are there produced in your part of the country, say, within a radius of forty miles?—There is a lot of sheep produced within a radius of forty miles.

132. Could you give us any idea of the number?—No.

133. Has any effort been made by the farmers who produce these large quantities of fat sheep to work together by combination in order to get better prices in the London market by freezing on their own account?—No.

134. Has any effort been made to set up a general market for that part of the Coast, so that instead of being limited to these two Wellington companies you could attract buyers from Canterbury and give us a few thousand fat sheep?—Canterbury buyers say they cannot get the sheep frozen in the two companies' works. It is said that the companies say they have a lot of sheep of their own, and will not be able to freeze for them.

135. Do you not think, if you had on the West Coast here a market something like that of Addington—although, of course, not so large—where the breeders could look for the selling of their fat sheep, that more people would be induced to come from a distance if you could give them a steady value?—Perhaps it would.

136. Has any attempt been made to create markets in the North Island such as we have in the South at three or four different places?—Not at present, but I do not know whether the Farmers' Union will not take the matter up.

137. Do not you think there would be a difference in value if you had a combination amongst the farmers themselves in the North Island?—Perhaps there would be if the farmers combined and sent all their stuff Home. That might improve the market.

138. Do you not think that if there was a large proportion of fat sheep sent to market more South Island men would come up and buy?—I could not say. Mr. Hurse will have a better idea of that.

139. Does it not stand to common-sense that such men could go from farm to farm just as the companies' buyers do?—Yes; they would have an opportunity of buying at the sale, but they would not have the run of the different places. There is a lot of hunting-about required.

140. With regard to your sending Home one shipment, did you find that by shipping Home direct you got a materially higher price than if you had sold to the companies?—Yes.

141. How did you find your price compare with the value of sheep of the same class in Canterbury?—The sheep I sent Home produced about 2s. 6d. a head more than I could have got for them here.

142. Then, they would still be under the values of the South Island sheep?—Yes.

143. Because manifestly it would cost you that half-crown to send your sheep to Canterbury, and you just came out to what it would have cost you to send your sheep down there, excepting that you saved the carriage?—Yes.

144. *Mr. T. Mackenzie.*] You said that you studied the Agent-General's reports and the Press Association's reports as to prices?—Yes.

145. Which do you consider the most reliable?—The Agent-General's quotation is always $\frac{1}{2}$ d. under the quotation of the Colonial Consignment Company.

146. Do you think he is in anything like an equal position to the Colonial Consignment Company to give a quotation?—I do not know, but he quotes the price.

147. Do you think the Agent-General would be on the market once a year?—He ought to be there if he is sending the reports. He can send the clerk round.

148. Supposing he did, does that man ever sell a sheep?—Perhaps he does not.

149. Are these men who sell on the market going to give him information at any time that would suit him or suit themselves?—That is hard to tell. I think I could find out what the meat was selling at if I were to go.

150. If you were not in the trade—a fair average value?—Yes.

151. How would you find it out?—I would take means to do so. I would get a practical man to go round and see the meat sold in the market.

152. But the buying and selling are done privately, not publicly?—Not publicly?

153. No?—Well, they do not say that. They say they are sold on commission or by a meat-salesman.

154. No; they are all private. They buy a sheep off the hooks and make a bargain from that, so that really a man going there could not find out. With regard to the difference in the quotations, you say the price would go up with competition, and that when buyers came up from the South the price went up 1s. 6d.: would that be for the same sort of sheep?—Yes, exactly for the same sort all round.

155. Then, what proportion would the South Island buyers take?—They take any number of sheep from different places—as many as they could get freezing-space for.

156. Does the similarity of price not indicate that they make the market value?—No; they sell most of their stuff c.i.f., and know what they are going to get for their sheep when they buy them.

157. Does it not show, if both companies are buying sheep and have c.i.f. buyers, that they

know what the price is in the market?—Yes, exactly; if they have an order for a hundred thousand sheep they know what they are going to get.

158. Supposing you were going to sell oats and you had a quantity of prime milling-oats, and your neighbour was selling prime milling-oats, do you not think buyers would offer the same price for both?—Most likely they would.

159. Now, with regard to heavy-weight lambs, you say the buyers prefer 40 lb. lambs and upwards?—Yes, they prefer them to the light ones.

160. But would they prefer them to an average of 36 lb.?—They do not care to take 36 lb. lambs unless they can get them for a much lower price.

161. What do you consider to be prime lamb on the London market?—38 lb., I think.

162. Can you account for these people taking these overweights?—They get more out of the overweights. If there are 50 lb. lambs they will take them.

163. What will they sell for at Home?—They will sell them as tegs.

164. Have you had any experience in that line?—Yes.

165. Can you get within $\frac{1}{2}$ d. for a 50 lb. teg as you can get for a 38 lb. lamb in London?—Yes, it has been done lots of times. I had some at Home this year of 50 lb., and got the same price as for the others.

166. If prime mutton is 2s. 6d. a stone and prime lamb is 2s. 6d. a stone, what position would you put the teg in?—The teg is about the same price as the lamb.

167. And if people told you that a teg was very little above the price of mutton would you believe them?—It would bring a better price than mutton. I have seen lots of them bring within $\frac{1}{2}$ d. of lamb. I sent 1,550 lambs away this year, and some of them went as high as 50 lb.

168. What did you get for your lambs?—I got a satisfactory price, anyhow. The price of tegs is within $\frac{1}{2}$ d. of lamb.

169. What did you get for the lamb—what did you get per stone? Did you get 5d. a pound for your lamb?—I got 5d. for some of it, but it did not average 5d.

170. Would it average 4 $\frac{1}{2}$ d. per pound?—Yes.

171. And you got that from tegs?—Yes.

172. Who is your agent at Home?—I sent them through the Meat-export Company.

173. But who is your agent?—I do not know.

174. You do not know whether they sold them at the stalls or to the butchers direct?—No.

175. In the shipments you sent Home had the markets gone up or gone back?—They had gone back during the time I sent them away from here.

176. You consider the 4-per-cent. commission too high?—Yes, that is something exorbitant. You pay all the storage and cartage besides the commission: 4 per cent. is for this commission alone.

JOHN DAVIES, Farmer, of Koputoroa, examined. (No. 8.)

177. *The Chairman.*] You are aware of the intentions of this Committee and the line of evidence we desire to proceed on: would you care to make a statement or prefer to answer questions?—I would prefer to answer questions, and if I find there is anything wanted to fill up with I will supply it.

178. *Mr. Haselden.*] Do you find the buyers who come to you pick out the heaviest sheep they can get and reject the light weights and crossbreds?—They make no mistake about picking out the heavy sheep. If a sheep weighed 150 lb. they will have him.

179. And give no more for him?—No.

180. You think there is a fixed price?—Apparently there is a combination between the Wellington buyers. They evidently fix the price, because if you grumble and you shift, and get the other buyer to come to you, you get no better price, and are treated in such a way that you are glad to go back to the original man. Apparently to me that is part of the game.

181. What class of sheep do you find to sell best?—If you have got a big Lincoln sheep the company will have him if he is fat. My breed is crossbred, Lincoln and Romney.

182. I suppose they tell you that a 65 lb. sheep is the best freezer, but they do not take it?—Not if they can fill up their truck-space with 70 lb. sheep. If they can only fill up their truck with 65 lb. sheep they tell you they are only fit for shop mutton.

183. Will they come again?—Yes; perhaps they get a little more fattening, and after a time, when sheep is getting light in the market, they must come again to keep the ball rolling.

184. If your sheep were worth more than your neighbour's they would not give you any more for them?—No. The companies give the farmers no encouragement whatever to go in for proper sheep for freezing purposes. It does not matter if you go in for breeding the very best sheep, they will give a man who allows his sheep to go anywhere they like the same price. I have complained to the companies about the same thing. Two years ago I complained to the Gear Company, and wanted some encouragement to breed a better class of sheep to suit the market, but the manager said, "How can we do it? If we buy from you and give you 9s. or 10s., and your neighbour, who does not breed the same class of sheep, gets less, he expects the same, and if he does not get it there is a row."

185. *Mr. Field.*] Have you got any idea of what will be the best means of improving the condition of things here? Do you think a fat-stock market at Levin, and another, say, at Masterton, would induce more buyers to come here?—Provided a condition was made to that. Some time in July last I wrote a letter to the *New Zealand Times* here on the c.i.f. business. But what is the good of c.i.f. buyers coming here if the companies bluff them? They are driving the c.i.f. buyers out of the market, because they are continually interfering with their business. You have only to look at the balance-sheet of the Meat-export Company to see that it is a profitable thing for their shareholders. And it is their business to bluff the South Island buyers. It is to their interests to

do so, and I do not blame them. Their shareholders put their money in for investment, and it is their business that they are looking after. With the large amount of reserve they have and the small amount of capital they have got, the balance-sheet shows what their business is.

186. *Mr. G. W. Russell.*] What company are you referring to?—The Meat-export Company, and also the Gear Company—both. I do not blame the companies, because from their own point of view it is business, and their directors are there to make all they can out of the farmers from a business point of view. But from the farmers' point of view I say it is a state of things that should not be in existence. We want such a position here that we can get the South Island buyers to come up and get the accommodation for freezing. One of the South Island buyers bought my sheep, and found that he could not freeze them here because he could not get freezing-accommodation.

187. *Mr. Field.*] Do you think there is any cure for this evil in the hands of the farmers themselves?—Yes there would be a cure if they would combine, and we think it could be done by a strong combination. Or if the Government—I do not know whether the Government would put up freezing-works, because that might be too big an order for them—but at the same time I think, if the companies will not meet the farmers in any way, it will be in the interests of the farmers to erect separate freezing-works, and work on the same lines as the Belfast Freezing Company does down South—that is, freeze solely and wholly on the farmers' account. If they did that, *c.i.f.* buyers would come into the market and feel assured that they were not going to be blocked for space or bluffed by the companies, but would feel that they could get freezing-accommodation in Wellington, Napier, or wherever it might be.

188. Do you think the Government might be of some assistance to the farmers, assuming that the present freezing companies did the freezing only and did not buy on their own account, and that the Government afforded some encouragement to the producer to ship on his own account by having the mutton graded, shipped, and distributed in the Old Country?—Yes, I do. When a man freezes on his own account and consigns through a meat company his position is this: the meat company in the same shipment may have large consignments of their own. Now, if there is a drop in the market at Home, they, having a certain amount of the private consignor's meat on hand, to keep the ball going, as it were, put their client's meat on to the market, and wait for a rise on their own. You see that they are "bearing" the market in the interests of their own stock by selling their client's mutton, and he "drops in." The position is this: that the consignor, when he gets his account sales, finds that he has come out at the wrong end of the horn, and a week or two afterwards he finds that prices have gone up and he is "not in it." If the consignments of sheep were pooled, and after they were sold an average was struck of the whole according to grade, that would be a fair distribution of the profits to shippers, on the same principle as when a cargo is jettisoned a general average is taken. If the consignments were pooled the farmers would "stand in" on equal terms with all the other shippers. That is my idea, although it may be crude.

189. *Mr. Hornsby.*] With regard to this matter of heavy sheep, I want to try, if possible, to clear the matter up a little. Each witness in turn before this Committee has stated that the heavy sheep are always selected first by the companies' buyers. If that is the case you will be able to say. They must purchase an enormous number of sheep in the season?—Yes.

190. They could not get rid of these thousands of heavy sheep, for example, in that way by selling to the butchers?—Of course, the question is this, whether the big sheep pays them in this way: They freeze first of all a certain quantity of legs of sheep, and boil down other portions for tallow. They would not take them, of course, unless it was profitable to do so.

191. You do not believe that all these big heavy sheep are worked off on the butchers?—No, because I may say the rejects—I mean the very slight rejects, not those that the Government "Vets." have ordered to go into the pot—they go into the shops at full rates, because the bruises are very slight, perhaps on the legs. These sheep may be objected to for Home shipment, but they are perfectly good for consumption in every sense of the word, and are a source of profit.

192. Have you heard of shipments of sheep from the North Island to Addington?—Yes.

193. What is your experience of those shipments to Addington?—From all the information I can get from my neighbours who have shipped in different ways it is that they have always brought a much better price in Canterbury than the same sheep would have sold for to the Gear Company or the Meat-export Company.

194. And they have made a profit after paying expenses?—Yes, but a very slight one. They have to deduct the expenses in sending them down and for the knocking-about they get, but the shippers have come out well.

195. They have not lost anything although the sheep cost 3s. a head to send them to Addington market?—No. Why should our sheep, if they are worth 15s. in the Addington market, not bring the same price in this market?

196. Can you give this Committee anything in your experience which would lead you to give us any reason why you should not get that 15s. here that you can realise at the Addington market?—It is simply because you have only the one market here.

197. And if there is a statement made by Mr. Donnelly, of Hawke's Bay, that something happens whereby the buyers do not come up to the North Island at certain periods, would you pick him up in the statement that it was by an understanding with the southern men?—I do not think that. The southern men could not get the freezing-space. There was a block last year, and they could not get, so it was said, sufficient number of men up here for engagement in freezing. The companies could not get their own purchases through, and therefore the southern buyers were blocked from coming here.

198. If a statement were made to the Committee that a prime South Island sheep, as compared with a North Island sheep, contained three times as much fat, what would you say to that?—It is not that amount. Taking the average of wethers here it is 5lb. of fat, and you could not

say that a South Island sheep would return 15 lb. of fat, because that would be absurd. But I would say this: that the artificial feeding in the South Island causes sheep there in certain seasons to have more fat than those in the North Island. In certain seasons the sheep here have just as much fat—say, in a dry summer.

199. If you were told that a statement was made to this Committee that a prime Canterbury sheep has three times as much fat as a North Island sheep, would you say that that is incorrect?—It is absolutely absurd. You may get a special sheep which might have 15 lb. of fat, but I never saw it except in exceptional circumstances.

200. I mean generally a prime South Island sheep?—15 lb. is absurd.

201. I would not like the Committee to think that the statement was made that a South Island sheep would have 15 lb. of fat; but a statement was made that, supposing a prime South Island sheep had 12 lb. of fat, then a prime North Island sheep would only have 4 lb.: would you say that is absurd?—Yes; because, taking the average of sheep killed—the wethers—I think I am quite within the mark in saying that the average is 5 lb.

202. With regard to the average of lamb, when the question was put to a witness before this Committee that buyers insisted on having 40 lb. lamb the statement was characterized as ridiculous, and it was said that nobody but a fool would have made such a statement: what is your experience in regard to buyers in connection with the weights of lamb?—If a buyer is buying for freezing purposes only he wants a sheep from 36 lb. up to 40 lb. or 42 lb.; if he is buying for shop, and not for freezing, he will take lamb down to 32 lb.

203. And he prefers what?—He will take the biggest lamb you have; it does not matter if he weighs up to 50 lb. That is my experience.

204. Then, it is not an absurd thing to say that the buyers prefer the 40 lb. lamb?—I think they prefer to get an even weight—an even quality of sheep—if they are all 40 lb. even. They would like them rather than unequal sheep, some of which were going up to 50 lb.

205. *Mr. G. W. Russell.* I suppose the summing-up of your case is that there are not enough freezing-works in the North Island?—Yes, that is about it, although, so far as the number of works is concerned, they are adequate for the business if they were properly handled. I think the companies would be equal to the work if they were to enlarge their premises to meet the requirements. But the companies have got their own game to play on behalf of their shareholders.

206. Can you say, from your own knowledge of the farming community, whether there is any prospect of the farmers establishing freezing-works for themselves?—I have recently attended meetings at Woodville and Palmerston North for the purpose of going into this question, and it resolves itself into this: that the provisional directors realise that it is necessary to put up two freezing-works, one on the east coast and one on the west coast of this Island, in order to give the farmers fair play.

207. How do you think the country would take it if a proposal were made that the Government should guarantee 5 per cent. interest on a loan raised for that purpose?—I think the country would jump at it.

208. And you think that providing additional freezing-works would guarantee to the southern buyers freezing-space for the manipulation of their purchases, and that that would settle the whole of the difficulties?—I think so, because you would then have the same condition of things that obtain at Belfast: they would be freezing in the interests of the farmers, and not in the interests of a company.

209. Are you not aware that when Nelson Bros. started their freezing-works they did so to freeze solely on owners' account, but found that they could not keep their works fully employed, and were compelled to go into the market and buy in order to keep their works going?—Yes.

210. Do you not think that would obtain if other works were put up on the same principle?—The question is whether the farmer is not more enlightened now than he was ten or twelve years ago.

211. Do you not think that if that were done it would be absolutely necessary for the State to set up an additional Department, and to advance more to farmers on account of their stock than they can get in the ordinary course of commerce?—The question would be whether the Government would be justified in running it only on business lines.

212. Would you suggest, if the Government set up a Department such as has been done in Adelaide in connection with advances in wheat, that the Government should be restricted to making advances on frozen mutton similar in value to those made by the freezing companies and banks?—That is a difficult question to answer. If you begin to depart from business lines a dangerous element is introduced.

213. Then, would you not get back to your original difficulty, because the average settler would have to get cash for his stock, as by that means he would be able to turn it over?—If the settler is a good sound man he can get advances up to the full value of his shipment, because the banks know that he has something behind him. It is just the same as with wool. I can go to a banker and get a greater advance on wool than it will bring in the market.

214. But you would not say that you are a typical settler, for the average farmer who has to get an advance on his meat is not in so strong a financial position as you are if he is a Government leaseholder. Is it not a fact that the average man in a new piece of country is compelled to sell for cash, and get the best price he can?—Yes.

215. Of course, you know that the South Island method is to keep the sheep growing and fattening all the time?—Yes.

216. Do you not think that is better than the North Island method of letting them take care of themselves in the winter, and letting them eat as much as they can when there is a flush of feed?—Yes.

217. If a witness has said that a badly fed North Island sheep produces 4 lb. of fat, and that a first-class properly bred and well-fed Canterbury sheep has 14 lb. of fat, would you think the statement correct or incorrect?—It is possible for an individual sheep to give 14 lb. of fat, but you have to take the average. I stated that three times as much fat was absurd.

218. *Mr. Lethbridge.*] Do you know that the Wanganui Meat Company had just the same experience as Nelsons when they started to freeze on owners' account, and could not get sufficient sheep?—I did not know it; but, of course, as I said, if they did that years ago, the farmers are more alive to their own interests now.

219. Was not that company started by farmers?—Yes, and it was a failure. Farmers, as a rule, are bad business-men, and the original shareholders in that company made a mess of it. But when the company got into the hands of sound business-men and got over its initial difficulties, then it began to pay.

220. Then, the farmers sold their shares?—Yes. It is quite possible to do this if a new company started: to have a provision in the articles of association that the stock of the company shall be taken up by farmers, and that no shares shall be transferred to other than farmers for ten years. I think you would get shares taken up on that basis. Recently we asked the Meat-export Company, when they proposed an allocation of 15,000 shares, that they should issue them to the farmers on the basis that the shares should be kept for ten years. I do not know whether Mr. Buchanan ever put that proposal to the company, but it did not give us the offer, any way.

221. Is it not a fact that some of the directors of the Wellington Meat-export Company are suppliers to the company?—Yes.

222. And also on the Wanganui Meat Company?—Yes. Mr. Birch is himself a supplier. Of course, there is another grievance, and that is that we have never had from the companies what we consider a fair price for our tallow. When the South Island people are getting 3d. a pound they palm us off with 2d. or 2½d. a pound. Tallow has always been worth more down South than up here. The by-products, the pelts, are worth in the London market from 15s. to £1 5s. up to £1 10s. a dozen. The allowance made here by the companies, say, in the month of April was 1s. 9d. and 1s. 10d. for the pelts; and at that time they had six months' wool on them.

223. Have you heard it stated that on account of the better feed in the South there is more stearine in the fat?—There may be something in that, because there is something more vital in the fat; the properties may be harder.

224. *Mr. Lang.*] In reference to limiting the shares to farmers, and making it impossible to transfer them to other than farmers within ten years, would that not affect the value of the shares?—No. I think it would give stability to the company.

225. I mean so far as the shareholders themselves are concerned. It was pointed out by Mr. Lethbridge that the farmers of the Wanganui company sold out. If you restricted the shares to farmers it would lessen the value of the shares?—It would all depend upon the success of the company and the dividends it was paying. If it were making something below 5 per cent., and not building up a reserve fund, it would make a difference. The Gear Company distributed £36,000 of reserve funds amongst its shareholders. The total capital subscribed by the shareholders amounts to £56,000, but their paid-up capital represents £92,000. The actual amount of money coming out of the pockets of the shareholders was £56,000. Their own balance-sheet shows that.

226. Why do not the farmers form a co-operative company?—That is a different matter altogether. If I take up forty or fifty shares in such a company as I referred to, I take them up knowing that I have to keep those shares, and that I have to help that company in order to get my money out of it. I do all my business with it, knowing that I have a liability to hang on to those shares for a number of years. If the farmer would look at the matter in that light it would make the company much stronger.

WEDNESDAY, 24TH SEPTEMBER, 1902.

JOHN MARTIN, Farmer, of Martinborough, examined. (No. 9.)

1. *The Chairman.*] Would you prefer to make a statement or be examined by members of the Committee in cross-examination?—I would prefer to be examined.

2. *Mr. Hornsby.*] It has been stated before this Committee that there is a difference in the weight of the inside fat in a North Island sheep as against that in a South Island sheep, in favour of the South Island sheep of two-thirds—that is to say, that in a prime North Island as against a prime Canterbury sheep the Canterbury sheep will have 12 lb. or 14 lb. of inside fat as against 4 lb. or 5 lb. of inside fat in a North Island sheep: can you give the Committee any information as to whether that is a correct statement or not?—The difference would be scarcely so much, I think. A difference of two-thirds would be as against 12 lb.

3. No; 4 lb. in a North Island sheep as against 12 lb. in the Canterbury sheep?—I should think there would be scarcely so much. I believe there is a difference, although I cannot account for it.

4. Have you any idea of the difference in weight in the inside fat?—No, I cannot account for the difference; I do not see why there should be the difference.

5. With regard to the quality of the sheep sold to the companies, what sort of sheep do the buyers of the companies prefer to take from the settlers when they are round buying from them?—The heavier sheep, undoubtedly.

6. The heavier the sheep the more they take?—Yes.

7. What encouragement is there for the farmer to breed the small, nuggety, handy little sheep, say up to 56 lb. to 60 lb.—speaking for the Wairarapa, because there your knowledge is absolute?—That is, of course, one of the grievances that a small farmer has in our district. There is no

encouragement given to breed this small class of sheep. Inferior breeds are sold to the companies at the current price, and bring as much as the better-class sheep. On an ordinary-sized sheep-farm there is not a sufficient number of these first-class sheep bred, and there is no encouragement given to the farmer to breed them at the present time.

8. What is the difference in the price, to your mind, of a prime North Island wether as against a first-class sheep of the same class in Canterbury?—I should be very sorry to think that we could not breed as good sheep in the Wairarapa as are bred in Canterbury, and I believe we can. We have had a sheep test in the Wairarapa, and they commanded the highest price in London; and if a few can be bred in that way I do not see why a large number cannot be bred.

9. Do you know the same quality of sheep bred in the Wairarapa and sold to the companies for 12s. have brought 15s. 9d. and 16s. 7d. in the yards at Addington?—I believe that is so. I do not know that they were freezing-sheep.

10. If you saw a statement in the commercial columns of the *Lyttelton Times* to the effect that a line of freezing-stores were sold at from 15s. 9d. to 16s. 7d., would you consider that a fair average price?—If one has not seen the sheep, one is at a great disadvantage. But reporters should know what they are talking about.

11. When buyers go to the sheep-farmer they invariably take the largest sheep?—Yes.

12. Now about the weight of lamb: Is it not a fact that the buyers from the companies prefer the heavy weights in lamb—say, from 40 lb. upwards—if they can get them?—They always take the heavier weights.

13. The statement was characterized before this Committee as stupid, I may inform you, and it was said that anybody in the trade making the statement would be a fool. Now, I want to make it very plain as regards the Wairarapa, because of my own knowledge it has taken place there, that buyers buying lamb always take the heaviest they can get: is that not a fact?—I have always found them to take the heaviest lambs.

14. How do you view the branding of New Zealand meat, supposing we could get a suitable brand which would not disfigure the carcase?—I say it would be a good thing.

15. With regard to the prosecution of Argentine meat agents in London for selling Argentine meat as New Zealand, would you regard the prosecution of those gentlemen as a waste of time?—Oh, certainly not.

16. You think it a righteous thing that they should be punished for representing Argentine meat as New Zealand meat?—Yes.

17. *Mr. G. W. Russell.*] Do you sell to the companies or do you export on your own account?—Of late years I have been selling.

18. Which do you find the more profitable course to take?—It is some years since I froze on my own account, and the frozen-meat trade was then in its infancy. It was more of an experiment in shipping, and my experience was a considerable loss.

19. You have not had a recent experience of shipping on your own account?—No.

20. May I ask what is your output of fat stock?—About two thousand.

21. You said just now that you would be sorry to think you could not breed as good sheep in the North Island as the Canterbury people can: do you adopt the same method of winter feeding as is adopted down South?—To breed the same sheep we should have to adopt the same methods as closely as possible.

22. I presume, then, that you do not now produce artificial food for your sheep during the winter?—Personally, I do; but it is not so general as it might be.

23. Do you find that adopting that course materially increases the value of your sheep over the value of those who do not?—No doubt that is so.

24. And you believe you command a higher price than the average of values in the Wairarapa?—I am sorry to say the prices are uniform.

25. Do you find this: that, although you breed a better class of sheep, and feed them on a more scientific principle than the others do, you are unable to command a higher price than those who do not take the same steps?—The price is a uniform price invariably.

26. Are you unable to get a higher price for your better class of sheep than your neighbours whose sheep are not so good?—No, I am not able to get a better price.

27. You say that in buying lambs the buyers always take the heavy weights first: are those lambs from 40 lb. upwards?—They would be under 40 lb. for lamb. Of course, later on in the season I should not call them lambs at all—they would be young sheep.

28. Do the buyers make it a practice to buy lambs of over 40 lb.?—No; I have not sold them over 40 lb. When they go beyond that weight I have generally kept them.

29. Do the buyers offer to buy them?—Yes; but I have not sold them.

30. Of course, you know this inquiry has arisen largely owing to the difference in values between North and South Island sheep: what methods have you in your district for bringing the buyers of sheep together, in the way of markets, so as to get the benefit of competition?—Well, we have no method at all, and I think a great improvement could be made in that respect. At the present time the market, in my opinion, is suppressed by the companies owing to their system of buying. We have no open markets the same as Canterbury has. It is impossible to tell sometimes what the companies are giving. They may be giving 9s. during one month, and then a rise takes place, but it is not always easy to ascertain when a rise has taken place. If I might suggest it to the Committee, I think something should be done to compel registered companies to register their purchases. I do not think it would be any hardship or injustice to the companies, and it would be much fairer to the sheep-farmers. The companies might register their purchases weekly. It is almost ridiculous to think of establishing markets such as they have in the South.

31. Do you not think that in a large district like the Wairarapa it would be possible to get a central market to take the place, say, of Addington and Burnside, where the sheep-breeders would

take their sheep and where there would be greater facilities for selling—the fact of having markets like those would attract buyers from all parts of the colony, and thus give you level values?—It would be a difficulty to start. The business has drifted into the hands of the companies, and, unless they came forward to buy, I think it would be uphill work to establish a market.

32. If the farmers decline to take the ordinary steps of combination, or neglect to do so, do you not think it is a somewhat extraordinary course that they should make complaints to Parliament that they cannot get good prices?—It is not extraordinary when you know the circumstances well. A farmer, for example, has a lot of sheep, and it is a matter of very great importance to him to get rid of them, and if he is blocked with his sheep for a month or two it is a very serious matter. And he might be blocked while this market was being established.

33. Who would block him?—It would be in the power of the buyers of the companies to do that. I do not say they would do it, but I think it would be to their interest not to have the market. I think the company would rather go on buying privately as they have been doing. I have heard it stated that the holders of fat stock think the company would decline to come forward, and that there would be so few sold in the yards that it would be difficult to keep the market up.

34. Would it be of benefit to you if the State guaranteed 5 per cent. for a term of years to provide for refrigerating-works in your district?—I do not think it would be any advantage. I think, so far as the actual freezing goes, the farmers are very well served by the companies, particularly by the Meat-export Company, which is really a farmers' company. I do not think there would be any advantage in multiplying the number of freezing companies.

35. Would it be of advantage to the farmers if a number of them combined to freeze on their own account, as is done at the Belfast Freezing Company's works?—That would all depend upon circumstances, and it seems to me that the matter is in the hands of the companies. The question of rejected sheep is of such importance that we think no combination of farmers could commence the freezing business without taking that into consideration.

36. The farmer would not be able to get rid of his percentage of rejects?—There would be a great difficulty about that.

37. You do not admit that you are shut up to the present position, and the companies are to retain the mastery they hold, do you?—That is the position. As I have said, I think, in the matter of freezing, the present freezing companies do not do badly for the sheep-farmer. The real grievance I think the farmer has got is in reference to these markets—the matter of buying. I think that wants alteration, and that the purchases should be recorded by the buyers. They have been in the habit of privately buying store stock, which complicates the matter still more.

38. What do you suggest should be done with this record of stock that the companies have bought?—I think they should keep a record of all stock they buy, which should be available for public information or be open to the Press.

39. How would that help you?—It would throw daylight on the prices obtained. At the present time no one knows what they are giving. The custom at the present time is for the buyers to come round and place a price on the sheep, and you have to take that—that is, the price going at the time.

40. And you have no means of ascertaining as farmers whether you are getting a fair price or an unfair one?—No.

41. You are not able to estimate the value of a sheep on the London market, *plus* its by-products?—The best way to arrive at its value is to have a little healthy competition.

42. What do you suggest as the best means of obtaining that healthy competition?—One step in the right direction would be to have the prices recorded. This would be a record also for the southern buyers if they came up, so that they could see where the sheep had been bought before. They would then have no difficulty in finding out where to put their hands on sheep. Up to the present I know that they have had to go hunting about for them all over the country.

43. Has it been your experience that the advent of southern buyers has raised prices?—Yes.

44. How much?—It is difficult to say how much, because other things have to be taken into consideration. I have heard also that their custom is to pick out numbers of the best sheep and leave the second-class sheep to the companies.

45. *Sir W. R. Russell.*] Are you a shareholder in either of the meat companies?—Yes; in the Meat-export Company.

46. May we look upon you as an expert in the business?—No, not quite.

47. I suppose you are, like myself, a small sheep-farmer who takes what he can get?—Yes.

48. You said that we can breed as good sheep as they can in the South. Now, the natural corollary to that answer is, do we turn out as good sheep? That appears to me to govern the position very much?—Not quite. I think what we have been breeding is proof to me that we have made a mistake, and we are likely to profit by this mistake in the future. I have no doubt that there will be an improvement in the breed of sheep in the Wairarapa district. You have only to attend the ram-fairs to understand that.

49. As accounting for the difference in price, can you account for it in any way except with regard to the quality of the sheep?—A large proportion of the North Island sheep are distinctly inferior sheep—that is, those mentioned by Mr. Buchanan as Romneys and Lincolns.

50. You seemed rather in your evidence to point in a direction that would lead us to believe that the companies have been unfair in discriminating as to the value of the sheep. Supposing A had a flock of 65 lb. Lincolns, and B had a flock of 60 lb. Down sheep, would not the companies make a difference in the price paid for the Down sheep?—I think not.

51. Which would you take for choice?—I think I should be very foolish if I did not take the Down sheep.

52. Suppose there was a 60 lb. Lincoln and a 60 lb. Down sheep, would the buyer give any

more for the Down?—I believe not. On one occasion one of the directors who breeds a large number of sheep bought from a customer, and picked out the Down sheep, and sold them privately, but the inferior breed is sold to the company.

53. He sells the inferior breed to the company?—I do not say they were inferior sheep, but they were sheep of an inferior breed.

54. Why do you not establish a market?—We cannot. That was tried some years ago. I think Mr. Buchanan interested himself in the matter many years ago.

55. Would it not be worth while to throw a sprat to catch a mackerel—must you not run some risk?—There would be no difficulty about it if you could get the farmers to combine; but they must bind themselves down to reserve their stock either for sale in the market or sell to the company.

56. Do you think the farmers would get a better price if they sent their stock to a market?—Yes, if they had a market like that in Canterbury.

57. Do you not think it possible that you could establish a market in some place like Wairapa with the object of forcing up the prices?—I think it would be possible.

58. *Mr. Lethbridge.*] But you would not get the local consumption that they do in Christchurch?—No.

59. *Sir W. R. Russell.*] How is your proposed record of purchases to operate?—A little daylight would be thrown on the prices obtained, which we have not got at the present time.

60. You propose that the companies should keep a record of the prices they give, because they might buy your very good sheep at 9s. and, say, my very bad sheep also at 9s.?—Yes; and the names of the sellers would be stated, while the farmers would know what a certain breed is bringing at different places.

61. We have heard it alleged that the companies endeavour to obstruct those people who are freezing on owner's account: is there any truth in that statement?—No, I do not think so. I think the companies, on the contrary, have endeavoured to encourage farmers to freeze on their own account.

62. Then, you have no complaint to make about that?—No; on the contrary, I am speaking of the one company only.

63. Do you freeze or sell?—I sell.

64. Is there any competition in the buying?—No, none at all.

65. Then, you mean to say that the price is regulated without regard to the quality of the sheep or anything else? Let us suppose that A has a good 60 lb. sheep and that B. has a good 65 lb. sheep: would each get the same price?—The buyer simply comes round and goes through the sheep; he tells what price he is giving for that particular lot of sheep that month, and you take that price. I have tried many times to get a little more, but generally without success.

66. May not the prices be regulated by the percentage of rejections they have to make in one flock as compared with another?—That probably may hold good in certain cases, but my opinion is that there seems to be a hard-and-fast rule in connection with fixing the prices. Of late years we have had the southern buyers up here, and prices seem to be a little more elastic on that account.

67. *Mr. Haselden.*] Are the farmers in your district satisfied with the treatment they get from the freezing companies as a whole?—No; they are not satisfied with the prices, and there have been some complaints about the sheep being kept over for some time.

68. Are they satisfied at the way in which the buyers pick them, or do they complain that the buyers leave the small sheep behind?—There are no complaints about that. At any rate, I have not heard any.

69. What breed will your farmers be likely to go in for? How do you cross your sheep?—With the Down and Leicester.

70. On the ordinary crossbreds?—Yes.

71. Do you not think it would be a good thing if auctioneers held fat-stock sales?—It would be an excellent thing if the buyers of the company would come forward and purchase, but it would be difficult to get the farmers to combine for the purpose.

W. C. BUCHANAN, Chairman of Directors of the Wellington Meat-export Company, examined.
(No. 10.)

72. *The Chairman.*] Your postal address is?—Gladstone.

73. Do you prefer to make a statement or to answer questions?—I would rather make a statement before answering questions which may be put to me. I regret very much the absence of our general manager in England, because, being more closely associated with the business, he would be able to go more into detail than myself, although I am chairman of the company. The principal question before the Committee being, I understand, the difference in price between North Island and South Island sheep, I would refer the Committee to Weddell and Co.'s circular for the calendar year 1901, in which a table is given covering four years of Smithfield prices for frozen meat. The heading of the table is as follows: "The weekly prices cabled out under the auspices of the Frozen-meat Association became, during the past year, still more generally recognised as the nearest obtainable approach to official prices, and disputes between buyers and sellers on the market at any given date are now mainly adjusted on the basis of these quotations." To put this table in the briefest possible form: For 1898, the difference between North Island and Canterbury mutton is given as 0·61d. per pound; for 1899 it was 0·56d., for 1900, 0·28d.; for 1901, 0·56d. The average of the four years, taking one with the other, works out at 0·51d.; in other words $\frac{1}{2}$ d. per pound between North Island mutton and Canterbury. On a 60 lb. sheep at $\frac{1}{2}$ d. this means 2s. 6d. Canterbury quotations are always given as practically at the freezing-room doors. The Meat-export Company buys at the settlers' sheep-yards and takes delivery there. It costs on an average

over 1s. for railage alone, without computing the cost of buying and driving to the railway-station. The difference in value between fine and coarse cross-bred wool as applied to the sheep-skin necessarily varies from the bare pelt until the full fleece is grown again. At the present time the estimates from the best experts put the difference at 1s. 6d. per skin, as between an average coarse crossbred North Island skin and the average Canterbury sheepskin. The difference in weight of fat per sheep is put down by the best authorities at 35 per cent. in favour of Canterbury. I heard it stated here yesterday that the difference was three times as much, but of course that is all nonsense.

74. I think it would be the wish of the Committee that in your evidence you should not traverse any statements made here by witnesses yesterday, as you were here merely as an act of courtesy?—Very well. With regard to the cables every week quoting the Meat-export Company's brand on the one hand and the Canterbury brand on the other, showing a difference of perhaps only $\frac{1}{4}$ d. per pound, that is very easily explained. Taking the Meat-export Company's purchases for the year ending 30th June last—purchases I mean of prime wethers and maiden ewes—the rejections of sheep unfit for freezing totalled $19\frac{1}{2}$ per cent., made up as follows: bruised, a little under $2\frac{1}{2}$ per cent.; yellow and grown lungs, about 6 per cent.; unsuitable for various other reasons, such as gross, coarse, three-cornered sheep, and patchy in various ways—that could not be put under the Wellington Meat-export Company's brand without seriously injuring it—11 per cent. In addition to that we have a second class branded "NGA," on which the Wellington Meat-export Company's brand is not put. The number of this second class amounted to 8 per cent. If the Committee will look at the statistics from the Shaw-Savill Company, they will see exports from all the North Island ports of large numbers of "legs and pieces," which are conspicuous by their absence from South Island shipments—in fact there are practically none at all. For the year ending the 30th June the shipments from the North Island, as shown by this table, were 697,000 legs and 394,000 pieces. Let me explain that some of these legs and pieces are not from rejections for freezing, but from ewes unfit for freezing purposes. These figures clearly show the large number of rejections from North Island sheep that are not fit for freezing purposes. Now, how does this difference arise between the North Island and the South Island? It can be put practically under three headings—breed, climate, and artificial food, represented mainly by rape and turnip. In the North Island you have little but Lincoln and Romney sheep, and if you refer to the Home-market prices you will find that these two breeds of sheep are at the bottom of the list as to quality of mutton. In Canterbury, on the other hand, these breeds are practically conspicuous by their absence. You will see them occasionally, but in very small numbers, the principal breed being Merino crossed with the Leicester and Down breeds. It would be foolish to expect that mutton grown from the lowest-priced breeds in England would become equal to the best because it happens to be grown in New Zealand. Owing to the wetter climate in the North Island the losses in young stock are very much greater than in the South. Canterbury exports a far greater percentage of her live-sheep stock per annum than the North Island for two reasons: one is the lower rate of deaths, the other is that instead of sending away the main portion as four-tooth, as is done in the North Island, they are sent away as lambs, and the whole of the balance practically as two-tooth. This enables Canterbury to carry a much bigger percentage of ewes in the general stock. Artificial feeding obviously has a great deal to do with early maturity. The greater part of Canterbury, speaking broadly, is cultivable, and the statistics will show the enormous difference between the North Island and Canterbury in the quantity of turnip and rape grown. But that does not cover all the difference. Owing to the wetter winter in the North it is impossible to feed turnips with such successful results as in Canterbury.

75. *Mr. McLachlan.*] Would you not substitute "South Island" for "Canterbury"?—No, because when you get to Invercargill you get very different climatic conditions from Canterbury altogether. The freezing weights of a few lots of sheep bought recently by the Meat-export Company, some off turnips and some off grass, are as follows:—52 lb., 51 lb., 51 lb., 53 lb., 52 lb., 50 lb., 51 lb., 50 lb., 44 lb. These weights are taken consecutively from the books of the company.

76. *Mr. Lethbridge.*] Were they in any number?—Here are the numbers of the lots: 75, 116, 89, 118, 300, 164.

77. *The Chairman.*] Were those off turnips?—Some of them were.

78. *Mr. McLachlan.* You do not indicate which were off turnips and which were off grass?—I have not got that. I know of an instance of a lot of a little under five thousand wethers put upon turnips and looked after by one of the best men I know in charge of sheep. They were on from early winter until late in August, and all that could be got out of the five thousand full-grown wethers by the latter end of August was eleven hundred fat sheep, because they were wading up to their bellies in mud a large proportion of the time. It is well known that in the west of Scotland three turnips are of less feeding-value than two in Aberdeenshire because of the difference in the climate. I have here an article written in England, republished in the Christchurch weekly *Press*, stating that the three freezing companies in the Argentine absolutely refused to buy for freezing purposes a lot of from two to three thousand prime Lincoln wethers for freezing purposes, stating that they were too gross and coarse for the English market. The climate is undoubtedly responsible for the smaller quantity of fat in our North Island sheep. I am told by the southern buyers who come up here that in many cases the Canterbury lambs give double the fat furnished by those in the North Island. We have been told—I am not referring now to what took place before this Committee, although it did come up here—that the freezing companies here have stopped the southern buyers from coming here as far as they could. Here is a letter from Mr. Hulse, who gave evidence yesterday, and who wrote as follows to our general manager: "Dear sir,—*Re* your letter as to obstacles having been placed in the way of southern buyers purchasing stock in your province by your company: all I can say is I am not conscious of the fact, and any idle statements of the kind are without foundation and

not worthy of notice.—Yours, &c., J. HURSE.” Another is from a well-known buyer in Canterbury to our general manager, and is as follows: “Dear sir,—I trust you will hold me excused for my seeming neglect in not replying sooner to your letter of 20th May, but being most of the time away from my home caused the matter to slip my memory. However, in reply, I have pleasure in stating that I have made many purchases of sheep in the North Island during the past year and, instead of obstacles being placed in my way by your company, I was always treated with unfailing courtesy and everything was done on your part to facilitate business. As to threats being made by your company to send buyers south, I may say it is the first time I have heard of it, and it is almost too absurd to mention.—Yours, &c., JOHN MCCARTHY.” Here is another letter of the same tenor from a well-known buyer, Mr. L. W. Toswill, but too long for the time at the Committee’s disposal. Time and again when the southern buyers have been blocked for time to draft their sheep we have sent our buyers to draft for them. They bought largely here last year—one of our directors selling most of his sheep and lambs to one of them. It has also been stated that the companies refused to freeze for them, hoping thereby to block them, but the truth was that they were overpowered with an amount of work which was altogether unexpected. One of our directors sold five thousand sheep to the company in the beginning of March, and he was unable to get them away until the latter end of April—nearly two months before he could get rid of the sheep—because we could not freeze them. I had three thousand sheep myself that I wanted to ship to London for weeks on my hands, and could not get them away because the company was overtaxed with work. So that, if the southern buyers were to some extent hindered—as they were undoubtedly—it was not because the company did not do everything possible to keep pace with the work; and I may say that this last season was the first in the eighteen years’ history of the company during which it was not able to take, and did not take any owner’s sheep within a week or ten days of notice being given. The company advertises in fifteen country newspapers its willingness to freeze for owners at the Canterbury rates, and this last year the company put through the equivalent of 120,000 sheep and lambs on account of forty-seven different owners. Twenty-four of these owners sent 53,400 sheep to London through the Meat-export Company, and twenty-three of them sent 66,400 sheep through their own agents. In my own case I freeze practically all my sheep on my own account. Last year—that is in 1901—I sent 16,065 wethers to London—taking careful note of the company’s price on the day on which they left the station, and keeping a debtor-and-creditor account until final receipt of the account sales, and my loss, as compared with the company’s price, was £972 7s. 1d. But that did not cover the whole of my loss, because I should have paid £231 additional in insurance had I covered myself, as is usual, under an all-risk policy, so that my loss on those sixteen thousand sheep for the year was in round numbers about £1,200. This year, since the 1st January, I have received account sales of 3,062 sheep on which I have made a profit, as compared with the price the company was giving at the time, of £494 13s. 2d. In 1901 I shipped 2,632 lambs on which I got a surplus as compared with the companies’ price of £161 2s. 9d. This year I have account sales of 1,043 lambs, on which I have made a small loss, if allowance is made for insurance. Now, it has been stated again and again that there is a ring amongst the North Island companies, excluding Gisborne and Auckland, under which the prices are fixed, and as a result of their operations a fighting fund has been created for the defence of their common interests. Now, I have stated what I did with my own stock. There are seven directors of our company, and six of them for the year ending the 30th June sold to the company at the current prices of the day equivalent to fifty-five thousand sheep. All these directors are shareholders, of course, and, including myself, the dividends paid to these directors last year amounted to £471, or an average of £67 each. This, you will observe, amounts to £8 10s. per director on each 1 per cent. of dividend; and we have the extraordinary statement made that these gentlemen take part in a ring to run down the prices by from 4s. to 11s. per sheep. In a *Hansard* debate the statement was made by Mr. Hornsby that 8s. was all that could be got for sheep that were worth 19s. in the Christchurch market. I put it to the Committee that either those who proclaim the existence of this alleged ring, on the one hand, or the men, on the other hand, who formed it, apparently for the purpose of robbing themselves of several shillings per sheep, are scarcely fit to be at large. I leave the Committee to decide between the members of the alleged ring and their accusers. It has been stated, too, that the majority of the shareholders of the Meat-export Company are town speculators, always anxious to make the biggest dividend they possibly can. Not only are all the directors now, but they always have been, country settlers, deeply interested in getting the highest value for their sheep; but the country shareholders also are in a large majority as to voting-power. I wish to say something on the subject of North Island wethers shipped to Christchurch, and the higher prices for which they are supposed to have been sold as compared to North Island prices. Attending the conference of the pastoral associations of New Zealand in Dunedin not long ago, a Mr. Hardcastle, the son of an old Canterbury settler—a practical man among stock—who happens to be on the staff of the Christchurch weekly *Press*, interviewed me about the agitation in the North Island in regard to the difference in the price of North Island and South Island sheep, and he informed me that he went to the Union Steamship Company’s office and went through the bills of lading for twelve months, and, picking out all the lots of sheep that came from the North Island, and after taking careful note of the consignees to ascertain whether they were frozen or had been sold to the butchers, in every case he found the sheep had gone to the butchers, except in two instances where two little lots were consigned to the well-known dealer, Mr. Clarkson. Writing in the Christchurch *Press*, he says: “We have made careful inquiries as to consignments of North Island sheep, and only two small lots—one last winter, and another a few months ago—were sent to the local freezing-works, but were then only branded as New Zealand, not as prime Canterbury. With these two exceptions, all the fat sheep during the whole twelve months that have been brought down to Canterbury from the North Island have

been purchased by the Christchurch butchers. As a matter of fact the buyers for export in Canterbury will not look at the coarse Lincoln or Romney cross sheep that are shipped from the North, but, when well finished, these weights are, in limited numbers, profitable for their trade." The assertion has been made again and again that North Island settlers have been robbed of 4s. per head and upwards per sheep. Excluding the ports of Auckland and Gisborne, and taking the whole of the rest of the North Island, the mutton and lamb and beef exported for the year ending the 30th June, 1902, counting beef at its equivalent of 60 lb. sheep, was 1,770,000 carcasses; and taking that number at the lowest estimate of this alleged robbery—namely 4s. a head—you arrive at the sum of £315,499 for one year alone. Where has all this money gone year after year? Of course, the statement is absurd. We have also heard it again and again stated, not in this room alone—of course, I want to steer clear of any breach of order, and I am not referring to anything stated in this room—that the buyers always take the heaviest sheep. What else are the buyers to do? If they do not take the heavy sheep at the earliest possible time he will probably be too heavy on the next occasion and have to go into the boiling-down pot as too gross for freezing. The buyer must also take all the sheep that are fat, or the settler would turn over to a rival company, and it is therefore a case of "Hobson's choice" with the buyer. Various statements have been made as to the weights of North as against South Island sheep, and I have had the average weight taken of all the sheep bought and frozen by the Meat-export Company for the year ending the 30th June, and I find it to be just 56½ lb. In the case of lambs it was only 35·17 lb., though it has been stated over and over again that the Meat-export Company's buyers were instructed not to accept any lambs under 40 lb. The farmers who have been meeting at various centres and discussing the frozen-meat question have recommended the establishment of local markets, and the statement has been made that the companies' buyers would not compete at these markets. The nearest market to Wellington is Johnsonville, and a weekly sale is held there. The buyer of the Meat-export Company invariably attends, and, except recently, because of the exceptional prices given by Sydney buyers, he has always been a purchaser. Attempts were made in the Wairarapa years ago to establish local markets for fat stock, and I took an active part personally in the matter and lost every cent of my money, and so did others who joined me, in trying to establish a market at Featherston. And the reason is very simple. The companies' buyer goes to the settlers' paddocks, buys the sheep, the day is arranged on which they are to go to the railway-station, and there is no commission or any extra expense of any sort. I would assist to establish local markets without any hesitation if any advantage could be gained; but our circumstances are very different to those of Canterbury, where the great bulk of the sheep are fattened within easy reach of Addington market. There is no question that the Addington market has been a great advantage from an educational point of view, and the same benefits would accrue to us in the North Island if we could follow the same example. It has also been stated that the companies here have combined to control the butchers in Wellington. All I can say is that the Meat-export Company advertised its readiness to slaughter for the butchers, supplying all the labour, at exactly the same rate as is charged at the Dunedin Municipal Abattoirs, but the butcher in the latter case finding all the labour. The Meat-export Company also undertook the freezing of butter at the lowest charge in the colony before the Government undertook to pay for part of the cost. Mention has also been made of the enormous profits made by the companies in Wellington, but I can, of course, only speak of the Meat-export Company. The dividends in that company have been as follows: During four years they paid no dividend, for two years at the rate of 5 per cent., one year they paid 6 per cent. and for ten years they paid 8 per cent. The Belfast Company, on the other hand, which started upon the same lines as the Meat-export Company—namely, to freeze only for owners—have paid 10 per cent. for three years, 9 per cent. for three years, 8 per cent. for six years, 7 per cent. for two years, and in 1883 they missed their dividend; so that you see the average profits of the Belfast Company have been very considerably larger than the profits of the Meat-export Company. With regard to the market fluctuations in London, and the means of checking them, a reference to Weddell and Co.'s sales will show that in the case of Scotch mutton, the highest-priced mutton in the London market, the fluctuations are greater than in the case of frozen meat, and I am afraid that—much as we desire it—we have much less chance of regulating the price of our meat than in the case of such an old-established article of diet as Scotch mutton. Now one word as to the agitation that has taken place throughout the whole of the Wellington and Hawke's Bay Provincial Districts with regard to the different prices offered in the North and South Islands. I have attended some of these meetings and discussed the question with the settlers, and the final result, as far as the Wellington Provincial District is concerned, is focussed in a letter which I received as Chairman of the Meat-export Company from Mr. William Perry, representing the committee finally set up for the East and West Coast districts of the Wellington Province, containing a request that 3,500 new shares, which had been agreed to at the Meat-export Company's last annual meeting to be allotted amongst stock-owning settlers in the country districts, should be handed over to this committee, so that they could assist the Meat-export Company in allotting these shares in the country districts. In other words, after discussing the *pros* and *cons* of this meat question for many weeks, they were finally brought to see, through the information they obtained, that the position was entirely different from what they had been in the first instance led to believe by statements made through the newspapers and by people who were in no way acquainted with the facts of the case. One more point and I am done. It has been said again and again that the Meat-export Company has nothing at risk from the fluctuations of the London market, because it always sells its frozen-meat *c.i.f.* before shipment. It is quite true that the company always aims at doing that as far as possible, and does so to a large extent. But it is also equally true, and any business-man can see how it must be so, that the

amount at risk at any time of the year is never under £50,000, and is frequently more than £150,000. This, of course, covers meat, tallow, wool, and various other items which it is practically impossible to sell before shipment on anything like fair terms, and you will thus see how impossible it is for a company to commence its operations at the beginning of the year, and so to shape its course as to say we shall have 8 per cent., or any other per cent. of dividend, so-much to put to reserve, so-much to write off for depreciation, and so forth. We have a large amount of speculative risk in the business of the company, and we never know at the end of any one financial year what the results of the year may be until at least six months after the close of that year. To give an example. About three years ago we happened to have nearly two thousand bales of wool in the London market. Wool had been very low, and we expected to meet a very poor market. Instead of that there was a very sudden rise that nobody expected, and a very large profit was the unexpected result. Of course, a different result might easily have accrued, and when critics of freezing companies point to the £25,000 that we have as a reserve fund, and £7,500 as an insurance fund, as a very large sum indeed, it is no such thing. It is very moderate reserve when the risk of the company is considered. It is also imagined that this amount of £32,000 is at call in the bank or available in the form of cash, but in reality every copper of it is invested in buildings and plant to do the work of the farmers—about the best purpose to which it could be put. As a matter of fact, 1s. per head of loss on the number of stock put through by the Meat-export Company in one year would swallow up the whole of the reserve.

79. *Sir W. R. Russell.*] Can you tell what proportion of the shareholders are townsmen and country-men in your company?—No, I could not exactly, because in the case of a good few of the shareholders it is very difficult to place them in either category. All I can say is that when this agitation started throughout the country over the freezing business we circulated lists of the shareholders showing the voting-power of town and country, and it showed at once that the country settlers had absolute control of the company to do what they liked with it.

80. At any rate, at the annual meeting of the company, have you a preponderance of townsmen or country-men attending at the meeting?—Very few country-men, indeed, attend the meetings, but they send down their proxies to be used if necessity arises.

81. Do you know the average weight of sheep you freeze?—I gave the average. The average this last year was 56½ lb. freezing-weight.

82. How did that compare with the South Island sheep?—I do not know the average freezing-weight of this last year in Canterbury, but I should say there would be very little difference between them. It will, I think, vary from ½ lb. to 1½ lb. in favour of the North Island. We send ours away mostly as four-tooth as against two-tooth sheep in Canterbury.

83. Do you not freeze two-tooth sheep here?—Very few. The light weights I gave are all practically two-tooth.

84. About this sending of sheep from the North Island to the South Island: can you account for that in any way? Do you say that the butchers purchase them?—The position is quite simple, as will be seen by the Shaw-Savill Company's return of the number of legs and pieces from year to year shipped by the North Island and none at all by the South. The butcher in the North Island for the most part gets his mutton at boiling-down price. In Canterbury, on the other hand, he has to come into competition with the freezer. He has to pay the high freezing-rate for Canterbury quality, and he can afford to give a big price for the heavy North Island wethers which are usually shipped.

85. Now, let us take a case I have read of in the newspapers, and which, I may say, has come under my notice, because sheep from Mount Herbert have been sent down to Wellington and various parts of the South Island. The shipper has paid freight and landing-charges, and still has made a profit. How can you account for that?—In the first place the Hawke's Bay prices are usually lower than are paid here. The Mount Herbert sheep are well known to have been heavy sheep, and, taking these factors into consideration, it can easily be seen how these sheep could have been shipped at a profit.

86. Then, again, in the matter of lambs, I know as a fact that southern buyers have come up to Hawke's Bay and bought lambs at a higher price than we could get locally. Can you account for that?—Yes, I will give a typical case. One of the Meat-export Company's clients, on the advice of the Meat-export Company, sold his lambs to a southern buyer for 12s. The southern buyer, however, stipulated for heavier weights than the company, and this, of course, makes all the difference. We have also always advised our clients when they have Down lambs not to sell to the company, because they are bound to do better if they ship on their own account, the reason being this: that the great bulk of the company's lambs are ordinary crossbred, and if these Down lambs were mixed up amongst them, we could not get from c.i.f. buyers the differential price that they are worth unless the company kept them separate and consigned them on their own account to the London market. I have never sold a single lamb personally to the Meat-export Company for freezing, and a good many of the company's clients have followed the same course by the company's advice. I am now referring to the Down lambs. In the case of the particular client I spoke of the stipulation with the southern buyer was that the lambs must be up to a given weight. Towards the latter end of the season the weights were found to be deficient.

87. You mean that they were fat?—Yes; but they were also light in weight, and the company took them at the ordinary price.

88. What do you mean by the company's ordinary price?—We were giving 10s. 6d., and at that price we lost money this year.

89. You mean that your company took the residue of the lambs at the price you were paying ordinarily for lambs?—Yes, for most of them. As the season went on the lambs were improving, but many of them never got to the weight stipulated by the purchaser at the beginning of the season.

90. You said that the southern buyer was giving 12s., and the company's price was lower?—We gave 10s. 6d.

91. What price did you give for those?—I am not certain without referring.

92. *The Chairman.*] Would your price be 10s. 6d. for the lambs that the southern buyer was to give 12s. for?—Probably, because we should have taken the lambs much sooner than he did, and before they got up to his standard.

93. *Sir W. R. Russell.*] You heard Mr. Martin say that there was no competition, and that the company gave practically the same price for Down sheep as for the ordinary crossbred?—Mr. Martin is in error. We have always made a distinction between the Lincoln and the ordinary crossbred. The work of the company's buyer is to judge of the weight and quality of the sheep delivered at the freezing-doors, and for every lot he buys a return is sent him showing how the sheep have turned out. If he returns bad value there is an immediate check upon him, and that is an explanation of the greater uniformity in the price in the North Island compared with what they have in the South. I do not approve of it, and we have endeavoured in various ways to get out of the difficulty, and lately we have determined to offer a price per pound, varying with the various grades. The settler can thus send in his sheep, paying all the expenses to the freezing-room door, at a price per pound on the various grades, and if he has a better class of sheep than his neighbour he gets the best price. The Canterbury people have had local sales for many years, and are better up in drafting their sheep. To illustrate the difference, last summer we got a letter from a West Coast settler stating that unless our buyer went to his place by a certain date he would draft his own lambs and send them in. He did so, and some of them were at once seen to be unfit for freezing. We drafted them, and sent up the rejects to Johnsonville, where we were offered 5s. for them. We could not let them go at that price, and telegraphed to the owner for instructions, and finally we sent them back to Palmerston North, from which place they were taken away by the owner.

94. What inducement is there for a sheep-farmer to breed a meat-sheep instead of a wool-sheep?—A great deal of inducement, so long as the present low rate for coarse crossbred wool is maintained in London. I have always bred strong-woolled Lincolns myself, with the exception of very few, because they suit my country and climate. But undoubtedly, if the present rates for wool are maintained, we must make a change in some direction. But even then we cannot hope to get the Canterbury abundance of artificial feed to push our sheep forward at a very early age.

95. Supposing I say that I would like to sell in the yards: I do not want a price to be fixed by a grading test, but to sell in the yards: Is there any means of allowing the meat-grower to get a better price?—I know of no means unless he takes advantage of the open door to London at rates of charges as low as are current anywhere. We were told, for instance, that the South Australian Government offered a great advantage to the farmers there, but I find on examination that the rate charged by the South Australian Government in some cases was 1s. 7d. per sheep higher than it is here.

96. At the present time your company is willing to freeze for anybody at the lowest current rates?—We advertise the fact in fifteen country newspapers, and have done so for years. We have used every effort to get relieved of the speculative risk we have to face in buying such a large number of stock. The Meat-export Company was started not to buy sheep, but to freeze on owners' account; but we have had to buy because the farmers would not face the risk themselves.

97. *Mr. Haselden.*] Did you say that none of our North Island sheep that go down South are frozen and sent Home?—I believe that scarcely without any exception all the North Island sheep that have gone down South have gone into the hands of the butchers.

98. Can you account for this: that store sheep have fetched a much higher price down there than up here, and it has paid a man to send them South after he has paid about 3s. 6d. for expenses?—In the case of store ewes Canterbury has had to ransack North and South to get them. They had to cut down their stock by four hundred thousand through the dry weather several years ago, and have had to buy a great many elsewhere since.

99. Supposing that a farmer freezes his sheep with your company, how are those sheep handled: would they be sold separately, or would you hold them over until you had disposed of your own?—The company's sheep are very seldom placed in the Smithfield Market. They are usually sold in large lots. On the other hand, in the case of settlers' consignments, they are put into the hands of one of the salesmen and sold in the same way as my own sheep.

100. *Mr. Hornsby.*] The average weight of the sheep frozen by the Meat-export Company is something over 56 lb?—56·5 lb.

101. If that is so, what becomes of the heavy sheep?—They go into that average, except those which are cut up and the legs are frozen. The rest are boiled down.

102. Why do the company's buyers always take the heaviest sheep, no matter how often they visit a settler's place, in preference to the light weights?—The reason is that as soon as the big-framed sheep is in good condition for freezing, the quicker they take him the better, because if he stands for another month he becomes so heavy that he has to be put into the boiling-down pot.

103. You said 2s. 6d. was the difference between a North Island and South Island sheep, *plus* the driving and railing?—I gave that as the outcome of average prices given by Weddell's circular.

104. Can you tell us why, seeing that there is only an apparent difference of 2s. 6d. in value between North Island and South Island sheep, taking the whole of the prices, as sorted out to this colony—why there is a difference in value of the carcase which sometimes amounts to 5s. and 6s.?—I have pointed out the very large number of rejections, amounting to 19½ per cent.; I have also pointed out that there is 1s. to be paid for railage; and I have also pointed out that there is, according to the time of the year, a difference of from 2s. down to nothing on account of the wool. There you have the difference in value accounted for at once.

105. You shipped Home last year, 1901, a lot of sheep, and you say that, taking the price you would have received from the company and the price you realised at Home, you lost £900?—£1,200 including insurance.

106. Is it not a fact that at that time the companies were giving 16s. for the sheep?—You will find that price on the table I have handed to the Committee.

107. The companies were giving the farmers 16s. at that time?—Up to 16s. 6d.

108. As a matter of fact, did you make any profit on the shipment of those sheep, without any reference to the price your company was giving and the difference as to what you would have got from them if you had sent them home: did you make any actual profit on the shipment of your sheep to the London market?—That is a very difficult question to answer.

109. You said that, comparing the price that you would have got from the company here in Wellington with that which you got at Home, after you got the result of the sales at Home you made a loss in comparison of £1,200?—Yes.

110. But this is what I want to get at: what profit did you make, if any, on the shipment of sheep that you sent Home?—In the case of store sheep bought and fattened as a separate lot the question would be quite a simple one, but that seldom happens, as various lots—store sheep and station-bred sheep—get mixed up together. As to the store sheep, the answer is very simple in a general way. At the time when fat sheep were so high in price last year I went to a dealer in sheep who had a line of two thousand store sheep from Hawke's Bay. I wanted to buy about fifteen hundred. His price was 14s. I said, "We are on the top of a wave now, and 14s. is a risky price, although I dare say they are worth it, taking the relative value of fats," and I ended by buying them at 14s.

111. *Sir W. Russell.*] On a pick or a run-out?—A pick. The same class of sheep were easily purchasable shortly after at 11s., because the bottom fell out of the London market, and instead of 4½d. a pound for North Island meat in the latter end of February the price dropped 1½d. a pound.

112. *Mr. Hornsby.*] Has not the price in the Wairarapa been affected by the purchase of sheep by southern buyers?—I do not think it has. We have encouraged the southern buyers all we could, and would be very glad if they had bought more.

113. If witnesses have stated that the presence of southern buyers has affected prices, what reply would you give to them?—My reply would be that, unless you claimed that the southern buyers influenced the London market, it would not be true.

114. Then, you think the presence of southern buyers did not affect prices in favour of the farmers?—I do not.

115. Can you tell us what the difference in price is between Hawke's Bay and Wairarapa sheep—approximately? You said, in answer to a question by Sir William Russell, that there was a difference in the price the sheep-farmers received in Hawke's Bay for their sheep and the price given in the Wairarapa?—Speaking, generally, I think the prices in the Wellington District were 1s. better than in Hawke's Bay.

116. What about those shipments that went south from Mount Herbert and were sold as freezers?—I am in a position to say that that is a mistake, because I know.

117. Now, they shipped them from Hawke's Bay down to Addington, sold them in the open yards there, and realised—even after paying expenses amounting to 3s. 6d. a head—better prices than they could get in Hawke's Bay?—That would be because the butchers bought the sheep and made money out of them as compared with what they would have done had they been buying Christchurch freezing-sheep—the only sheep that were available to the butchers.

118. Then, if the newspapers state that those sheep were freezing-lines, and were bought as freezing-lines in the Addington yards, would you say that the report was incorrect?—I have stated so.

119. With regard to the price of lamb, which was 10s. last year and then went up to 10s. 6d., while at the same time lamb of the same quality was selling at 14s. at the Burnside yards—the same price was being made in London by Otago, Southland, and North Island lamb—how do you account for the difference of 3s. 6d. and as much as 4s. per head in the price of lamb realised at Burnside market and Wellington Province?—To begin with, North Island lamb was not bringing the same price as Otago lamb in London.

120. I am talking now from the cabled reports from London of the price realised on the London market?—To begin with, as I stated before, average North Island lamb was not selling in London at the same time for the same prices as Otago and Southland lamb. As to the rest of the difference—because the difference between North Island and Southland would not account for the 4s.—it is easily accounted for by speculative buying. It is a well-known fact that all the South Island buyers have lost heavily on last year's lamb operations; and if you look at the table I have placed at the disposal of the Committee, you will see that my half-bred Down lambs did not net 10s. 6d., the price the company was giving for ordinary crossbreds when mine were shipped. The lamb market this year has been an eminently disappointing one.

121. Very well, if I produce to the Committee the proof of my assertion that the lamb was of equal value to that of Otago, Southland, and North Island, and show the Committee the actual cabled report from London, will you say it is not correct?—Yes; because that is one statement and mine is another.

122. *Sir W. R. Russell.*] You said in your evidence the average value was 0.51d.—that is the difference in sheep of the North Island and Southland, a difference in favour of Southland; and you brought out the value of the Southland sheep as 2s. 6d. more?—Yes, according to Weddel's table.

123. Is that an increase only in the value of the meat?—Yes, the meat only.

124. What would be the increase in value for the by-products?—I have stated that to keep within bounds I thought there was a difference in the weight of fat of about 35 per cent.; that is, that the average of fat from Canterbury sheep was about 35 per cent. in excess of North Island sheep.

125. Do you mind condensing into a general answer the average value of the South Island by-

products as against those in the North Island sheep — the pelt, fat, tongue, kidneys, wool, and so on? We have got now to the 2s. 6d. difference?—Yes.

126. How much more has to be added?—In the present state of the wool-market I think the difference would be about 1s. 6d. The difference is confined to the wool and the fat. Our pelts are as good as theirs.

127. That would give a difference of about 4s. a head in favour of the South Island sheep?—Yes.

128. You have spoken of those Lincolns and blackfaced sheep that were frozen and sent away: I suppose in those were included heavy-weight sheep that were beyond the scope of the average freezers?—Yes.

129. Do those sheep net the company a bigger profit than the average freezer the company handled in that way?—If you have a sheep not exceeding 65 lb., by every pound up to that weight you, of course, add to the value of the sheep; but if you go up to 75 lb. and 80 lb., unless the tallow-market is very high indeed, you lose as compared with the lighter sheep.

130. I notice that your table for 1901 shows that you exported sixteen thousand sheep, and that the loss on those is £962 *plus* £231 for insurance?—Yes. I insure only against total loss of the vessel, unless the value in one bottom exceeds £1,000. If it exceeds £1,000 I insure the excess against all risks at £2 17s. 6d. per cent.

131. I notice that the values in this year show a deficit, the values ranging from 16s. in March—with the exception of a small line—down to 13s. 7½d.: were these the prices the Wellington Meat-export Company gave to the farmers at their places?—Yes. My instructions to the manager are that the price of the day is to be noted down at once when my sheep leave the yards.

132. I have worked out roughly the calculation, and I find that during that year, as against the Meat-export Company's price, you lost 1s. 6d. per head, taking the average of the sheep?—I did not work it out that way. The losses ran up to nearly 5s. in the case of those 16s. sheep, because the slump in the London market took place shortly after.

133. I will now come to the present year, for which you have supplied us only for three months—January, February, and April?—Yes, I have no further account sales. You have there all I have got.

134. I notice that these prices are 10s. for January, 11s. for February, and 11s. 6d. for April?—Yes.

135. On these shipments, which come to three thousand sheep, deducting the insurance from the surplus, I find you have made a profit of fully 3s. 3d. over and above the company's prices?—I have not worked it out that way, but probably that is so.

136. Notwithstanding that on twelve hundred you show a price by the company of 11s. 6d.?—Yes.

137. Have the company bought many sheep at 11s. 6d. this year?—You have the dates there.

138. Yes, in the month of April the company were giving 11s. 6d. for fat sheep?—Yes.

139. Do you think there is very much to be surprised at that there should be dissatisfaction when you are able to clear 3s. 3d. on the whole of the sheep you have sent Home in the first three months of the year, over and above the company's prices?—May I answer your question by stating another case?

140. Yes; I want to get at the bottom of it?—Mr. D'Ath complained yesterday that he was only offered £8 10s. by the Meat-export Company for cattle which they advised him to ship to London on his own account through the company, and which afterwards netted him £12. At the very time when Mr. D'Ath refused £8 10s. from the company I did the very reverse—I accepted the £8 10s., and, the cattle being very good, I have no doubt I should have netted £12 also had I shipped to London. But I happened to take the wrong course and missed the £3 10s. D'Ath pocketed. In the case of the sheep I happened to take the right course. It was a speculation in both cases of what the price was going to be in London three months after slaughtering.

141. Do you think it would be possible that the company should make any loss upon their sheep if they bought them at 10s., 11s., and 11s. 6d.?—Possible—most decidedly.

142. Do you think the market could go down sufficiently that, after buying at those prices, and having the by-products, they could make a loss?—Certainly. Many such instances have happened.

143. Are you of opinion that the widespread dissatisfaction felt in Wellington and Hawke's Bay has got anything in it?—Yes and No. Yes, inasmuch as the Meat-export Company does not claim perfection. No, with regard to the greater part of it. I have proof of it in the ventilation and dissemination of facts at the various meetings, of which the settlers were not previously aware. The representatives of these settlers spent a whole day in the Meat-export Company's office in getting at these facts, with the result that they are now anxious to become shareholders in the company, having realised that their work can be done in the best manner and at the lowest charges on existing lines.

144. *Mr. Lethbridge.*] How much per head of sheep does it take in your company to make a dividend?—I think a little under 2d.

145. If you gave 2d. more a head it means that you would not have a dividend sometimes?—Not far from 2d. would make a dividend. It shows you how fine things have to be cut.

146. Mr. D'Ath said yesterday that he was charged 4 per cent. commission on his sales, and complained that that was too much. Is that your charge or the Home charge?—I inquired into that since yesterday, because I was surprised. I send all my own meat to London, and I pay 3 per cent. commission. My salesmen at Home, for the most part, are Fitter and Sons, the Meat-export Company having nothing whatever to do with it. Mr. D'Ath's meat was put through Fletcher and Company by the Meat-export Company, and I found out what I was not aware of

before—that they charge 1 per cent. more than Fitter. In some lines of stock Fletcher is supposed to be a good salesman; but the Meat-export Company pocketed none of the 4 per cent. The company charges nothing except for freezing.

147. What instructions do the directors give the manager as to buying? Do the directors regulate the price every week or every month?—No; that would be nonsense. Cables are coming every day which necessitate changes, and the directors' instructions to the general manager are that, as far as possible, he has to base the price the buyers are to give for the sheep on the c.i.f. offers of the London buyers, less freezing-charges.

RICHARD ABRAHAM, Managing Director of a Stock-auctioneering Company, of Palmerston North, examined. (No. 11.)

148. *The Chairman.*] Who do you represent in this inquiry?—I am simply here at the request of the Committee.

149. You know the general scope of this inquiry: would you prefer to make a statement?—Perhaps I may be permitted to make a short statement. What I understand is that the purpose of the inquiry is to ascertain the difference in value between the fat sheep in the North Island and of the South Island. To my mind the explanation of the greater portion of that difference is easily arrived at—that is, the difference in value between the sheep in the North Island and sheep in the South. The sheep in the South have been bred up from the Merino for many, many years, and they have been improving ever since by the use of the best mutton-quality of breeds; and, besides that, I think it is generally admitted that their sheep are better fed. From the time they drop their lambs the latter are kept going from the start, and the result is a better animal. As a general rule the ewe in the North Island is in a poor condition when a lamb is dropped, and cannot feed the lamb properly. The paddocks are overstocked, and no attempt is made to keep the sheep in a really good condition until they are put into the fattening-paddock in the shape of a store ewe or wether, as the case may be, and then they have four or five months to get into condition, which means that they produce a great deal of coarse meat. Beyond this great factor, which, as I said before, accounts for the greater portion of the difference, I think the other reason is the absolute want of competition in this Island, whilst in the South they have their regular weekly market to which the fat sheep are sent, not necessarily during the whole year, but half, perhaps. Any small farmer can go to this market and compare the values he sees given there with his own sheep, and can arrive at a pretty fair conclusion of what his own are worth. Here, up to the last year or two, it has been the custom, I understand—and I believe I am correct in stating so—for the companies to arrive at a conclusion as to what price they will open the market with, and according to the price that is being given at Home, no doubt; and I understand that as far as the Gear Company and the Export Company and the Longburn Company are concerned they have been usually in the habit of offering exactly the same price. They have been giving the same price to the farmer who has indifferent-mutton sheep or good-mutton sheep—it makes no difference whatever—they have been giving a universal price, and I think the result has been that competition has been absolutely stifled. Latterly this procedure has not been maintained quite so regularly as it used to be, owing to the presence of the c.i.f. buyers. I may say that I myself have been representing a buyer in the South, one of these c.i.f. buyers, who sends us orders for sheep, and we have been acting for him. The presence of these c.i.f. buyers, who have only made their presence felt in the North Island during the last year or two, has formed a disturbing element, and to my mind they have been the cause of the agitation which has been going on. That is to say, that there has been a difference in the prices given—that some men have obtained one price while others have obtained another price. The cure, to my mind, or, at all events, I think part of the cure, is the formation of central markets for fat stock. I tried myself some ten years ago to introduce these markets, and ignominiously failed. That is easily explained. We only had then the buyers of two companies—that was before the days of the Longburn Company—to come and operate, the Gear Company and the Meat-export Company. The Gear Company's buyer told me that it was absolutely and positively against themselves to do so, because his company thought that by his appearing at these sales and bidding he would be putting up the price, and their buyers, therefore, did not attend sales. At any rate, the sales failed. I am now endeavouring to move in that direction again, with the hope that the southern buyers will be now represented, seeing that for the last year or two they have bought very largely in the North Island, and I know they have every intention of being represented in future. Whether one will succeed or not is another question. It is a most difficult matter to disturb any condition of things that has existed for a number of years. Even now as a c.i.f. buyer, unless I am in a position to offer, say, 1s. more than the companies may be giving at any particular time, I have the greatest difficulty in getting offers of sheep from the farmers. One man will say, "No; the Meat-export Company get my sheep, and they must have the first refusal." In Hawke's Bay the reply universally was that "Nelson Brothers get the first refusal of my sheep. What are you going to give?" Of course they were very keen at getting my offer, and desired to make a lever of it; but as to getting the stuff away from their company, that was out of the question. The only way we could get sheep for our c.i.f. buyer was by putting him in the position of offering rather more than the companies did. The result of that was that the companies would very quickly offer a little more than we did. There was a certain improvement in the prices given. But that is not the whole of the thing. For the last two or three years, at the back of Martinborough—at Bush Gully—the settlers have been in the habit of pooling all their fat sheep and calling a sale, and I have noticed on two occasions, if not three, that they got from 1s. to 1s. 6d. beyond the current rate going, simply by putting up their sheep to public competition. Of course there was this in their favour: that they were able to get competition for their sheep. Last year I refused to send my buyer, because

I did not think there was any prospect of him getting value; and I was quite right, because they got more for their stock than I could give them. Whether the companies operate at these sales I am not in a position to say; but I do not think it can be said that the companies are in favour, as a rule, of having stock-sales. I think they are distinctly against them. It is quite true that at Johnsonville the Meat-export Company buy very largely. I remember that once I was talking to Mr. Sladden, and expressed my gratification that he had supported us; but his reply was, "I do not think we are entitled to any thanks at all. We do not do it for friendship's sake. We do it from a business point of view. If we did not attend the sales the butchers would get this stuff thrown on them." That is the reason they buy there; but it is an absurd market considering the size of Wellington. They go there simply to regulate the price of stock, and rightly too, because it would not be wise not to do so. But their attendance at that market is not sufficient, to my mind, to indicate their desire or wish to see fat-stock sales, although I think if these were established they would tend to economize their expenses, and also tend to lessen the number of their buyers; and if they were properly established in regular centres, so that a regular stream of sheep was coming down to the works, it would materially increase their business indeed. However, that is their business, not mine. I certainly think this: that a company working for owners only would be eminently desirable. I do not say for one moment that the Meat-export Company, which has done the great bulk of the freezing on behalf of the owners and c.i.f. men, has not done its best to assist them and to treat them with the greatest possible fairness; in fact, I am satisfied they have done so. I myself, for instance, as a c.i.f. buyer, do not think it is desirable that my buyer should go into competition with the company's buyer. But the company's buyer is in close connection with—perhaps he is related to—the company's overseer, and my sheep have to be passed by the company's overseer. The company's manager attends to all these things, but cannot know everything, and has to take the report of his overseers. He cannot inspect the whole of the works. I do not think it is desirable that these sheep should have to undergo inspection at the hands of men who are very keen about the competition which I, for instance, bring to bear on them. I get hold of a lot of sheep, and the owners of these sheep in the past have been in the habit of dealing with the company. The company's buyer resents that. The company's manager is absent, and there is a good deal of feeling brought into the matter. I think it would be better, therefore, if there was another company established to freeze on owners' account only, and for that very reason. My experience last year of freezing through the Meat-export Company was very unsatisfactory. I have had plenty of explanation as to that, and I made no charge against them. I made no charge against them, but my rejects were 10 per cent. I bought from one man who has two farms some three thousand sheep, and there was a block, and owing to the block only half of the sheep went down, but when I got the reject report it was 10 per cent. I interviewed Mr. Sladden about it, and expressed my discontent, when he assured me he would look into the matter. He also assured me that it was not so large a proportion of rejects. However, next week the following lot went down, and the proportion of rejects was a little over 2 per cent. I still did not lose my faith in the company. In consequence of the block last year we were all put about a good deal. The company had undertaken to freeze five thousand a month for me, and I did not force or press them to do so. I suffered a considerable loss then to give them no more inconvenience than I could help, because I thought they were doing their best, and I went so far as to keep four thousand sheep, which I had to graze on the root at a very considerable loss on account of the paddocking. I sent another two or three thousand to Picton rather than compel the company to take them, and I did that at a loss of 3s. 6d. a head extra. Later on one of my buyers came to me and very straightforwardly informed me that he had a very good offer from the Meat-export Company to go on with them as a buyer. Well, freezing matters had not been very satisfactory, and I did not feel very happy about it; but I said, "All right; perhaps you had better go to them." I gave him a letter to the manager, and that was quite satisfactory. I still did not think the company was not prepared to do what was right to me; but when the other day another of my buyers—I may say that we have been acting for the Meat-export Company's buyers in the Pahiutua district alone, and this man had been acting for us to buy for the company—when this man came and gave me six weeks' notice after fifteen years' service, and informed me that he had taken the position of buyer in the very district we were operating in, and where he had, as you may say, the whole of our goodwill at his fingers' ends, then I began to look back, and I feel more than satisfied that the company do not like c.i.f. buyers, and if they could go so far as to induce my buyers who had been freezing with them to leave me without saying a word to me in any shape or form, I am quite satisfied they do not care about it, and will not encourage it. Again, I think where the North Island people suffer is in the prices offered for the by-products. The fat in Christchurch was selling at slightly over 3d. per pound. I am not prepared to say it is not of rather better quality than the North Island fat. It is not so coarse, perhaps. But I do not think the companies lay themselves out here to get the best price. I understand that this year they are offering to give the same prices as they do in Christchurch for fat. I was informed of that by Mr. Foster, one of the directors of the Meat-export Company, so that it rather looks as if they admitted that they did not lay themselves out in the past to obtain the best prices. They do not get such good prices for skins as they do in the South, although there again the finer wool comes in, and skins are worth more money. But they have not the same market for skins, and my c.i.f. man—a man for whom I have been operating—informs me that he can do better with his skins than the southern fellmongers.

150. *Mr. Buddo.*] You stated that on a previous occasion yourself and others tried to establish a fat-stock market on the West Coast, and that it was a failure?—Yes.

151. More or less caused by the unwillingness of the freezing companies to send their buyers there?—Partially caused by that. I do not say that it would have been a success in any case.

152. Do you think there would be an opportunity at the present date of establishing a market?—I hope so.

153. I mean on the lines of Addington, to establish a standard?—It is difficult now to do it, but it depends entirely on the farmers. It is so difficult to get men to alter from their regular habits. They have been so used to the company's buyers coming to their farms and drafting their sheep that it is very hard to make them say they will go to the trouble of sending their sheep into the market.

154. But, still, if you got over this initial stage you are of opinion that a fat-stock market on this Coast would be an advantage to the consumer?—Yes.

155. *Mr. Hornsby.*] With regard to the increased expense of 3s. 6d. which you had to pay to send a lot of your sheep to Picton, did that result in a profit or a loss?—It resulted in loss. I had contracted for so many fat sheep at such-and-such a price up to a certain weight. That is the way we do our business. I only got the same price, but it cost me 3s. 6d. more to get them. In any case I was losing money if the company had frozen them, because the block made me pay 12s., which I had bought to lift at 10s. 3d. Having got the men to hold them I had to pay the current price when I lifted them.

156. Do you know of any shipments from the North Island to the South Island?—Yes, I have shipped a good many lots.

157. Do you know whether your own shipments have resulted in profit to those who sent them down?—They have mainly resulted in profit to me.

158. That is to say that, notwithstanding the heavy cost of sending them to Addington and the depreciation of the sheep, you have obtained a better price than the settlers who have sold to the companies?—Yes, generally; but on one occasion I bought a lot of sheep at Foxton which made 18s. 5d., but I lost about £20 by that.

159. What class of sheep were they?—A fine class of Romneys.

160. Have you ever known of lines of sheep from the North Island being frozen in the South?—Yes. I know of a line that was shipped by Mr. Fulton. He bought them in the North Island, and they were frozen on his account in the South.

161. Do you know whether that was a profitable shipment or not?—I do not.

162. You know that those sheep were for freezing purposes and not for the butcher?—Yes.

163. What becomes of the sheep bought by the southern people?—The sheep I sent down to be frozen by the Christchurch Meat Company bore the Christchurch Meat Company's brand.

164. When frozen here what brand do they bear?—The Meat-export Company's brand. Longburn will not put their brand on unless they sell the sheep themselves—unless they act as agents at Home. I simply look upon that as an inducement to people to sell their sheep to them.

165. The price is affected by southern buyers coming up here?—It is, undoubtedly.

166. Prior to the agitation and the resultant advent of these buyers, I take it that prices were not so good?—I would not put it that way. I would say there has been infinitely more life in the movement, and more sympathy. Before the southern men came up the price would open at such-and-such a figure. Within two or three months the companies would raise their price—when the wool grew. In Hawke's Bay I think it is 4d. steady increase per month; but since the c.i.f. man has made his appearance here prices have fluctuated enormously.

167. And to the benefit of the farmer?—Yes, often. The c.i.f. buyer gets a cable from Home making an offer for sheep, and perhaps that cable tells him to give 3s. more than the ruling price, and if he went into the open market he would probably have to go into competition with others. If I get an order now I do not offer the farmer what I am offered. I offer him 6d. advance, perhaps.

168. But if you had a fat-stock market the farmer would participate in the benefits?—Yes; he would have to suffer also if there was a drop in the market.

169. Is it not a recognised thing amongst farmers that there is a combination amongst the companies against them: is there not a general feeling that the price is fixed by an understanding between the companies?—Yes, there is a general feeling that way.

170. *Mr. Haselden.*] Do you mind giving the name of the company which objected to its buyer bidding at the sales?—The Gear Meat Company. The particular sale to which I referred was McLellan's, of the Oroua Downs. He proposed to have a sale of his fat stock there, and we tried it. I remember the Gear Company's buyer sitting on a rail, and he never opened his mouth.

171. What class of sheep do you buy for the c.i.f. buyers for preference?—He makes us an offer up to a certain weight—from 48 lb. to 63 lb. Then he gives us another price for a higher weight. But the effect of these three or four prices is that they all average about the same.

172. But in preference would you buy a 65 lb. sheep?—Yes, if we could get them.

173. And crossbred and Leicester?—Yes. To me it does not matter much. I simply undertake to send so many sheep of such-and-such weights.

174. You were speaking about the difference in Canterbury sheep's fat: are you aware that the Meat-export Company give an extra pound, which the Southern buyers retain for themselves—that is, the crown-gut fat?—I understood so from Mr. Sladden.

175. *The Chairman.*] You spoke of the fluctuations of the prices just now: does the presence of the southern buyer ever cause a fluctuation downwards?—I have not noticed it.

176. In other words, the presence of the southern buyer is to the advantage of the local men?—Undoubtedly. I am absolutely positive of that.

177. In regard to setting up fat-stock sales, is there any suggestion that you can make by which the colony could assist those, in connection with railway freights, or is there any other form of assistance by which these people could be encouraged?—Except by paying their commission for them.

178. We want practical suggestions, and if you can give us any information to help us we should like it?—I certainly think that if the Government could make a concession on all fat sheep railed to market it would encourage the people to try the thing.

179. Do you get any concessions on the railways in connection with drovers and others who are travelling with sheep?—Yes; if you consign a truck of sheep you are entitled to send a man.

180. You do not suggest any improvement on that?—No.

THURSDAY, 25TH SEPTEMBER, 1902.

ALEXANDER HEGGIE, Wanganui, Farmer, examined. (No. 12.)

1. *The Chairman.*] You are aware of the object for which this Committee is sitting: would you care to make a statement that would be of benefit to us in our investigations, or would you rather that your evidence was taken down in the manner of cross-examination?—I would rather have questions asked, and then if anything suggests itself I could inform the Committee of it at the time.

2. Is the method of conveyance of meat in the Wanganui district satisfactory—that is to say, are there facilities for the carrying of live-stock on the railways sufficient for the purposes of the settlers?—Yes.

3. You have no objections to make on that score?—No.

4. Have you sufficient freezing-accommodation at the works for your stock?—Yes. There are occasions when there is a slight blockage, when a vessel has not got in at the time it was expected; but there is a good deal of space in the cool-chamber, and large enough for from seventeen to twenty thousand sheep.

5. You have no particular complaints to make in that respect?—No.

6. Have you any market for the purpose of disposing of or establishing a value for fat stock in your neighbourhood?—No.

7. Have the settlers at any time made efforts to establish such a market?—No; they thought it would be almost futile to attempt such a thing, as we are in the hands of the freezing company; and they arrange the price, and we have no say in the matter. We are obliged to fall in with that arrangement or our sheep would be left on our hands. There is no other way of our getting rid of them.

8. Have you made any efforts to better the conditions of the trade in your district in any way?—No.

9. It has not been, as it were, a burning question with you?—No. We are told that we could not better ourselves, and we submit. Of course, it was thought that the freezing-works were established for the benefit of the settlers, but the settlers do not seem to be willing to freeze on their own account, and the company has to freeze for itself. There is very little frozen on the settlers' own account.

10. *Mr. Hornsby.*] Have the settlers expressed very much dissatisfaction at the present condition of affairs?—There is a very good deal of dissatisfaction.

11. The farmers are persuaded, to your mind, that there is an understanding between the companies as to fixing prices?—Yes.

12. You have never heard of one buyer of a company giving a different price to that offered by the buyer of another company?—No; all offer the same rate. Sometimes the Meat-export Company may offer 6d. more to indicate the price next month, and then our company follows suit, and *vice versa*.

13. It is fixed from month to month: is that your experience?—Yes.

14. In the buying of the sheep from the farmer what does the buyer generally do? What line does he take when he goes to buy a man's sheep?—He usually takes the heaviest and fattest sheep.

15. If there are any nice, compact little sheep, going about 60 lb., does he take them?—Yes, but they must be very prime.

16. These 60 lb. sheep would probably be fine: would he take them if coarse?—He would take them if coarse.

17. Would he take anything under 60 lb.?—If in tip-top condition he would, but he would prefer the heavy weights.

18. What would the heavy weights run into on your farm—the freezing-weight?—From 70 lb. to 75 lb. freezing-weights.

19. What about lamb: what weight of lamb do they prefer?—Lamb of from 35 lb. to 40 lb.

20. Will they take them over that weight if they can get them?—Yes, if they can get them fat.

21. They would prefer them over 40 lb. if they could get them?—Yes, the bigger the lamb the better.

22. *Mr. T. Mackenzie.*] Which do you consider the best selling-weight of lamb?—I think about 40 lb. is a good selling prime lamb.

23. Have you ever shipped any?—Not lambs, and there are not very many shipped from our country. They are getting half-bred Merino ewes, and a cross between the Border Leicester and Down, and they have been very successful in breeding rams.

24. Would the buyers take lambs of from 35 lb. to 40 lb. or over?—Yes.

25. Would you consider a statement that the buyers are instructed to take everything offering and anything over 40 lb. a correct statement?—I would.

26. And they would take a sheep over 70 lb.?—Yes.

27. *Mr. Hornsby.*] If this fat-stock market which has been spoken of so much could be established in your district, would it be of benefit to the farmers? Do you think it would be a fair solution of the difficulties under which you are labouring at the present time, if a market were established in a good central position?—I do not know that it would unless we could get the buyers to attend; I do not think there are sufficient buyers. As a rule, the buyers for the freezing companies do not go to the sales to buy.

28. Supposing a central fat-stock market were established that would probably attract buyers from other parts to come and buy the stock, would that be a solution of the difficulty?—It would in a great measure, but I could not say whether it would be entirely.

29. Would the buyers prefer an open market where a standard value is given to the sheep?—If we could get a market like Addington we should prefer it. There was some serious talk of having an association and appointing an agent—a good business-man to do all the selling to the dealer or the frozen-meat company.

30. Do you get any southern buyers up in your district?—Very seldom.

31. Supposing there were a thousand fat wethers put into the market at Palmerston, would there be any buyers?—Not from Wanganui. The reason is that they can go out and pick their sheep at their own price. They will not take delivery immediately, and it may be not until a month afterwards; and where the works are so blocked and the sheep get nothing to eat the stock is deteriorated. They plump the sheep down for seven or eight days sometimes, and they become half-starved.

32. Supposing a few people in Wanganui persistently try to establish a stock-market, do you not think one would be created in four or five months? Supposing a man within a few miles of Wanganui put in five or six hundred fat lambs, do you not think that would compel the buyers to come up and purchase them?—I do not know. The only way that farmers can protect themselves would be by forming an association. What you say might improve the market, but you would have to build a market up, and it would be a step in the right direction.

F. WAYMOUTH, Manager of the Canterbury Frozen-meat Company, Christchurch, examined. (No. 13.)

33. *The Chairman.*] You are aware of the object of this Committee. I do not suppose you want the order of reference read to you. It simply relates to the frozen-meat trade generally, and the prices paid for stock in both Islands. It involves the price for stock for freezing and butchering purposes in both Islands. Would you prefer to make a statement or to answer questions?—I have not prepared any statement, and until I got into the room I did not know what the Committee required. Therefore I would rather answer questions put to me.

34. Have you any complaint to make with regard to the railway facilities for forwarding stock to your factory?—No, beyond the fact that occasionally the trucks are very dirty, and in busy seasons there is generally a shortage.

35. Does your company freeze any stock that they purchase on the market, or do they confine their work entirely to freezing for exporters?—We confine our business entirely to freezing for clients—for farmers and exporters.

36. Have you any fault to find with the freezing-accommodation provided by the shipping companies?—No. For the last three years it has been ample for all our requirements.

37. And has the produce generally turned out satisfactorily in the United Kingdom?—Yes; there has been a very marked improvement during the last four years, and I do not think we have any cause for complaint as to the way our meat is carried.

38. How does your company dispose of any meat in the United Kingdom that is sent through the company direct without being in charge of any agency?—We generally consign straight to the consignee all that is sent by the consignor. Sometimes we consign to Fitter, and sometimes to Bothwick, and sometimes to Fletcher. If any consignors wish to elect to send to any one particularly, we send the consignment where they wish.

39. I am to understand that your company takes in charge the stock until the returns are in the hands of your clients?—Yes.

40. What is the method adopted to dispose of such consignments?—If there is no other direction, we consign ourselves where we think it advisable for the time being to do so. Then, of course, so far as sections are concerned, they are fellmongered; the wool is shipped to London, and we make an advance of 80 per cent. on the value of the wool until the returns arrive; and the fat is sold under contract prices regularly—monthly; and the pelts are sold on contract terms, which are arranged every six months.

41. Are you aware that a system of concentration of supplies is in force with those agencies having charge of the Argentine consignments in London?—I understand that there is some arrangement of that sort, but the business in the past has been limited to three companies for the whole of that country.

42. You are aware that those three companies have representatives in London, who meet every morning and fix the price for the day?—Yes.

43. Having had a long experience of the business, both in wool and meat exported to the London market, your knowledge is such as to give you sound ground for expressing an opinion on the subject: would you be in favour of a system dealing with New Zealand meat in the same manner as the agents of the Argentine deal with their meat in the London market?—I would be in favour of it if it were possible, but under the existing circumstances of the trade it would be impossible to do so.

44. You think a combination at this period would be impracticable?—Yes; and you would have to capsize present arrangements. Such a large proportion of meat is sold to English owners before it leaves New Zealand that we could not make a condition that the man who has to sell the meat should be controlled by the people in the business at Home.

45. You are speaking of c.i.f. buyers?—Yes, buyers in London.

46. Then, your opinion would be shortly this: that it would be an ideal system if it were practical?—Yes.

47. You are aware that a number of carcasses of New Zealand frozen meat have been sent to such ports as Hull, Liverpool, and Manchester?—There have been some sent outside of London, but very few.

48. Have you any knowledge of these shipments?—Only from hearsay, and I have also heard that they have had to be sent back to London.

49. Are you aware that a prominent member of the Argentine trade practically brought about a slump of New Zealand meat in Manchester on one occasion?—No.

50. Would that occur to you to be possible?—Yes. The Argentine meat is landed at Liverpool, which is a very short distance from Manchester, and any man who wanted to make a slump in our meat in Manchester could do so.

51. *Mr. Hornsby.*] Can you give us some idea of the difference in the value of the sheep in the North Island and in the South Island?—Not being concerned in the buying and selling of meat, I do not study the markets so closely as other people do; but, of course, there is a difference in value between Canterbury and North Island sheep. In the first place, North Island mutton is not worth so much in London; and in the second place, weight for weight, North Island sheep do not throw so much inside fat; and in the third place, for some considerable time, North Island sheep being cross sheep, the wool is not of so much value. For instance, I got a cable message as to the price of wool sold in the market, and I find that half-bred wool fetched 11½d. and crossbred wool only brought 6¾d. That shows the difference in the value of wool.

52. Can you give us some idea of the difference in fat in the North and South Island sheep?—I could not do that unless I had the weights in front of me.

53. Given a North Island sheep of 60 lb., and a Canterbury sheep of 60 lb., both prime, would there be any great difference in the weight of the fat between the two?—Yes.

54. What would be the difference?—I should say probably from 3 lb. to 4 lb. I have frequently known a 60 lb. Merino to throw 12 lb. of fat, whereas a Lincoln would only throw 5 lb. It is a common thing for half-bred sheep to throw 6 lb. of fat. Our works are larger than any in the North Island, and we are likely to get better prices. Our fat has an average of £1 a hundred-weight, and in Dunedin I think the average is not more than 14s. 9d.

55. Do you think there is a distinct difference in the quality of the fat in the South as against the quality of the fat in the North? It has been mentioned to this Committee that there is a decided difference in the quality?—Yes; our fat would be fuller, and the result is less residuary fibre—there is less waste.

56. Would you get a better price for it?—Yes; it would throw more stearine, and therefore be worth more.

57. Have you ever known any sheep from the North Island sent to Addington market to be frozen?—I believe I have frozen some at Belfast; but, if so, I have put a distinguishing brand on them. They never go under the Canterbury brand.

58. They are so much heavier than your own sheep?—Yes; we can always detect them from our breeds.

59. You have frozen some?—Very few; because buyers know that we will not class them as our brand.

60. Have you ever known sheep which originally came from the North Island topped up in Canterbury and then frozen?—There are some done in that way.

61. But if they are finished off well you would freeze them?—Yes, if they were prime sheep and have been fattened in Canterbury; but those cases are rare.

62. What is the average weight of lamb in Canterbury?—The average was 36 lb. this last season up to 42 lb. Over 40 lb. they are classed as tegs.

63. How do you regard the matter of the branding of carcasses?—I think it would be a direct and distinct disadvantage to the trade. I am sure it would be injurious in many ways.

64. Do you think it is possible at any time that New Zealand mutton has been sold as English?—I am positive there has been a considerable portion of it sold as English; and, while that is the case, until the Argentine and Australian dealers are compelled to brand it would be folly to brand ourselves.

65. Then, if such a thing could be brought about as that the Home Government were to work in with the colonies and insist on all meat being branded that goes into the London market, do you think that would be an advantage?—I do not think it would be much advantage, but it would be preferable to forcing us to brand until our competitors are compelled to brand.

66. How do you regard the prosecutions that have taken place? Supposing you heard any one say, for example, that it was a waste of time to prosecute the retailers who sell Argentine meat as New Zealand, what would you say?—I should say it would do harm to the trade, because it would induce English people to prosecute retailers selling New Zealand meat for English.

67. You think it is not a good thing to prosecute the Argentine people, then?—I think it is not a good thing.

68. About the multiplicity of consignments: Mr. Cameron, the Government Agent Commissioner in London, has very frequently sent out to this colony reports begging that there should not be so many small consignments of meat sent Home: do you think it would be a good thing if some plan could be hit upon to compel these shipments to be consigned to fewer hands?—It might be; but so long as farmers think their geese are swans it can never be done satisfactorily.

69. *Mr. T. Mackenzie.*] With regard to the question of branding, do you not think New Zealand is losing the benefit of her reputation through our best meat being sold as English?

—I do not think so. The butchers buy on the chance of selling a proportion of the meat as English, and that is the reason why we get better prices for our meat.

70. Is it not a matter of fact that a person who buys our meat and sells it as English can sell a portion of it at 9d. in competition with men who sell it at 6d., while he gave no more for it?—He compels men to give more in competition.

71. Do you not think that New Zealand suffers through her superior meat being sold as something else?—I do not think so.

72. If New Zealand meat was branded, would it not be known on its reputation?—I do not think it would affect it, because you would at once prohibit its sale as English, and you would find our meat reduced in price.

73. Do you think our success depends upon the meat being sold as English?—A considerable portion of it is sold as English.

74. What proportion?—I think, probably 25 per cent.

75. If people who buy it as English bought it under the brand of New Zealand, would they not be satisfied to buy it as English, and not put the profit into the pockets of the middleman?—No, because hitherto they have not known they were getting New Zealand meat; and if you put it up as New Zealand meat it would deteriorate the price.

76. Then, you think a great deal of our success is due to the fact that a quarter of our meat is sold as English?—No doubt.

77. And if New Zealand sold it at a lower price than English meat the people would not take it?—They would not take it in many cases, because they are prejudiced against New Zealand meat.

78. With regard to the value of tegs as applied to lambs, would you think it reasonable for a man to state that he sold his tegs within $\frac{1}{4}$ d. per pound of prime lamb?—I should think he had done very well.

79. What is the position of a teg compared with lamb and mutton?—Tegs would be half-way between.

80. What would you think of a statement that buyers are not allowed to buy lamb under 40 lb. in weight?—I think the statement would be ridiculous, because the lighter the lambs are the more value they are. The last witness stated that in Wanganui they were buying lambs at 40 lb. I see that last season's average for Wanganui was only 34 lb.

81. There was an allusion made as to combination: is your company in favour of combination?—I should like to see a combination, if possible; but we could not make a combination now without altering the course of trade, and men have had their capital in their trade now for thirty years.

82. Do you not think New Zealand on its own account could sell at Home without these people if they did not agree to combine?—No; because these people would at once turn their energies and capital to other channels. I think it is patent that that would be the case.

83. You are not in favour of a controlling authority such as has been successful with regard to the Argentine output?—As I said, if it were possible it would be all right. But take our business and Mr. Anderson's company: I should think that fully two-thirds of the meat passing through Belfast is sold to people in England before it is shipped, and, having sold it, we have parted with all control in the produce; and, that being the case, we cannot say to the producers, "You cannot sell this meat unless under the regulations of a committee appointed by us."

84. Are you in favour of Government grading?—No; I believe in grading by people who have learnt the business.

85. *Sir W. R. Russell.*] I understand you to say that you put a separate brand on all South Island mutton that you freeze at Belfast?—Yes.

86. Is that because it is South Island mutton?—Yes.

87. Not on account of its quality?—Not necessarily, but we always use our certificate as "Prime Canterbury"; and, that being the case, we cannot call North Island mutton "Prime Canterbury," and we put on it a brand showing that it was frozen at Belfast.

88. And if you had prime sheep coming from the North would you brand it as prime quality?—If the sheep was classed as such we should put on that certificate. We are very jealous of our meat, and take care that nothing should be done to cause the slightest suspicion to fall upon it.

89. You say that it is Wellington meat grown in the North Island?—Yes.

90. What breed of sheep do you mostly freeze at Belfast?—We get almost no pure-bred Lincoln or Romneys; the bulk of our sheep are half-bred Leicester or quarter-bred Down.

91. What Leicester?—Half-bred Leicester out of Merino ewes.

92. The word "half-bred" in Canterbury means by a cross ram out of a Merino ewe?—Yes, a crossbred ram from a Merino ewe.

93. You occasionally get a three-quarter-bred Lincoln?—Very seldom.

94. When you do what do you do with them?—Anything of that cross goes at once under a second brand.

95. Would it not go under your best brand?—No. If it were really prime and not coarse it would go under the best brand.

96. Then, with really good meat, but a trifle coarse, what is the relative price between the best brand and the second-best brand?—Where people buy a factory certificate it ranges from $\frac{1}{4}$ d. a pound less.

97. Can you account in any way for the southern buyers coming up and purchasing in the North Island?—I think it has been done largely to supply the local requirements of butchers.

98. But Canterbury buyers freeze up in the North Island?—I think that is generally because they have their own arrangements for selling c.i.f., and in conjunction they can sell a portion of North Island sheep and Canterbury sheep. They have to sell it under its factory brand; but there are several large dealers in Canterbury who have very large connections, and I know they do

business at Gisborne and across to Waitara, and all through the North Island. They have trade connections at Home who can absorb North Island and South Island meat.

99. Can you draw a comparison between Lincoln and Romney mutton, as to which is the best?—I think the Romney would be the best.

100. From your observation do you believe there is anything in the climate of the North Island which would prevent us growing as good mutton as you do in the South?—I generally understand that your climate is damp and your feed is too coarse to grow the same class of mutton as we do, and that you are affected by foot-rot.

101. Would that apply to the Wairarapa and Hawke's Bay?—There are portions of the Wairarapa to which it would apply. We grow so much artificial food that we really have to send four-tooth sheep away.

102. Can you give us any percentage that would explain the number of four- and six-tooth wethers that you kill?—No; but it is a rare circumstance to see anything like four-tooth sheep in Canterbury. I do not think we have seen a six-tooth sheep in our works for some years.

103. Do you know what is the average value of 36 lb. lamb which has been returned to the grower?—This year the returns are not yet made up; but, whether they are sold either on their legs to the factory or whether they are sold on a factory certificate, I should say a 36 lb. lamb this year would have netted the grower something between 14s. and 14s. 6d.

104. And what breed would those lambs be?—To a very large extent they have got a dash of Down in them.

105. Would they be out of half-bred ewes?—Yes, half-bred ewes by Down rams.

106. And they are worth about 14s.?—About 14s. to 14s. 6d. this year.

107. *Mr. Lang.*] I understand that the best quality of your sheep is sent Home as "Prime Canterbury"?—Yes—that is, from our works; and from Islington they are sent Home as "Eclipse."

108. And I think you said that sometimes you get inferior sheep in Canterbury which you put into another grade?—Yes.

109. What is the name of that?—"Diamond"; and I think a crown.

110. Are they sent away as Canterbury mutton?—No, there is no "Canterbury" about it; it is simply "Diamond." There is nothing to show that it comes from New Zealand beyond the Government certificate at the back of the "Diamond."

111. And that might include sheep from all parts of the colony?—Yes.

112. *Mr. G. W. Russell.*] What do you do with sheep that are brought to Canterbury from Otago and Southland?—I stated that wherever we get them we brand them under a distinct brand.

113. Then, sheep from other parts of the South Island are not frozen and sent Home as "Prime Canterbury"?—Not by us.

114. Your company, I believe, simply freezes on owners' account?—Yes.

115. Does that apply to both factories?—Yes.

116. What is your percentage of rejects?—Last season we rejected alive from Belfast a little over twenty-five hundred sheep and lambs. That would be out of about four hundred thousand. In connection with that our farmers, I may say, have become quite expert in the art of drafting before the sheep are sent for freezing, and the result is that the rejections are comparatively small. Frequently farmers take a day at the works and see what we reject.

117. Roughly, what percentage do you make of rejects?—That would be less than 1 per cent. The rejections after killing would only result from deformity or bruises.

118. We had it stated here yesterday that the rejects from one factory amounted to 19½ per cent.?—Our farmers do not believe in driving sheep to the factory and having to drive them back again.

119. I suppose you attend the market at Addington from time to time?—I have not done so recently.

120. I suppose you are aware that there is a very careful system of drafting there before the sheep are put into the fat pens?—Yes; they have men to do that.

121. And when sheep are put into the fat pens it is a guarantee that the sheep are what they purport to be?—Yes; and after that is done the auctioneers draft them into the small pens.

122. What is the average value of Otago and Southland prime sheep as compared with prime Canterbury?—That is a question I cannot answer. My company does not buy, and I do not keep myself in touch with the values down there.

123. You are aware that a number of sheep have been bought in the North Island and exported to Canterbury?—I believe so.

124. Is there a tendency for that trade to grow?—I do not think so, unless we get short of ewes next year.

125. Do you think if a lot of North Island ewes were imported into Canterbury it would tend to lower the standard of Canterbury sheep?—I do not think so, if the number is not too great.

126. Does that not indicate that there is a shortage of the right class of sheep in Canterbury?—I do not think it will matter so long as they can be distinguished.

127. Do you think that the high price in Canterbury, as compared with that in the North Island, is caused by a fair difference in value?—I think there are local circumstances to be taken into account. There are so many slaughter-yards about the country; and the facilities for getting stock to the works, and the competition amongst the different buyers being more keen in the North, are factors that have to be considered. The farmers in Canterbury seem to look after themselves better than they do in the North Island. I think these are circumstances which influence the price more than the intrinsic value of the stock.

128. Have you any complaint to make, as representing the freezing companies, against the Government so far as freights are concerned?—So far as the freight on frozen meat is concerned,

I do not think it is a freight; I call it a tax. The tariff charged for the carriage of frozen meat in New Zealand, as compared with that of other colonies, is a disgrace to New Zealand when you consider the volume of trade.

129. Has there been any concession in carrying frozen meat as compared with the rates charged when the trade was first instituted?—There has been one concession, as far as Islington is concerned, and that amounts to 1s. a ton.

130. Otherwise, notwithstanding the large growth of the trade, the sheep-breeder gets no benefit?—He gets no benefit.

131. In the event of a reasonable concession being made in the freight, who would get the benefit of it?—The sheep-farmer would at once.

132. Have you any complaint you wish to make with regard to the administration of the railways, so far as the handling of your products are concerned, or is there any improvement you can suggest in connection with the working of the trade in frozen meat only?—Before you leave the matter of railway freight I would like to say that I think tallow is treated even worse than frozen meat. Fairfield is fifty-five miles from Lyttelton—I am referring to our second works at Ashburton—and the railrage on tallow is £1 4s. 10d. a ton. Now, you know that tallow is packed in 7 cwt. casks, and goes in the ordinary trucks. It pays the same rate as for butter in 10 cwt. lots, and you see at once that the quantity is infinitely greater, while cost of handling must be less. Tallow goes in the ordinary trucks, whereas for butter insulated trucks have to be provided; and butter, as you know, is three times the value of tallow.

133. You mean that the railrage on half a ton of butter is the same—what is the exact tariff?—Tallow and butter are carried at the same price so long as the butter is carried in half-tons. The railrage is £1 4s. 10d. a ton for tallow, but we are not allowed to send a truck out of a siding with less than a ton and a half of anything in it. We never send tallow in less than full trucks. Another thing I might mention is in connection with sheep-trucks used for conveying stock to the works, which frequently are in a most disgraceful condition; and, of course, in busy seasons we cannot get our stuff into the works because there are no trucks to send it by.

134. *Mr. Field.*] Have you anything to say with regard to steamer freights: are they excessive?—No. I think they are now very reasonable.

135. We have had it in evidence here that sheep for butchering purposes have gone from the North to Christchurch, and been sold there at half as much again as was offered for them here—that is to say, the meat companies here have offered 10s. for sheep that have been sold at Addington for 14s. or 15s.?—That would be quite probable.

136. Can you give any reason why it should be so?—Frequently in Canterbury lately they have been very short of butchers' meat, the prices ruling for frozen meat being such that all the good stuff is frozen and exported; and it is a very expensive thing for the local butchers to compete with the exporters buying that class of sheep. Therefore, if they can get North Island sheep for so much less than they can buy Canterbury sheep, they would naturally buy the North Island sheep.

137. It has been stated that the butchers in Christchurch charge more for their meat than the butchers in Wellington do?—I believe they do, but I do not know what the prices are in Wellington.

138. We admit here that for freezing purposes the Canterbury sheep are of more value than North Island sheep, but can you from your experience give us the difference in value?—I could not. As I have told the Committee, my company does not buy, and I do not follow the prices of sheep as others do.

139. You buy no sheep at all?—No.

140. Do you think the Government could assist the trade in any way at the other end?—I do not think so.

141. We had a witness here the other day who gave evidence to the effect that he was dissatisfied with things in the Old Country. He said he was in favour of combination, but did not see how it could be brought about. Do you not think that the Government could possibly be of some assistance and might aid in the scheme of concentration, distribution, and sale to the consumer at Home?—I do not think the Government could.

142. Do you think there is any remedy which lies in the hands of farmers or the meat-dealers themselves?—I think the evils complained of are more imaginary than real.

143. You think things are fairly satisfactory at Home?—Yes. Take Canterbury—and I think the same thing applies here. There are many people who have local buyers here buying on the spot, and they are selling under contract to London salesmen.

144. We have heard that dealers at Home make large fortunes in one season out of New Zealand lamb?—I have not heard of them.

145. You have not heard of any large sums of money being made out of New Zealand lamb?—No.

146. *The Chairman.*] Have you any other statement you would like to make which could be added to your evidence?—I was going to say that, with regard to the trade in Canterbury, as far as I know, the farmers are quite satisfied with the way in which the business is being carried on. They have always two or three auctions for the disposal of their stock—that is, they can either sell them on their legs at the farm, or send them to the nearest market, and there is no place in Canterbury that is fifty miles from a market; and then they have the option of sending their stock to the factory and selling it at per pound on the factory certificates. They also have the further option of taking it to the London market if they wish, and to whatever consignee they like. Our freezing-works are equal to all requirements, and the farmers, as a class, are very satisfied with the business.

147. *Mr. G. W. Russell.*] You spoke of men selling their sheep at the factory at per pound?—Yes.

148. To whom?—To the c.i.f. dealers, or they can send direct to London. Borthwicks have a representative, and Fitter and Co. have an office, and there are other people, like Weddell and Co., who are represented in Christchurch. There is a firm called Gordon and Woodroffe, which is always buying direct from the farmers in Canterbury.

149. Do your company make advances against stock that comes in to be frozen on owners' account?—Yes.

150. You do not buy, but you make advances?—Yes.

151. So that the breeder is very largely in the position of having sold his sheep, excepting that he has to take the ultimate risk?—Yes. Of course, they can sell them at once if they like, as I have said.

152. In that case do the company act—I will not say as brokers—but do they bring the breeder and buyer together?—They act as intermediaries.

153. Do the company charge a commission in a case of that kind?—No; we reckon to make our profit out of the freezing.

154. And this method applies the same as if the sheep were sent for boiling-down purposes?—Yes.

155. How are the advances arranged in a case of that kind? Supposing a farmer has a number of sheep that he wants to boil down as culls?—If they are only boiled down, we make an advance on the tallow, and the skin is fellmongered in the ordinary way.

156. So that you handle the whole of the sheep for a man and give him the full commercial advance against what he has to dispose of?—That is so.

157. But your company does not take any risk such as the buyer takes: if there is a reclamation the seller has to pay, and if there is a profit on the account-sales being received you hand it to him?—That is so. I may say that in connection with consignments where we send the stuff to London we do get a small commission out of it. We do not charge as between the buyer and the seller; but where we consign we gather 1 per cent. to cover expenses.

158. Do you find that this has proved a sound and satisfactory business to your company?—Undoubtedly, it is the very basis of it. When our business has increased in the way it has done—for instance, in the last six months I did more in sheep and lambs than in the previous year—and while the number of suppliers are increasing as well as the number of stock, it must be evident that our business is being run on a satisfactory basis. We pay our shareholders an 8 per cent. dividend, and our clients are satisfied, and our business is increasing.

159. Then you would say there is no reason why one or both of the companies operating in Wellington should not adopt your methods and be successful?—A company cannot do it on a half-and-half system. The measure of our success is due to this, that we do not buy, and therefore the farmers trust us. But if you have a company which at one hour of the day is killing sheep on its own account and the next hour is killing for a client, naturally the client begins to wonder if his stock is getting the same treatment as that of the company.

160. Consequently you have no complaints as to preference being given to one lot of sheep over another lot?—No.

161. *Mr. Hornsby.*] We want to know what is the average value of the by-products of a sheep?—I could not give you that.

162. Could you give it approximately?—No, it is so many years since I saw our tables which show how much blood we get from a thousand sheep and what the test of the manure is that I do not remember it.

163. Can you give us the value of the pelt and wool and the inside fat?—They belong to the farmer.

164. What is the approximate value—what do they generally bring?—The skins would range from 10d. for shorn pelts, and probably up to 5s. to 5s. 6d.—and for special ones 6s.—according to the season of the year.

165. And what is the value of the inside fat?—On a 56 lb. sheep it would be worth about 1s. 3d. A good prime sheep would throw 6 lb. of fat, and that would be worth 2½d.

166. It would not be too much to say that the by-products of a good prime sheep would be worth 6s. 6d.?—That would be too much all the year round.

167. Then 5s. 6d.?—Probably, taking it all the year round, the skin and fat would be worth on an average 4s. 6d.

168. *Mr. Field.*] The value of the skin would depend upon the quality of the wool?—Yes.

GILBERT ANDERSON, General Manager of the Christchurch Meat Company, Islington, Timaru, and Pictou, examined. (No. 14.)

169. *The Chairman.*] Would you care to make a statement previous to answering questions, or would you defer that until you see what ground the questions have covered?—I think probably it would be better for the Committee to ask questions, which can be supplemented afterwards if necessary.

170. Do your company purchase stock for the purpose of freezing and placing on the United Kingdom markets?—We act as buying agents, and sometimes in that way we have some small quantity on our own account to dispose of; but if we can we avoid it.

171. That is to say, you do not purchase unless a buyer orders you to do so?—We do not buy, but send our own stock to the London market.

172. Then, in freezing for clients, I presume you do not experience any conflict between that system and attending to their wants otherwise?—No; considerably more than half our business is done on owners' account.

173. Have you any objection to the rate of freight charged by the railway for trucks?—I think the freight on live-stock is altogether too high, considering the amount of the traffic. The supply of

trucks is not sufficient, and we do not consider that they are kept sufficiently clean. The reason why I mention that is because, if a truck is not clean, the sheep and lambs are apt to be thrown in the truck and become bruised. I also think there ought to be some provision made for separate stock-trains, so as to avoid so much shunting. Every time shunting takes place it probably means that a lamb is thrown down and bruised.

174. Do I understand you to mean that these trains should be run solely for stock purposes?—There should be a great number of stock-trains. I do not say that no ordinary trains should take stock, but at the present time there are no facilities for running stock-trains.

175. That is to say that stock is run as ordinary traffic?—Yes.

176. You are aware of the system adopted in the United Kingdom in regard to the River Plate frozen meat—that is to say that the companies send an agent each morning to fix the price for the day?—Yes; I was at Home last year, and studied the operations of the London meat trade very closely.

177. How did the Argentine trading system compare with that generally adopted by New Zealand?—I think the River Plate system is an ideal one.

178. Could it be adopted with advantage by New Zealand?—If the farmers would trust the freezing companies sufficiently it could, but that is the trouble.

179. Apparently you are speaking on behalf of a company which favours concentration of supplies in London. Are your efforts in that direction barred by reason of the opposition by private exporters?—It is mostly by the small consignments sent there by irresponsible agents, such as more particularly the banks, or those who have no recognised agent at Home.

180. Is this continual in its operation from month to month?—Yes, you might say it is continual; but it is felt more at particular periods of the year.

181. You are aware of the movement here some years ago to combine the Canterbury meat companies—some ten or twelve years ago?—That was just before my time.

182. You are aware that that was a failure?—Yes.

183. Following on my question with regard to the concentration of supplies in London, I am to take it that, generally speaking, you would consider the concentration of supplies a great advantage to the placing of our produce on the United Kingdom markets?—Yes, undoubtedly.

184. In your opinion is there any possibility—is it practicable to adopt such a system?—I think it will come round to that, because the tendency is that way already. You have already heard Mr. Waymouth's evidence to the effect that the farmers are giving his company more consignments to handle. The result of my visit Home was that we opened our own London office for the purpose of receiving farmers' consignments and placing them with the various distributors at Home. I may mention that I am not in favour of any monopoly, or one controlling body or corporation. I think the more you have of the spirit of rivalry in trade the better will be the result; but if farmers would declare to the freezing companies the agents to whom they are consigning their meat, so that the freezing companies at the other end, through their own particular representatives, could watch that these consignments were properly dealt with, or report an instance of when any particular consignment was put on the market—to slump the market, to use a phrase generally adopted at Home—a remedy would very soon be effected. I may mention an instance to show how by a little concentration the Canterbury lamb market was worked up last year. It was thought the market would remain steady, but suddenly it was broken down to the extent of 3d., and that was traced to one small consignment of lambs of half a hundred which had been thrown on the market.

185. Coming to the question of storage in London, does your company find the storage there sufficient and suitable?—The storage is ample now. I do not know that it is suitable, or what I should like to have seen. It was a great pity that the storage there was lost through the operations of the sheep-exporters in Canterbury, and that the companies did not see their way to be represented in London and watch the business from the start. But the business has been established on certain lines, and it would be a very difficult thing to move it. We can only deal with it as it is at the present time.

186. You think that better facilities might have been obtained with more concentration of effort?—Yes. I do not know that any one was to blame for that, because no one could have believed that the trade would grow to the extent it has. I do not think it was ever imagined that there would be over three million carcasses of mutton and lamb sent out of New Zealand annually. The business has grown far beyond the expectations of even the most sanguine.

187. With regard to storage and sale charges in London: is there any improvement you could suggest with regard to time storage or charges made?—I think the storage rate on frozen meat in London is too high, but from the fact that there is no concentrated effort on this side it is impossible to get it reduced. If there was concentrated effort also in London we might take exception to some of those heavy market allowances that are in practice.

188. Can you make any suggestion to this Committee in the direction of a scheme which would prevent a single individual lowering the market price current, or which would prevent slumps?—I think any one freezing stock on his own account should declare to the freezing companies who he has to put it through as his agent.

189. *Mr. Haselden.*] Do you think that Government assistance in the direction of concentration would be of use in London?—I do not think so in the least. I think it will have to come from the farmers. The strength and advantage of the Canterbury system is that the farmers have taken up and retain large interests in the freezing companies. We have something like four or five hundred farming shareholders in our company, and the farmers have all along taken great interest in the trade. The Christchurch Meat Company caters more for the small farmer, and thus our system is a little different from that of the Canterbury Meat Company.

190. You think concentration is an ideal system?—The ideal system is that the farmers should freeze and consign their stock through the freezing companies.

191. You are hardly satisfied with the way in which your meat is handled in London?—It is the uncertainty of the price, which is a very great disadvantage to both the buyers and the sellers.

192. How can that be best overcome—by concentration?—By farmers freezing their stock on their own account and sending it through an associated agency.

193. Have you seen any North Island sheep sold at the Addington yards?—Yes.

194. Are they sold as freezers?—Very seldom, I should say, because they are recognised at once.

195. Heavy weights are not such good quality?—They are a different-shaped sheep, and heavy weights are not so well covered. The reason is that in the North Island you have a greater rush of feed than we have in Canterbury. There is not a great difference between our store sheep and fat sheep. Our stores never get so poor—they are always meaty.

196. Has your climate anything to do with that?—Yes, and the breed also.

197. *Mr. T. Mackenzie.*] Do you think the prosecutions taking place just now at Home are doing the meat trade any harm?—When I was at Home last year there was a very great difference of opinion on the subject. A great number held that it was advertising the River Plate meat. There are instances within my own knowledge where people have preferred River Plate meat to North Island meat.

198. You are not quite clear as to the advantage of these prosecutions?—No.

199. Your company has always been in favour of concentration, has it not?—Yes, we have done all we could towards that end—the whole policy of the company has been towards concentration. We give a rate from the time the stock is lifted from the farm, including an advance, and returning the proceeds to the farmer.

200. You have had several meetings extending over a number of years with regard to regulating that?—Quite a number.

201. Have your efforts not always been frustrated by one company?—Our efforts, at any rate, have not been successful. The large sheep-farmer can look after himself where his consignments amount to from ten to twenty thousand carcasses per annum. The farmer who can afford to make regular shipments had better by far take the full benefit of the London market. The small farmer who can only send his one or two consignments in the year, in my opinion, ought to end his risk here, until such time as some association has been established that will handle the meat in London. The ideal way would be for each freezing company to handle its own output. You would have the rivalry of each factory then at the same time as you would have the benefit of combination.

202. You mean in the same way as your company handles it now?—We are not able to handle our output, because the farmers will not trust us with a lot. We have put out a consolidated risk which covers everything. It is a growing business, and there is an increase in that direction; but the ideal way would be for the farmer to throw the responsibility on the freezing company of showing good returns. Take my friend, Mr. Waymouth, for instance; we are rivals at this end, and if we were rivals at the other end also the farmers would know which was the best company to deal with.

203. Considering the slumping of meat altogether, would it be possible for you to do that for the farmer?—It could be done very well. It is a coercive measure I do not like. But we have a mark which indicates a farmer's lot, and that lot may be sold in London along with another lot.

204. But then you have to sort them up?—We get over the difficulty in this way: we have two marks on the farmers' lots when they come into our works. That is quite apart from quality. The farmer can send in his meat, and, after it is in the works, he can elect to sell to anybody in the local market, or he can go to the secretary of the company who tells him what price he can give. He says, "The c.i.f. price to-day is so much; the charges are so much, and you can get so much as your price." If he accepts that it goes on, and the subsidiary number (or mark) is ignored. If the farmer says, "No, I am going to ship on my account," he gets a bill of lading showing the marks and numbers. If, on the other hand, he says, "Send them through at the consolidated rate," the lot goes under one bill of lading and only one mark is shown. In the specification that goes to London each mark and number is shown, and the farmer has his actual returns for each particular lot of sheep, showing the date and number and when it is sold.

205. You referred to a small consignment of lambs breaking the market by a reduction of $\frac{3}{4}$ d.?—Yes.

206. I suppose it is within your knowledge that a large company did the same a few years ago? I do not know that a large company did, but it is currently reported that it suits the Smithfield salesmen to break the market down if they get a chance.

207. Is it not within your knowledge that when lamb was at a good price at Home suddenly the market unexpectedly fell, when various holders of meat met and resolved not to sell below a certain price, and for a week or so the meat brought a certain price; but a certain factory in New Zealand, through its agents, lessened and lessened its price until the meat came down 1s. 2d. a stone? I do not know that that was so. I understood it was attributed to a Smithfield salesman. I do not know whether that meat was consigned meat or bought meat.

208. If you had a proper system by which the companies controlled consignments, such as obtains with the Argentine meat, could that occur?—No; nor under such a system as I suggest. If such a thing happened, and there were no means of sheeting it home to any particular company, if that company had been represented in London and returned the account sales, then you could have it sheeted home to it.

209. If it is possible for one company to destroy the market at Home, would you not go a considerable length in legislation in order to require that those people should fall into line?—Would not the ordinary course of trade correct that?

210. You grade very carefully at your works, do you not?—Yes.

211. Perhaps the best in New Zealand?—I believe we get credit for that.

212. In a parcel of meat averaging 60 lb. would you send Home some as low as 40 lb. and some as high as 80 lb.?—The first thing is to grade for the quality of sheep or lambs. Then they are graded according to weights. We have always made a point of grading all meats that are likely to be sold c.i.f., but for meat that is going straight to the London market that we have graded for quality we have recommended a grading for weight; but sometimes a farmer declares that he does not want them graded for weight because he is going to consign them.

213. I take it that unless the meat has to be sold at Smithfield off the hooks it would not be sold under those conditions?—No.

214. *Mr. G. W. Russell.*] Do you mind repeating the answer you gave to the Chairman when he said, "Can you make any suggestion to this Committee in the direction of a scheme which would prevent a single individual lowering the market price current, or which would prevent slumps"?—The first thing should be that every farmer should be made to declare to the factory to whom he was going to sell his meat.

215. To whom would that be an advantage?—To the trade as a whole, because that particular meat could be watched at Home.

216. By what means could you compel a farmer to do that?—By his own free will.

217. In other words, compulsion is impossible unless by legislative enactment?—I think it will come, and that they will do it. Of course, this trade has grown, and the difficulty is that it has grown faster than any one anticipated.

218. Can you suggest any way of doing it without passing an Act to that effect?—No.

219. Would it be possible for a freezing company to decline to freeze for any one who refused to disclose the name of his agent?—The probability would be that any company taking up that stand would lose business.

220. It really comes to this, that you cannot see any means of compelling farmers to do what you suggest. What is your view with regard to the railrage rates on frozen meat?—I really cannot understand why, if it paid the railway authorities to carry a half hundred sheep some years ago, they are not able to make a substantial reduction, seeing that the trade, especially in Canterbury, has grown some tenfold.

221. Do you ever rail from Smithfield to Islington?—Yes, when steamers are not suitable.

222. What is the rate per ton from Smithfield to Lyttelton?—I cannot tell you now.

223. Do you consider the rate fair as compared with that charged for butter and products of the same class?—There is a special rate between Timaru and Lyttelton in order that the railway may compete with the steamers. The railway authorities would like us to load our meat in Lyttelton, and they would give us a low rate; but we think the meat should be out of the freezing-chambers as short a time as possible before it gets into the ship.

224. Are there any other suggestions you can make by which the Government can assist the trade?—I pointed to the reduction of the rate for carrying live-stock. I think that would give strength to the farmer, and it would mean in Canterbury a tremendous saving. There are enormous numbers of prime stock coming to the freezing-works; but on store stock the farmer has to pay very high rates.

225. Do you consider that if the Government, instead of having mixed trains, ran night trains for stock a reduction could be made, and a handsome profit be made by the Government?—Undoubtedly; and they could deliver the stock in far better condition.

226. Have you had any experience at your works of freezing North Island sheep?—We had a line from the North Island sent to us this season. We were told they were North Island sheep. I was asked what was to be done with them. The owners said they were to be killed on their own merits, and they were frozen with our brand—"N.Z.," with a crown.

227. Your usual brand is a crown?—No. The crown indicates an inferior quality. There was no "Canterbury" or anything of that kind on them. That applies not only to North Island sheep, but to inferior Canterbury sheep.

228. Have you had any experience in freezing sheep from Otago and Southland?—At Timaru we have had some. The inferior breeds are like some in Canterbury, but there is not anything like the same quality.

229. I understand that, in addition to your company owning works at Christchurch and Timaru, you have works also at Picton?—Yes.

230. Have any sheep been sent from the North Island to Picton?—Three little lots came over, but there we have a different brand also.

231. Speaking with regard to sheep that go from the North Island to Addington for sale: what is your experience as to what becomes of those sheep?—The large bulk of them, I understand, are ewes that are put to Shropshire and Southdown rams, and they are very good ewes indeed. The other fat stock, I am led to believe, has been bought up by the butchers. Of course there is a very large trade round about Christchurch. There is not only Christchurch and suburbs, but there is the Lyttelton trade and the shipping trade, and the butchers are keen to get the North Island sheep, because they have to pay such a high price for Canterbury sheep.

232. I believe your company are the principal retail butchers in Christchurch?—We have retail shops.

233. You do the biggest trade there, do you not?—Yes.

233A. What is the average value that the company receives for mutton retailed in Christchurch?—I could not answer that question, for this reason, that the shops are run as a separate affair.

234. Is it not a fact that the consuming public in Christchurch pay considerably more locally for the meat they consume than the meat itself, after freezing, brings in the London market?—Yes, I think so.

235. Is there a difference of $1\frac{1}{2}$ d. a pound?—I should think quite that.

236. *Mr. Hornsby.*] Can you give us any information as to something which appeared in the Christchurch papers some little time ago? There was an illustration in the weekly *Press* of a big line of sheep bought in the North Island—lambs, I should say—that were to have the “Eclipse” brand put on then?—I was at Home last year, and I did not have my attention called to that.

237. With regard to this question of heavy-weight lambs and tegs: it has been stated that a good deal of these heavy-weight lambs and tegs have been sold at Home for Welsh mutton?—I quite believe it. I think that is the reason why we get so good a price for our tegs.

238. If that is a fact, it would account for the companies giving instructions to their buyers to get a certain weight of lamb?—I have never seen the buyers refuse a good weight.

239. I have had it from several witnesses that the buyers invariably choose to take the heavy-weight lambs, say, from 40 lb. upwards: you think there would be a bearing between that and the fact that the heavy lambs and tegs would be sold as Home mutton?—Undoubtedly. I think the market for the tegs at Home is largely owing to the fact that they are sold in place of Scotch mutton.

240. Supposing we could get a brand without disfiguring the carcase: would you be in favour of branding the meat?—No, because I do not know any food product that is branded. I have gone a great deal into the question, and this fact was brought prominently before me: that there was no food branded with any indelible stamp.

241. For instance, take butter and cheese, those products are branded here and sent Home. Has not that been an influence for good so far as our produce is concerned?—It is the butter-boxes and not the produce that have been branded. In going through the market I saw a lead-wire stamp. It is a piece of lead which passes through the shank and joints, and when this wire is put in, this lead is pressed together with a steel. For instance, we would have “C.M.C.” as a brand, and that would provide all that is wanted. The person who wants to be protected, and the butcher, would not be inclined to cut that off. But I think it would be a great mistake for us to brand our tegs or lambs with an indelible stamp. I know that a good deal of that meat is sent to the West-end of London, and the person who puts it on his table does not want to see “New Zealand lamb” stamped on it when he wants his friends to believe that it is the best Welsh mutton.

242. Then, you believe that because of the sale of a good deal of New Zealand mutton as English it favourably affects the price for the producer?—It undoubtedly does in Canterbury, from what I saw at Home, for the West-end butchers and large restaurants paid from time to time for the pick of the meat.

243. *Mr. T. Mackenzie.*] Would they pay 2d. a stone more for that?—Quite that, I think.

244. *Mr. Hornsby.*] Then, do you regard the prosecutions by the New Zealand agent against the retailers who sell Argentine meat as New Zealand as a mistake?—I think it is, for this reason: that the prosecutions, from what I am able to gather, were in districts where we are not likely to sell New Zealand mutton. The River Plate people have catered more for the lower classes, and I have always advocated that we want to get into the middle-class trade.

245. Take Fitter and Sons’ circular: the only difference there is given as $\frac{1}{4}$ d. per pound between the price of lamb and mutton, and you see that the Wellington meat is quoted there at the same price as Otago and Southland meat. Seeing that there is only a difference of $\frac{1}{4}$ d. in the price paid to the producer, is not that commensurate with the amount of meat sent on the market?—The difference in price is very seldom so low as that. The difference between Canterbury and other marks bears very largely, not only according to the amount of meat on the market, but on account of the price Canterbury people are asking. If our people are asking a high price, the other prices will approximate for the other meat, and if Christchurch meat is down the other prices go down also. I disagree with what Mr. Waymouth said in reference to this. I think this is the price for what is called “W.M.E.” and Dunedin and Southland meat, and does not include North Island meat.

246. You are aware of the fact that Otago, Southland and Meat-export Company’s meat is generally so-much, and that North Island is generally $\frac{1}{4}$ d. lower?—Yes.

H. D. BUCHANAN, Sheep-farmer, Kumeroa (representing the Woodville Agricultural and Pastoral Association), examined. (No. 15.)

247. *The Chairman.*] Would you care to make a statement, or would you rather that you were asked questions in the nature of a cross-examination?—I will make a short statement as to what I consider the leading points, and then I shall be happy to answer any questions that may be put to me. The great factor in the dissatisfaction and agitation that has been going on throughout the North Island in reference to the frozen-meat trade is in consequence of the absolute fact that our sheep in the North Island are worth from 4s. to 6s. a head more in the Addington market than can be obtained for them in the North Island. It is asserted by people whose interests lie in the continuation of things as they obtain at present that the quality of our North Island sheep is at fault. They also maintain that the North Island sheep are big heavy weights, and that there is only a butchers’ demand for them in Christchurch, and that that is the reason why they fetch more money than we have got for them here. Well, it is obvious that these statements are not correct, because the sheep that the local companies have been freezing for many years are this very class of sheep—that is, the fat sheep. It is not the fat sheep only that are bringing the price in addition, but also the store sheep. There are very many thousands of store sheep which have been sent South during last year, and they have brought the same price in Canterbury. I myself sent both fat and store sheep down there, and realised 4s. 7d. more for my fat sheep than I have obtained here, and 5s. more for store sheep. These are gross prices, and would have to be reduced by 9d., because of the cost of delivering from my place to the door of the freezing-works

here. It would cost well on to 4s.—3s. 7d., I believe, was the total charges—to send them to Addington. The reason for this state of affairs is not far to seek. The meat companies in the North Island, and to some extent in the South Island, are dealers in fat sheep. In addition to that they freeze on owners' account; but from the fact that they have been buying sheep from the farmers for years, and are still buying them, it is obvious that they are making money out of it; and, if so, it would pay them to get all the sheep they can, fat and otherwise. You see that the interests of the farmer and the companies are inimical when the companies are buying sheep. I have the chairman of the Meat-export Company's own figures for this statement: that the fat stock was 238,000 carcasses which were put through the Meat-export Company's works last year; and, according to his figures, 96,000 were put through by private owners and dealers. Of that number Mr. W. C. Buchanan himself put through 16,000, and of the forty-four private owners and dealers one man put through one-sixth of the total. Now, we know that Messrs. Abraham and Williams and other big dealers were putting through sheep in the same way; and it narrows itself down to this fact, that the great bulk of these 96,000 sheep were sold to the c.i.f. buyers. So you will see that out of the 238,000 something like 200,000 were sold to the c.i.f. buyers in the colony, and the others went Home to the London market in a vast stream from the freezing-works. The greater part of the meat is taken up before it gets to England. Now, I maintain that that is the cause of the difference in price. In Canterbury they have an alternative. If a man does not wish to sell his sheep he can have them put through the Belfast works or sell the mutton himself.

248. *Mr. McLachlan.*] Or the Islington works?—Yes; but the Belfast works have a legitimate freezing business. At an early stage of this industry they educated the farmers in Canterbury and brought them into touch with the c.i.f. men. You find that our poor fellows in the bush do not know what the c.i.f. men mean, and have never come in contact with them. The Belfast Company buy no other sheep and have no axe to grind, and consequently try to do the best for the farmer. We have nothing of the kind here. You never see more than one buyer in the yards here, and he picks out the large, heavy sheep that are fit for the Christchurch people to eat, and, after that pick, the meat is sold at 10s., say, for example. I believe it was 9s. last year. And you have no alternative than to let the sheep go back. You must take the companies' prices or keep your sheep at a loss. I maintain that that is not right. A bargain, to be fair and right, should give the parties the same chance. Now, it is held that the difference is 4s. 6d. of value between the North Island and South Island price—the net price here and at Addington shows a difference of 4s. 6d. But if we knock 9d. off and say 3s. 6d.—there are ten million sheep in the North Island—you will see that the sheep-farmers' capital is reduced by a million and a half pounds by this position. Now, I consider that the remedy for this state of affairs in the North Island is the construction of works in a central place for doing a legitimate business and buying sheep on no account at all. The whole of the mutton, in the North Island at all events, should be graded on one system of uniform grading and classing right through. It is an old axiom that we should set our own house in order before interfering with other people's houses. It is quite possible that c.i.f. men are getting a very good innings out of the thing, and they might be open to conviction. But, at all events, I am quite satisfied, and a great many more people agree with me, that we could do better with the meat companies than we do. I believe the meat should be pooled after careful grading. For sale purposes, where there are a number of small farmers consigning in small lots, it would be advisable that the mutton should be pooled, and each lot classed when filling an order. Of course you will understand that I do not blame the meat companies for the state of affairs complained of. I think it is probably perfectly legitimate business on their part to do the best they can, and I have no word to say against them at all; but at the same time the farmer is perfectly justified in trying to rectify the position if there is anything wrong.

249. They are too long in doing it?—Yes. The farmer appears to be isolated. He is scattered through the bush, and most of them have not very much capital. They have the bush to fell and the land to grass, and they have devoted their main energies to that work and have neglected the other thing. They never have had any one to educate them up to it, because we gather from Mr. Buchanan that it is quite possible to sell to the c.i.f. buyer. Mr. Buchanan came up to Woodville, at any rate, and said it was a good thing to sell to the freezing companies, and then he told us that for over nineteen years he had never sold to the company in which he was a director. He had always shipped on his own account. That gentleman, from his position, should be able to see behind things, and surely if it was good business for him to sell to a c.i.f. buyer it ought to be a good thing for other farmers.

250. I understand he ships and sells in the market at Home?—I did not understand that. In my zeal I do not wish to say anything that is incorrect. If we cannot work the thing on its merits then I think it would be better to leave it alone and sell to the c.i.f. buyer.

251. I understand that when meat is sent Home it is sold in the ordinary way. That is not called c.i.f. buying?—I gathered that Mr. Buchanan's meat is sent to England and sold there by auction. Well, I have a letter from a gentleman under Mr. Buchanan's name that does not bear out that statement. You may, however, possibly be right.

252. I think you said that the Belfast Company does a legitimate freezing business, in that it does not buy. Do you know that the Meat-export Company tried to do that and were forced into buying?—Yes, I know that perfectly well.

253. And now I think we had it from the evidence of Mr. Buchanan that that is what you wish to do?—The provisional directors of the Woodville Association had that under consideration, and one of the proposals submitted to them was this: "Is your company prepared to cease the purchase of meat altogether and freeze on owners' account, and, if so, on what terms will you do it?" which, of course, involved a guarantee as to the number to be put through, and the company absolutely declined to do that. The reply is in the hands of our secretary, and in the face of that it is hardly clear how it can be said that they are willing to do what you say. The meat-producers

fully recognise that it was absolutely unfair to ask people to cease buying without some guarantee being given that their works would be kept going. You know that in the case of an individual, or company, or nation, which has had a measure of success, it is necessary to have some knowledge of what you want to be able to judge later on whether you have succeeded. Well, there is plenty of room in this frozen-meat business for three classes of people, and that is the position to be attained if possible. First of all there is the producer; then there is the labour people, who prepare the mutton for the market and stores, who carry it home and sell it; and, thirdly, there is the consumer. You cannot imagine a better position than that the farmer should send his meat to the consumer and get the cash. But what is the present position? First, there is the producer, then there is the meat-dealer, then you have the c.i.f. buyer, then you have the labour people who do the work, then you have the butcher, and then you have the consumer; so that there is quite a number of people in this business to make a profit out of it. I quite recognise that it cannot be cut down to three interests, but still we should do what we can. The labour people should be protected, because we recognise that they have to do the work.

254. *Mr. Haselden.*] Is there any competition amongst the buyers in your neighbourhood?—None whatever.

255. They just fix the price and the farmer has to take it?—Yes.

256. Since the South Island buyers came up to your district, has there been an improvement in your prices during the past season?—I hardly think so. I had no knowledge of South Island buyers coming until late in the season, when the bulk of the sheep had gone, and, of course, usually the sheep increase in value in the latter end of the season, although the better sheep have gone earlier.

257. You have not sold direct to South Island buyers?—No. I took two shipments to Addington. I brought a number of store sheep to Wellington and then took them to Addington. They cost 8s. 4d. under the hammer, and realised 13s. 5d. Some were partly Romney half-bred sheep and some were Lincoln sheep.

258. *Mr. G. W. Russell.*] Did you sell them in one lot?—No. They sorted them out in Canterbury. The bulk of them were sold in one line—I think 375 out of 544. It has been suggested that a fat-stock market, if started, would do good.

259. What is your opinion about that?—I am perfectly satisfied that it would be utterly worthless on its own account. If you had a freezing-works doing legitimate business and your fat-stock yards close, then men bringing their sheep into the fat-stock market and not being able to get a price could put their sheep into the works.

260. Do you not think it would cause more competition if people came to buy them like they do at Addington?—It is open now to people to come round, and I do not think it would be doing any good to bring them all together.

261. Your idea is that the farmer should own the freezing-works?—Yes; not necessarily own them, but if by any means the works could be started to do legitimate business it would do good, wherever they were located; but if a central locality were chosen for the works it would be just what we want, and we would not be in the position with the companies that we are now.

262. But I understand you to say that you consider the North Island sheep to be as good as the South Island sheep?—No, not by any means. I consider that per pound the Canterbury mutton-sheep is more valuable, but the North Island carcass is more valuable than the prime Canterbury carcass. You know, no doubt, perfectly well that the difference between fine Canterbury mutton and mutton from the North Island in the London market does not equal $\frac{1}{4}$ d. per pound, taking the average of prime Canterbury mutton and Wellington Meat-export Company mutton.

263. You would not seriously say that the sheep that are produced in the North Island, being almost entirely Lincoln and Romneys, are equal in quality or value to those of the South Island, would you: have you had any such South Island experience?—No; but I have had a long experience in sheep. I was brought up as a boy in the business. I have never had farming or any lengthy experience in Canterbury; but what I maintain is this: that it is the carcass we are principally dealing with; and we have always been told by the meat companies that prime Canterbury is a sheep ranging from 60 lb. to 65 lb., and that it would be a fair thing to take the average at 60 lb. Well, you know the North Island sheep starts at that figure and runs up to over 70 lb. and 80 lb.

264. On a 60 lb. sheep at $\frac{1}{4}$ d. per pound, that will give you the advance in price of a South Island sheep over a North Island sheep?—Your $\frac{1}{4}$ d. a pound is too high, because I have watched the cables for a very long time, and I do not think I have seen for a long period that it has exceeded $\frac{1}{4}$ d., and I maintain that $\frac{1}{4}$ d. a pound is not more than the average. Indeed, it is not $\frac{1}{4}$ d. a pound, taking the different classes of mutton.

265. Now, as to the by-products: what do you consider is the difference in value between a prime North Island sheep and a prime South Island sheep?—I think the balance would be in favour of the North Island sheep, with the single exception of the wool. I am not an expert, and can only give you an opinion. I cannot speak from positive knowledge, but we know the pelts are very valuable, and there is not the slightest doubt that the pelt off a large Lincoln sheep is far superior to the pelt off a Merino, and then the fat will be as good and as great in bulk in a Lincoln sheep.

266. What about the inside fat?—It is a general complaint in Canterbury that North Island sheep have not the same amount of inside fat, but the North Island sheep loses that inside fat through being starved for a week or more while knocking about before they get to Canterbury.

267. Without exception, every witness has admitted that there is more fat in the South Island sheep than in the North Island sheep, and the best men say that it is worth more in the South Island as fat?—I would not attempt to contradict that statement, but I would like to be certain

whether the gentlemen who gave that information are estimating the value of the fat from what they have heard. They would no doubt speak of the North Island sheep delivered at their works in the South Island.

268. Do you think that the system of feeding sheep in Canterbury, when the sheep are kept moving the whole of the winter through with rape and turnips and constantly put on fat through the whole season, is likely to give them more inside fat than the system of allowing the sheep to forage for themselves through the winter, and then to get a flush of feed?—I do not know that that bears very much on the question. If a North Island farmer can get something equivalent to Canterbury prices, I have not the slightest doubt he is able to treat his sheep as well, and perhaps a good deal better than a farmer in the South Island, because we have better land in the North Island, and if we can get a little more money for our sheep we shall do what he does; but for 9s. and 10s. we cannot do very much more, and especially with wool at 5d. a pound.

269. You spoke of the capital of the North Island sheep-breeder being reduced by one and a half million, if you compare the price of North Island sheep with the price these sheep would be worth if in the South Island?—Yes, taking the difference at 3s.

270. Can you conceive that if you were to send down the whole of your sheep—say in the district you live in—that they would bring in Addington yards 3s. a head more than they are worth in the district you are from?—Not if I sent them down in one lot; but by taking the sheep haphazard and sending them down continually and realising as much as 5s. a head more than we can get here, that is conclusive proof that the whole of the sheep are worth it. Of course people cannot take the whole of the sheep and denude the country, but there is evidence that these sheep are worth 5s. more down South. I had 3,500 store sheep from Hawke's Bay, and we sent down some of them, which realised 14s. I heard that these were bought for 8s. in Hawke's Bay.

271. How do you account for the difference in values?—In this way, that the Canterbury people are abreast of the times, and are getting full value, while the North Island farmer is not looking after his business, and, consequently, has suffered—he is behind the times.

272. Admitting all that, what remedy do you suggest?—That freezing-works shall be started in suitable localities, which shall buy no sheep, but simply freeze and assist the farmer to deal with the c.i.f. men, or some other good system.

273. Are you aware that Nelson Bros., of Hawke's Bay, and the Wellington Meat-export Company have assured this Committee that they both started their works on the lines you suggest, and were driven to become purchasers of fat sheep in order to keep their works going?—I am aware of it. As I told you before, in answer to Mr. Letinbridge, the meat company we had started in that way. Nelson Bros. may have, but I am not aware that they did; but I am aware that Mr. Buchanan some time ago went to Woodville and tried to induce farmers in that district to help his company. I know the farmer is to blame for the matter, but that is no reason why we should not rectify it.

274. Supposing this Committee recommended the Government to guarantee 4 or 5 per cent. on a loan to establish works, say, at Woodville or Palmerston North, do you think the guarantee of that proposal would be justified by the farmers sending their fat sheep to be frozen on their own account?—Do you mean that the action of the Government would be justified?

275. If works were established at Palmerston North or Longburn which were going to freeze solely on owners' account, do you think that during the busy season, say, three thousand sheep per day for the whole season would be sent in to keep these works going if the freezing was being done solely on owners' account?—I do not know that three thousand sheep per day could be provided. That is rather a big order, and, roughly speaking, ninety thousand a month. For eight months in the year that would be over seven hundred thousand. I do not think you have any works in the North Island anything approaching that capacity, and probably not more than half of it. I think your works would be ahead of the times. Provided you had the works, and the farmers gave a guarantee under a penalty, it could be done. They could not expect to be assisted unless they did it.

276. If this was done, how would farmers arrange for their advances? Is it not an advantage that when a buyer comes in and buys the sheep he leaves a cheque before he goes away?—That would have to be done in this case, and a fund would require to be provided for it, but not a very large fund. You would have to provide sufficient money to give the farmer an advance as large as possible with safety, and the money you would require to provide would be simply for the first sales. It would be a nucleus fund, and would be carried on by that means.

277. Cannot the farmer now go, after he has sent his sheep to the freezing-works, to the bank, deposit his documents, and get an advance?—Yes, I believe he can; but that has not been very successful on account of the reclamation.

278. Has there been any attempt to set up a combination amongst the farmers to work on their own account?—Yes.

279. Has it succeeded?—It is in a fair way to succeed.

280. *Mr. Hornsby.*] Have you seen it stated in the newspaper press that at an annual meeting of the Wellington Meat-export Company, held two years ago, a statement was made by the chairman of directors, Mr. William Booth, that the Meat-export Company had so carefully graded the meat that there was now only $\frac{1}{4}$ d. difference between prime Wellington Meat-export Company's meat and prime Canterbury on the London market? Do you know that that statement was made?—I do not know that it was made, but I can quite agree with the remark made with reference to the prices.

281. Do you know anything about a number of shipments of sheep that were made by Mr. Potts, the manager of the Mount Herbert Station, to Christchurch?—He has told me about it.

282. Will you tell me what Mr. Potts has told you with regard to that?—He told me that he sent sheep down. One lot of sheep topped the market in Addington and realised 16s. 3d., when 10s. only was obtainable in Hawke's Bay.

283. That was the highest figure he could obtain from Nelson Bros.?—I do not know that it was Nelson Bros.

284. And he got over 16s. for those same sheep?—Yes.

285. *Mr. Field.*] Are you a sheep-farmer?—Yes.

286. Have you shipped sheep to the South?—Yes.

287. You have dealt with the matter of combination?—Yes.

288. And with competition?—Yes; there is no competition.

GEORGE EDWIN FIELD, Sheep-farmer, President of the Provincial Executive of Belgrove, Nelson, examined. (No. 16.)

289. *The Chairman.*] Would you care to make a statement or be examined on the various points connected with this inquiry?—I have heard the evidence of Mr. Buchanan (the last witness), and the evidence I can tender is totally different to what you might call Mr. Buchanan's grievances. I have only a few short notes here, but I can give you some idea of the frozen-meat trade in its bearings on Nelson. Some three years ago we made strong attempts—I was one of the movers—to start local freezing-works in Nelson, which was brought about by the very depressed state of the sheep-market in Nelson. I admit that we are very much isolated there as compared with most parts of the colony. Our sheep were very low in price indeed, and the local market could not absorb anything like the production. Three years ago our fat sheep were not worth more than 6s. to 8s.; our sheep off the turnips very rarely got more than 12s. right in the middle of the season. Sometimes we had buyers from the Coast, and prices might have got up to 14s. Our local attempt, however, failed, because our farmers did not care to carry it through. We were rather weak in finance, and the cause of it was that we had not the knowledge of the business required, and had not really the grit to see it through. Anyhow, you all know that the Canterbury people took over the Wairau freezing-works and erected works at Picton. Since then our market has improved wonderfully. I am only speaking now of the position then and now. As I said, we were only getting from 6s. to 8s. for fat stock then. Last season we readily got from 9s. 6d. to 10s. 6d. for our lambs from the Christchurch Meat Company, freezing at Picton. They had to pay freight of course, on that; and our wethers brought from 10s. to 12s. They took from Nelson the whole surplus fat sheep available, between six and seven thousand. They cleaned the market, and at the present time, owing to that, our prices for fat sheep off turnips are 18s. to 19s. Our sales the week before last were 18s. 9d. to 19s. 4d. Our hoggets brought 15s., fat. Our store-sheep market was also greatly improved. I can hardly say from the Christchurch Meat Company coming up, but from our advertising the depressed state of our sheep-market, which brought Canterbury buyers up to Nelson, and by competition they improved our market very considerably. We were selling store sheep at from 3s. to 5s. last year, and now they are bringing from 6s. to 9s.

290. What tooth?—Two-tooth up to full-mouth. Last year full-mouth ewes brought from 7s. to 9s. The Canterbury buyers drove through to Christchurch some twenty-six thousand sheep from Nelson. The company took from the Sounds in Nelson some twenty thousand, and I consider that is the reason why our present sheep-market is very much better than it was before the Christchurch Meat Company came here. I am satisfied now that, since the company erected works at Picton, the Nelson farmers have very much improved their position financially, and also their way of farming. This is our second year. The year previous to this season they only took from us a few hundreds—I think it was under a thousand—but during the coming season I have not the slightest doubt they will take from fourteen to sixteen thousand from the Nelson District alone. With regard to the weight of our sheep and prices as compared with Canterbury—I know the North Island people have a grievance, because I have heard that from Mr. Buchanan—I think as time goes on we shall get nearer to the Christchurch prices. Personally, I do not think we have a great deal to complain of. The weights of our sheep are: Our lambs average 34·5 lb., that is about 2 lb. higher than the Marlborough lambs. Our wethers are lighter, and only average about 51·6 lb. They did not buy old ewes last year at all. I may say that personally I sent as many sheep to the works as any Nelson farmer. I sent some 669 sheep to the works last year.

291. On foot?—No. They shipped them, and the freight is 9d. per head. There is one thing I think you could recommend to the Government that would do good to Nelson and give it a lift: that is, with regard to the wharfage. To my mind it is excessive. It is 2d. a head, and where you send away ten thousand sheep it represents a large sum of money. I think a recommendation from this Committee would help the Nelson farmer very much. There is another recommendation I should like to ask you to make—with reference to railway facilities. We have no convenience whatever on the railway for trucking our stock. We have some forty miles of railway, and I am sure that if the Government were to put convenient cattle-trucks on the line, the same as they do in other parts of the colony, and give us, say, four or five of them, our sheep could be landed in very much better condition than they are now. It takes four days to drive through from my place to the Port, and some farmers have a greater distance to go, and we do not get the credit we should do if we had those trucks. We have no cattle- or sheep-trucks. We have to put our stock in the ordinary goods-trucks, and some of them get smothered. A butcher bought two or three hundred sheep at Motueka, and before he got them to Port half of them were smothered.

292. *Mr. Hornsby.*] Can you tell the Committee how the Nelson sheep compare with the North Island sheep with regard to quality? What is the breed of your sheep?—Generally Romney. We have some half-bred, but not many. Our general type of sheep is Romney. Our lambs are Romney, with a Blackface cross.

293. Have you ever seen prime North Island sheep in numbers?—I cannot say that I have. I have had no experience in the North Island. I bought North Island sheep some years ago and killed them, but not very many. I was a butcher myself before I went on the land.

294. How do the company deal with you as farmers: do they buy on your farm?—Yes.

295. At a fixed price?—Yes; they fix the price. That is one thing we have to put up with, although it is much better than it was.

296. You find yourself assisted to a very large extent by the Christchurch Meat Company?—Yes; I say that emphatically.

297. *Mr. Haselden.*] You said that the average weight of your wethers was 51·6 lb.?—Yes.

298. How much do you get for them?—For the first draft I got 10s., and the last draft 11s. 6d. A neighbour of mine got 12s. My first draft went away in the early part of February, and my last draft went away in April. The twelve-shilling shipment I am certain was made after my last draft.

299. Supposing you had an open market, the same as they have at Addington, and you had more competition, do you think you would get greater prices?—They may have brought a better price had they been landed later. Of course, we could not possibly land fat sheep in Christchurch, because, if fat when they left Nelson, they would be in a store condition when they arrived at their destination.

300. How many miles do you drive them over?—About one hundred and fifty miles. I cannot speak with accuracy. I think the bulk of the sheep are sold at Culverden.

301. *Mr. Field.*] You have practically only one buyer on a large scale?—That is all.

302. But you have an advantage over Wellington because you have a lot of independent butchers?—We have only one fat-stock buyer—the local butcher. We have several store buyers from Christchurch.

303. But there are a number of independent butchers in Nelson, are there not?—Yes; but they are governed by the Christchurch Meat Company. Previous to the advent of the Christchurch Meat Company the butchers gave us what they liked. That was why we tried to start freezing-works. I have often seen good fat wethers weighing 68 lb. sold for 7s.

304. Do you ever ship on your own account?—No. This is our first experience in sheep-fattening. The year before last really amounted to nothing. This year was really the first time we attempted to grow feed to fatten sheep.

305. Have you seen the freezing-works at Picton?—No, but I believe they can put two thousand sheep through.

306. Have they taken any of our North Island sheep there?—Yes; I believe they took some six thousand from Foxton and froze them there.

307. And I suppose they will freeze on the owner's account?—Yes, they will freeze at the same price as other companies.

308. And they will make an advance, I suppose?—Yes.

309. Do you know what at?—I have never done any business with them.

310. *Mr. Flatman.*] You gave us the weight of some sheep that you sold as 51 lb.?—Was that the freezing-weight?—Yes.

G. N. HUNT, Sheep-farmer, of Wakefield, Nelson, and Representative of the Nelson Agricultural and Pastoral Association, examined. (No. 17.)

311. *The Chairman.*] Would you care to make a statement to the Committee, or rather be examined in the usual way?—I prefer to be examined.

312. *Mr. Haselden.*] Do you sell your sheep in the same way as the last witness, to the Christchurch Freezing Company?—Yes; I think we are rather handicapped in Nelson by only having one buyer.

313. You are not quite satisfied with the price?—No. The same quality of sheep at Nelson would bring much more at Addington if it was there.

314. *Mr. Field.*] I would like to know whether you have had any experience of sending sheep to Christchurch on your own account?—No.

315. Do you know if any of the Nelson farmers have sent them to Christchurch?—Not that I know of.

316. Have you had any means of ascertaining what price they fetch at Addington?—A syndicate at Collingwood sent a line of sheep which netted 13s. 6d., and were offered 7s. 6d. for them by Bisley Bros.

317. That was for store sheep?—Yes.

318. Out of that they had to pay the driving-fees?—Yes; it cost about 1s. a head, I believe, overland. I meant to say that we are solely at the mercy of the Picton works with regard to the price of our sheep. They are the only buyers, and the price they offer we have to take.

319. And I suppose the local butchers are careful not to pay any more?—Yes. The mining ports and places like Westport, Reefton, and Greymouth are better markets. As regards North Island sheep, as a sheep-man, I think the North Island farmers have a grievance.

320. In what way?—On account of the difference in the price of the sheep at Addington of the same quality. That is my opinion.

321. You mean that the North Island farmers suffer more than you do?—Yes. Of course I know that the North Island sheep are Lincoln and Romneys and are brought up on unhealthy land, which reduces the value of the sheep.

322. *Mr. Flatman.*] You say that your position has improved since the freezing-works started at Picton?—Yes, and we needed it too.

323. But still you have a grievance?—Yes, we do not get the price we should do.

324. Do you think there is room for another freezing-works to start?—No I do not.

325. *Mr. Field.*] Does any remedy suggest itself to you that would better your position?—Yes, by the freezing-works of the colony being put into the hands of the Government, if possible.

326. *Mr. Hornsby.*] You say that the freezing-works of the colony ought to be in the hands of the farmers? Do you suggest that some proposal such as that made in Mr. Moore's report, that

there should be a guarantee from the farmers and that the Government or the State should put up freezing-works, or get the freezing-works in their hands so that the whole of the freezing business should be carried on for the benefit of the farmers?—Yes, to erect freezing-works and let the farmers have a big say in the management of the works.

327. That is to say that the farmers should supply all the stock and guarantee a percentage on the cost of construction of the works. You believe that would be an improvement?—Yes, I do.

328. *Mr. Haselden.*] You say there is a discrepancy in the price paid for sheep at Christchurch and the price paid for your sheep: is there not a difference in the breed of your sheep? Are yours not Romney and theirs Down sheep?—Our sheep are chiefly Romneys, but the foundation of most of our flocks is Merino. The Nelson country is similar country to that of Canterbury—it is dry land.

329. If you introduce the Down sheep would you not get a better class?—Yes. They are better quality.

330. *Mr. Field.*] I suppose there are different qualities of sheep in Nelson?—Yes.

331. What about the price given by the freezing companies for the different qualities?—They fix the price irrespective of quality.

332. There is no encouragement to breed a real good article?—No. I quite believe that if we had the very best quality we should not get more than the ordinary price.

333. *Mr. Haselden.*] But have you ever had 18s. 9d.?—Yes. Some of my sheep brought 18s. 6d.

334. *The Chairman.*] Is it practicable to drive sheep from Nelson Province to the Picton works?—No; it would reduce the quality too much. They used to drive them to the Wairau works some years ago, but it reduced the weight to pieces of dry wood almost. There is one thing I think it would be wise for the Government to do: that is, to reduce the rates for fat sheep on the railways. In doing so it would improve the quality of the mutton. As I said just now, driving sheep on roads reduces the quality. From Culverden to Addington there are thousands of sheep driven on the roads that ought to be taken on the railway, and they are wearing the roads out.

FRIDAY, 26TH SEPTEMBER, 1902.

CHRISTOPHER JOHN PARKER, Farmer, Teari, Gisborne, Representative of the Gisborne Farmers' Union, examined. (No. 18.)

1. *The Chairman.*] You are aware that this Committee has been set up to make inquiries with reference to the frozen-meat trade and the prices realised for stock in both Islands: would you care to make a statement with regard to your opinion of the trade, or would you rather that questions were asked of you to elicit replies as to the position?—No intimation was given to me in the communication I received as to what information was likely to be required; therefore I should prefer to be asked questions.

2. *Mr. Flatman.*] What price do your freezing-sheep fetch in Gisborne?—There was a big margin last year, from 9s. to 16s.

3. What would be the length of time between those prices: 9s. directly after shearing and 16s. in the wool?—Yes.

4. What did the sheep average in weight?—Something about 63 lb. or 64 lb. freezing-works weight.

5. You have got better prices this year than of late years, I suppose?—I am not sure that we have. The average price, taking the season through, would amount to about 11s. or 11s. 6d. for the last year.

6. Then there has been no difference between last year and former years in the price?—There was the year before last. You might quote the price at 12s., certainly not more than 6d. higher.

7. What-aged sheep would you shear mostly?—Most four and six tooth.

8. Will you give the Committee an average quotation for your freezing-lambs?—Of course the freezing companies have their own men to pick them. They only give one price. It was 11s. right throughout the season.

9. They come to the farm and pick out what they require?—Yes; they pass through the picker's hand.

10. And the price in lamb has not differed from that of previous years?—Yes, it was better last year.

11. Have you any suggestion to make that you think would improve the interests of the farmers in the disposal of their mutton?—No, I cannot say that I have. It is a matter about which there is such a wide difference of opinion that if I gave my opinion it might not be worth much, because there is such a large margin left for a difference of opinion.

12. Can you ship Home on your own account through your freezing-works?—Yes.

13. And will they give you advances?—You can get an advance from the bank or other institutions, but I do not know that the freezing-works will do that. There are two up there, and I know that one of them does not advance.

14. And if they ship Home for you do they take full charge of your stock on the London market?—That I cannot say. I have never shipped on my own account. I have always sold in New Zealand.

15. Have you any knowledge of the quality of South Island sheep?—A little.

16. Do you think there is much difference in the quality of North Island sheep as compared with South Island sheep as freezers?—I was under the impression that there was hardly any difference, but when I was down in Canterbury two or three years ago I took a particular interest in the matter, and I must say now that there is a difference in the sheep down there and the sheep

here. I took the trouble to examine several lots in Canterbury, both alive and dead. The colour, and I believe the condition too, in some cases are both better; but take them as a whole I think there was a difference in favour of Canterbury in the appearance of the meat when it was hung up. Another thing is that they have more turnip-and-rape-fed sheep in Canterbury—there is more artificial feeding—and most farmers know that sheep turned off like that are of better quality.

17. Some of yours are from old pastures, when there in any feeding?—Where I am it is comparatively new pasture during the last ten years. The most of the pastures have been down during the last ten years.

18. We were considering that the land in Canterbury was getting very old, and that it wanted shaking up?—But you have such a large quantity of level country in Canterbury. Towards Gisborne there are some 70,000 acres of flat land, but when you get outside of that the amount of flat land is not a great deal. Therefore, we cannot go in for ploughing the same as they do in Canterbury and other places. I might say that they breed more for mutton in Canterbury than we do. We have been breeding more for wool up our way.

19. *Mr. Hornsby.*] Have the co-operative freezing-works made a start in your district?—Yes.

20. What sort of progress is it making?—Well, it worked for something over three or four months only last season. I believe they made a profit of £3,800.

21. That is an absolutely co-operative concern, is it not?—Yes.

22. It is owned and worked by the farmers?—Yes.

23. Has it had the effect of doing good to the farmers?—Yes; it had the effect of raising prices.

24. There is another company there, is there not?—Nelson's.

25. Did they raise the price after the co-operative company got into work?—They did.

26. I heard you say that you got 11s. for your lambs last year. What was the price before that?—I believe one year they paid 8s., but the year before they paid 10s.

27. So the result was 1s. higher last season?—Yes. I do not say the freezing-works caused them to give 1s. more, because they started to give that price before the works were open.

28. Will you give us some idea of the weights the buyers select when they come to take your lambs?—I do not know that I could for lambs. I have seen some that I should put down at from 35 lb. to 38 lb., and some went up to 40 lb. and 43 lb.

29. Is it fair to say that they will take all the big ones if they can get them?—Yes.

30. The biggest they can get?—Yes.

31. In buying sheep, do Nelson's buyers prefer the big sheep?—I have never seen them leave a large sheep to take a small one.

32. *Mr. T. Mackenzie.*] Would you say that the Co-operative Freezing Company has been a success?—So far, it has.

33. And the farmers are satisfied?—Oh yes, quite satisfied.

34. Do many of the farmers freeze and ship on their own account?—Very few have done it there. I think they are inclining towards adopting the system of shipping. I have known several this year do it, but before I hardly knew any one to do it.

35. And do you know if they are satisfied with the results?—Yes.

36. You do not know whether they intend to try shipping during the whole of the season, or merely to send occasional lines: do they send Home during the whole twelve months to get the good and bad markets?—Yes, I have known some of them to do so. There have been more sent Home since the new works were started than there were before.

37. Have you any idea as to whom they send their meat in the Old Country?—I know a couple of parties who send it through the Loan and Mercantile Company.

38. Are they agents for the co-operative company?—No. They have their own agents here.

39. Do you know to whom the co-operatives send their meat?—It is mostly sold in the colony.

40. They end their risk in the colony?—Yes.

41. Do you know what is considered prime lamb on the part of the buyers?—Of course, the weight will vary as the season progresses. If you take a lamb at the beginning of the season you will not expect him to be of the same weight as at the latter end of the season.

42. You do not know whether they have any favourite weights?—No, I do not.

43. Is there anything you would like to add to your evidence?—I do not know if I have anything to add.

44. *Mr. Haselden.*] Is there any competition for your sheep, or is the one price fixed?—There was some competition after the new works were opened.

45. Not before?—No.

46. What class of sheep do they get from you mostly—what breed?—The bulk of the sheep there is still into the Lincolns.

47. Has it ever been suggested to you or to other farmers that you should go into a different class of breeding?—Yes; a good many have tried to improve the meat for better mutton purposes.

48. What class do you go in for?—A good many have gone in for Romney Marsh sheep, and a good few are going in for the Shropshire now. There is a tendency in the whole district to get a better mutton-sheep and sheep with a better constitution.

49. Do you think it would be an advantage to the farmers generally if the works were entirely in their own hands and if they froze on their own account?—Yes, I think it would be.

50. *Mr. Flatman.*] You say that there is a difference in favour of Canterbury mutton against North Island mutton: how much per head as a freezer would you consider the difference is?—It was more the appearance of the sheep as if hung up in the works, and even in the shops in the city,

that I noticed the difference. The colour was better, and the sheep, taking them all through, were, I thought, more regular. We may have some of our sheep on this Island as good in parts where the country is more level and the sheep are fed off turnips. If that is done we may turn out as good sheep in appearance as they do in Canterbury; but, taking it as a rule, we depend on the grass in the whole country.

51. Have you come to any conclusion as to the difference in value of the respective freezers?—No, I cannot say that I have. There are other people who are much more likely to give you more correct information on that subject than I am able to do.

52. *Mr. Field.*] Is there any discontent as to the price obtained for sheep in the Gisborne district?—I do not know that there is. I believe the season has opened at 16s., and I believe the farmers are quite satisfied that it is a fair thing.

53. Who are the buyers in that district?—Nelson Bros. and Dalgety and Co. have dealt very largely in the farmers' co-operative freezing-works.

54. Do the North British and Hawke's Bay Company operate there at all?—No, I do not think they extend their operations so far as that. They do not go beyond Wairoa.

55. And the persons who buy your sheep honestly bid against one another—there is no combination to keep down the prices?—No, I have known the competition to be very good.

ANDREW CLELAND, of Southerland's, Representative of the Farmers' Union of South Canterbury; also Representative of the Timaru Agricultural and Pastoral Association, examined. (No. 19.)

56. *The Chairman.*] You are aware of the object for setting up this Committee. Would you care to make a statement to the Committee, or would you rather answer questions?—I have come to support a resolution that was passed by the Pleasant Point Farmers' Union, and sent on to you.

57. You desire to put the resolution before the Committee and speak to it?—Yes. The resolution was: "That the Government be asked to guarantee London prices for several shipments of meat to provincial ports, such prices to be fixed according to grade and date of sale." Since taking up this question I find that there are more difficulties in the way than I thought, and I would recommend that the freezing companies be empowered to collect 1d. on each carcase of mutton exported, and 3d. per quarter for beef, to make up for any possible loss to the Government. I maintain that the very fact of having Government guarantee at the back of shippers would prevent the Argentine people cutting down prices, because it would be suicidal for them to cut prices if we had a guarantee of regular shipments. I am also aware that there are vested interests in London that are likely to oppose this scheme; but I think the Government guarantee would have the effect of converting these possible enemies and turning them into allies, and that they would establish branches in the ports suggested, and supply their shops from those centres, because it would be so much cheaper. The railway from London to Liverpool for dead meat is £2 per ton, while from Liverpool to London it is 13s. 4d. It will be remembered that Argentine meat goes to Liverpool. That difference in railage is equal to 9d. per head on lamb and 1s. 1d. per head for mutton going from London to Liverpool, while the Argentine people can rail their stuff from Liverpool to London at one-third of the cost. Now, how can we compete against the Argentine people if we have to pay that difference in railage, while we also have the chance of our stuff being damaged by the long railway journey? Again, I maintain that there is a better price in the provincial districts of Great Britain than in London. This is an extract from a letter sent by the London agents of the Canterbury Farmers' Association, dealing with the frozen-meat question: "*Combination.*—There is, I am confident, no doubt that a combination could be made among sellers here, provided the shipments to salesmen on Smithfield were discontinued. This fact prevents any possibility at present of a combination to regulate prices. A combination among selling agents here would not be in the nature of a monopoly, because the object would not be to put prices up to a high level, but would be to regulate the price so as to avoid the very excessive and violent fluctuations that we have seen from time to time in the meat-market here. If selling agents once had control of the meat shipped from New Zealand they could meet, say, weekly, and fix the prices of the various grades, under which no member would sell. At the present time on a dull market, to sell, agents are continually under-selling each other in order to make progress with sales, and the salesmen on Smithfield (the buyers) naturally pit one agent against another to break down their prices. This competition is greatly aggravated by the salesmen on Smithfield, who have large consignments direct from New Zealand, going round and quoting meat often at lower prices than agents, thus completely upsetting the market. Salesmen do not always deal with their consignments themselves—that is, sell direct to the retail trade off their stalls. They go about selling in larger lots—100, 200, 300, or more—to other smaller salesmen in the market, who in turn dispose of it to the retail butchers. Probably the greater part of the meat that the salesmen sell on their own stalls is their own property, and it is their consignments that they sell in the larger lots to other salesmen. It passes my comprehension how the shipper in New Zealand can imagine that a salesman can handle his meat to better advantage than a selling-agent independent of Smithfield. The first step to forming a combination here is to get the freezing companies to stipulate that all meat frozen by them must be consigned or handed to an agent in London independent of Smithfield. When that is done a combination could be made here. *Store.*—One proposal was made that there should be a large store run by various colonial Governments to handle all colonial produce. There are, I think, too many interests to overcome to enable this to be a success; as, after all, colonial produce is not all that comes to this market, and it is better to have one market for each kind of produce. I do think, however, that New Zealand could run a store of their own with very great advantage for frozen meat. The charges here are outrageous, and the ring is so secure that no concessions can be got. Such a store could be fitted up for £50,000 or £100,000, and charges for storing could

be much reduced. The New Zealand Government are talking about cold-storage in South Africa, so they could very well take up the question here with much benefit to the shippers. *Country Trade*.—Some time ago there was a proposal to endeavour to open up a trade in the provinces here by utilising the services of a salesman or traveller. I am now inclined to believe there is something in this. The chief necessity is, however, a regular supply of meat, and this at present we have not got. Provided this difficulty could be got over, good business could be done. There is no doubt whatever that the most profitable part of the business of those in the frozen-meat business here, such as Borthwick, Fitter, Fletcher, Eastman, and others, is in the orders they get from the country, where they are not subject to the keen competition of Smithfield. This would take a good deal of working-up if it was thought advisable to go in for it, but, once established, it would prove a possible outlet for our meat. Smithfield men have travellers going round, and issue a weekly quotation-list to their country customers, who send in their orders as they wish." Since taking up this question last Saturday I met Mr. William Grant, a gentleman who is well known to Mr. Flatman, the member for Geraldine, as a large shipper of meat, and he informed me that he had received very good returns from Glasgow, and that for nine months of the year the Glasgow market is a very good market, but that there are three months when the blackfaced sheep come in from the hills and the market breaks down. But we could ship to Glasgow to great advantage if we start shipping at the proper time. If we sent some of our shipments to Glasgow, Liverpool, and Cardiff, and also to Leith, Dundee, and Hull, we would not see such a state of things as I can show you here. Now, take the beginning of the lamb season—I am dealing more with lamb than with mutton, because there was a complete collapse of the lamb-market. In March last year we sent away 161,279 lambs, which brought 5½d.; in April, 260,863, which brought 5½d.; and in May, 311,353, which brought 5d. (4½d.). In June there was a still further increase in the shipments, for we sent 381,798 lambs which brought 4½d. In July our shipments were reduced to half, and the market did not recover from the enormous quantities sent away in May and June. In August we sent a considerable shipment of 229,990 lambs, when the market had been relieved by the small shipments in July, and prices recovered to 4½d. Now, I maintain that if one hundred thousand of those lambs had been distributed in the provincial ports we should have had 5d. a pound all the time, and I think any business-man in the trade would back me up in that statement. Now, the drop in prices in those three months was equal to ½d. a pound, and in May that drop represented £23,351 9s.; in June it represented £28,634 17s., and in July £12,061 4s.; or a total of £64,047 10s. for the three months. We lost that amount alone in lamb in the three months simply through dumping down so many carcasses on the London market at one time. If we had opened some of those provincial ports we could have sent some of these lambs to the consumers there, and if I went into mutton there would also be shown a very great loss. By shipping our meat to those ports we would not only improve prices for our meat, but they would be an opening also for our grain, dairy produce, frozen rabbits and hares, and butter. It is well known that Manchester is our best market for tinned meat, and wool exported could be shipped to the ports near the buyers' mills by steamer. Now, in grain, the Canterbury farmers had to knock off shipping by steamer to London because they could not dispose of it. I myself had a consignment there several years ago, and you would have thought it was a little village that it had been sent to because it was sold in such little lots at a time, and I was recommended to charter a sailing-vessel and grade the wheat and send it to some of those provincial ports, where I should have got far better results. If steamers were sent there each man could consign his produce, and it would be sold by itself. It would be of enormous benefit to the colony, not only for the meat trade but also for all our produce. Can any market in the world stand the like of this increase in our exportations last year? From January to August, 1901, we sent away mutton from Canterbury and other ports amounting to 1,236,656 carcasses, and in lamb 1,189,064 carcasses. From August, 1901, to August, 1902, we exported from Canterbury and other ports 1,381,199 carcasses and 1,515,551 lambs, or an increase of 144,543 carcasses of mutton and 326,487 carcasses of lamb. No market in the world can stand that. We are bound to send our stuff to fresh places. The Argentine people are sending cargoes to Dublin and Belfast, and distributing their meat all over Great Britain. Our produce is sent to the most expensive port in the world to handle the stuff, and not only is it expensive as a port, but our stuff is more liable to be damaged there by the extra handling it gets. Now, if the scheme I have suggested is carried out it can be done at no expense to the Government whatever, for we merely want a guarantee, and therefore where does the expense come in? And if there is any expense to be incurred the exporters of frozen meat would reap an advantage of 1s. a head, and if they had to pay 1d. out of that it would be a very small thing. It would cover the whole loss, and if it did not you could still put another penny on another year, so as to recoup the Government for any loss that might be made. The increase in the export of lamb principally comes from the North Island. The increase last year was only 93,000, and the increase in all the ports was 332,000, which includes both the North Island and any that were shipped from Southland. I have a letter from the London agent of the National Mortgage and Agency Company, dealing with the lamb trade, and it gives a very gloomy view of its future. This is a short extract from the letter received, which is dated London, 31st July. It is written by a large importer of New Zealand mutton, and he is referring probably to the Argentine competition in frozen lamb. He says: "Up to the present time prices for our frozen lamb have been very disappointing owing a great deal to its having been forced on the market by one or two large London consignees, who, with the object of keeping their butchers' connections, sold at lower rates than there was any need to, the sufferers, of course, being the shippers at our end." Of course our large consignments give these companies an opportunity to wreck the market. If we had not sent such large consignments they could not have done it. The letter goes on to say, "The Argentine also have shipped a great many frozen lambs this season, and I am credibly informed by their agents here that

there will be a heavy increase in their lamb-supplies every year. If this is so, it will be a bad look-out for us. I was very much surprised to see the good quality of the Argentine lamb; it is certainly not so well finished as ours, but, I am sorry to say, good enough to do a great deal of harm to our trade. From what I can learn here the general impression is that New Zealand lamb has seen its best, and that lower prices will have to be accepted in future." Now, sir, in face of a letter like that, I maintain that the Government must do something. The matter cannot be left over any longer. If you leave it over until next year it will be more difficult to accomplish. Now, the Argentine people have not a very great supply of lamb, and if we enter into competition with them at Manchester and other ports they will need a great supply to compete against us; but in another year or so, as they are improving the quality of the meat, we shall not be able to stand against them at all. We have allowed the thing to go on too long already, and it is time that something was done. I think that is about all I will say in reference to that. There is something more referring to the London trade that I may speak of later.

58. Your statement has largely gone in the direction of suggesting shipments to provincial ports in the United Kingdom as a better way of disposing of our frozen meat there?—Yes.

59. Taking, for instance, the port that you spoke of more frequently than others—the Port of Liverpool, and that practically includes Manchester—are you aware that the Argentine people have practically a monopoly of the butchering trade in the North of England in regard to frozen meat?—Yes, it has this monopoly, and we want the Government to assist us to break it down.

60. One firm dealing with Argentine meat largely, although they deal also with New Zealand meat, have six hundred shops in the North of England to supply?—Yes.

61. Are you aware that it is practically impossible for New Zealand exporters of frozen meat to obtain a market at Manchester or Liverpool at the present time?—I think with the Government guarantee we could fight them.

62. You are of opinion that with that guarantee and a certain amount of sacrifice the difficulty could be overcome?—I think with the Government guarantee it would be suicidal for our competitors to continue the fight, because the grocers sell a lot of mutton, and would distribute it in any of the provincial towns at a lower rate than they do in London. It costs 9d. per head to send the mutton to Manchester, and how much would it cost us to send it to Glasgow? They send Argentine meat from Liverpool to London at 13s. 4d. a ton.

63. Assuming that your contention is correct, that a Government guarantee would practically insure the New Zealand exporters breaking down the monopoly in the North of England and put New Zealand produce on equal or better terms than Argentine frozen meat, do you think it practicable to get the exporters and freezing companies to come into line and take up the work you suggest?—Yes, with a Government guarantee. There are two of the largest exporters—Messrs. Cunningham and Grant—who are both willing to ship to the ports I have mentioned.

64. The feeling in South Canterbury, in your opinion, is that they would be willing to take up any proposal for concentration of supplies so long as they were guaranteed against loss?—Yes; they would ship to those ports if they were guaranteed the same price as is obtainable in London, and there is a chance of getting better prices.

65. Do you think the exporters in South Canterbury would approve of accepting any proposal of the Government, a company, or a combination, as the case might be, to put on a certain tax per carcase as a guarantee against loss? Do you think they are prepared to support a proposal of that sort?—I think so, but it has not been ventilated yet. I got that wrinkle out of another scheme. I got a good deal of information in Christchurch when waiting for the steamer to come through. The other suggestion I got from a copy of Mr. A. H. Turnbull's scheme. It was for an association to be established to work outside the freezing companies, with power to fix prices. In that scheme there was a clause providing for ½d. being levied on the carcasses put through the freezing companies to be collected for expenses in London and in the colony. I have not had time to put this matter before the farmers, but I will do so.

66. You are of opinion that it would be practicable?—Yes, I am. I see no difficulty in it. The proposed penny tax, on the output of last year, would amount to £12,000. It is a simple thing to put 1d. on the carcase, because it would prevent a loss of £64,000 in lamb alone in twelve months. I have not gone into the matter with regard to mutton, but that also came down through the large shipments, with consequent loss.

67. *Mr. Field.* We have had it in evidence that it would be very unwise to ship our meat to any other port than London. The meat is distributed from that port to other places where it is said they want a special class of mutton?—I have said that there are vested interests in London which are likely to oppose this scheme. The C. and D. Company have three hundred shops. They get their orders in every morning, but there is all the railage to be paid, and it has been stated that the meat arrives in a very unpresentable condition, and with all the bloom gone.

68. Do you think these difficulties would be overcome by shipping to the other ports direct?—Yes, I think so; because you would not have the long railage, and could supply it out of the cool-stores. There would not be so much handling. There is more handling in London required than at any other port. We need not put it in large quantities, but gradually, into the market. The steamers are prepared to deliver as small a lot as ten thousand carcasses. Now, we could send a steamer to several of these ports, and distribute the meat from them. There are good stores at the ports mentioned, and we could put the meat into the market gradually. We could go slowly, and where would there be any loss? We could send one steamer to Glasgow, Liverpool, and Cardiff, and another steamer to Leith, Dundee, and Hull, and there are more ports with cold-stores.

69. Do you think there is any difference in the class of meat required for those different ports? Would the class of meat which suits the London market also suit the other ports?—In

Manchester there is a good deal larger percentage of the poorer people in the population who would use Argentine meat; but in all communities there is a middle class, and they would use the same kind of meat as is consumed in London. In fact, you would see from Mr. Anderson's evidence that the people like good meat, but even Canterbury meat would not arrive in a good condition after a long railage.

70. You think there would be no difficulty from that source if we shipped direct from this colony and sorted the meat out in the various parcels required for the different ports? Do you think you could gauge accurately enough the class of meat required for those ports at this end?—I think all the meat is required. There are people who take the same meat. They take our lambs.

71. You think there are upper and middle classes everywhere?—Yes. There is certainly a larger percentage of the poorer classes in Manchester, and that is why our tinned meat sells so well. There are a great many factory hands there who do not take time to cook meat, and, therefore, use a good deal of tinned meat. It is the best market there is for tinned meat.

72. You say that the Argentine system of dealing with frozen meat is a better system than ours; or, rather, that they have a system and we have not?—Yes. They distribute their meat in different parts while we dump ours down in one market.

73. Do you think we should be able to follow something like the same system that they have adopted, even at this late stage?—That is a very difficult question to answer.

74. We have been told in evidence that it is now too late to do it?—I will give you some evidence later, when dealing with the London trade.

75. You spoke of the Government assisting by way of guarantee. I should like, if possible, for you to amplify that a little. Is that all you ask the Government to do—to guarantee shippers against loss?—We just want the Government to guarantee shippers the London price, and not to do any work at all. We would ask the Government to select a respectable firm of salesmen to whom all shipments should be sent, so that we should not have one competing against the other as we have at the present time.

76. It would never do to allow the Government to guarantee that unless the Government had some control over the concentration and regularity of supplies?—I think the Government would need to have some control over the consignees of the meat.

77. Would it not have to take some part in the matter after the meat arrived in London?—No. One respectable firm would be appointed, and the meat would be consigned to them to sell.

78. And you think that would be quite satisfactory?—I think so. We should have the London prices to go upon to guide the firm.

79. As to the regularity of supplies, do you think that we in New Zealand, with the Government guarantee that you speak of, could hold our own: would not the fact that we were not acting in concert with the Argentine and Australia, and other countries from which the meat reaches England, have the effect of upsetting our attempts to regulate supplies—they might upset things by putting in a large quantity when it was not convenient?—We would not put in large quantities; we would distribute our supplies to different ports, and would be able to bide our time. If we put in large quantities we should just supply our customers to keep them going, and not force sales.

80. Have you any opinion to express concerning the development of the South African trade?—No; I have not gone into that much. I think the South African trade will only last a year or two. I think the money spent in the ports I have spoken of, where the markets would keep on improving, would be much better spent.

81. In view of the fact that the Argentine supply is increasing rapidly, you think it behoves us to look to other countries for our trade?—Yes; I am not against opening up South Africa, but I think getting a footing in the ports referred to is more important.

82. Are there any complaints that you have heard about the Railway Department in regard to freight?—I do not think so. There is always a little growling about the rates.

83. We have had it in evidence that people drive their stock long distances along the roads because it is too expensive to send it by train?—There may be a little of that done, but I have not experienced it. Mr. Wilson, I understand, drives his stock down the road instead of railing it, because it is a little cheaper.

84. *Mr. Flatman.*] You have some knowledge of North Island sheep as well as of those of South Canterbury?—Not very much, but I had a visitor down my way last autumn—a large farmer from Feilding—and we were always arguing about the difference in price between the North Island and South Island sheep. He said there could not be so much difference in the quality. Before he went away I took him to the Smithfield Freezing-works and directly I took him into the cooling-chamber he said, "I see the difference now. Your sheep are far more meaty and not so tallowy." When we went into a place where the sheep were hanging up, he saw an old wether hanging up, and said that was more like the North Island meat.

85. You did not go into the difference of prices for freezing purposes?—No. I think where the dealers and freezers might have an advantage is in the weights they get. They get heavier weights for the money.

86. Now, when people buy sheep from the farmers, do they take the biggest of the lambs in all cases?—Well, they never leave a big one. The extra weight makes up for the quality.

87. And the same applies, I suppose, to freezing-wethers?—Yes. Even if they are overweight and go into the second quality the extra weight makes up the price more per head. Say a 54 lb. sheep at 4d. a pound and then a 72 lb. sheep at 3½d. I suppose it would run into more money.

88. But what is the general weight buyers approve of in sheep?—The best quality is from 48 lb. to 56 lb., but owing to bad fattening this year we did not have so many of the 56 lb. weight.

89. The average weight of lambs is what?—36 lb. is considered a good average weight.

90. Would you mind explaining to the Committee more fully what you mean by the guarantee the Government would be asked to give?—A simple guarantee to the shippers that they would receive the London price at the date for the same grade for mutton or lamb. These prices can be had every day, and the same day when the meat was sold in London would be the price in Manchester, Glasgow, or any of the ports I mentioned. If it was sold below the London price on that date then the shippers would claim for the balance, and if it sold above the London price there would be no claim.

91. If it fetched less in the provincial ports than in London you would expect to be paid the price obtainable in London?—Yes.

92. And you suggest that 1d. per carcase should be levied to meet that charge?—Yes. We would not guarantee it for more than one year, because it would be self-supporting.

93. Do you suggest that the penny per carcase should be paid into a Government account?—Yes; and the freezing company would be empowered to collect and pay it into the Government account as a stand-by. It would not be collected from the shippers when it was not required.

94. Each shipment would then have to be disposed of on its merits?—Yes.

95. That is to say you would not allow the Government to reserve anything out of one shipment to meet a possible loss on another shipment?—Perhaps it might be worked out to a general average for a shipment, but that is going into details.

96. *Sir W. R. Russell.*] Do you think a single year would test the northern markets you referred to?—Yes. I think if we got hold of the markets for one season we would keep them without any guarantee.

97. And supposing we were not able to upset the Argentine trade in a year, what then?—I would suggest going on another year to make up the deficiency, because the sum proposed is a mere trifle, and the loss this year on lambs alone for three months amounts to five times 1d. a carcase on the export.

98. Do I understand you wish to levy the penny per carcase on every carcase exported from New Zealand, or only on shipments sent North?—On every carcase shipped. On the basis of carcasses of lamb exported last season, 1d. per carcase would bring in £12,000. Then the beef would require to pay its share too, and the amount I propose should be 3d. per quarter.

99. Do you imagine that the outside liability of the colony would be £12,000, or what do you think would be the total loss in trying to cut into the Northern trade?—I am under the impression that there would be no loss. I think the fact that the Government guarantee was given would show that we were determined to have a footing in the trade, and that would cause the Argentine people to conclude that it would be suicidal on their part to commence to cut prices, because they would see that they would meet with certain loss. We would simply ease our sales if they cut prices and keep our stuff in the stores, while they would have to sell at a loss.

100. If there is to be a Government guarantee, have you any idea of the extent—would it be £50,000, £100,000, or £200,000?—The amount of money required would be trifling. There would be only the difference between the London price and the price obtainable in the ports referred to to be made up.

101. Have you estimated what that sum would be?—That would be impossible, because we do not know what the mutton would sell for. If the Argentine people fought, more money would be required than otherwise.

102. Before the Government is asked to give a guarantee, can you not form some idea of the sum of money that would be involved?—I do not think we can. We can form an estimate of the amount of stock that would be shipped under the guarantee, but not of the loss there might be.

103. But to push the trade you would be prepared to fight, and to put our mutton into the markets if necessary?—Yes.

104. Well, have you no idea of what number of carcasses, or what liability the colony would have to undertake to meet that guarantee?—Say we shipped 311,000 carcasses of lamb in the month of May, we shipped a hundred thousand lambs too much; and in the month of June we did the same. If we had kept them away we should have saved £64,000 to the colony alone. If those two hundred thousand lambs had been sent to other ports under guarantee, and lamb was selling at 5d. a pound in London, and the Argentine started to cut prices, and this lamb was sold, say, in Manchester at 4½d. per pound, then the guarantee would be ½d. per pound on those carcasses.

105. But you are recommending a scheme, and I want to know what your view is as to the possible liability?—It is impossible for me to tell. I maintain that there would be no monetary loss at all. It would be merely a guarantee, and unless the Argentine people showed strong fight there would be no losses.

106. But supposing they did fight?—We would put, say, twenty thousand carcasses in Manchester, and the same quantity in Glasgow and Cardiff per month, and, supposing they did show a strong fight, I do not see why we should not beat them. We do not have so much stuff there, and we could put it into the cool-stores and then on to the market gradually.

107. Is not the London market in competition with the River Plate people in the whole of the trade?—Yes. We rail to those ports that I have spoken of, and to inland cities, but we pay 9d. a carcase for lamb, and 1s. 1d. for mutton.

108. How many ports of shipment would you advise?—I would be favourable to putting it in all ports where the steamers would go, at which there was cold-storage.

109. Would you advocate cold-storage being built?—I would leave that to the people there. Mr. Mackenzie will tell you that most of those ports have cold-storage. They are making storage at Leith and Dundee.

110. Do not the London buyers try to supply meat to the northern and midland counties?—Yes, but the London port is the most expensive port in the kingdom; and, as Mr. Anderson

said at the Colonial Conference, the meat arrives at some of the places with the bloom gone, and with an unpresentable appearance. He had an interview with a salesman in Manchester, and he said he would take our meat, but it was not good when it arrived. It was half spoiled when it got there.

111. You told us that the meat was dumped down in London and was allowed to distribute itself; is that the case? Do not the large companies have shops in different places?—One has three hundred shops, and when they get a wire for meat it is sent away. But we do not get away from the fact that London is the most expensive port, owing to the number of hands the meat has to pass through. The meat is liable to great damage on that account.

112. If you wanted to send a carcase to Warwick, would there be much difficulty in sending it from London or Liverpool?—I do not know where Warwick is. Supposing you sent a carcase from Liverpool to London, you would have to pay less than if you sent it from London to Liverpool. There would be a difference of 3d. in the railage in favour of Liverpool.

113. Can you give us any idea of what the extra cost would be in distribution by having so many distributing-centres?—I do not think there would be any for the guaranteed stuff. We would have one agent, and firms like Borthwick, the C. and D. Company, would supply their shops from these markets because they would be nearer to the centres than to London. There would be no loss.

114. Can you give any approximate idea of what the cost would be of carrying out your proposal?—I think that is a question that could not be answered. All the shipments we would require to take from the London market to improve the London market would not amount to a great sum.

115. *Mr. Haselden.*] How much would you be prepared to lose on this venture, because 1d. per carcase would not be much?—You cannot possibly tell.

116. But supposing you and I were going into the venture and said that we were prepared to lose £1,000, we might have to lose £100,000?—You take power to levy a rate to make up the loss whatever it is.

117. Do you not think that if the farmers all united and sent their meat Home on their own account as a co-operative company, dealing with the whole as one big freezing-company, would it not be preferable?—What would be the use of that, if we sent more meat to London than there is demand for?

118. What are we to do with our sheep—we must send it Home?—But you need not send it Home to one port. I am afraid it is too late to do what you say. Dealing with the storage question the gentleman I referred to as being connected with the Canterbury Farmers' Association writes: "I do think, however, that New Zealand could run a store of her own with very great advantage for frozen meat. The charges here are outrageous, and the ring is so secure that no concessions can be got. Such a store could be fitted up for £50,000 or £100,000, and charges for storage could be much reduced." I maintain that if we take a lot of the meat from London we have a chance of relieving the stores there; but so long as we keep those stores filled up to the brim we shall never get any reduction in the charges.

J. D. RITCHIE, Secretary for Agriculture, examined. (No. 20.)

119. *The Chairman.*] The opinion has been expressed by members of this Committee that you would be in a position to give considerable information on the matters referred to them, and you have therefore been asked to attend. We shall therefore be glad to hear what you have to say on the question?—For the last year or two we have not had very much to do with the matter. The last I had to do in connection with it was when I sent round the report of Mr. Cameron, our London agent, copies of which I have handed round this morning, with some suggestions for improving our produce. I do not think it would be well for me to go into the matter at present, for that report deals fully with what he thinks should be done, and what I think should be done. Since the report was written we have had another report to the effect that a good deal of the mutton that has gone Home this year has not been quite up to the mark, which he regrets very much.

120. What was the cause of that?—It was inferior and not up to the usual standard, and he points out a very great loss is likely to ensue by allowing such stock to go Home unless it is properly marked; and in this last report he lays very great stress on the necessity for branding the meat and grading it before it goes Home. I know that there is considerable diversity of opinion regarding the question of grading and branding, but Mr. Cameron, who takes a great deal of interest in both, has a strong opinion that it should be done. I have a letter here written by Mr. Cameron some time ago about the branding of some sheep that we sent Home, and he speaks very strongly, and also very flatteringly, upon the brand that was used. He says that he showed it to a great many people, and they were all very well satisfied with it, although they had expressed themselves against branding. Mr. Cameron is in favour of the meat being branded, and reasons are set out in this leaflet why it should be done. I also think it should be taken in hand, and that we ought to see that our meat goes Home under a brand and under a proper grade. At present under the Act we inspect all meat going Home, so far as inspection by a "vet." is concerned; but beyond that we do not go. There is power under the Act to appoint graders—or, rather, not to appoint, but to approve of graders appointed to the different freezing-works. None of the freezing companies have asked us to approve of their graders, and I doubt whether it is advisable that we should if they asked us to do so, because it is difficult to approve of a man who is entirely out of your control. He is not our servant, but the servant of the freezing company, and to approve of a person who is under another person's control is rather an awkward thing to do, and I should not like to recommend the Government to appoint any grader at the works who is to remain the servant of the company. If the grading is to be done, it should be done by a man employed by the Department. I have a specimen of the brand I spoke of, and perhaps some

members of the Committee would like to see it. [Produced.] The little brand I have produced has been on a carcase for three years. The sheep was taken out of the freezing-chamber and thawed, and then put back again. It was again taken out and thawed, and was left out for a fortnight. You will notice that the brand is perfectly secure. It is stamped with a rubber stamp on to the flesh, and there is no trouble in doing it. I have Mr. Cameron's report on the matter, which might be embodied in my evidence. You will see that stamps are used in the Gear shops. There are just two points that I wish to emphasize, and which Mr. Cameron strongly supports. That is the branding and grading of New Zealand meat. Undoubtedly last season a large amount of mutton and lamb went Home which was not up to the usual standard. The reason for it, I understand, was that it was a bad season, and great difficulty was experienced in getting the lambs by people who had contracts to fill. They could not help themselves, and consequently a lot went Home that were not up to the proper standard. A great deal of mutton has gone Home about which complaints have been made. The matter is important, because, seeing that we have so much competition, we ought to see that everything should be done to insure that only first-class should go Home.

121. You have confined your statement practically to two proposals, and in the first place you state that all meat going Home should have a brand on it?—Yes.

122. Now, I assume that you mean this brand should be an authorised guarantee-brand to be put on all carcases leaving the colony?—Yes. We put the "vet." tag on all the carcases going Home, but it is only a parchment tag, and can be taken off at any time.

123. Having given your attention to the subject, you are of opinion that an indelible brand on the flesh would be suitable?—Undoubtedly.

124. Has your attention been called to a lead brand used to clasp on shank with a piece of wire, which is used in America?—Yes; that can be taken out, but you cannot take ours out.

125. Your opinion is that branding is essential to assist our meat in being sold on its merits?—Yes, certainly. If we send Home first-class meat we should have it branded as such.

126. With regard to grading: to some extent the Government have agreed to grading. Has the Department done anything in that direction?—No; we have not seen our way to approve of graders to be employed by the company, and I hesitate very much about saying that we should approve of them.

127. Do you think the colony's meat should be graded in the United Kingdom?—I would not take the grading of any of the works here, because there are too many different grades. If we grade "first" and "second" quality, that is all we should do. The sheep could then be graded afterwards to suit the various markets. Supposing that a man got one thousand first-class sheep, he could grade them afterwards as he desired. You would then get over the trouble in connection with a number of consignments going Home. It is a rather difficult thing to get the number necessary to make up a consignment owing to the large range of weights, and if you got initially a large number of consignments they could be put into a common pot.

128. You have no objection to the company's brand being put on afterwards?—No; they can do what they like.

129. *Mr. T. Mackenzie.*] You want the grading done so that if one thousand sheep go Home they can be kept to a certain quality and weights?—I think they can tell the quality, but they may be of different weights. I would not grade them for weights; I would let the people at the works or the scales do that. We should grade them without any reference to weights at all.

130. What is your opinion about grading for weights?—I do not think it is of very much value, because I notice that sometimes you get a very lanky sheep with no flesh on him.

131. I am talking about grading a first-class prime lot?—That has been done.

132. I take it that you want them classified as first-class and second-class qualities?—Yes.

133. Supposing you graded a lot as first-class, would you like the works to grade those?—I would not like to express an opinion on that, because I do not know that I have sufficient knowledge of the market at Home to say what weights would be the best.

134. You have quoted Mr. Cameron's opinion with regard to branding?—Yes.

135. Is your judgment formed largely on Mr. Cameron's opinion?—To a large extent, and from my own opinion formed a long time ago. In 1899 I had sheep sent Home with this brand upon them, and he has given a favourable opinion of it. I have always tried to get that carried out since.

136. Do you think Mr. Cameron's judgment is sufficiently thorough and extensive to guide him in forming an opinion of this sort?—I do not know, but he is a very intelligent man, and gives interesting information in his report; and I should think that, outside of the vested interests that have been mentioned to-day, he would give a very good decision.

137. Are you aware that there has been evidence given before this Committee by leading men in the trade condemnatory of the prosecutions which have been conducted by the Agent-General?—I did not know that. They have not expressed any opinion to me about it at all.

138. What is your opinion of the result of the prosecutions?—I should not like to express an opinion. I should like to see the meat branded, and then prosecutions would not be required.

139. But in the absence of branding?—Well, prosecution protects the colony to a considerable extent. I think it is necessary that we should protect ourselves.

140. *Mr. Hornsby.*] Can you give the Committee any information regarding the difference in point of value between North Island prime sheep and the Canterbury prime sheep?—I am afraid I could not. I have had experience of the sheep of both islands, but it is some time since I had any practical experience except in regard to one small lot. I know that we had a small lot of sheep on the west coast of this island to sell, and I communicated with the Christchurch people as to whether they could sell them for me, and they told me that if they were mud-fat to send them down; if not, not to send them at all. Those sheep were on turnips, and we got 16s. for them. There was a considerable amount of trouble in getting 16s. I estimated that putting them down in the Addington market would cost about 4s.

141. You got 16s. ?—Yes.

142. What were the weights ?—About 60 lb. or 62 lb.

143. They would be good sheep ?—Yes ; good nuggety sheep.

144. Now with regard to the prices cabled out from the Agent-General's Office to your Department : in those cables they differentiate, as requested by a large number of farmers in the North Island. Can you tell us the reason why the Agent-General's office does differentiate, and separates the Canterbury and Meat-export Company's prices from the other prices? Can you tell us why that is not done by the associated companies through the Press Association's cables ?—I could not explain that. Mr. Cameron thought the Meat-export Company's brand was sold slightly higher on an average rate than other North Island mutton.

145. You are aware that the Dunedin, Southland, and Meat-export Company's meat generally brings more money on the market ?—I know that the Dunedin mutton brings the same price as Christchurch mutton.

146. And that what is honestly called the North Island brand is invariably $\frac{1}{4}$ d. a pound lower than Wellington ?—Yes, that is so.

147. It has been stated to this Committee by several of the witnesses—mainly those who are in a big way or connected with a freezing company—that it would be detrimental to the interests of the farmers of this country who freeze meat to put on the carcasses a distinguishing brand, because of the amount of meat that is sold in the London market as English. Then, they also state that the prosecution of the sellers of Argentine meat as New Zealand meat is a waste of time and detrimental to the interests of New Zealand. Now, I would like to have your opinion on that matter. I see that Mr. Cameron deals with it, and I am going to suggest that his report should be attached to our report. But I would like to ask your opinion in reference to that ?—Undoubtedly there is a quantity of our mutton sold as English mutton, and there is also a large amount of Argentine meat sold as New Zealand and Australian mutton. It is a question whether we should stop it by branding, and prevent sellers of New Zealand mutton selling it as English mutton. From the reports that we get from Home I have been able to form an opinion, and I should like to see our mutton go Home and be sold on its merits.

148. *Mr. Haselden.*] You are of opinion the grading and branding by the Government would be an advantage ?—Thus far we are doing a large c.i.f. business, and in some of the works they can manage it very well, but in other works there is a great deal of trouble on account of the reclamations. If you could get independent persons to grade the mutton as first and second class before it goes Home, the thing would be finished. We do the same with butter, and there is no trouble about the marks. People can go to the bank when they get the graders' certificates and get their money.

149. Do you think that the Government can assist us in the frozen-meat trade, or do you think the farmers should take the matter into their own hands ?—I think the farmers should do something, and that the Government should assist ; but you must have legislation to empower a levy on the sheep in the colony or on exported sheep. I should prefer to see it levied on every sheep in the colony.

150. *Mr. Field.*] Have you any opinion on the subject of sending our meat to a number of ports instead of sending it all to the Port of London ?—I think it would be an advantage to get it away from London, because there are a large number of ports which have a large population close to them ; and if you could get it taken direct to those ports it would save a great deal of handling and be put on the market in a more favourable condition. I should be in favour of doing that.

151. It has been stated in evidence that a fair estimate of the difference in value of a North Island and South Island freezing-sheep would be from 4s. to 5s. ?—I know this for a fact : that if you kill a North Island sheep you do not get the same quantity of fat as from a South Island sheep, and the skin is not so good. I know that the inside fat is several pounds less.

152. Do you think, taking the fat and skin into consideration, the difference is so much as 4s. or 5s. ?—I do not think so ; but the Canterbury sheep have got a name now. Southland sheep come up and are frozen and are sent Home as Canterbury, the same as with North Island sheep—they go Home as Canterbury. I do not think there is a margin of 4s. or 5s.

153. *Mr. Flatman.*] You spoke of making a levy and getting legislation for that. Do I understand you to say that you propose a levy on the whole of the sheep in the colony ?—The people, I think, are making more out of store sheep than they are after they are fattened, and I think we should levy on the whole of the sheep in the colony. You would not want the money at all. You would only want the guarantee. If you had a board here and a board in London, you could work it out and see what would be required.

154. Do you think that in the Mackenzie Country, where they fatten no sheep and are only breeding them, they would get any advantage ?—Undoubtedly.

155. *Mr. T. Mackenzie.*] What would you do with the money you raised by the levy ?—I would not raise it at all unless it was wanted.

156. What would you want the money for, then ?—You would want an advisory board at Home, and to send ships to outports, and generally to open up the trade. To do that you would want an advisory board at Home. You might not want any money, or you might want a good deal.

Extract from the Report of the Produce Commissioner, London, dated 17th November, 1899, in regard to a Shipment of Twenty Sheep from New Zealand to London branded with Brown and Staples's Indelible Brand.

On receipt of bill of lading, I made arrangements with Mr. R. Keil, the manager of the frozen-meat department of the C. C. and D. Company (Limited) to receive the sheep on arrival and have them stored in the cold-air chambers of that company at Lambeth. At these stores there is every facility for making a careful inspection of meat.

The carcasses were landed from the steamer, and were delivered at the cold-air chambers in excellent condition, although it was a fortnight after the arrival of the vessel in dock before they came to hand. On stripping the sheep to examine them, they were found to be bright and hard; and though some of them had got chipped, as is so commonly occasioned by handling them, they presented really a fair sample of the condition in which the bulk of the frozen mutton arrives from New Zealand.

The brand ("V.R., New Zealand," with the representation of a crown), with the signature of the Inspector at the freezing-works from whence they came, had been applied to each carcass in six places—one on each leg, loin, and shoulder. These brands were neat and clear. In one or two instances there were rather fainter impressions than desirable, but these only proved that care would have to be taken, by whoever might apply the brand, in seeing that the work should be done properly.

After satisfying myself that the brand was satisfactory when the meat was in a frozen condition, I proceeded to test the result of thawing on the brand. I had two carcasses sent up to Smithfield on Monday morning, and hung on the rail in the C. C. and D. Company's stall there. I left them there thawing until Thursday, exposed to the atmosphere as they would be in any butcher's shop. Each day I noted the result. Thawing had not the slightest effect on the brand. The meat, as usual, got dull in colour, and consequently the brand was not shown up so clearly as when the meat was hard and bright. But otherwise it did not alter. There was no drip or weeping from the brand, and, although I and others tried to disfigure it by rubbing with a cloth, we found it impossible to do so. We also tried to scrape it off with a knife, but found that unless the outer skin was removed the brand was ineffaceable. Although perfectly satisfied with this I next determined to find out if the brand would be destroyed by cooking. I therefore had a leg of the mutton roasted on Sunday—that was after thawing for a week—and, although, on being placed on the table, there was a slight black spot or two noticeable when looked for, there was nothing that would be more observable to an ordinary carver than there might be on any other leg of mutton when roasted in the usual way. When I cut the roasted skin off and, stretching it, allowed it to dry, I found that the brand came out quite clearly when held up against the light. This, I think, was conclusive the brand was indestructible.

Considerable interest was taken in the brand by many interested in the meat trade, and although, as was to be expected, the necessity for branding New Zealand mutton was ridiculed by almost all who saw it, it was unanimously allowed that if a brand was desired that now exhibited seemed to answer every purpose required.

Personally, I think most highly of this brand. The lettering being small, considerable care may have to be exercised in applying it, though, of course, not knowing the nature of the brand or how applied, I may be wrong in this. The guesses as to the nature of the brand have been many. Some think it is applied by an electric stamp; others think it is caused by some chemical application; while others, probably trying to create an ill-feeling against its use, suggest that if chemicals are used the brand may be found injurious to health. Of course, I do not know the nature of the application, but I have assured those who spoke in this manner that the New Zealand Government would never permit the use of anything to which the slightest suspicion of injurious effects could be attached.

The brands on the legs had been applied in the proper place. Those on the shoulders were too high up in many instances. Butchers in cutting up the carcasses could trim these brands off. The brand should be applied nearer to the fore leg. The position of the brands on the loins is not so important, as nearly all butchers take the skin off when trimming the loin for sale—but it would be advisable to place them close to the backbone rather than towards the sides.

The opinion of those interested in the sale of meat, both wholesale and retail, in this country is entirely antagonistic to meat-marking, and it is often said that by marking New Zealand meat the colony would suffer loss, owing to the refusal of butchers, especially those who now handle it and sell it as English, to buy it if it was marked. They also contend that consumers would object to receiving their meat with a brand on it, so that as the demand fell off prices would recede and the New Zealand trade would be ruined. They also say that the "teg" trade, which is a West-end one, and admittedly one pandering to the unjust and illegal substitution of New Zealand meat for English, would be destroyed, and consequently prices for this class of meat would be certainly greatly reduced. Well, all those things may be to some extent true. I quite believe that for a time, if branding was generally adopted throughout New Zealand, prices for that meat would suffer. The opposition to branding would be so great that they would be lowered. But I do not think that this would continue for any great length of time. Those buyers who are now selling New Zealand meat on its merits, and who keenly feel the opposition of those who by fraudulent means—especially by selling inferior meat as New Zealand at lower prices than they can do—injure their trade, would be in favour of the brand. Butchers who now sell New Zealand meat as English would either have to sell it on its merits or fight opposition from those who would be then in a position to open shops offering to their customers the genuine New Zealand article at a fair price, with a guarantee that they were being supplied with what they asked for. At the same time New Zealand producers, or the Government, would be so enabled to advertise the meat extensively throughout this country that I believe in a very short time the demand occasioned by this advertisement would equal, and gradually exceed, what it now is, in spite of the opposition of so many of those at present engaged in the trade. Just now there is no point on which to seize when advertising New Zealand mutton. Any advertisement that may be made, as things are, only helps the sale of all frozen meat alike. I do not think, however, that it would be advantageous, in face of the present feeling of the meat-traders here, for any one company to brand their meat independently of the others. That meat would certainly at once challenge opposition, and, by being boycotted, the owners would probably suffer severely. If New Zealand

mutton and lamb is to be marked it must all be marked, and, this being done, it would then be imperative that the excellence of its quality must be maintained. If branding is adopted it is unnecessary that the inspectors' signature should be applied. The "V.R., New Zealand," and the owner, would be quite sufficient, and would be a guarantee that the meat was from the colony, and that it was warranted to have been inspected and passed as wholesome by the Government Veterinary Inspector. Underneath that brand the brand of the freezing company forwarding the carcasses might be placed. It is not advisable, however, to put too much on, the simpler the brand the better; so, perhaps, it might be sufficient if each company attached, as now, labels, bearing their brand, in order to distinguish the source of origin. These are details, however, that ought easily to be arranged at a conference of the managers of the freezing companies.

Having lately written on the desirability of branding New Zealand meat it is not necessary to go very fully into the subject. I need only say that I am strongly convinced of the necessity that exists for it, and that I believe that it is not only to meat-marking that opposition will be shown by the trade here, but to any innovation that may be adopted by the producers in the colony that may be thought likely in any way to interfere with the present system of carrying on the meat trade. That trade is now running in such clearly defined grooves that any strong steps taken to alter it would be strongly resented.

Six of the sheep have been sold to three butchers, from whom I expect a report as to the opinion they may have of the marking, and as to what their customers thought of it. These reports have not yet come to hand. The remaining twelve sheep I do not intend selling at present. I shall keep them for demonstration when required. The committee of the National Agricultural Union have expressed a desire to see the brand, and I expect to arrange a meeting with them shortly, when I can show it. I also intend directing the attention of the Meat Section of the Chamber of Commerce to it. This is the body that lately laid an information against the British Farmers' Association for selling frozen mutton for English, when a fine of £40 was imposed, and to which I directed your attention.

My opinion of the brand now submitted to me is that it is an excellent one, suitable for the requirements of the meat trade, being neat, clear, and in no way unsightly or disfiguring to the meat, and irremovable except by destroying the joint on which it is placed.

I do not expect to have a better brand submitted to me, nor do I think a better is necessary. Of course, I do not know anything concerning the nature of the application of the brand in the colony and only speak of the results as I have found them.

Extract from the Produce Commissioner's Report of the 30th July, 1902.

I would again urge upon the Agricultural Department at Wellington the great necessity I consider that exists for branding the meat exported from the colony. I have been making very close inquiry throughout the country as to the result of this, and am satisfied that the objection made to it—that it would encourage prejudice and would be hurtful to the sale of the meat—is entirely erroneous. At present consumers know well—except when it is sold to them as English—from the price they pay for colonial and foreign meat that they are not receiving English, and they purchase it with that knowledge. They do not know, however, whether they are receiving New Zealand or River Plate meat, even although they may ask for the former. There is nothing to indicate this to them. A neat, clear, indelible brand placed on each of the principal joints would be a guarantee of the source of origin and of the quality of the meat supplied. Not only would a brand be a guarantee to the consumers, but it would afford a good point from which to advertise New Zealand meat. I have no hesitation, from the inquiries I have made, in asserting that, speaking generally, retailers and consumers throughout the country would welcome the introduction by the New Zealand Government of a system of meat-branding.

GEORGE BROWN, Farmer, Representative of the Upper Hutt Branch of the Farmers' Union, examined. (No. 21.)

157. *The Chairman.*] You appear before this Committee to give evidence and to represent your own opinions and those of the Upper Hutt Branch of the Farmers' Union with regard to the frozen-meat trade, and means for improving it?—I do. I am one of those who were appointed by our branch of the Farmers' Union to come here. I have not a great deal to say in regard to the matter. I have not gone into it particularly, and am in a small way only as a farmer. I have no particular grievance to complain of. Of course it is acknowledged all over the colony that the meat trade is not in a satisfactory condition—that the farmers as a whole do not get the prices for their sheep which they ought to get, and I understand that this Committee is set up to see if it can find some way of improving it. There is no doubt that this Committee has a great responsibility thrown upon it, because the question is a far-reaching one, and one which requires a great deal of thought—certainly much more than I have been able to give to it. Mention has been made with regard to the difference in prices between North Island and South Island mutton. I have been speaking to a number of South Island people who have been given me various opinions, but one gentleman in particular expressed his views as to how the difference came about, and I think he struck the nail on the head. It was about the best opinion I have heard, and it was that the North Island will never produce the same quality of mutton as the South Island while it proceeds on its present lines. He says that down South the mutton which is bred for the English market is a cross between the Merino and English Leicester, and also—which is quite true—that the South Island climate is much drier than the North Island, and has much less rainfall; consequently the grass is drier, and it goes more to improve the sheep and harden the fat than the North Island grass does. I have seen in Australia that the cattle and sheep are the same, because

the grass is dry in the summer, and the calves and young beasts carry a large amount of fat between the legs. You see large lumps of fat in a manner that I have never seen in New Zealand at all.

158. Will you give us some opinion with regard to the markets of the two Islands?—To sum up shortly, the difference is caused by the fact that there is more rain in the North Island, and when the grass grows the sheep become nearly like bullocks. My idea is that the Government ought to take the matter in hand. They should subsidise vessels and take the whole of the produce of the colony over, in the same way as we subsidise everything else. We subsidise mail-steamers, we subsidise local industries, we subsidise the navy for the benefit of the colony, we subsidise the gold-mines, the cost of mining, and I think the Government ought to do the same in regard to the produce of the country. I think it is necessary to open up markets everywhere—in South Africa, London, and wherever it is possible. There is no doubt that South Africa in a short time will be a large affair, when the people settle down and the mines are opened, and consequently there will be a large market there. But principally, I think, the Government should subsidise steamers, so that if necessary, in order to compete, we shall be able to land our produce in the markets of the world free of cost. Other countries are overrunning the world, and if we do not bestir ourselves—and we are rather late now—we shall find ourselves out in the cold. If we could send our produce away almost free it would benefit the colony as a whole, and we could compete with all other countries. I think the meat ought to be stamped and sold on its merits, and if that were done and it was graded properly we could compete with the world in our goods. The Government should take over the whole of the industry and do it themselves. The local market is the most difficult thing to deal with, because the producers cannot get the prices they ought to get; and I do not wish to deal with that very much, because I think the principal thing is our export.

159. *Mr. Field.*] What is wrong with the market here?—You do not get the prices you ought to get. There is a monopoly. The butchers and the companies have a monopoly. I will state a case to show you how the matter stands. I had some sheep to sell three or four years ago. The company here offered 6s. a head for them, which I refused. I killed the sheep myself and sold them as mutton at 2s. 6d. a quarter, and the mutton, skins, and fat of the sheep for which I was only offered 6s. realised an average of 15s. a head, so that there was a great deal of difference between the two prices. The sheep ran to about 70 lb. in weight, and in selling the mutton at 2s. 6d. a quarter I reaped an advantage; but still I think the margin between the two prices was too great.

160. Why did you not sell them to some other buyer?—There was no other buyer. 7s. was about the highest price we could get. There were no other markets, and we had to take what we could get.

161. Is it your opinion that there is a monopoly or a ring for the purpose of fixing the price of sheep?—There is clearly a monopoly, as they will not give you more than a certain price, and to me it seems that they quite understand what they will give, and that you cannot get any more.

162. You think there is a private understanding between the companies, and that they fix the price for the district?—To me it seems to be so.

163. *The Chairman.*] Your real objection is that there is not sufficient competition for your stock?—Yes.

164. Which you think would be remedied by a co-operative factory, by Government assistance, or by a central market?—Yes.

165. *Mr. Hornsby.*] Do you think if a central fat-stock market similar to that at Addington were established in the Wellington District at some convenient place that the competition which would thus be brought about would benefit the farmer?—No doubt, to a certain extent; but I think that if the Government would take the matter in hand for the whole colony, and subsidise steamers to carry the produce Home cheaply, they would realise more for the stuff than private companies would do.

166. Have you ever noticed whether the presence of southern buyers in the local market has had the effect of raising prices?—I have not sold to the southern buyers, but by the papers I notice that those who have sold say that they have had a rise in the price.

167. Has it come under your personal knowledge that your brother farmers have had the prices bettered by the presence of southern buyers in this district?—Yes, so far as they say themselves. I have not personally sold my stock to southern buyers.

168. But you know some of your brother farmers who have done so?—Yes.

169. And that when the southern buyers came into the market the companies had to raise the price?—Yes, quite so.

APPENDIX.

LIST OF LETTERS.

James Stewart, Farmers' Union, Pleasant Point.	J. Mitchell, Porirua.
Joseph Barugh, Waikato Farmers' Club, Hamilton.	William Nelson, Napier.
John Fisher, Waikato Agricultural and Pastoral Association, Pukerimu.	A. L. Hunt, Otaki.
Brun Lissaman, Kaiapoi.	J. Hurse, Cust.
George Milnes, Agricultural and Pastoral Association, Gore.	G. N. Hunt, Nelson.
	J. G. Wilson, Bull's.

SIR,—

Pleasant Point, 16th September, 1902.

At a meeting of the Pleasant Point branch of the Farmers' Union, held on the 15th instant, I was instructed to forward you the following resolution, which was carried unanimously, and which, we hope, you will bring before the Frozen-meat Committee when sitting in Wellington, of which you are chairman; viz.: "That, in order to improve the frozen-meat trade and open up new markets, the Government be asked to guarantee that if the meat companies forward two or three shipments of frozen-meat to the principal ports of the United Kingdom the same price will be secured as is current in the London market (according to grade) at the time of sale."

I have, &c.,

JAMES STEWART,

Secretary, Farmers' Union, Pleasant Point.

Mr. Buddo, M.H.R., Wellington.

SIR,—

Waikato Farmers' Club, Hamilton, 17th September, 1902.

Thanks for the invitation to Wellington *re* the frozen-meat question. I brought this subject up at our last club meeting, thinking some suggestion might be thrown out, but no one had any proposal to make, and, as I know very little about the subject, I will not come to Wellington.

There is one point which should not be overlooked, and that is insurance. It has been clearly proved time after time that a very great deal of meat supposed to be damaged is perfectly sound. The insurance companies do not care, because they charge a sufficiently high premium to cover these fraudulent claims. So long as it comes out of the producers' pocket no effort will be made to stop it. I would, therefore, suggest that all the freezing companies form a mutual insurance amongst themselves, and look to it that no unreasonable claims are paid.

Yours, &c.,

D. Buddo, Esq.

— JOSEPH BARUGH.

SIR,—

Pukerimu, Waikato, 17th September, 1902.

I have the honour to acknowledge your letter of the 8th instant, and to thank you for the invitation you have given me to attend and give evidence before the Frozen-meat Committee. I do not consider that I possess the necessary information to make my evidence of sufficient value to the Committee. Though I fatten a quantity of stock every year, and a large proportion of them are exported, yet these are always sold outright to the Auckland Freezing Company; so that I have no practical experience as an exporter of frozen meat.

For the information of the Committee, I may say that in this district during the past four years sheepbreeders have catered largely for the London market, more especially in lambs, the result being that the coarser long-woolled rams are unsaleable, while the Leicester, Shropshire, and Southdown rams are freely used to cover the various breeds of ewes. As this course of breeding is very similar to that pursued in the South, uniformity of product should result; and a careful culling out of inferior animals will, it is hoped, materially raise the values.

The general committee of the Agricultural and Pastoral Association yesterday appointed me to represent the association before your Committee, but no evidence has been furnished for your information. I trust that the above statement will be a sufficient excuse for not accepting your invitation.

I have, &c.,

D. Buddo, Esq., M.H.R., Wellington.

JOHN FISHER.

SIR,—

Kaiapoi, 19th September, 1902.

Replying to your inquiry of the 8th instant *re* frozen-meat trade, I suppose the point to be considered will be the price obtained for stock here. The best assistance the Government can give will be to reduce the rate of railway-carriage, which might be done without loss, as the extra amount carried would make up the deficit. In Canterbury the competition is so keen that the farmer gets the full value of his stock, and often a little more; and I do not see why it should be different in the North Island, where, if the grower is not satisfied with the prices offering, he has every facility to ship on his own account.

With respect to bringing the output under one control, I think that is a matter that must be brought about in England. There is too much British capital in the trade to allow a colonial scheme to work successfully, at any rate, until a costly trade war had been fought over it; and before that was over I am afraid the farmer would be praying, "Save me from my friends." If the firms interested in the trade were to form a combine there might probably be some good done, but it would be mostly for themselves, and there would be the same cry against it as against the Millers' Trust here and all and sundry combines elsewhere.

With respect to more ports for delivery, it has always appeared to me that, with the great amount of energy and enterprise, and the unlimited capital in Britain seeking openings, if there was anything in it it would have been started long ago. I fancy that those in the trade must find it more economical to work from one centre.

I think the less the Government interfere with the industry the better for every one concerned. If they take a hand in it it means well-paid billets for a lot of men to do no good, and the farmer must ultimately pay for it. Take, for instance, the present inspection. The companies have to pay the Veterinary Inspectors. What benefit do they get? I should say, none. What benefit does the public get? Very little. If at Belfast or Islington you had a dozen Inspectors they could not thoroughly inspect every animal, and the ones they do not see are as likely to be wrong as the ones they do.

If the Government are in earnest to assist, let them start where they can do some good—in reducing freights. If a truck is wanted for five or six miles it is 15s.; too much. The stock goes by road in hot weather loses weight—a loss to owner, a loss to the railway. Take Rangiora—15s. to Belfast; thousands of fats go by road when they ought to go by rail at half the money, and pay both parties. Also, the railage to port ought to be greatly reduced, though that is more a Canterbury grievance.

D. Buddo, Esq.

Yours, &c.,

BRUN LISSAMAN.

SIR,—

Gore, 22nd September, 1902.

In reply to your letter of the 6th September, I have not had sufficient experience of the frozen-meat trade to give your Committee any information that would be of much use to them.

I think something could be done by the agents at Home combining to regulate the price according to supply and demand, and save one agent underselling another. I also think some reductions could be made in the railway freight, so as to land the meat on board steamers at as low a rate as possible consistent with paying a fair return to the railways.

Hoping your Committee will be able to do something to improve the frozen-meat trade.

Yours, &c.,

GEORGE MILNES,

Chairman, Agricultural and Pastoral Association, Gore.

Mr. Buddo, the Chairman, Frozen-meat Committee.

SIR,—

Porirua, 24th September, 1902.

I cannot attend to give evidence before your Frozen-meat Committee; but I will write you a few lines about the difference of the price of stock of the North Island compared with the South Island. It is an undeniable fact that the sheep in the South are worth 5s. to 6s. more than in this Island. They may be the same weight and quality, but still the difference exists. I am breeding lambs from half-bred Merino ewes and Southdown rams, and I can make them any weights from 30 lb. to 50 lb., and they are worth 10s., and in the South Island they are worth 15s. to 16s. each to go to the London market. We are as close to the London market as they are in the South Island, and should have as good appliances for freezing and sending to London as they have there; but still we cannot get the same price, because we are in the hands of two or three large companies that give every man the same price, no matter what the quality is. The man that goes to the expense of breeding and feeding to make good quality gets nothing extra for his trouble, and the companies get the benefit of his labour. This is a mistake that wants remedying. Every man should be paid according to the quality of the stock he produces.

You might ask the question, "Why don't you ship to London on your own account?" I may tell you you cannot get away from the monopoly by doing that, as the agents at the other end have more interest in the companies than the farmer. I have known a farmer's consignment of five hundred lambs landed in London when lambs were selling for 6d. per pound. It was held there for two months, and was sold for 4d. per pound, which made about 6s. a lamb difference, so we are in bondage in every way we move. I hope the Committee will try and relieve us of this bondage.

Yours, &c.,

Mr. Buddo, Chairman of Frozen-meat Committee.

J. MITCHELL.

SIR,—

Tomoana, Hawke's Bay, 22nd September, 1902.

Mr. Field asserted at my examination before the Frozen-meat Committee that "there was only $\frac{1}{4}$ d. difference between the cabled value of Canterbury and North Island mutton." I find on reference to my chart that for nine weeks last year the difference was 1d., for four weeks $\frac{1}{4}$ d., and

the average for the year £d. , or 3s. 3d. per head, which, with additional value of wool and fat, would make a total difference between North and South of between 6s. and 7s. The above figures may perhaps interest your Committee.

Shipments afloat to-day are 175,000, against 1,000,000 in April and 875,000 in August. A month hence there will be practically "no afloats," and for another month still practically none, with very few in December; thus for three months there will be a famine. This seems to indicate that freezing-power does not want increasing much at present.

Thomas Mackenzie, Esq., M.H.R., Hotel Cecil, Wellington.

Yours, &c.,
W. NELSON.

SIR,—

Otaki, 20th September, 1902.

Herewith I send you copies of resolutions passed at the last meeting of the Otaki Branch of the New Zealand Farmers' Union. I trust you will be able to act as delegate in terms of the first resolution.

The second resolution is intrusted to your care for presentation to the Select Committee of the House as a recommendation from the local branch.

Yours, &c.,
A. LEIGH HUNT, Secretary.

Mr. J. D'Ath, Otaki.

Resolution 1.—"That Mr. J. D'Ath be appointed a delegate to give evidence before the Select Committee of the House *re* the meat industry."

Resolution 2.—"That the Government be asked to grade and mark all meat leaving a New Zealand port; to build cool-stores in London and other places; and also to appoint Government agents to put the meat-market in England on a better footing."

SIR,—

Christchurch, 27th September, 1902.

In giving my evidence I omitted stating why the Wellington Meat-export and other companies in the North Island preferred the heavy sheep, and I objected to them.

In Canterbury our firm freeze at Belfast, who are not buyers of stock, but simply put through the works sheep on owners' account—those that are suitable for export only—whereas the companies in the North Island have the run of numerous butchers' shops to which anything that is not fit or suitable for export is made the most of; therefore the heavy sheep are more profitable to them for that, or probably any other purpose, than lighter sheep.

I was in error when I stated that our firm did not place our registered brand on North Island stock; we certainly placed our brand on the prime Wellington Meat-export Down lambs, but not on others.

I forward you our three tags: (a.) Prime Belfast mutton and lamb. (b.) Others than Down Wellington Meat-export and Napier; also mutton. (c.) Wellington Meat-export prime Down lambs.

Yours, &c.,
J. HURSE,
Chapman and Hurse. •

The Chairman of Committee on Frozen-meat, &c.

Kilbirnie, Wellington, 26th September, 1902.

MR. CHAIRMAN AND GENTLEMEN,—

As a delegate and a sheep-farmer from the Nelson District I beg to state that we have for many years past been situated in rather an unfortunate position with regard to the frozen-meat industry of this colony.

I will take you back to the eighties. In those days freezing-works were erected in the Marlborough District, some hundred to a hundred and fifty miles distant from the various parts of the Nelson District. That company placed buyers amongst us, and paid fair prices for our sheep and lambs. These sheep had to be driven the distance I have just mentioned, and by the time they reached the works they were much reduced in weight and quality. Therefore the company withdrew the buyers, thinking it unwise to continue. This left us almost without a market for our surplus sheep. However, this seemed to arouse the farmers to their own interests, and an attempt was made to establish works for ourselves, but what with want of capital and insufficient numbers of sheep guaranteed the project fell through, and we again had to depend upon our own local market, and the mining towns of Greymouth, Reefton and Westport, for the consumption of our mutton. The Christchurch Meat Company, having erected up-to-date works at Picton, last season placed a buyer in the various parts of our district, and once again brought a market to our doors, for which I and many of the Nelson farmers feel very thankful. But I, sir, speaking for myself, will say that feeling thankful is not feeling satisfied. Last season the said company paid us during the months of February, March, and April, 10s., and during the months of May and June 11s. to 12s. per head for sheep, and 9s. 6d. to 10s. for lambs during the same period.

The Nelson sheep are chiefly Romneys bred up from Merinos and intermixed with English Leicester and Down blood, and, though a breeder of Romneys myself, I will say they are not the best class of sheep for freezing. The company shipped to Picton last season eight thousand sheep

and lambs of this class from the Nelson District. Now, gentlemen, the majority of our store sheep, some twenty to thirty thousand, are purchased by Messrs. Bisley Bros., prices, 5s. 6d. to 7s. 6d. for two-tooth wethers and maiden ewes, and 6s. for good-mouthed ewes; these sheep are driven overland *via* the Tophouse and Tarnedale to Canterbury, sold again to dealers, and retailed out again to the graziers, fattened, and placed upon the Christchurch market, and I am told on good authority realised in that market 14s. 6d. to 16s. 6d. per head. Now, sir, comparing the Christchurch prices with the Nelson prices for these fat sheep seems unsatisfactory. Allowing the Christchurch-Nelson sheep to be better topped, off, and adding the freight to Picton—9d. per head—on to the Nelson sheep, in my opinion, the prices on the almost same sheep (and probably purchased by the same company) in the two markets vary too much—that is, Nelson, with freight added, 10s. 9d., 11s. 9d., 12s. 9d.; Christchurch, 14s. 6d. to 16s. 6d.

While speaking with every respect towards the Christchurch Meat Company and feeling thankful to them for what they have already done for us, I will say the Nelson sheep-farmers are too much at their mercy—that is to say, whatever they offer us we are almost obliged to accept, no matter what the quality may be.

I will not dwell much upon the North Island sheep, but think the same trouble exists there as with us, and to cut it short will say there is more difference in the prices of the two markets (Christchurch and North Island) than there is in the quality of the sheep.

In conclusion, gentlemen, as a sheep-farmer I must thank your Committee, and also the Government, for the attention you are giving to the frozen-meat industry of this colony.

I am &c.,

G. N. HUNT.

The Chairman, Frozen Meat Industry Committee, Parliamentary Buildings, Wellington.

SIR,—

I have been asked to attend before your Committee to give evidence *re* frozen meat, but am unable to do so owing to want of time; but I write the following, which, if you think it worth while, you may add in the evidence. I do not speak as an expert, but I take rather a different view from most of those published views of North-Islanders *re* the question of North *v.* South prices.

The South has many advantages over the North, and has taken full advantage of them. The first point of advantage is the breed of sheep. Because of the fact that when the frozen-meat business was first started both the West Coast and Napier were rather isolated, and from other causes, we (speaking as a West-Coaster) could not take full advantage of the enhanced value given to fat sheep by the new trade; we could not get them to market; the result being that we continued to grow the sheep best suited to our district for growing wool. In the South the railway was an important factor in concentrating the output of the fatteners.

The basis, I take it, of the best frozen sheep has been proved to be the Merino. In the North we had no Merino country to fall back upon to draw our source of breeding-ewes from. In the South the back country provided the Merino, the higher downs provided the half-bred; and these, being bought by fatteners, were turned off to the factory, or sold in the sale-yards for some one else to freeze, and with the result that an ideal sheep for the English market was produced. Gradually the lamb trade in the South took the place of the wether and maiden-ewe trade, the basis being the same, only the maiden ewes, instead of being frozen, were bred from by those who went into the trade; and again an ideal lamb was the result. Five minutes in Smithfield Market would convince the most sceptical on this point, the short shank and leg of the Canterbury sheep showing its superiority over the North Island sheep at a glance.

While therefore the North Island was still breeding the Lincoln and Romney, those in the South Island were using the Leicester and Downs.

The next point—the system of sale—is also against the North Island breeder. In the South, the Addington yards (I speak of Canterbury as the largest exporter) sold the greater part. The disastrous result to many small farmers of shipping their own sheep (some years ago) no doubt conduced to the system of taking a market price, and leaving the rest to others. Then buyers soon sprung up, either as agents for others or on their own account; and these being good judges, and knowing exactly what they wanted, were able to differentiate between the various pens offered. If one is not so prime as the first pen, or not so suitable a weight, the price paid was not so good. Yet the owner would no doubt have to be satisfied, because he has an opportunity of seeing for himself that his pen was not so good as his neighbour's. This must have had a most important educational effect on the sellers.

In this Island all this is wanting. There being no such centre as Christchurch, the companies soon found that they had to institute a different mode of purchase. They employed buyers who purchased on the farms, and took delivery there, taking all responsibility from that moment. One owner perhaps, hearing that his neighbour got a little higher price, would be dissatisfied, not having seen the sheep together, or being able to compare their quality. The disastrous prices netted by those who shipped on their own account soon drove them to sell in preference, and the companies were forced to buy, or their works would be empty, more or less; therefore, it was impossible to differentiate between different sellers, and the same price had practically to be given to all, and the price lowered to allow for an average. The companies did not therefore in any way act as educators. They took what they wanted, and those who attempted to grow a better sheep were disappointed when they found their efforts met with no response in the way of better prices for a superior article. There was not a sufficient quantity of the improved grade to warrant the higher prices—

so said the companies. Owners had therefore to be content with breeding for wool alone, and taking the best price they could get for their fat stock.

Certain sheep-breeders, however, who were in a large enough way, continued to breed superior freezing-sheep, and shipped on their own account with satisfactory results.

Crossbred wool fell in price, and sheep-breeders, especially in the bush country, turned to something that seemed more profitable. Taking a leaf out of Canterbury's book, they used Leicesters and Downs. But superior grades are not to be built up in either one or two seasons, and prices were not so satisfactory as those reported from southern markets. Some of the more enterprising sent some sheep there (and it is needless to say they would not have done so unless these were good sheep) and reaped a profit, causing greater dissatisfaction amongst those who had not. There are many factors, however, which I need not go into, and which are probably better known to others, which discounted these experiments.

The next point of advantage the South has is its climate. Except in Napier, which is usually dry, the North has a greater rainfall, and sheep do not fatten so well where there is much rain.

The system is not the same either. The southern breeder has, as I have pointed out, an inexhaustible supply of suitable ewes for breeding, although an enhanced price has to be paid for them. But as soon as he thinks they should go he fattens them off and buys others. Selling all his lambs, he lightens his winter stock, giving a better chance in the spring to the lambs with their mothers.

With all the disadvantages I have named, I am convinced that we in the North Island, with proper care, can turn out as good a sheep and lamb as those in the South, but we have much to learn. On bush farms year by year more winter feed is grown, and wonderful crops of rape and turnips result after stumping a piece of land. In the open land our system of farming is rapidly assimilating itself to that of our southern neighbours, and although we can probably never grow as heavy crops of turnips, yet we can grow enough.

The disadvantage of having no central market could be got over by companies paying so much per pound on certain grades. But there is no doubt that central yards would be preferable. I am aware that many people in the South sell to exporters on the ground. But they have always the safety-valve of the central market if they are not satisfied with the price offered. Here we have not that.

When I say that we can grow as good sheep as the Southerners, and fatten them as well, I have in my mind a neighbour who had 25 acres of rape and 25 of turnips, on which he turned off, I think, nearly eight hundred lambs and thirteen hundred wethers, averaging a little over 10s. for the lambs and 14s. for wethers. This may not be up to Canterbury prices, but are net values.

I may say I am not now a shareholder in any company (I regret that I sold my interest in one, as I think that farmers should hold the predominating power in all such companies). I can, therefore, speak from a disinterested point of view. Though some years I have gained by shipping lambs myself, yet this year I have lost by doing so, and, so far as I can remember, I would always have been a gainer by accepting the companies' price for wethers. This does not prove anything, because, shipping as I do in a casual and small way, my shipments would not have the advantage of those in a large way with a known brand and who are regular customers of agents in London. But I cannot say I have any complaint to make of the way the companies have done any business I have given them. Naturally, I should not be averse to get a better price if possible.

I am not, however, satisfied with the system, but that is very much in our own hands. A combination of shippers, I am satisfied, would do much to remedy this. I believe the companies are all quite willing and even desirous of freezing on owners' account. An association of shippers pooling their sheep—if they could be got together—would give owners a much better return than shipping alone. If owners agreed to form a company for a year, say, as an experiment, freeze their fats under contract, and ship under a special brand of their own, on the freezing company's grading, sell partially c.i.f. and sell the balance in London or the provinces through one agent, they could then see how the market would pan out for them. They could afford to send some one to report, and the agent, with the prospect of a good customer, would take especial care of the shipments. Prices would be regulated by the sales for the month for each of the grades. There still remains, however, those who would not join, and perhaps it would be more satisfactory to the owners if companies would give a price per pound for each grade. There are many difficulties in the way of carrying out the above, which I need not enumerate here; but these could be got over with experience.

A point I should like to mention also is Government grading. I am aware the companies do not favour this, and, as they have expert knowledge, one is diffident in offering an opinion. But I cannot help thinking that, as the result of experience in the butter trade, so in the meat trade the Government brand would have a good effect. If an indelible brand were put on the carcass that, as far as that locality was concerned—flax is so graded, viz., Wellington, fair quality; or Auckland, first quality—the carcass was prime, or first or second quality, it would be an advantage. An unprejudiced person whose position depended on his impartiality and accuracy, branding for quality only, notwithstanding the company's grade, would be an additional guarantee to the buyer. It would be sold as ——— Company's A, B, or C grade (Government), prime quality. In the butter trade there was friction at first; latterly, I understand, this is gone for the most part, and I am certain it has been an advantage. It is urged that mutton is different from butter, and one is forced to admit that it is so; but gradually the Government brand would become recognised by the buyer (always provided that it was properly conducted), and to the shipper it would be an advantage, for if his sheep were not classed prime by the Government Grader, he would try to make them so.

I may relate how grading has benefited one butter company. When they started they were quite satisfied with their manager and their butter. Government grading was established, and the company found their output classed second grade. The manager made excuses and doubted the grading, but the directors said, "If the butter is not classed as first grade we must get some one else to make it so." This had the desired effect, and the factory has been a great success. Now managers are practically graded as to capacity according to the Government grade of their butter. This probably is not strictly an analogous case to that of mutton, but if the owner found his carcasses were not classed as prime he would either have to make the next lot prime or else suffer a loss. In the case of associated shippers something of this kind would have to be adopted to insure a negligent owner not benefiting at his neighbour's expense. The companies, if they bought per pound, would with the Government grade be less liable to suspicion on the part of the seller. No doubt the companies would do it as well as the Government Grader, but would it have the same effect as an impartial authority? There is nothing like discussion and publicity to solve these difficult questions, and this must be my excuse for writing at such length; and I think the Committee will serve a very good purpose (if the evidence is published) in getting a consensus of opinion on such an all-important matter to the welfare of the North-Islanders.

I have, &c.,

JAMES G. WILSON.

The Chairman, Frozen-meat Committee, House of Representatives.

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