

ACTIVITIES OF THE DEPARTMENT IN RELATION TO THE COST OF LIVING.

The Department has been closely engaged upon investigations relative to prices charged by traders in respect of a wide range of commodities, in an endeavour to give effect to the desire of the Government that the benefit of the general reduction in salaries and wages should be passed on to the public.

The prices of flour and bread have been under investigation, and reports have been prepared showing the position of the different interests and the costs involved. As a result of the Department's inquiries, combined with the influence of competition amongst traders, prices of bread have definitely fallen in a number of cities and towns.

The prices of meat have been under review, and the Department has assured itself that there is ample competition in this trade to ensure that the public receives a fair return for its outlay.

The prices and distribution of fish have been the subject of a report recently submitted for consideration of the Government.

Investigations are being carried out by the Department into the prices and costs of distribution of petrol and cement, and into the costs of production and prices of bricks and earthenware pipes. Price inquiries have also been made relative to sugar, butter, bran and pollard, eggs, fertilizers, and bacon.

Over an extensive field price investigations are rendered unnecessary by energetic price competition. Both as a result of this competition and as a result of the prevailing depression, the profits of many traders have been seriously diminished, and in numerous instances substantial losses have occurred. Under such circumstances it cannot reasonably be expected that reduced labour-costs will immediately be attended by further reductions in wholesale or retail prices. Moreover, in some trades and industries general reductions in salaries and wages have not yet been effected, and in cases where reductions have been made the time which has elapsed is yet too short to reveal the benefit of reduced labour-costs in reduced wholesale or retail prices. Wherever possible, however, effective steps are being taken by the Department to ensure that reductions in salaries and wages are passed on to the public in the form of lower prices, and evidence is forthcoming that reductions in prices due to lower wage-costs are definitely being made in many instances and in respect of a wide range of commodities and services.

WHEAT, FLOUR, BREAD.

For the 1929-30 season the area sown in wheat in the Dominion was 235,942 acres, and the yield was 7,239,556 bushels, an average of 30.68 bushels per acre. This quantity was not sufficient for the requirements of New Zealand, but the yield and the carry-over from the previous season were adequate without abnormal importations.

The quantity of wheat imported into New Zealand during the year 1930 was 280,137 bushels, valued at £77,253. The quantity of flour imported during the same period was 9,538 tons, valued at £138,980. Together the imports last year of wheat and flour represent 737,961 bushels of wheat, which is approximately equivalent to one month's requirements for the Dominion.

The New Zealand Wheatgrowers' Co-operative Association, Ltd., continues to function and controls the sale of a large quantity of the wheat grown in Canterbury and Otago.

The following table gives statistics concerning the grain-mills of the Dominion for the year ended 31st March, 1930 :—

Number of establishments	..	..	..	..	..	54
Value of land, buildings, and plant	..	..	..	..	..	£831,331
Persons engaged	..	..	..	..	..	731
Amount paid as salaries and wages	..	..	..	..	..	£182,104
Cost of materials used	..	..	..	..	..	£2,346,388
Value of products	..	..	..	..	..	£3,001,323
Added value	..	..	..	..	..	£654,935

Included in the materials used were 6,390,642 bushels of wheat, valued at £2,065,740, and 685,562 bushels of oats, valued at £120,657. The quantity of flour produced was 136,917 tons. There were also produced 18,921 tons of bran and 33,089 tons of pollard.

During the 1929 session of Parliament a special Committee was appointed to examine matters relating to the wheat and allied industries. The Committee, in its report to Parliament, recommended that investigations into the cost of production of flour and bread be carried out by this Department. Officers of the Department made exhaustive inquiries, and a report on the flour-milling industry in New Zealand was submitted to Parliament during the earlier session of this year.

A report upon the cost of production and distribution of bread in the four principal centres of the Dominion was also submitted to Parliament last session.

FLAX INDUSTRY.

Export statistics of hemp and tow, as shown in the appendix, reveal a considerable decrease both in value and quantity. The relative figures for the last two calendar years are as follows :—

				Tons.	Value. £
1929	..	..	..	14,720	379,942
1930	..	..	..	9,493	221,923