

on the quality of our meat, and proper grading is essential in the interests of the whole of the producers, and my Board lays special stress on that." Further on, on the same page, he says, "After the last annual meeting, when the Board was elected, the producers themselves urged the Board to keep the grading very high." And at page 813 he also says, "We have supervising graders who are travelling throughout New Zealand all the killing season visiting the various works, seeing that the standard of grading is adhered to."

At page 409 of the "New Zealand Official Year-book, 1925," the following occurs: "An attempt has been made to raise the standard of grading and to maintain greater uniformity at the various works." Your Commissioners observed this sentence after the sittings of the Commission concluded, and we think it is only fair to state that the officials of, and counsel for, the Meat Board have not had an opportunity of explaining as to whether or not there is any justification for the publication in the Year-book of this sentence. There is also this observation which we desire to make—namely, that if the standard of grading is uniformly raised in proportion to the grading of meat from other countries, this should tend to make the price which the buyer at the other end of the world will give proportionately higher, and that the producers generally should not lose in the long-run.

This question of grading is a highly technical one, and it may not possibly be strictly within the scope of the order of reference. There has not been sufficient evidence given—nor could it be expected in an inquiry having such a wide scope as the present one—to enable a definite and detailed pronouncement to be given on what is apparently a very controversial subject.

We do not feel qualified to express an opinion on what is the best policy—whether, as apparently Mr. Lysnar suggests, to keep the grade low and get an immediate high financial return, or to aim, as apparently the Meat Board aims, for a reasonable and uniformly high standard, so as to obtain and hold the market against all competitors.

Certain mistakes in grading must be expected. Even graders cannot without exception be perfect, or always perfect. But after hearing the evidence of Mr. Miller it would seem that there does not appear to have been any unfair differentiation in connection with grading operations.

In reference to the suggestion that the Board is against cutting freights, our opinion is that the Board was against the cutting of freights under the particular circumstances in which Mr. Lysnar cut freights to get a full load for the s.s. "Admiral Codrington"; but we do not see any evidence that the Board is against cutting freights generally, so long as it gets a reasonably satisfactory contract in the interests of the producers.

As to Mr. Lysnar's complaint against Mr. Harding, this does not seem to us to be within the scope of the order of reference. Mr. Harding was not represented, and we consider that it would be improper for us to go into the matter.

#### COMPLAINT NO. 4 IN LETTER OF 14TH JUNE, 1924.

This is dealt with elsewhere in the report.

#### COMPLAINT NO. 5 IN LETTER OF 14TH JUNE, 1924.

With reference to complaint No. 5 in the letter of the 14th June, 1924, we consider that this has been sufficiently dealt with in other parts of our report; but, shortly stated, our answer is that we do not think Mr. Jones can be held to be to blame in respect of this complaint.

#### COMPLAINT NO. 6 IN LETTER OF 14TH JUNE, 1924.

In reference to the deletion from the shipping contract of the clause which, prior to the establishment of the Board, had been put in all shipping contracts, providing for a reduction of freight if a favourable opportunity offered by any