BOARD OF TRADE (FERTILIZER) REGULATIONS, 1936.

The Department has for some years past examined the cost of production and distribution of superphosphate throughout the Dominion. As a result of these investigations the price of superphosphate has now been fixed at £3 16s. per ton ex works in the North Island and £4 2s. per ton ex works in the South Island of New Zealand. These are the prices to farmers. The rate of profit that may be obtained by merchants, dairy factories, and storekeepers has also been fixed. In the North Island the merchant may obtain a profit of 4s. 6d. per ton, the dairy factory and storekeeper, 2s. per ton. In the South Island the rate of profit to the merchant has been fixed at 6s. 6d. per ton, and to the dairy factory and storekeeper, 4s. per ton.

It will be noted that the commissions allowed to resellers in the South Island are higher than those fixed for the North Island. This difference is due to the fact that fertilizers are generally more easily sold in the North Island, and also that the quantity sold is much greater than in the South Island, as the total figures for the last annual sales of all companies will show—North Island, 250,422 tons; South Island, 94,404 tons.

The selling-price to farmers of imported phosphatic manures has also been fixed in the regulations. In the North Island the price is fixed at a margin of 6 per cent., on the ex wharf landed cost, and in the South Island at 8 per cent. on a similar basis. The justification for fixing the rate of profit as above on imported phosphatic fertilizers is to prevent any special inducement on the part of importers to sell imported fertilizers in preference to locally made superphosphate, and to preserve to the local superphosphate-manufacturers, who employ a substantial number of workers, an assured portion of the market.

The prices ruling prior to the regulations being gazetted were—North Island, £4 per ton ex works; South Island, £4 5s. per ton ex works.

It will be seen, therefore, that a reduction of 4s. per ton in the North Island and 3s. per ton in the South Island was effected.

The reduction is estimated to amount to a saving of approximately £64,000 to farmers in the Dominion. In addition to this saving to farmers, the Government is relieved of the payment of the subsidy of 1s. 9d. per ton, which for the twelve months ended 30th June, 1936, amounted to £30,008.

CEMENT.

During the past year reductions in the price of cement have been made by the three cement companies operating in the Dominion. It was considered by the Government that some rationalization scheme throughout the industry would possibly result in reduced prices being charged to consumers. The industry itself put into operation the present scheme, and reductions have been effected through a territorial rearrangement in marketing. It is anticipated that at a later date further reductions will be made, when the results of the operations of the present scheme are known. In this regard the companies are going to submit to the Government, at the end of the first six months' operations under the present scheme, the result of the rearrangement in marketing.

TRADING-COUPONS.

Prior to the passing of the Trading-coupons Act in 1931, the system whereby coupons were redeemed for goods had been a matter of complaint before the Department for a number of years. Retailers whose particular line of goods was being offered in exchange for coupons levelled severe criticism at the system, which had the effect of interfering seriously with their trading profits. Under the provisions of the Trading-coupons Act, 1931, the redemption of trading-coupons otherwise than for cash became an illegal offence. The administration of the Act is in the hands of this Department.

During the year several instances of alleged breaches of the Act were reported, and in each case the scheme was carefully examined. In some cases it was found that the operations involved did not provide for the redemption of trading-coupons; in other cases the circumstances were such that the Department issued a warning to the offenders and requested the immediate withdrawal of the schemes. In only one instance was it found necessary to resort to legal action, this, however, taking place after a request for the withdrawal of a competition was not complied with. The competition involved a substantial prize, and was limited to those producing the particular label of a proprietary line. As a result of this action judgment was obtained in favour of the Department.

PREVENTION OF PROFITEERING ACT.

The Government recently passed the Prevention of Profiteering Act, its main purpose being to give protection to consumers and purchasers of goods generally from any form of exploitation in the matter of unjustifiable increases in prices, and it is already clear that the legislation is having the desired effect.

If the Government were to permit prices generally to be increased to an unreasonable extent, that is to say, unreasonable in relation to the particular circumstances which justify such increases, then the objects which the Government hopes to achieve through the passing of certain legislation would be defeated. The objects of that legislation are to improve the conditions of the people generally, to provide them through increases in wages with additional purchasing-power whereby they can obtain the comforts of life, and to give them through a reduction of hours of labour a greater amount of leisure. It is the aim of the Government to see that these benefits are not taken away from the people by any undue increase in the cost of living, and it is pleasing to see that this aim is being accomplished.

Under the provisions of the Act every person commits the offence of profiteering who sells goods or offers goods for sale at a price that exceeds the basic price of those goods by an unreasonable amount. The basic price is regarded for the purposes of the Act as being the current or general price ruling on