

off, but the consequent saving in working-costs will enable industry to meet competition and carry on successfully under the altered conditions and provide the only permanent cure for unemployment, to the lasting benefit of the workers and the country generally.

The latest cost-of-living figures that I have quoted are for May last, whereas the reductions in award rates were effective from the beginning of June only. The consequent savings in working-costs will enable prices to be still further reduced. The Government has all the necessary authority to ensure that the savings are passed on in one form or another, and, if necessary, the Government will not hesitate to use its powers. The Industries and Commerce Department is keeping in touch with the matter, but is not confining its attention to this point alone; it is busy investigating the relationship between the cost and selling price of various articles in all its aspects.

Steps taken to ensure prices reduced.

As regards food, inquiries have been made, for instance, into prices of bread, meat, fish, sugar, butter, eggs, and bacon; while in other lines the inquiries have been extended to bran and pollard, gas, petrol, cement, bricks, earthenware pipes, fertilizers, coal, woollen goods, hosiery, and boots and shoes. It may be added that over an extensive field price investigations are rendered unnecessary by energetic price competition, but special attention is being given to trades and industries where monopolistic or semi-monopolistic conditions appear to exist.

In regard to bread, I have previously announced the intention of the Government to submit to the House proposals for a reduction of the duty on wheat and flour. An undertaking has been given by the Government that no alteration will be made in the duties until the crop harvested this year has been marketed, but it is intended as from early next year to make substantial reductions in the duty on both wheat and flour. These reductions, while still giving the wheat-grower reasonable protection, will enable substantial reductions to be made in the retail price of flour and bread, and will assist the poultry-farmer and other users of wheat.

Reduction of duty on wheat and flour.

### FARMERS' FINANCE.

As practically the whole prosperity of New Zealand is based on primary produce—which fact is only too evident at a time like the present—the Government is much concerned about the position of the farmers, many of whom have been placed in a serious financial position, through no fault of their own, as a result of the sudden unprecedented fall in world prices, which fall, as I have already indicated, has been particularly severe in the case of primary products. These prices, in fact, are back to the pre-war level, and, as farm lands are worth only the capitalized value of what they will produce at current prices, the hard fact must be faced that unless overseas markets rapidly recover—and the best informed opinion holds out little hope of that—many of our unfortunate farmers will have lost the equity in their farms, representing perhaps the hard-won savings of a lifetime, and, in addition, some mortgagees will have lost part of the capital invested by them. These facts are inescapable, and if the mortgagor of land that is now over mortgaged is a good farmer doing his best the mortgagee cannot hope to gain anything by driving him off the land. Accordingly, I repeat my earnest appeal to mortgagees to review all the circumstances in an equitable spirit and recognize their losses by easing the mortgage charges or otherwise granting every relief possible. This appeal extends also to the stock and station agents, and the banks and others who have lent money on the security of the farmers' stock and chattels, with or without collateral security. The readjustment of internal prices generally should bring a certain measure of relief to farmers, and in some cases all that is required is a postponement of the instalments of principal due under the contract for a limited period. I am pleased to say that the finances of many farmers have been rearranged in a spirit that does much credit to the mortgagees, but to prevent any exploitation of the situation, or the infliction of undue hardship on any mortgagor by hasty action on the part of the mortgagee, the Mortgagors Relief Act was placed on the statute-book. This measure is, however, only intended to be a precautionary one, and it is hoped that in most cases matters will be equitably arranged between mortgagor and mortgagee in a spirit of co-operation without outside assistance or interference. I am glad to say that it would appear

Farmers' finance.

Effect of fall in prices.

Mortgagors Relief Act.

Adjustment Commissioners.