

eliminate to the lowest possible degree any suggestion of the produce arriving at its destination in any other than first-rate condition. The standardization of the container will, of course, facilitate the manufacture of butter-boxes by the boxmakers.

One problem that has been before the Department during the past year is that concerning the greater utilization of all classes of timber produced. The North Island millers have indicated to the Government that if they could obtain a greater utilization of their log it is more than likely that adjustment in prices in a downward direction can be made. At the present time there is an unbalanced demand for the classes produced and endeavours are being made to secure recognition of the use of those classes of timber for which to-day there is little, if any, demand.

CEMENT.

The price of cement has been closely watched by the Department, and as a result of a comprehensive examination of the accounts of the companies' operations a reduction in price has been effected. It was found during the course of the inquiry that there had been an increase in the turnover of this commodity, and with the existing zoning system the companies generally have benefited. It was satisfactory to be able to report a reduction in the price of cement, and all the more so when it is recognized that account has been taken of advances in wage-costs that the cement companies have made during the year. The actual reductions varied from 1s. 6d. per ton to as high as 9s. per ton, and as a result of the adjustment of prices in various areas there has been a more uniform list put into operation in several districts. The cement companies to-day are unquestionably enjoying better trading-conditions, with a consequent lowering of price to the consumer.

The Bureau of Industry has before it at the present time applications for new works, and the customary comprehensive investigation into applications of this nature has now been practically completed. As one of the applications is from overseas, the inquiries have been somewhat protracted, but it is anticipated that all the details in respect of each application will be before the Bureau for early consideration.

LIME.

During the year under review Cabinet instructed that an investigation be made into the production and distribution of lime throughout the Dominion, such investigation to be carried out jointly by the Department of Industries and Commerce and the Department of Agriculture.

Acting under this instruction, questionnaires were submitted to all known lime companies seeking information of production, prices, areas supplied, costs, &c., and from the returns, together with other data of amounts railed, a comprehensive report was jointly prepared by the two Departments for submission to the Government.

Any reorganization of the industry presents numerous difficulties, and before a solution can be put forward it is necessary that the problem receive very full consideration.

Lime is absolutely essential to the farming community, and it is the desire of the Government to overcome the difficulties of obtaining delivery to farmers at reasonable prices and with the minimum delay.

COAL.

The Department continues to keep closely in touch with movements in the cost of coal-mining, distributors' margins, and retail-prices in various centres. The Department's operations have been in the direction of restraining the tendency to increase merchants' margins. In certain cases it has been found that, owing to fierce and uneconomic competition during the depression years, the merchants have been forced to reduce their charges to an unprofitable level. With the return of better conditions and the formation of merchants' associations in certain centres there has been a tendency for increases in merchants' margins to be greater than justifiable.

Whenever the wholesale price of coal is raised by mine-owners there is the necessity for a recalculation of retail-prices and an opportunity for increasing the merchants' margins. By closely watching the position and making representations when necessary the Department has exercised a restraining influence on rising prices.

The services of the Department have been availed of by the Stores Control Board and the Railways Department in the matter of investigating increases in prices and variation of coal contracts.

SUPERPHOSPHATE.

The cost of production of superphosphate throughout the Dominion has for a number of years past been the subject of investigation and inquiry by the Department, the price being fixed by agreement between the Government and manufacturers from October, 1931, to July, 1934, and since that time by Board of Trade regulations.

In 1931 the price ex-works was reduced from £4 17s. 6d. per ton to £3 17d. 6d. per ton, the Government paying a subsidy of 11s. per ton. In 1932 the price was increased to £4, the subsidy being progressively reduced from time to time until it ceased altogether on the 31st May, 1935, the Government having paid £430,717 subsidy on 1,419,179 tons in less than five years.

The selling-price of superphosphate was fixed by Order in Council under the Board of Trade Act on the 12th July, 1934. The price in the North Island was fixed at £4 and in the South Island £4 5s.—both based for delivery on trucks, ex-works.