

freezing difficulties peculiar to this fish were overcome. The existing freezing-facilities do not permit of this fish being frozen in a manner which would prevent discoloration and the softening of the tissues.

Prior to May, 1937, fishermen at the Chatham Islands were paid 1d. per pound green weight for blue cod, and since this date and as a result of the higher f.o.b. price being realized the 1d. has been increased to 1½d. by both companies. With a loss of 33½ per cent. in weight from the green fish to headed, gutted, and scrubbed, and taking into account the cost of cleaning (now ¼d. per pound) and the cost of cases, the packed product brought over in recent shipments costs one company an average of 2·39d. per pound at the Islands. There is a wide margin between this cost and the selling-price of 8d. per pound f.o.b. and 8d. wholesale, Wellington, but there are relatively high costs involved in freezing aboard ship and ashore and in transport. The local wholesale selling-price of 8d. per pound is more or less governed by the realization f.o.b. and must move downward in sympathy if the export demand is not sustained.

An agreement as to wages and conditions of service has been entered into by the crew of the "South Sea" and the company, the wages being brought up to a level in keeping with the recent advances granted under the industrial awards to seamen.

The arrival of the "South Sea" in Wellington is timed, whenever possible, to coincide with the arrival of a trans-Tasman steamer, in order that direct transfer might be made from the one vessel to the other so as to save storage charges. Under this arrangement the whole of the South Seas Fishing Co.'s product is exported, while only a small proportion of the New Zealand Fisheries' blue cod is exported, the bulk being taken for local distribution either wholesale or through the company's shops for the retail trade.

Chatham Islands blue cod is, of course, a much heavier and better fish than the local (Wellington) product, and, despite its being frozen, commands a higher price.

*Marine Products, Ltd.*—Prior to the flotation of Marine Products, Ltd., a public company with an authorized capital of £15,000, representations were made to the Committee for a favourable recommendation to the granting of an export license for crayfish and fish by the Bureau of Industry under the provisions of the Industrial Efficiency Act, the main object of the proposed company being to procure supplies of crayfish at or adjacent to Kaikoura, treat these by a special process, and export them to Australia. Emphasis was laid by the company-promoters upon the fact that almost unlimited supplies of crayfish were available on the coast referred to, exploitation of these grounds having been confined up till now to narrow limits in the vicinity of Kaikoura. Already arrangements had been entered into with ten Kaikoura fishermen to catch the requisite supplies at prices to be agreed upon, these men having previously given confident assurances that the crayfish could be taken in great numbers. In view of the fact that these men were interested parties to the extent that they were to be allotted five hundred shares at £1 each upon the termination of a four-year contract to supply, and that their contentions as to potential supply were discounted by their older and more experienced colleagues at Kaikoura, the Committee was in some doubt as to the weight to be attached to the assertions made, particularly when evidence taken in other parts of the South Island showed that no crayfish grounds could stand up to such intensive fishing as is proposed for more than a few seasons, if as long as that.

Evidence taken at Kaikoura revealed that the prices for crayfish at the auction-market were on higher levels than they had been for years. This state of affairs was attributed to the scarcity of supplies generally and to scarcity at Kaikoura in the adjacent crayfish grounds. It was also pointed out that when Messrs. P. Feron and Son entered into arrangements five years ago for crayfish supplies from Kaikoura for export, the catches progressively declined to the point of virtual disappearance. In rebuttal of this, evidence was submitted by the fishermen that limits were placed upon catches, and also that the then prices (averaging round about 9s. per sack) were not attractive. However, the fact remains that, at the time of the Committee's visit to Kaikoura in June, crayfish were realizing from 30s. to 40s. per sack at auction in Christchurch, and as very few were coming forward from Kaikoura it was obvious that the supplies were not so prolific as portion of the evidence claimed.

However, after giving the whole matter the closest consideration from every aspect, and realizing that there was no definite evidence available as to how long the unexploited grounds might continue under intensive fishing, the Committee recommended to the Bureau of Industry that an export license be granted subject to certain reservations. The Committee's recommendations, dated the 10th June, 1937, were:—

- (1) That the license be confined to the taking of crayfish between Cape Campbell and Motunau Island.
- (2) That the company's catch be limited to one hundred and twenty sacks per week, and that if the catch falls below this quantity for a number of weeks in succession the grounds be closed to the company.
- (3) That the restriction continue for a five-year period from the date of issue of the license.
- (4) That the company shall operate at least three months in the year.
- (5) That the license be issued to Marine Products, Ltd., only, and not be transferable.

The promoters of Marine Products, Ltd., had stated that one of the objects of the company was also to deal in fish and market it either locally or overseas, the intention being to handle fish during the off-season for crayfish and thus extend the company's operations over a full twelve-monthly period. It was proposed to take such fish as ling and barracouta, for which they stated there is at present no great market, and smoke these for sale in Australia. The Committee, however, looked with disfavour upon the granting of any further licenses for the export of fish, and accordingly confined its recommendations to apply to the export of crayfish only.

The Committee makes no variation in its recommendations as set out above and made on the 10th June, 1937.

Recommendations in regard to export generally appear at the end of the marketing section of this part.