

"We have had the evidence of Mr. Husheer, and he has stated that after fifty years of experience in the tobacco business he could not think of any leaf that would cost 49-1d. at port of export in America?—Well, I have seen leaf at over a dollar a pound in America before you start redrying the strips, or blending, or anything.

"Would that be as sold by the grower?—Yes. And it was nothing unusual to pay 75 cents a pound.

"*Mr. Barnard.*] That high-class tobacco at 75 cents: would that be used specially for cigarette purposes?—Yes, high-class cigarette purposes. Sometimes it is used in high-class wrappers.

"*The Chairman.*] Have you known tobacco to be as costly as 4s. 1-1d.?—More than that. A dollar a pound is 4s. 2d.: I have seen it sold for a dollar a pound green.

"That leaf you have had a look at was landed in New Zealand for 1s.?—That is very cheap."

According to Mr. S. F. Brame, the figures forwarded to the Committee by Mr. Smith do not represent the true f.o.b. price, nor could much weight be attached to such prices ex New York:—

"*The Chairman.*] Would you say that blending is a process of manufacture?—It has already gone through it.

"Would you say that stripping was a process of manufacture?—Yes, it is the first thing in manufacture.

"Regarding blends, do you know if there is much blending done in New Zealand?—I think the National Company do so.

"What about the other people?—They did not do any when I was with them.

"Where was it done?—In Richmond, Virginia. I say five hundred cases, not two cases, would weigh the same.

"This is the statement of the managing director of W. D. and H. O. Wills: 'As to question 4, we do not import this tobacco by grades, but in blends, and it is therefore not possible to give prices by American grades, but it may be classified in seven main qualities, for which the prices f.o.b. New York are as follow How much tobacco is exported from New York?—A small quantity. The exports from Virginia now are more than from any other place.

"Can you tell the Committee from which port most of the manufactured leaf comes?—From Newport News, I think. That would be the nearest shipping-point. Why should they have to ship it to New York and ship it down again?

"You say the price at Newport News would be the best possible price to this country?—Yes; it is wherever the warehouse is, and most of the tobacco companies have their own warehouses. Some might be in Newport News and some in Port Smith, but they would be mostly together. Some have warehouses in one place and some in another, but Newport News is where the majority of them ship from. They used to ship from New York, but the railway company got to them and offered them better rates.

"The statement from W. D. and H. O. Wills goes on, 'Z, 49-1d.' and says, 'it may be classified in seven main qualities': would 49-1d. be a dear blend or a cheap blend?—It would be about four times what it would cost on the market to buy it.

"*Mr. Barnard.*] That is the blend for cigarette purposes?—Yes.

"*The Chairman.*] Do you know anything about the quality of the tobacco that goes into 'Varsity' cigarettes?—Yes.

"Would you pay 49-1d. for that?—No.

"What would you pay for it?—On the market, not more than 10d.

"The next one is 'Y, 39-3d.': would that be an exorbitant price also?—It looks like it.

"The other grades are: 'X, 34-3d.; W, 39-1d.; V, 28-7d.; U, 25-8d.; and T, 18-1d.' Regarding all these blends, what would you like to say as to the prices?—It would cost about 10d. to buy it and another 10d. to put it on c.i.f. anywhere in the States.

"That would be the best of them?—Yes; you could put it on the wharf in any of the States no matter where the ship was, and the freight would be added."

Mr. R. B. Smith, general manager, was re-examined on the figures presented by him:—

"*The Chairman.*] Regarding the purchase of leaf, what is the name of the company you have bought from outside New Zealand?—The British-American.

"You buy through that company; what company do you buy from?—We buy direct from the British-American.

"Are you quite certain about that?—They buy, so far as I know, from the Export Leaf Tobacco Co.

"Do you know whether they are a subsidiary company of the British-American?—Probably they are.

"Regarding the price you pay for leaf, how is it you pay such big prices? The lowest quoted in your letter is 1s. 6d. at the port of export?—Yes.

"How is it another company in New Zealand can buy that leaf for 10d.?—I do not know. I take it they are buying an inferior leaf.

"We have had the leaf here, and Mr. Gracie gave the price for it as 2s. 1d., Mr. Lowe's price was 1s. 6d., and it was bought for 10d.?—I do not know how he gets it so cheap. He is buying very well.

"Would it not be possible that your company in America is charging you more than the market value of the leaf?—Not on that leaf.

"What do you use your 49d. leaf for?—That goes into cigarettes.

"What cigarettes?—That would go into 'Players' so far as I know; but there is more than the market value in that.