

I must disagree with clause 6, page 9, as in the first place the statement of the difficulty of allocating supplies which is advanced in this clause is in conflict with references made to the increasing tendency on the part of butchers to purchase carcass requirements of meat on a weight-and-grade basis, which surely indicates that supplies on such basis are satisfactory and obtained as economically, if not more economically and satisfactorily.

Further to this increasing practice on the part of butchers, I must further disagree as from personal experience in a wholesale organization which buys and sells on a schedule, such difficulties as are expressed in clause 6 are found to be non-existent.

4. *If the purchase of meat for the local market on a schedule basis is deemed desirable and practicable, whether the auction system of disposing of stock for the local market should be continued, and, if so, to what extent.*

I am in disagreement with clause (a) of the replies to this question, in that under the present system of retail-price control there is no provision for incentive payments to be made to producers who hold stock for sale by auction.

Under a system of supply and demand this statement would be correct, but under the retail-price structure there is no margin that would allow for such incentive payments to be made.

Clause (c) is acknowledged when applicable to the true grazier who fattens unfinished stock, but this same system gives opportunity for the manipulation of rising markets when the dealer holding fertile land in close proximity to the saleyards could anticipate the state of the market at that particular time and regulate the flow of stock, so causing inflated values.

While in agreement with the operations of the practice as set out in clause (d), I disagree with the principle as requirements of live-stock may be obtained by this practice, but not at prices which have an equitable relationship to the retail selling-price.

I would agree with clause (e) in so far as the auction system has been proved over many years of trial to be a successful and workable system under free marketing conditions, but, with the application of restrictions on the retail sale of the product, the buying side of the auction system cannot be termed successful and workable. On the other hand, the sale element may be deemed successful, but at the expense of the purchaser while the product is in demand and the resale price restricted.

It is apparent from evidence and submissions that the auction system for the disposal of fat stock is a very vexed question when it is related to a controlled commodity market as auction and control are an antithesis each of the other.

In the main, individual master butchers who buy in small lots support the auction system because the only alternative is to purchase "on the hook" from an export-house wholesaler, whereas larger operators can purchase in the field. This latter activity must reduce both the number and selection of stock forwarded to auction, also as a result of these operations competition must develop in the field and so create increased values for such stock as comes forward to auction.

After due consideration of all relevant factors it would appear that, in the absence of any alternative practical method of sale on a Dominion-wide basis, it is necessary for the auction-sale system to continue, but for the protection of retailer margins and consumer prices some governing or influencing factor must be established. It would therefore seem that the introduction of a basic carcass price per pound from which a live-stock-buying schedule could be calculated without difficulty by all purchasers is the only method of applying a check to inflationary tendencies in the auction saleyards.