

have had serious repercussions on this class of trade at a time when large stocks were piling in and the advantage gained in distribution through other wholesalers would not, we think, have been compensatory.

Messrs. Sanford Ltd. have done a great deal in Australia to popularize New Zealand fish and have built up a trade over the past several years which has resulted in a widening of retail distribution particularly in New South Wales.

Difficulties contended with since November, 1936, when the new export arrangements came into effect, may be enumerated as under:—

- (1) The intensive fishing which has been indulged in since the fishermen's strike was terminated.
- (2) The resultant accumulation of stocks.
- (3) The necessity for restricting trawler catches in order to avoid, if possible, overloading the stock position.
- (4) The faulty packing by some of the parties to the agreement—faults which were not brought to light until after complaints had been received from Sanford's clients in Australia. (NOTE.—Sanford's stood the resultant loss. They had no redress, as they had paid on a basis of f.o.b. Auckland.)
- (5) The snapper versus tarakihi problem—to the extent tarakihi is pushed successfully, it is at the expense of snapper, the main Auckland fish—and the difficulties encountered in restricting tarakihi catches, which would in turn have affected the snapper sales.
- (6) Competition in Australia from other New Zealand ports.
- (7) The necessity for packing the bulk of snapper into fillets with wings off owing to the recent prevalence of a stain in the gut of these fish.
- (8) The actions of some of the parties to the agreement, which could only be construed as attempts to undermine and destroy it.

Soon after the Committee's sittings in Auckland it became evident that some immediate action was required to deal with the stocks of fish, particularly snapper fillets with wings off, which had accumulated in Sydney and were beginning to mount up in Auckland also. After a series of conferences both in Auckland and in Wellington and a deputation to the Hon. the Ministers of Industries and Commerce and Marine, all parties concerned agreed that, failing the attainment of some mutual settlement, they would, through the Hon. the Ministers, abide by the terms of a direction from this Committee as to what line of action was to be adopted. They failed to reach a settlement, and upon the recommendations of this Committee there was set up an Auckland Fish Export Committee, representative of the Government and the merchants' and fishermen's interests. This Committee's personnel is Mr. R. E. Price, Conciliation Commissioner (Chairman); Mr. E. W. J. Bowden, District Officer, Department of Industries and Commerce (Deputy Chairman); Mr. T. F. Anderson, Secretary, Auckland Seamen's Union; Mr. J. J. Enwright, Manager, Sanford Ltd.; Mr. A. F. Bow, a Director of Auckland Fisheries, Ltd.; Mr. S. Vella, Manager, Auckland Seine Boat Association, Ltd.; Mr. E. Middleton, Secretary, Waitemata Fisheries, Ltd.; with Mr. E. W. B. Herrick as Secretary.

Prior to the appointment of this Export Committee a suggestion had been made that the Government might pay a subsidy to partly offset any loss occasioned by selling accumulated stocks in Sydney at below cost, but, as this was not acceded to, efforts were made to induce the firms concerned to contribute upon a *pro rata* basis towards any loss which might be so made. No agreement could be reached upon this point.

For the guidance of the Auckland Fish Export Committee we set out in general and particular detail the policy it was to adopt, and in respect of a number of conditions the Committee was not bound down to hard-and-fast rules, but was authorized to act at its discretion and in accordance with the trend of developments. In brief, this Auckland Fish Export Committee was empowered to handle and market all export fish from that port, to clear stocks in Sydney, to deal direct with wholesalers in Australia (including Sanford Ltd.) upon an f.o.b. basis of sales, to limit catches of the fishing-fleet, if necessary, and generally to bring the position back under control.

This Auckland Committee is financing itself by means of a small levy on each basket of fish landed and has done a tremendous amount of work in endeavouring to straighten out the tangle, and has even sent a delegation to Sydney. Unfortunately, however, the position is far from clarified yet. Wholesalers in Australia have formed an association, and between this body and the Auckland Export Committee a deadlock appears to have been reached on matters concerning allocations and prices. Negotiations are still proceeding. The Sea Fisheries Investigation Committee has kept in close contact with the Committee upon all developments.

In the matter of price the Australian wholesalers have been seeking some concessions, but in view of varying margins of profit realized by different markets upon f.o.b. sales (see Appendix H), and with reference to our recommendations in regard to the lowering of the wholesale prices to retailers in Auckland, it is difficult to see how f.o.b. prices can be reduced and remain reasonably profitable. In fact, under existing conditions there might even appear to be a justification for some small advance in certain of the export prices. In view of our recommendations as to the fishing-fleet operating out of Auckland and the conservation of supplies on the fishing-grounds, it is not considered that there is any justification for a reduction in the prices now paid to the fishermen.

In Appendix G are shown particulars of f.o.b. prices paid under the Sanford agreement, together with costs and selling prices ex store Sydney. This statement shows that Sanford Ltd. as selling-agent secured $\frac{3}{4}$ d. per pound profit, but owing to the accumulated-stock position the extra storage charges incurred reduced this figure to a nominal margin only. Upon tarakihi, headed and shouldered, and upon kippered fillets of tarakihi, a loss has been borne, principally as an outcome of competitive selling from South Island ports.