I agree with clauses 1 and 2 of the answers to the first question, but disagree with clause 3, and therefore substitute in its stead the following clauses :—

3. It would appear that the inflated values of live-stock throughout the year, and particularly during the winter period, are too high to permit the retail butchers to make a reasonable profit under the existing price order. Export activity, particularly at the end of the export season when premiums over and above the export schedule are offered, sets an inflated range of values which exceed the related maximum purchase price of the retail butcher. Again, during the winter season meat wholesalers, both export company and other local wholesalers, are able to purchase live-stock at inflated values and resell carcass meats to the retail butcher at prices which are in excess of levels which permit recovery of purchase-price at retail sales under price order. This practice is possible in the absence of any control over the retailers' purchase-prices or wholesale-meat prices.

   Evidence given under cross-examination by the Commission of representatives of freezing companies, export houses, and their wholesale departments showed that payments in excess of export schedule rates had been a regular practice.

4. The submissions of producer organizations indicate that future supplies of fresh meat will be assured provided that production continues to proceed on the principles of supply and demand.

5. It is my considered opinion that this question is primarily an economic one—*i.e.*, supplies at a price—and it is therefore contended that it is primarily a question of economic policy rather than supply or production.

2. *If your findings of the matter aforesaid be in the negative, whether steps should be taken under the regulations specified in the Schedule to the Supply Regulations Act, 1947, or otherwise, to make so available at certain times of the year additional quantities of fresh meat or (if this be not thought possible) chilled or frozen meat.*

I am in agreement with the opinions expressed on the advisability of continuing the practice of releasing supplies of frozen meat for local consumption during periods of shortage occasioned by drought, floods, or stock epidemic, but am completely at variance with the suggestions regarding the authority to which or whom power would be delegated to exercise and maintain continuous supervision of the domestic meat situation.

In my opinion it is in error to suggest that such authority should be given to a temporary establishment such as the office of the Food Controller, and I contend that the authority established for the purpose of making periodic surveys of fresh-meat supplies and, where necessary, to arrange for the withdrawal of meat from export stocks for use on the domestic meat market should be composed of officers of the Marketing Department and of the New Zealand Master Butchers' Federation.

It is apparent that with the cessation of meat-rationing there would be no method of compelling the retail butchers to accept frozen meat, and the governing factor would therefore be the price at which frozen meat was released by the freezing companies.

This contention is borne out by submissions by the New Zealand Master Butchers' Federation to the effect that last winter, when a percentage of frozen meat was used in an endeavour to counteract excessively high live-stock prices, it was found—

(*a*) That the quality of the frozen meat was not satisfactory ; the greater part of the beef was in a boneless state ; and

(*b*) The price at which the frozen meat was released bore too closely to the current local wholesale fresh-meat prices to be of any value as a check to excessively high fresh-meat prices.