

The discussions between the United Kingdom and the New Zealand Governments in regard to the meat contract for the 1940-41 season (the second year of war) were protracted, and although the terms of the agreement ultimately reached differed little from the agreement for the first year of war, there was a considerable reduction in the quantity of meat which the United Kingdom Government ultimately agreed to purchase. The uncertainty of the position in regard to shipment of meat from Australia and New Zealand as revealed in the exchanges with the United Kingdom Government led to a visit to New Zealand by a delegation from Australia comprising the Hon. H. L. Anthony, Assistant Treasurer and Assistant Minister of Commerce, and Mr. A. C. Fiskin, Chairman of the Australian Meat Board. The discussions on the export meat situation as affecting both countries resulted in a joint approach to the United Kingdom Government for a basis for contracts upon which the meat-production policy in Australia and New Zealand could be determined.

The agreement finally completed between the United Kingdom and the New Zealand Governments for the 1940-41 season (the second year of war) provided for the purchase of 248,000 tons of meat shipped or unshipped from the production year ending 30th September, 1941. The general conditions of the agreement, including shipment and payment procedure, remained unaltered. Purchase-prices were unchanged except for minor alterations in regard to certain types of baconer cuts and boned meat. The full range of f.o.b. meat-prices payable by the United Kingdom Government is shown on page 14 of the parliamentary paper H.—30B, 1940.

It is estimated that the total quantity of meat lifted (and thus sold to the United Kingdom Government) during the 1940-41 season will be 265,397 tons, and that the carry-over of meat for export at 30th September, 1941, will be 78,000 tons.

PURCHASE AND SALE PROCEDURE.

During the early part of the 1940-41 season the normal arrangements for purchase of meat for export were continued by the Marketing Department, but in January, 1941, the North and South Island Freezing Companies' Association expressed concern about their position in regard to the buying of fat stock, in view of the published reports about shipping space likely to be available for meat, and the arrangements with the United Kingdom Government about the 1940-41 season's meat-supplies. A letter addressed to the Primary Industries Controller by the association stated, *inter alia*, that "the companies feel that they cannot continue buying and paying for the new season's meat without some definite understanding with the Government as to their position in regard to payment, storage charges, quality claims, and weight claims. It is proposed to hold a meeting of the freezing companies and exporters on the 29th January, and it is hoped that your Minister will be in a position at that time to discuss with the trade the terms and conditions proposed to meet the new circumstances so that they may be in a position to make arrangements for continuity of buying from the producer. From the information available to the companies at the moment it would appear that the majority, if not all, of the exporters will find it impossible to continue operating on the present basis beyond the end of this month."

In view of this statement by the freezing companies and exporters that they could not continue to purchase stock from the producers, the Government called a conference of the representatives of all interests, and the Minister of Marketing announced the decision of the Government to give a guarantee of purchase which would enable meat-buying operations to continue. The whole position was examined, and finally, in March, 1941, the Government announced that it would purchase all meat killed for export during the 1940-41 season. The terms of this purchase arrangement were accepted as constituting agreement between the freezing companies, the meat-exporters, the Meat Board acting on behalf of the meat-producers, and the Government, and they were embodied in a letter addressed by the Minister of Marketing to the President of the North and South Island Freezing Companies' Association as follows:—

"With reference to my letter of the 4th instant and your reply of the 17th idem, the suggestions made by you have now been discussed between you and Mr. Rowlands representing the freezing companies, and Messrs. Cockayne, Duncan, and Reid, and I understand that agreement has been reached on the points raised. The terms, which are accepted as constituting agreement between the freezing companies, the meat-exporters, and the Meat Board acting on behalf of producers who have their meat killed on their own account, as vendors, and the Government as purchaser, will therefore be in the following terms, and this letter will be in substitution for my letter of the 4th March:—

- "(1) The Government agrees to purchase all meat and edible offals killed and passed for export during the 1940-41 season ending on the 30th September, 1941, of the types, at the prices and on the conditions contained in the now current Marketing Department Prices Orders and circular letters of instructions.

Payment will be made as follows:—

- "(a) All meat shipped within six months of killing will be paid for f.o.b. under the provisions of the now current Meat Marketing Order, Price Orders, and Department's circulars, less any amounts previously paid by the Government on account of that meat.