

CEMENT.

Following on the introduction of a zoning system by the cement companies, which resulted in a reduction in the price of cement, the accounts of the companies' operations under the scheme were investigated by the Department. These disclosed that, generally speaking, the scheme had been of benefit to all companies as well as the public generally.

The Bureau of Industry is now taking up the whole question of the price of cement in view of the fact that applications have been received for licenses to erect new plants to manufacture this commodity. The necessary comprehensive investigation into the relevant claims of the applications for the erection of these works has not yet been finalized, but it is hopeful that the result of the inquiries will be a further reduction in the price of cement.

TIMBER.

The question of the price of timber throughout the Dominion has engaged the very close attention of the Department. As a result of the introduction of legislation returning wages to the 1931 level the representations of the various timber-millers' organizations for an increase in the price of timber were thoroughly investigated. A Timber Price Committee was set up, to which was appointed a representative of the Department.

The original demands of the millers proved to be based on wrong premises, and as a result the prices finally determined as being reasonable, taking into account not only the wage-restoration rates but also the forty-hour week, which came into operation on the 1st September, 1936, were considerably lower than those asked for by the millers.

Similar investigations were conducted into the prices charged by timber-merchants, and here again the prices ultimately considered to be reasonable were below those originally suggested by the merchants.

Special reference in regard to white-pine timber should be made, in that through a shortage of white-pine supplies in the North Island the dairying industry's requirements for butter-box containers had to be drawn from the South Island. This necessitated a very comprehensive review of the situation in order to see that containers were available to the dairying industry at as reasonable a price as possible consistent with the rise in wages and reduction in working-hours.

Closely related to the question of white-pine was that of the price of containers to the dairying industry, and here again the Committee had to see that butter-boxes were available to the dairying industry at as low a price as possible.

It is estimated that over a period of twelve months the saving effected by the Timber Price Committee amounted to something like £500,000, which the ultimate consumers would have had to pay had no steps been taken to ensure that only those costs consequent on the forty-hour week and 1931 wage-level had been added to 1st June price-lists.

PETROL.

Under the Motor-spirits (Regulation of Prices) Act power existed to fix the maximum and minimum prices of petrol, taking into account all factors of costs, transport, insurance, &c., both overseas and local.

The Government pursued its promise to fix the price of motor-spirit in various areas, and the Department has conducted very intensive investigations into the conditions operating in certain areas. Up to the present prices have been fixed in the Wellington, Christchurch, North Canterbury, Mid-Canterbury, South Canterbury, North Otago, Manawatu, Taranaki, Wanganui, and North Wellington districts, and the relative investigations in each area disclosed that each district had its own local difficulties and problems to be overcome.

The regulations have been framed to stabilize as much as possible existing conditions within the industry, but where uneconomic price-cutting has so disrupted the trade as to warrant action being taken by the Government the price fixed has been such as to return resellers 3d. per gallon margin of gross profit, which, it is considered, is required to give the reseller a fair return for his labour.

Investigations in other areas are almost completed and it is hoped that further regulations will shortly be introduced.

In the course of investigations in various districts covered by price-fixation the question of the reselling of motor-spirit by dairy companies came under review. These companies were selling in competition with resellers and, in order to prevent any suggestion of price-cutting being carried on by the companies, the Hon. the Minister has indicated that he proposes introducing at the forthcoming session of Parliament an amendment to the Motor-spirits (Regulation of Prices) Act to permit dairy companies to distribute profits made on the resale of motor-spirit in such a way as not to contravene the relative section of the Act.

BOARD OF TRADE (FERTILIZER) REGULATIONS, 1936.

The cost of production and distribution of superphosphate throughout the Dominion has for a number of years past been the subject of investigation and inquiry by the Department.

By virtue of the Board of Trade (Fertilizer) Regulations, 1936, the price of superphosphate was fixed at £3 16s. per ton ex works in the North Island and £4 2s. per ton ex works in the South Island. These prices are to farmers. The margin of profit that may be obtained by merchants was fixed at 4s. 6d. per ton in the case of the North Island merchants and at 6s. 6d. per ton in the case of South Island merchants. Dairy factories and storekeepers are allowed a margin of profit of 2s. per ton in the North Island and 4s. per ton in the South Island.