

The trade, however, is one of no little importance—its value was £175,000 during the year ended 31st March, 1937—and ought to be much better organized than the Committee has found it to be. A brief résumé of the export trade to Australia shows that there has been insufficient recognition of the value of the trade from the national viewpoint, and export has been conducted by individual exporters without co-operation or consultation with their competitors.

Too often the result has been that this system of trading, or rather the lack of system, has suited the various Australian wholesalers admirably, for they have been enabled to play one New Zealand exporter off against another and force prices down to unpayable levels. So, also, have exporters in one port acted without any regard to the interests of those in other ports, and the general result for the most part has been simply that it has not been the New Zealand exporter who has made the profits. One instance might be quoted here of an unusually low f.o.b. price being quoted to Australia by South Island exporters for a certain variety of fish, and it was not until an Auckland firm pointed out the position that fully 2d. per pound more was almost immediately procurable.

Following upon the position which developed in Auckland in July, 1937, in regard to the accumulation of stocks in Sydney, principally in snapper fillets, wings off—see under “Export, Auckland”—we recommended the Hon. the Minister of Industries and Commerce to call a conference of all exporters, with the object of ascertaining whether or not there was any immediate way out of the impasse, pending the completion of our investigation and the submission of our recommendations upon the whole question of export. This conference eventuated on the 11th August, and was attended by members of the Committee and the representatives of the Department of Industries and Commerce and Marine Department. The discussion was productive of much good, in that the whole position was clarified to the extent that the attitude of each exporter to the various problems was definitely ascertained.

As has been the case in the past in connection with representations submitted by Auckland interests, the contentious subject of discussion at this conference was the competition encountered by Auckland from the other ports exporting fish: Wellington, Lyttelton, Dunedin, and Bluff. Criticism was levelled against the selling policy adopted in Auckland by Messrs. Sanford, Ltd., who, under the agreement entered into in November, 1936, were responsible for marketing the whole of the exports from Auckland up till 15th September, 1937, when the Auckland Fish Export Committee was set up—see under “Export, Auckland.” As an outcome of that policy, the Australian wholesaler turned to ports other than Auckland for supplies, and such was the demand that there has been no possible hope of fulfilling requirements. In view of this state of affairs and the fact that in certain competitive lines the Wellington and South Island exporters’ f.o.b. quotations and selling prices in Australia are lower than those of Auckland would be for a similar pack (see Appendix L), the pertinent question was asked these exporters why they did not secure for themselves the higher price which there appeared every prospect of securing.

In reply they stated that although the demand was there the existing prices appeared to be the maxima they could ask or, alternatively, the highest figure at which the whole of their export supplies could reasonably sell to Australia in competition not only with the local supplies there, but with the imports coming into Australia from South Africa and other countries. They also stated (and rightly, too) that their costs of production were lower than was the case in Auckland, where the basis of payment of fishermen is 2d. per pound green weight for snapper and tarakihi—the two principal varieties. However, in regard to tarakihi there was the question of the competition from Australian morwong, which is, in effect, the same species of fish as tarakihi, and which is taken in more or less abundant quantities in Australian waters for certain portions of the year. This morwong competes with tarakihi, and the popularizing of New Zealand tarakihi in Australia has led to an increased consumption there of morwong, which, it was contended, did not previously meet with any such consumers’ demand until it came before the notice of the public in this manner.

While the shipments of all fish by individual exporters must necessarily be competitive upon the Australian market, there are one or two lines directly competitive with each other, particularly in so far as Auckland against the other ports is concerned. A further reference to Appendix L will show that these are:—

- (1) *Snapper*.—Snapper is also exported from Wellington, but not in sufficient quantity to be a serious competitor with Auckland. One particular pack of snapper is actually quoted higher f.o.b. Wellington than Auckland.
- (2) *Tarakihi*.—South Island quotations are 1d. to 2d. per pound lower than those of Auckland.
- (3) *Snapper v. Tarakihi*.—Emphasis has been laid on the fact that, unless there was an unlimited demand for New Zealand snapper in Australia (which there has not been), any exports whatsoever of tarakihi in particular would popularize this variety of fish at the expense of snapper from Auckland and would overload the local market with snapper to the point where the fishermen would suffer. Recently there has been an increase in the quantity of tarakihi exported from Dunedin, and, in fact, this was one of the contributing causes of the accumulation of snapper stocks in Sydney.
- (4) *Flounders v. Soles*.—The National Mortgage and Agency Co. has widened the market in Australia for soles (in fillets in particular), and this to some extent has had an adverse effect upon the sale there of Auckland and Thames flounders.

By agreement the exporters have now registered with the Department of Industries and Commerce their current f.o.b. prices, and, wherever necessary, a comparable check is thus obtained upon any complaints which may arise in regard to alleged price-cutting at the expense of others. A full description of the varieties of fish exported, together with the manner of processing, has also been submitted for purposes of information and comparison.