

have again been through the return of meat sold by the London Produce Company. During January and February the total amount of New Zealand meat on behalf of the Board of Trade was 71,089 mutton and 303,877 lamb, and of this the London Produce Company handled 16,429 mutton and 57,492 lamb, equal to nearly 20 per cent. During March and April the total amount sold for the Board was 32,283 mutton and 121,112 lamb, of which the London Produce Company sold 5,171 and 17,391 respectively, equal to 14·6 per cent. It does not seem, however, that out of the amount sold by them the L.P.C. are yet supplying any undue amount to the Americans. In January and February, out of their total amount of mutton and lamb the Americans got about 1·3 per cent., and in March and April this had fallen to 2·16 per cent. Out of the total amount of meat released by the Board of Trade during January and February the American firms (Armour, Morris, and Swift) received together 1·74 per cent. of the mutton and lamb, and in March and April they got from all sources equal to 1·8 per cent. I have also been through the nominations up to the 'Ruapehu,' which left New Zealand in March. My figures run from the 'Somerset,' leaving New Zealand in April, 1916, and from then to the 'Ruapehu,' the seventy-four steamers had carried 5,467,706 mutton and lamb and 702,648 quarters beef. Of these quantities the London Produce Company had been nominated for 698,736 mutton and lamb and 39,417 quarters—i.e., 12·7 per cent. and 5·6 per cent. respectively. I note that Sims, Cooper, and Co. have offered to put all facilities in the way of investigation, but I think one could make quite sure that having done so they will take care there is nothing to find out."

27. *Right Hon. Mr. Massey.*] They made that offer to me?—They approached me in New Zealand, and I referred the matter on to the Minister.

28. *Mr. Pearce.*] Is it not rather peculiar that there is only that small percentage that goes to the meat firms—1 per cent.?—Yes, that is so.

29. The percentage of meat released seems to be very large to that company?—They are very large buyers. I have not in my possession any figures showing the quantity they have put through the different works. They have been buying pretty heavily in the North Island this past season, but we could possibly get from the Imperial Supplies Department figures showing the payments made to Sims, Cooper, and Co. I think there is a system under which they are paid direct, but it does not follow that that covers the whole of the meat they bought. When putting small quantities through the works they may have been paid through the company, and the money passed on. It would be possible, of course, for the Committee to obtain from the different freezing companies the quantities they have put through for this firm. But the position seems to me to be this: that there is a very general belief that they are associated with Swift and Co. There is no proof that they are, but the people will continue to believe that they are so associated until the contrary is proved.

30. *The Chairman.*] You referred to the firm of Morris and Co.?—I have no knowledge that they are doing any business in New Zealand at all. They no doubt handle a certain quantity of New Zealand meat in England, but they may buy in the ordinary way; but the two companies with which New Zealand is most concerned are Armour and Co. and Sims, Cooper, and Co.

31. *Mr. Forbes.*] What about Borthwick and Co.: they are pretty large holders?—Yes, they are British. I have no knowledge of their joining the American combine. As I told the Committee just now, I communicated with all the freezing companies and asked them if they were going to kill for Armour and Co., and Borthwick and Co.'s reply was that they were not killing for Armour and Co., and did not intend to do so. There was a report current in New Zealand some two or three years ago that Borthwick and Co. were associated with Armour and Co., and were acting for them, but there was no proof of it. They have always been looked upon as being a purely British firm. They might have sold a certain quantity of meat to Armour and Co. in America, but it does not follow that they were associated with them. They were simply selling their meat to people who would buy it. One of my officers handed me a letter he received from a storekeeper in the United States, in which he spoke very highly of some of the New Zealand meat he had sold. He said he had bought it from Armour and Co., and he sent out a tag which had been attached to it showing that it had been bought by Armour and Co. from Borthwick and Co. There is, of course, nothing in that, because Borthwick and Co. were buying meat and at the time shipping to the United States. The great danger is that many firms will either have to join the trust or go out of business altogether. The trust firms have such a large capital that they can practically ruin any competing firm if they wish to do so.

(At this stage the examination of witness was discontinued to enable the Right Hon. Mr. Massey to make a statement to the Committee.)

CHARLES JOHN REAKES further examined.

32. *The Chairman.*] Will you now continue your statement to the Committee?—Well, gentlemen, I have already covered the ground fairly well. As regards the operations of Armour and Co. and Sims, Cooper, and Co. in this country, and as regards the general principles of the business, I have endeavoured to largely show the position in this report, copies of which you have, and it is unnecessary that I should traverse all that ground again; but the one underlying point in my mind is this, that the incoming of American meat companies into New Zealand constitutes one of the most serious matters that has ever confronted the New Zealand producers. We know their history in the United States. I gave an extract from the United States report, and we know their policy is to eliminate competition, and summed up it is calculated to squeeze the producer at the one end and the consumer at the other. That is the crux of the whole thing, and I am quite satisfied that the right thing to be done in New Zealand is to get such control over the meat-export trade as to prevent any possibility of that happening at this end, and at the same time get the co-operation of the Imperial Government to exercise control at the other end; because it is no use our working at this end if nothing is done at the other, our marketing end.