PART V—ORGANIZATIONS ASSOCIATED WITH THE DEPARTMENT

SECTION 1—PRICE CONTROL DIVISION

The following report, submitted by the Director of Price Control, covers the operation of the Price Control Division in the first full year since the passing of the Control of Prices Act, 1947 :—

(a) General

The reorganization necessary in consequence of the provision of that Act which separated the functions of the Price Tribunal from those of the Price Control Division was completed early in the year. The Division thereupon concentrated attention upon the problem of simplifying pricing procedures as a development toward maximum efficiency in methods of permanent control.

Steady increases in prices for manufactured goods imported from overseas continued in 1948 and maintained upward pressure on prices locally until the alteration in August, 1948, of the exchange-rate, whereunder New Zealand currency was appreciated to parity with sterling, had an impressive effect on internal prices both of imported goods and of goods made locally from imported raw materials. Intensive work was required of the Division to ensure that cost savings from the exchange adjustment were fully reflected in prices at all stages of production and distribution. The development of an irregular recession from peak prices became manifest towards the end of 1948 in the countries supplying the bulk of New Zealand's import requirements, but this change was too late to be reflected in marked degree as an offset to the rise in the prices of most of our imports in terms of sterling over the period covered by this report.

The supply of consumer goods available locally showed marked improvement during the year.

The standard-wage pronouncement made by the Arbitration Court in April, 1949, presages a further heavy programme of work for the Division.

(b) Public Hearings of Price Tribunal

A large number of public hearings was held by the Price Tribunal during the year. These covered a variety of industries and trades, including sawmilling, the asbestos-products industry, clothing-manufacture, various public utilities, and the distribution of groceries, hardware, electrical, and sporting goods. In general, the effect of the decisions of the Tribunal has been to strengthen the stabilization of the New Zealand price structure.

(c) Development of Pricing Procedures

It is the aim of the Division to operate procedures which, while securing the effect desired, give rise to the least possible detail and paper work. The most important development in this respect so far devised is the arrangement whereunder a rate of percentage mark-up is made generally applicable to defined ranges of products. An example of this is provided by the Price Order covering grocery and imported hardware lines.

(d) Change in Exchange-rate between New Zealand Currency and Sterling

To ensure that, as far as possible, savings in cost resulting from the return of New Zealand currency to parity with sterling were passed on to consumers by way of price reductions, the Division, after obtaining particulars of stocks held by industries