

prevent evasion of the price order as if a loss were imminent it is almost certain that it would be made good before the loss was established. I consider that a question raised by the New Zealand Master Butchers' Federation in its original submissions is most relevant, and that question was, What was the reason for the removal of the basic wholesale price from the retail price order? It is surely reasonable to assume that the meat-retailer should know from what wholesale-price levels the retail price order is calculated.

Further to this comment, I would repeat recommendations made in earlier portions of this report, that the wholesale price of meat should be established and maintained to provide an adequate trading margin for the meat retailer.

In my opinion, such action would do more to ensure that the price order was observed than would any other temporary measure, such as increasing prices, while unrestricted and uncertain methods of purchase continue.

The further comment made in paragraph two that "some butchers said their profits were reasonable and one firm operating a chain of shops said further that their profits were better under control than previously," can, in my opinion, be partially, if not completely, discounted for the same reason that has been applied to the reverse statement made by the majority of smaller butchers, that of the lack of any evidence that such is the case, also that the organization referred to in this paragraph of the majority report was not prepared to comment on the current year's activities as such current annual accounts were not finalized and, further, another firm of similar size and organization said in reply to a question from the Commission, "the position was not as good this year." It would therefore appear that such larger firms are in a position similar to that attributed to the smaller master butcher by paragraph two of the majority report, which reads "that accountancy methods of most butchers do not enable them to determine from month to month whether or not their position is satisfactory."

It therefore appears that if such statement is applicable it applies generally to almost all sizes and types of firms and it would seem to indicate that determination of the periodical financial position of meat retailers is complicated by the absence of a firm basis of calculation which may be presumed to be the basic wholesale price in relation to the retail price order, or, alternatively, the knowledge that this basic price has been exceeded in purchase-price influences the trader to defer making recorded calculations.

*Summary.*—(1) The alleged widespread evasions of the price order are deplored.

(2) The conditions of trading which obviously cause such evasions are equally deplored.

(3) The lack of a basic wholesale price which would be of utmost importance to the retailer is most noticeable.

(4) The establishment of a basic wholesale price which would allow adequate trading margins would at least assist materially in the observance of the price order.

(5) Trading conditions have changed so materially that there can be no doubt that the present price order is basically obsolete, as establishment of the claim that the basis of the present meat price order—that is, the conditions of trading due to changing trade practices and to increased costs—has not been reviewed, with the exception of a small allowance for wages increase in 1945, since its introduction in 1941.

(6) A new price order calculated from current basic wholesale prices and inclusive of present-day costs of processing meat for retail sale is apparently required.

(7) The investigation by the Price Control Division into the effect on the industry of such matters as rationing, grading, wholesaler activities, seasonal increases during the winter period, and other costs contingent upon the retail sale of meat would reveal and establish the cost per pound of processing meat for retail sale and does appear to warranted and necessary.