

for the 1902 shipment were based on 10s., 11s., and 11s. 6d. for mutton, which your Committee believe to be the values offering during those months to farmers for fat sheep, the prices during 1901, when the deficit of £1,065 3s. 5d. was shown, being, roughly speaking, a loss of 1s. 6d. per head on the 16,065 sheep, ranged from 16s. to 13s. 7½d. for nearly the whole of the sheep, the average probably being about 15s. 6d.

15. As already indicated, your Committee are of opinion that the steadier values obtained for sheep in Canterbury are the result of the marketing system there, and until some method can be devised of concentrating fat stock for sale at various centres in the North Island, thus attracting a larger number of buyers, there is not much prospect of an improvement in the prices. Clearly, while the sheep-farmer is shut up to two or three possible buyers he has not the advantage which necessarily springs from the competition arising from the gathering of a number of purchasers all competing for sheep for export.

16. The remedy appears to your Committee to lie in the setting-up at suitable centres in the North Island of fat-stock markets, and to this end it might be desirable for the Minister of Railways to consider how far it is possible to revise the railage rates on fat stock for export, with a view of encouraging the setting-up of such new markets.

17. The present supply of fat sheep unduly taxes the capacity of the North Island freezing-works, and with the certain growth of the trade it appears clear that unless increased accommodation is provided difficulty will be experienced in handling the sheep fit for export.

18. Unfortunately, there appears to be little prospect of a combination being set up amongst the farmers themselves, which combination your Committee regard as a direct solution of the difficulty if it could be arranged. Were a co-operative association organized by which a number of sheep-breeders in different districts could combine for the purpose of jointly having their meat frozen and sold on their own account the present difficulties would soon disappear, as in that case, no doubt, *c.i.f.*, buyers would be prepared to deal direct with the association for the purpose of purchasing sheep at this end, or, if thought desirable, an association which controlled a large number of sheep would be able to arrange for its marketing at the other end on better terms than a single individual is able to do. This, of course, is a matter for the farmers themselves to arrange, and were such an association as is suggested started it ought not to be difficult to arrange for advances being made to the purchaser upon his factory receipts. This would provide him with working-capital, and would secure to him the profits (if any) which now go into the hands of the purchaser of his stock.

19. One of the witnesses from the Canterbury District, Mr. Waymouth, of the Canterbury Frozen-meat Company, informed the Committee that though his company had never been a purchaser of meat for export it nevertheless has developed a system of making advances to sheep-farmers and dealers against stock passed through the hands of the company for freezing, and frequently, though not necessarily for sale, through them as intermediaries. This system, apparently, does not obtain at the North Island factories, and your Committee is of opinion that if the North Island companies were prepared to apply this method to their business a considerable improvement would be effected. On the one hand the company would be paid its freezing-charges, and thus would be guaranteed payment for its labour and the employment of its machinery and methods, whilst on the other hand the sheep-farmer would obtain actually the price which his sheep brought when finally sold in the open market.

20. The chief evil in connection with the sale of New Zealand frozen meat in London and other United Kingdom markets appears to be that it is within the power of individual owners, salesmen, or agents to weaken, and in frequent cases to cause a decided slump in, the market through placing quantities of mutton or lamb upon it at inopportune times and at less than current rates. Whether any remedy can be devised for this is an open question. Your Committee have sought from every witness capable of giving an opinion his advice as to what is possible in the matter.

21. The suggestions that have been made are, first, that exporters should be required to declare their selling agents in London. Of course, it would be manifestly difficult to legislate to this effect, but the desirability of the suggestion being adopted will be evident. Another proposal made to your Committee has been that a central Board should be set up in London, which should have power, as is done in regard to the sale of Argentine meat, to fix the prices from day to day, and thus to regulate and control the sales so that slumps could not be caused through the exigencies or caprices of individual salesmen and owners. This may be at present regarded as idealistic, but the trade will never be on a sound footing until this is done. On the one hand there is the right of the individual owner or seller to do his business as suits himself, but, on the other hand, the time has surely come when, in connection with a trade so great as has been stated in the former part of our report, the power should be withdrawn from any individual to damage the market by offering meat at less than current rates and thus slumping the market for days and even weeks.

22. The evidence which has come before your Committee shows that the number of places in the United Kingdom at which New Zealand meat is sold represents only a very small proportion of what should be possible; consequently the Agent-General and the Produce Commissioner in England should be instructed to make careful inquiries as to what the prospects would be of shipment direct from New Zealand to other ports than London, especially to those which would reach the great manufacturing and distributing centres.

23. Suggestions have been made by various witnesses that Government assistance might be afforded to the industry in some form or another, but your Committee recommends that this question should be considered by a Royal Commission to be set up by His Excellency the Governor.

D. BUDDO,

Chairman, Committee on Frozen-meat Export.

30th September, 1902.