

The reason for these variations in margins of profit in the North and South Islands is explained by the fact that the North Island has a very much greater output and, while the rate is smaller, the amount of profit earned is much larger than in the South Island. In the South Island the manufacturers have several free-delivery points, and the loss in railage incurred by the companies accounts for 5s. of the difference between the price fixed in the North and South Islands for superphosphate. Allowance is also made for the higher commissions in the South Island.

In addition to fixing the price for superphosphate manufactured in the Dominion, the Order in Council also fixed the rate of commission which could legally be added to the landed cost of imported phosphatic fertilizers. The rate of commission fixed in the North Island was 6 per cent., and in the South Island 8 per cent. The reason for fixing the rate of profit on imported phosphatic fertilizers was to prevent any special inducement on the part of importers to sell imported superphosphate in preference to Dominion-made superphosphate, and to assure a portion of the local market to the New Zealand manufacturer, in view of the substantial employment created by the works in the Dominion.

It is of interest to note that the previous ruling prices were fixed at £4 per ton in the North Island and at £4 5s. per ton in the South Island, so that the 1936 regulations caused a reduction in price of 4s. per ton in the North Island and 3s. per ton in the South Island.

In order to provide the farming interests with superphosphate at the lowest possible price the Government agreed to pay a subsidy of 11s. per ton in 1931, and manufacturers also contributed towards a reduction in price. During the succeeding years the amount of subsidy has been gradually reduced (except during 1933, when it was slightly increased) and was finally eliminated on the 31st May, 1936. This has been accomplished with reductions in the price of superphosphate. The following table will clearly show the extent to which the industry has been assisted by the allocation of State funds since the subsidy came into operation.

From	To	Rate per Ton.	Tonnage.	Amount.
		s. d.		£
12th October, 1931	30th June, 1932	11 0	240,024	132,013
1st July, 1932	30th June, 1933	8 10	238,618	105,391
1st July, 1933	31st December, 1933 ..	10 0	136,826	67,343
1st January, 1934	30th June, 1934	5 0	170,441	42,607
1st July, 1934	30th June, 1935	2 6	305,650	38,205
1st July, 1935	31st May, 1936	1 9	327,620	29,415
			1,419,179	430,717

GAS REGULATIONS.

The Board of Trade (Gas) Regulations administered by the Department are designed to provide protection in respect of calorific value, purity, pressure, measurement, and price.

All the large undertakings, both municipal and private, have been brought within the scope of the regulations, and the number now covered by them is nineteen.

The work of the Gas-examiners and Inspector of Meters has been carried out efficiently during the year, and official relations with the gas companies and municipal undertakings have, without exception, continued to remain most satisfactory.

During the year certain gas companies found that, as a result of higher coal-prices and of increased wages-costs consequent on the restoration of wage cuts and the adoption of the forty-hour week, they were unable to continue on the then existing scale of charges for gas. In each case where application was made for approval to increased charges a full investigation was made by the Department. The following price increases were found to be justified and were agreed to—

Auckland Gas Co., Ltd.	..	..	..	4d. per 1,000 ft.
Napier Gas Co., Ltd.	..	..	..	5d. per 1,000 ft.
Timaru Gas Co., Ltd.	..	..	..	6d. per 1,000 ft.

CHATELS TRANSFER ACT, 1924.

The Department administers section 57 of the Chattels Transfer Act, 1924, which provides for the protection of bailors of such chattels as are referred to in the Seventh Schedule to the Act without the necessity for the registration of the agreement concerned. Provision is also made to enable Orders in Council to be gazetted extending the Seventh Schedule by the addition of further classes of chattels recognized as being the subject of "Customary hire-purchase agreements."

Applications are from time to time received for the extension of the Schedule to include further classes of chattels, and thorough investigations are made in each of the four main centres as to the customary trade practice adopted in the disposal of these chattels, and as to the desirability or otherwise of adding such chattels to the Seventh Schedule. During the year an application was received for the inclusion of permanent-waving machines, electric hair-dryers, electric vibrators, and violet-ray apparatus. An investigation into the trade customs existing in each of the four main centres was made, but the evidence disclosed did not show that the addition of these articles to the Schedule was warranted.