

WOOLPACKS.

The system of control of importation of woolpacks to ensure the maximum consumption of New Zealand flax woolpacks locally manufactured has been continued.

As it was anticipated that New Zealand Woolpack and Textiles, Ltd., could produce 300,000 out of a Dominion requirement of 800,000, the proportion of jute woolpacks was fixed at three to five. The price of woolpacks was also fixed.

The number of packs of all sizes actually manufactured by the local company was 360,255, and the total quantity of fibre used was 1,689 tons hemp and 22 tons tow, totalling 1,711 tons.

Owing to the complete collapse of the export market, the company was unable to secure supplies of the by-product (tow) and was compelled to use line fibre exclusively.

Proposals for the extension of the factory and for ensuring supplies of raw materials have been given careful consideration by the Government, and it has been decided to extend the woolpack-factory so that eventually it will be able to manufacture all the woolpacks required in New Zealand. This enterprise is already well under way.

MOTOR-SPIRITS PRICE-FIXATION.

During the past year the policy of price-fixation of petrol has been extended to cover Westland district. An incidental effect of the stabilization of prices brought about by these regulations was the reduction in the reseller's margin which was able to be made in one or two areas. In other cases the retailer's margin was fixed at a figure actually below that usually allowed, this being done at the request of the resellers themselves.

In the course of the year amendments were made to the Motor-spirits Prices, Nelson-Blenheim, Hawke's Bay - Wairarapa, and Otago-Southland Regulations. In the first case it was found possible to reduce the price charged in Nelson and districts served therefrom to the extent of 2d. per gallon. This reduction was brought about by the installation of additional bulk-storage facilities in Nelson enabling overseas tankers to discharge direct, and thus saving the cost of transporting in drums from Wellington for the bulk of the petrol sold. The amendment to the Hawke's Bay - Wairarapa Regulations was introduced for the purpose of reducing prices charged in the Borough of Wairoa by 1½d. per gallon, which was found possible through the extension of rail-tank-car facilities and one company placing its drum-filling facilities at the disposal of the other oil companies. The Otago-Southland Amendment effected a slight adjustment by bringing petrol-prices at Clydevale in line with those fixed in similarly placed areas.

An important amendment recently made to the Motor-spirits Prices General Regulations 1938 was the reduction in the "bulk consumer" qualification from 4,800 gallons to 3,500 gallons per year. Previously firms using quantities of petrol in their own business were obliged to take 4,800 gallons per year to enable them to buy at wholesale rates. The rationing of petrol-supplies introduced as a war-emergency measure last year resulted in many firms who previously were able to purchase in sufficient quantities to secure wholesale rates no longer being able to do so, and consequently this measure was introduced to correct any anomalies caused. This amendment, it should be noted, refers to this year only.

A further feature of the Department's work has been the close check kept on landed costs of petrol in relation to the prices fixed by regulations throughout the country. In addition to the reductions effected in specific areas previously referred to, the Department was able, in the early part of this year, to bring about two general reductions of one halfpenny per gallon. With the advent of the war, however, prices have had to be increased. A system of average prices based on the c.i.f. and e. costs has been instituted, and the large increases in landed costs to the oil companies have had to be passed on to the consuming public when it was considered warranted. As far as possible price-increases have been stabilized to prevent sudden fluctuations from one shipment to another, and the increases have only been made when fully supported by confirmatory evidence. The average landed cost of all the petrol in the country only is considered, not the cost of an individual shipment.

With the introduction of regulations rationing petrol the industry has been faced with many problems, and the Hon. the Minister has set up an advisory Committee to assist him in the determination of the various matters that have come to his notice as a result of the emergency conditions. This Committee consists of representatives of resellers, oil companies, employers, transport operators and the automobile association, garage-proprietors, and two Government members. The Committee has had one or two meetings, and it is anticipated that much helpful assistance will be forthcoming as a result of its deliberations.

MOTION-PICTURE INDUSTRY.

During the past year eighteen applications for permission to open new theatres or reopen existing theatres at the time unlicensed came before the Department for investigation. All applications were subject to the customary inquiries carried out under the provisions of the Cinematograph Films (Issue of Exhibitor's Licenses) Regulations 1937 and referred to an independent Magistrate for his report to the Hon. the Minister in due course.

As has been mentioned in previous annual reports, the Hon. the Minister makes an almost invariable practice of submitting the Magistrate's report to Cabinet for permission, and of the applications received during the year only four were granted. Of the balance six were declined, and a further eight are, at the moment, still under consideration.