

During the year visits were made to New Zealand by several distinguished overseas representatives, chief among whom were Mr. W. F. McMullen (Secretary, Board of Trade and Industry, Cape Town) and Mr. A. J. P. Edgcumbe (Overseas Trade Department, Imperial Board of Trade). Mr. McMullen spent nearly a month in New Zealand, and made close inquiries from traders, leading merchants, and manufacturers, as to the possibilities of reciprocal trade. Mr. McMullen was confident that South Africa offered a good market for New Zealand woollen goods, and for powdered milk. Importations into South Africa of this latter commodity aggregated a value of £1,000,000 per annum. There is a possible opening for apples. From South Africa there is a surplus production available for export to New Zealand of wines, tobacco, malt-extract, explosives, and dried fruits. Mr. McMullen has promised to keep in close touch with the Department, and it is hoped that as a result of his visit a member of his Board will visit the Dominion with a view to inquiring more closely into reciprocal trade. In years past, when a direct shipping service was available between New Zealand and South Africa, a considerable trade was done.

Mr. Edgcumbe, trade delegate from the British Board of Trade, accompanied the Naval squadron on its Empire voyage recently. His mission was to study Dominion problems mainly relating to trade. During the course of a short stay of a fortnight, Mr. Edgcumbe visited many of our leading industrial concerns, and addressed meetings in the four chief centres of members of the Chambers of Commerce and manufacturers' associations.

COMMERCIAL TRUSTS ACT.

The increasing tendency towards trade combination, and the consequent elimination of some of the beneficial features of the competitive system, makes it increasingly necessary that some form of independent control should be exercised over the many commercial organizations which are operating to fix prices and conditions of sale.

In several of the manufacturing industries, and in the wholesale and retail trades of many commodities, some form of organization exists which limits the field of competition. Such organizations are by no means in general harmful to public interest, but the power of control over prices and conditions of trade is too important to be left in the undisturbed possession of interested parties.

The Department is constantly in touch with facts which may on investigation disclose breaches of the Commercial Trusts Act, 1910, and, so far as the limitations of staff will allow, inquiries are made with a view to preventing any such offences against the law. In this matter, however, the scope of possible inquiry is so wide that the Department is to some extent compelled to await the receipt of complaint from persons or firms who consider that they are being detrimentally affected by the operations of trade combinations.

During recent months the Attorney-General has decided that action shall be taken under the Commercial Trusts Act against several firms in the flour-milling industry, and these cases have been set down for hearing at Dunedin during September.

GAS.

In the previous annual report of the Department it was shown that a decision had been arrived at to effect a measure of control over this industry by means of regulations under section 26 of the Board of Trade Act, 1919. The regulations as drafted by the Department in conjunction with Dr. J. S. MacLaurin, Dominion Analyst, have been the subject of protracted negotiations with representatives of the leading gas undertakings of the Dominion. The regulations have now been finalized so far as the Department is concerned, and have been submitted to the Government.

In brief, the regulations provide for the control of the supply and sale of gas, with special reference to the three main features, heating-value, purity, and pressure. The regulations are in line with the provisions of modern systems of control in other countries, the British Gas Act, 1920, having been taken as a basis for the proposed regulations of the Dominion. The regulations also provide for the fixation of fees to be paid for direct service such as the testing of meters. Whilst the regulations may be applied to all gas companies operating in the Dominion, it is proposed in the initial stages to apply them only to the undertakings in the four chief centres. During the year under review, the comparative immunity from troubles connected with the supply of coal for gas undertakings has resulted in fewer complaints being received by the Department either as to price or quality. The price of gas has shown a downward tendency, and the reductions made by many of the companies have been due both to increased output and efficiency of plant, and to reduction in labour and coal costs.

CUSTOMS INQUIRIES.

The Department has in the past year again been able to render assistance to the Customs Department by the conduct of investigations into several industries and trades which are working under tariff protection, or in respect of which protection has been asked. In several instances the subjects of these investigations have been considered by the Parliamentary Industries and Commerce Committee, and the Department has submitted evidence as to the results of its inquiries.

SUGAR.

The comparatively lengthy statement regarding sugar which was published in the Department's report for last year makes it unnecessary that any detailed statement be given in this report.

Government trading in sugar was terminated on the 31st August, 1923, and since that date the refining of sugar at Chelsea, Auckland, and the sale and distribution of the products of the refinery, have been carried out by the Colonial Sugar-refining Company (Limited) on its own account, with the protective tariff of £2 18s. 4d. per ton of refined sugar as agreed to during the 1923 session of Parliament.