

The seven-year period which closed with 1927 was even more remarkable, by converse, than the period which preceded it. Though there have been minor fluctuations in the degree of prosperity enjoyed by the Dominion since 1920, the past seven years have seen a general decline in values, and an increase in competition both internally and from overseas products.

Another factor which can be held to account for the increase in the amount of bankrupts' debts and deficits (as distinct from the number of bankruptcies) is, of course, the generally higher (though declining) level of prices and values which has prevailed in recent years.

While there are these outstanding explanations of the very heavy losses which have been borne by traders in particular, and by the Dominion as a whole, there is some evidence that under the stress of competition credit has been given by trading firms to a greater extent than has been entirely justifiable. The desire for turnover—for an outlet for manufactures—has led to an insufficient regard for the financial stability of the buyer. The Department has in recent years seen many instances of this lack of an adequate caution in the granting of credit.

In several industries and trades the loss resulting from bad debts has recently been so high as now to constitute an item of serious importance in the costs of doing business. As overseas goods are in most instances paid for promptly on arrival in the Dominion, the risk and expense of bad debts, whether arising from the trade in local or imported goods, falls in a great many cases upon Dominion manufacturers, and thus constitutes a definite disadvantage where local manufacturers are in competition with similar imported supplies. Trade associations and similar bodies can find in this matter a field for activity in a direction which would safeguard both their members and the consuming public.

#### TAILORING-TRADE REGULATIONS.

In the Department's reports for 1925 and 1926 reference was made to the above-mentioned regulations, which were designed for the protection of both the order-tailoring trade and the public. It had been found that factory-made clothing was offered for sale to the public as "hand-made" or "tailor-made" when in fact the quality of workmanship was not such as to entitle the goods to be so described.

The regulations came into force in March, 1925, and from time to time it has been necessary to take legal action against persons or firms who offended against the regulations by misdescription of garments sold or offered for sale by them. During the past year several such cases have been under consideration, and in one instance proceedings were taken and a fine imposed by the Court. In general, however, it appears that the trade is well aware of the provisions of the regulations, and offences are unlikely to be committed by reputable manufacturers and dealers.

#### GAS REGULATIONS.

The Board of Trade regulations for the control of the sale and supply of gas provide safeguards in regard to heating-value, purity, pressure, price, and measurement. Regular tests have been made by the Gas-examiners in Auckland, Wellington, and Christchurch during the year, and in Dunedin since August, 1927, when a Gas-examiner was appointed there. These tests show that the gas in each of the four cities has complied with the regulations in regard to pressure and purity, and has been kept well up to the declared calorific values, which are 450, 475, 470, and 500 British thermal units per cubic foot for Auckland, Wellington, Christchurch, and Dunedin respectively.

The Inspectors of Meters in Auckland and Wellington, who were appointed in January, 1927, have continued their work during the year. These officers test and stamp all repaired meters and all new meters (not bearing the British Board of Trade stamp) before they are issued for use.

Following the original intention when the regulations were brought into force, the provisions in this connection have now been made to apply to a number of the smaller gas undertakings. Various conferences have been held with the interested parties, and the position of a number of the gas undertakings has been closely examined in relation to costs, prices, availability of testing plant, &c. During the past few months the gas undertakings in the following fourteen centres have been brought within the scope of the regulations: Birkenhead and Northcote, Napier, Timaru, Ashburton, Wanganui, Nelson, Invercargill, Hamilton, Palmerston North, Dannevirke, Masterton, Lyttelton, Oamaru, Petone, and Hutt. The inclusion of these smaller undertakings with those in the four chief centres involves some increase in the staff for the testing of gas and for the examination of meters. A considerable increase in the administrative work will also be involved.

Prior to August, 1927, the scale of fees for meter-testing made no provision for the cost of travelling to gasworks located at some distance from the headquarters of Meter Inspectors. This fact would have necessitated the maintenance of the fees at a fairly high level to cover the cost of travelling involved in the inclusion of the gas undertakings in the smaller centres, and would have meant in effect that the large centres would have borne a considerable proportion of the cost of testing in the provincial towns. The Gas Referees have decided that it will be more equitable to all concerned to reduce the actual fees for meter-testing and to charge an additional amount to cover travelling-expenses where these are involved. A new scale of fees was therefore necessitated, and came into force in August last, under which a considerable reduction has been made in the fees as compared with those previously ruling, and provision is made for charging an additional 10s. per day when the gas company's testing-room is more than three but less than ten miles from the headquarters of a Gas-examiner or an Inspector of Meters, and £1 5s. per day if the testing-room is more than ten miles from such headquarters.

#### TIMBER.

Following on the intensive investigation which was made by the Department during last year, and which was referred to in the annual report for that period, it was considered that some action should be taken to extend the use of local timbers. With this object in view the Prime Minister appointed a special committee (including representatives of the trade and of certain Government Departments) to work under the direction of the Minister of Industries and Commerce.