

*Witness* : Yes.

*Mr. Skerrett* : Is it not a fact that from the time the Government commandeered meat ceased your company was in trouble ?

*Witness* : No.

*Mr. Skerrett* : When did the commandeering cease ?

*Witness* : In 1920.

*Mr. Skerrett* : Have you got your balance-sheet for 1921 ?

*Witness* : I am not a director.

*Mr. Skerrett* : But you are a shareholder ?

*Witness* : Yes.

*Mr. Skerrett* : I ask you whether you have your balance-sheet for these branch works for 1921 or later.

*Witness* : No. In fact, I did not come prepared for that. I thought the freezing-works would be represented here.

*Mr. Skerrett* : I suppose most of these farmers are shareholders in your company ?

*Witness* : It was very widely subscribed to by the farmers.

*Mr. Skerrett* : And they prefer selling their fat stock to freezing and consigning ?

*Witness* : Yes, because they do not regard the dividend as of much consequence.

*Mr. Skerrett* : Yes, because the dividend you are likely to pay is of very small consequence. So that the bulk of the farmers in the district around your works are better suited in their business by the methods of Vesteys and others in conducting their business ?

*Witness* : Insomuch as they are able to get cash. But how long would that continue ?

*Page 255.*

*Mr. Skerrett* : If the prices are not suitable, can they not always freeze on consignment ?

*Witness* : No, because the keystone of the whole thing is that the freezing-works control the position.

*Mr. Skerrett* : Do you not know that the export license of a freezing-works is renewable from year to year at the discretion of the Minister of Agriculture ?

*Witness* : It has been found in the Argentine—

*The Chairman* : We are not here to hear about the Argentine, Mr. Duxfield.

*Witness* : I was going to say that it has been found in the Argentine that unless you control the freezing-works the farmers are powerless. They simply close down the works.

*Mr. Skerrett* : We are not dealing with conditions in the Argentine. I want to point out that the Minister of Agriculture can, under our statutes, refuse a meat-export license or a meat-export and slaughtering license if he is not satisfied with the manner in which the business is conducted. Our laws require that the freezing-works business shall be conducted to the satisfaction of the Minister of Agriculture.

*Witness* : You can have all those safeguards, and they will be absolutely useless if the freezing-works are in the control of vested interests.

*Mr. Skerrett* : Are there any farmers' co-operative freezing-works which are successful in paying a dividend ?

*Witness* : The Auckland Farmers' Company.

*Mr. Skerrett* : There are many others in the Dominion ?

*Witness* : Those which have been run on the same lines—Hawke's Bay, for instance. That is paying for the reason that it did not traffick in meat, and when the slump came it had nothing to lose.

*Mr. Skerrett* : There are nevertheless many co-operative freezing-works which are quite successful ?

*Witness* : Yes. A good many have been closed. Eight or nine are now closed.

*Page 256.*

*Mr. Skerrett* : I understand, therefore, that the only remedy for the difficulty which your branch works find itself in lies in a radical alteration of the system of freezing businesses in New Zealand ?

*Witness* : Yes.

*Sir John Findlay* : I was not there when the major portion of this witness's evidence was given. I have only one or two questions to ask. You suggest, Mr. Duxfield, that the number of freezing-works which came into existence during the war was due to the urgency of the Government ?

*Witness* : Largely. They made it easier for the farmers to finance storage. Freezing-space, of course, was required.

*Sir John Findlay* : You do not say that the Government was responsible ?

*Witness* : The farmers were placed in this unfortunate position through their endeavours to meet the Government's requirements for more cold storage during the war.

*Sir John Findlay* : I have the assurance of Dr. Reakes that in no case were the farmers urged to erect additional works. All that they were urged to do, in their own interests, was to erect additional storage space : is that correct ?

*Witness* : Yes.

*Mr. Lysnar* : You said that Vesteys are buying stock in the paddock : is that the usual way of the other freezing-works ?

*Witness* : The Auckland Farmers' Freezing-works does not traffick in sheep in the paddocks.

*Mr. Lysnar* : They do not buy stuff on the hoof ?

*Witness* : No. It is contrary to the policy laid down when the works were established.