(13) The relationship between wholesale and export prices.
(14) Fishermen supplying retailers direct.
(15) The desire of other interests to build boats, establish markets, and cater for local and export trade.

Some further explanation is submitted in respect of several of those questions which are not more or less self-explanatory :—

(11) Tarakihi versus Snapper : The principal fish demanded and consumed in Auckland and district is snapper. Despite the fact that attempts have been made to push the sales of tarakihi locally, no great success has been achieved except in the case of kippered or smoked tarakihi, when the price, however, goes somewhat beyond the means of the majority of people. Some of the factors militating against its sale are—(1) It does not keep so well as snapper when smoked, and tends to break ; (2) kippered tarakihi appears soft and flabby when kept in retailers' windows for any length of time ; (3) the dark membrane on the wing of the fresh fish or fillet finds disfavour in the eye of the customer. Tarakihi is, of course, sold wholesale at the same price as snapper, and retailers maintain that if they could receive it slightly more cheaply, then a proportionate lowering of the retail price would encourage wider sales. Moreover, it could be used to a greater extent in the cooked-fish trade, where any defects in appearance which detract from its value would not so readily show up. Further reference is made elsewhere to the snapper versus tarakihi position in relation to export.

(12) Rough Fish : In comparison with prime fish at 2d. per pound, the fishing-vessels are not encouraged to bring in any quantities of rough fish such as gurnard at 6d. per dozen (approximately ½d. per pound and trevally at 1s. per dozen (approximately ½d. per pound also). Fishermen complain that the price is unremunerative and that it does not pay to place this fish on ice. Usually only the last day's catch of rough fish on a trip is brought in. Retailers state that they could sell far greater quantities of this rough fish if they could only get supplies. It is all good, wholesome material for the wet as well as the cooked fish trade.

There is with respect to rough fish an unjustifiable price spread as between the return to the fishermen and the wholesale price, the markets having for some reason always looked to these varieties to return a relatively high margin of profit. For instance, gurnard is purchased from the fishermen at 6d. per dozen green (½d. per pound) and sold at 1s. 6d. per dozen green (1½d. per pound), while trevally for some unaccountable reason (except the custom which prevails) is purchased at 1s. per dozen green (½d. per pound) and sold at 4s. per dozen green (2d. per pound.) Some radical adjustment is required here. Prices to the fishermen should be raised and wholesale prices reduced to a level consistent with the margin of profit secured upon prime fish such as snapper and tarakihi.

(13) Wholesale and Export Prices : It may be said that the local consumer has been penalized to some extent in favour of export, in that the wholesalers secure a greater margin of profit upon local than they do upon f.o.b. sales. This may perhaps become a matter of controversy arising out of the manner in which costs are taken into account, but the fact remains that the system adopted is making the local sales carry an overhead expenditure which is unduly heavy and which, in our opinion, is an unwarranted impost upon the retailer and the consumer. The practice of loading costs in this way is perfectly in accord with accountancy principles, but from the viewpoint of practical working and the interests of local consumers it seems to be wrong to take into account the full overhead upon snapper and tarakihi received in a green state at a depot and sold as such without any processing whatever at an advance of 1d. upon the cost of 2d. per pound. In other instances the margin is relatively higher—*i.e.*, john-dory bought green 2d., sold green 3½d.—and the position with rough fish has been referred to above.

In seeking to justify this price spread some of the markets have even charged up a proportion of freezing-costs when the fish is not frozen at all, and, moreover, there is charged up a fixed amount of overhead upon weight sold whether sales are green fish or fillets for export. This reacts most unfavourably to the retailers and consumers when the bulk of local sales is fish in a green state. It has been claimed, of course (see Nos. (3) and (4) above), that the irregularity of landings results in the handling-cost becoming an indeterminate factor, but, while this is true, the Committee is of opinion that the wholesalers' margins upon local sales to Auckland City and suburban retailers is excessive in all cases under present conditions and should be reduced. If recommendations in respect of a reduction in the number of markets are put into effect, then, for instance, the 1d. per pound margin upon green fish ought to be reduced to something like ½d. per pound or even less, and processed fish in proportion thereto. As an advance in wholesale prices means a relatively greater advance in retail prices, the converse would be the case if a reduction in the former were effected. Although the Committee is very anxious to see some reduction in the price of fish in country districts brought about, it is not suggested in the meantime that there should be any variation in the wholesale price for country delivery from Auckland or Thames, for the reason that extra labour and packing (generally with the use of ice) is required to prepare such fish for safe transport. It has been submitted with some justification that the wholesale prices for country delivery should be higher than that charged to local retailers, most of whom effect their own delivery from the market.