

With regard to the second portion of the question, which relates to the effect upon the operations of municipal abattoirs, the Commission noted the following points from the evidence submitted :—

- (i) The abattoirs are now handling a smaller percentage of the domestic kill.
- (ii) The facilities at abattoirs have not kept pace with those of export houses.
- (iii) The butchers have certain advantages in dealing with export houses—*e.g.*, in procuring offals, and broken meats, &c.
- (iv) The grading for local market was stated to be less strict in export houses.
- (v) The export houses have the advantage of revenue from processing by-products.
- (vi) The domestic trade is only a small part of the export houses' business.

These factors have contributed largely to a decline of the abattoir system, and, unless countervailing factors intervene, will probably put the finances of abattoirs in a difficult position.

A majority of witnesses, including representatives of the Master Butchers' Federation, of certain district farmers' organizations, and of the Stock and Station Agents' Association, were against the export houses acquiring a complete or a partial monopoly of killing for the domestic market. Representatives of the Municipal Association advocated that all killing for the domestic market should be brought back to the abattoirs, though they admitted that considerable extension and improvements of abattoir facilities in some districts would be necessary to enable this to be done. The Municipal Association's case was based mainly on the contention that the obligation to erect abattoirs had been placed on municipalities by law, that this obligation had involved them in heavy capital investment for the benefit of the local meat trade, and that it was inequitable that, through competition of export houses, this investment should be endangered.

On the other hand, the Freezing-works' Association and some other witnesses strongly opposed the suggestion that municipal abattoirs should be given a monopoly of killing for the domestic market.

A factor in the present situation which must be given considerable weight is that, while there is an acute shortage of building material and labour, it may be difficult to justify substantial additions to abattoirs in areas where freezing-works are able to provide by arrangement the necessary killing space.

In the view of the Commission the terms of the abattoir question must necessarily vary with locality. In the case of a local body which has an undischarged obligation to provide abattoir accommodation, and where there is situated in the district a suitable freezing-works with sufficient capacity to undertake the local kill, the Commission considers that the local authority should exercise its powers of delegation.

In the case where an abattoir already exists in a district where there are also freezing-works the question is more complex, but the Commission is of the opinion that work carried out for the purpose of modernizing the abattoir and bringing it up to the standard of the freezing-works would generally be justified. Whether or not large-scale extensions should be made to such abattoirs is, however, a different matter and is one on which the Commission finds it difficult to generalize. The Commission is of the opinion that any such cases should be examined individually by the appropriate authorities and decided on the merits of the particular case.

A development which the Commission noted with some interest was that in Wangauni and New Plymouth butchers' co-operative organizations have taken over the operations of the abattoirs. It is understood that similar developments are contemplated in other centres.

It seems to the Commission that an extension of this practice may help to solve some of the problems confronting the butchers. Moreover, it is obviously desirable that the abattoir system should be more closely integrated with the meat industry as a whole