

Only certain countries have a definite interest in whaling and for this reason there is always a danger, if restriction goes further than can be reached by agreement, that there will be a transfer of flag of the fleets of an objecting country to another country, not a signatory to the Convention.

With regard to the question of the competition of whale-oil with tallow, and in so far as it does compete, the present position is that best tallow quotations are round about £20 per ton, whilst whale-oil, according to the *Financial Times*, is quoted at £11 15s. to £14 10s. per ton. This latter price is, of course, entirely uneconomic, and is due to the excessive overproduction. The *Financial Times* states that in the case of the more recently formed companies a profit result is based on £25 per ton, and prices have been as high as £30 per ton. Prior to last season it had been the practice to buy the oil before it was caught; but this did not obtain last season, nor will it apply this season. If whale-oil is a serious competitor with tallow, it is curious to note that tallow maintains a higher market price.

The whaling industry, in addition to restricting production, is also known to be searching for new avenues of use. The state of refinement to which whale-oil can now be brought, freed from greasiness and odour, may readily enable its use for new purposes.

Apart from all this, however, whale-oil and tallow are produced in many parts of the world, and are articles of world commerce, the prices of which can in no way be regulated by anything New Zealand can do. It has been suggested by farming interests in New Zealand that the Government should take steps to strictly regulate the whaling catch in the Ross Sea, and impose a higher royalty rate on oil taken. New Zealand cannot itself do either, nor will the Convention enable it to do so.

The license issued by the Imperial Government to the Rosshavet Co. and subsequently transferred to the New Zealand Government for administration, permitted two floating factories, and imposed a royalty of 2s. 6d. per barrel (40 gallons) of oil, with an exemption from royalty on the first 20,000 barrels, on all oil taken in the territorial waters of the dependency.

The company duly paid such royalty as was payable on all oil taken (except 20,000 barrels) up to and including the 1927–28 season, after which it refused to pay, on the ground that it had not taken any oil in territorial waters, and would continue to refuse to pay royalty, except on any oil which it might take in territorial waters. As a matter of fact, it is known that in seasons when a departmental Inspector has been with the expeditions and in respect of other seasons from the ship's papers they have not fished in territorial waters. It is believed that the company, though not legally liable to do so, would have been agreeable to pay, probably having regard to the value of its license in the event of licenses being restricted; but the advent of unlicensed ships in the Dependency, and which paid no factory rental or royalty, created an embarrassing position as between directors of the company and shareholders, who were also shareholders in the unlicensed companies. The Department considered the advisability of cancelling the license, and/or imposing any other disability legally possible; but this would have served no good purpose, and would probably have resulted in transfer of base to our nearest neighbour, who provides special facilities to attract these vessels, because of the money they spend in the port in fitting out.

In the case of the "Southern Princess," this license was negotiated by the Department with the result that, in respect of the season in which she fished in the dependency, she paid royalty on all oil taken. This vessel will not visit the dependency this season and, therefore, we will receive no royalty whatever.

The following table shows the number of whales taken and whale-oil secured from the 1923–24 season onwards:—

Season.	Whale Factory.	Number of Whales.	Barrels of Oil.
1923–24	" Sir James Clark Ross "	221	17,791
1924–25	" Sir James Clark Ross "	427	32,165
1925–26	" Sir James Clark Ross "	531	37,700
1926–27	" Sir James Clark Ross "	254	22,800
1926–27	" C. A. Larsen "	532	47,500
1926–27*	" N. T. Nielsen Alonso "	450	36,000
1927–28	" Sir James Clark Ross "	616	48,000
1927–28	" C. A. Larsen "	839	76,000
1927–28*	" N. T. Nielsen Alonso "	725	58,000
1928–29	" Sir James Clark Ross "	545	49,000
1928–29	" C. A. Larsen "	795	73,000
1928–29*	" N. T. Nielsen Alonso "	765	63,500
1929–30	" Sir James Clark Ross "	450	30,820
1929–30	" C. A. Larsen "	1,082	77,000
1929–30	" Southern Princess "	874	61,370
1929–30*	" N. T. Nielsen Alonso "	745	56,000
1929–30*	" Kosmos "	1,822	116,000
1930–31	" Sir James Clark Ross "	1,443	112,500
1930–31	" Kosmos "	..	160,000
1930–31*	" N. T. Nielsen Alonso "	..	105,000
			1,280,146

* Unlicensed factories whose records it has not been possible to authenticate.

NOTE.—One barrel = 40 imperial gallons.