

The outstanding fact to note in connection with the United Kingdom meat-market is the vast and abnormal increase in supplies. With the closing or curtailment of important European markets, supplies which they normally absorb have been diverted to the United Kingdom. Particularly has this been true of pig-products, and indeed their increase has been sufficient of itself to account for the collapse in meat-prices.

The figures of bacon imports for the past two years show the extent of the increase:—

Bacon Imports into the United Kingdom.

					Cwt.
1929 ..	..	..	..	..	8,278,100
1931 ..	..	..	..	..	11,137,800
	Increase	..	..	..	2,859,700

If we take the estimate that 20 lb. of bacon is equal to one lamb, the increase in bacon in two years is equal to 16,000,000 carcasses of lamb, equal to the whole of the lamb imported into the United Kingdom from all sources in 1931. The result was that the meat-market was broken by this deluge of bacon imports. New Zealand does not export bacon, but the increase in bacon supplies has broken the market for all meat.

The following figures summarize the estimated imports of meat from all sources into the United Kingdom in the years 1929, 1930, and 1931:—

			1929.	1930.	1931.
			Cwt.	Cwt.	Cwt.
Beef ..	..	..	11,670,000	11,578,000	11,982,000
Mutton and lamb ..	..	..	5,631,000	6,383,000	7,107,000
Pig-products ..	..	..	9,604,000	10,546,000	12,331,000
Totals ..	..	..	<u>26,905,000</u>	<u>28,507,000</u>	<u>31,420,000</u>

These figures, showing a steep increase, reflect not the normal course of trade but the distress and forced offering of abnormal supplies at prices regardless of the cost of production.

Even at the low prices that have prevailed, it has been impossible to absorb the greatly increased volume of supplies.

This condition, with prices below the cost of production, is disastrous to producers and must react to the injury of consumers also.

To cope with the abnormal conditions just described, abnormal measures are clearly necessary. New Zealand sought, as a long-term measure, a preferential position in the United Kingdom market, to be secured by means of a tariff on foreign supplies with free entry for the products of the dominions. To supplement this, as an emergency measure, we suggested the imposition of a quota against foreign supplies. At the present time the meat imports of the United Kingdom have the following origin: Foreign, 76 per cent.; Empire, 24 per cent.

Our contention was that there was ample scope for increasing the dominions' share, and this was not disputed. Moreover, the New Zealand proposals were accepted as the basis of the agreed requests advanced on behalf of all dominions to the United Kingdom.

His Majesty's Government in the United Kingdom were unable to accede to the request for a tariff on foreign meat. The statement, widely published in New Zealand, that they were prepared to impose such a tariff, and that it was rejected by us, is contrary to fact. At no time were the United Kingdom representatives at Ottawa prepared to contemplate a tariff on meat.

While unable to impose a tariff on foreign meat, the Government of the United Kingdom were prepared, and, indeed, in the interests of their own producers they were determined, to apply a scheme for the regulation of imports. The objective of the scheme as expressed in our Agreement is a twofold one—to raise the price of meat to a remunerative level, and to increase the share of the home producer and the dominions in the United Kingdom market.