

secured some stability in their earning-capacity would find themselves back to the old order of disorganization and uncertain returns, and, secondly, retail prices would become liable to such fluctuations as would tend to lessen consumption.

The weight of evidence submitted has been against the functioning of this auction-market, and after giving very careful consideration to this problem and to the effect upon the interests of the auctioneering firm, which is mainly a fruit and vegetable marketing concern, we are inclined to the opinion that in the best interests of the industry the system of sale by auction should be abolished in Wellington also.

French Pass.

The whole of the French Pass catches of fish are shipped to Wellington. None of the members of the Fishermen's Association forward to the auction-market, the catches being sold to the wholesalers at fixed prices, the wholesalers paying all freight and handling charges. (See prices in Appendix E.) Complaints were made that full weights were not accounted for on occasions. The Committee's attention was also called to the disparity between the return to the fishermen and the retail prices in Wellington. This matter is referred to elsewhere.

Reference was also made by some fishermen to the entry into the industry of part-time and farmer fishermen, and as a means of checking their operations to some extent it was suggested to the Committee that license fees should be increased and that each individual fisherman should be licensed instead of the boat.

MARKETING OF DREDGE OYSTERS.

Bluff.

The names of the companies actively engaged in the dredging and marketing of oysters at Bluff are as follows: Dixon Bros., Ltd.; Foveaux Strait Oyster and Fish Supply, Ltd.; Rakiura Oyster Co., Ltd.; Bluff Fish and Oyster Co., Ltd.; Urwin and Co.; Russell and Co.; H. J. Roderique; Direct Fish and Oyster Co., Ltd.; Awarua Oyster Co.; Roderique Bros.

These companies were operating upon a total paid-up capital of approximately £20,000, and during the most recent twelve-monthly accounting period net profits ranged from £1,676 down to a loss in one case of £43. Each of the companies now operates only one vessel. There are two other licensed men in the industry both of whom were engaged part-time only last season—one operating out of Stewart Island for occasional local supplies, and the other out of Bluff for supply to an auction-market in Invercargill.

One of the unsatisfactory features about the distribution of oysters (and a feature which the distributors themselves have acknowledged and attempted to rectify to some extent) is the lack of proper organization in handling and marketing the whole of the supplies in the most economical way. While it is true that the majority of the nine firms actively engaged in the 1937 season have some system of pooling orders for the main centres and for the relatively small export trade to Australia, the others are selling independently to all points, and all nine are in direct competition with each other in those localities outside the main centres. When such a commodity as this (taken from identical localities in Foveaux Strait and landed at the one point for distribution to the consumer) is being considered, it becomes obvious that some form of co-operative marketing is essential not only to serve the interests of the companies themselves, but to eliminate overhead expenditure, with a resultant reduction in price to the consumer. Too often in the past indulgence in uneconomic price-cutting has been the rule, particularly when one or more new units come into the industry and found either that some reduction in price was necessary to secure custom or that the established firms were reducing quotations with the objective of eliminating this fresh competition.

A close examination of the costs of production has revealed that there is a fairly wide discrepancy between the lowest and highest—i.e., 9s. 4d. and 10s. 10d. per sack of the nominal quantity of 60 dozen oysters (see costs in Appendix K). These costs were extracted early in the season and will necessarily require some little readjustment to find the true level of cost for the latter part of the season and for the season as a whole. It is likely that the gap between 9s. 4d. and the 10s. 10d. will be narrowed when such readjustments are made, and no great discrepancy will be revealed. An increase in costs has been provided for in the item of oyster-boat employees' wages shown in the following table in order to bring these into line with the provisions of the Otago and Southland Oystermen and Cannery Workers' award, which came into force as from the 1st May, 1937, and continues in force until the 30th day of April, 1939. Wages of the oyster-boat employees have moved upwards as follows:—

	1936.	Early 1937.	From 1st May, 1937 (Award Rates).*
	s. d.	s. d.	s. d.
Rate per 1,000 dozen (crew of five), including craft share, $\frac{2}{5}$ ths	80 0	100 0	..
Rate per 1,000 dozen (crew of five), excluding craft share, $\frac{2}{5}$ ths	48 0	60 0	..
Rate per sack of 60 dozen (crew of five), excluding craft share	2 10·28	3 7·20	4 2
Extra cost per sack (crew of five), excluding craft share (over 1936 level)	..	0 6·8	1 3·72
Rate per sack of 60 dozen (per man), excluding craft share ..	0 6·85	0 8·64	0 10

* Award rate is 10d. per sack per man plus bonuses to skipper 2½d. per sack and to engineer 1½d. per sack. Bonuses of approximately the same amount were previously paid to the skippers and engineers on some of the boats. No bonuses are included in the above figures.