

Added Value.

A reliable guide to the relative importance of an industry from an industrial viewpoint is gained by the examination of the "added value" created by the manufacturing operations of that industry. This "added value" is arrived at by deducting the cost of materials used in an industry from the gross value of the products which result from manufacturing operations.

Increases.—Coachbuilding and motor engineering, £773,928; sawmilling, £497,416; meat freezing and preserving, £493,050; clothing, £305,177; butter and cheese, £300,478; printing and publishing, £263,838; general engineering, £198,452; furniture, £191,486.

Decreases.—Tobacco and cigarette making, £98,291; sausage-casing, £11,939.

COST OF LIVING, PRICES, AND CONTROL.

A constant watch has been kept by the Department on the trend of prices during the year. Particular attention has been paid to movements in retail prices and every endeavour made to prevent such prices rising more than was fully justified. The extent of the movements in the various groups, as expressed by the official index numbers, comparing the 31st March, 1938, with the same date in 1937, are as follows:—

Retail Prices.—The "all groups" index number rose by 4·3 per cent. In this group foodstuffs showed the largest increase with 6·5 per cent., made up of meat, 8·6 per cent.; dairy-produce, 6·5 per cent.; and groceries, 3·4 per cent. The next largest increase was in the case of clothing, drapery, and footwear group, with 6·4 per cent. Rents were 2·8 per cent. higher, and fuel and light showed the relatively small increase of 1·3 per cent. The miscellaneous groups index was higher by 1·9 per cent.

Wholesale Prices.—The "all groups" index number of wholesale prices in March, 1938, was 3·4 per cent. higher than it was a year previously. To this increase the index of locally produced goods contributed 3·7 per cent. and that of imported goods 3 per cent.

Of the various groups which went to make up the average for the whole, the group showing the largest increase was that for meat, which was 16·2 per cent. higher than it was a year earlier. The only item which recorded a reduction was "semi-manufactured animal products (not foods)." This heading includes wool, hides, skins, and tallow, and the index was 38·7 per cent. lower. Wood and wood products were 7·4 per cent. higher, and agricultural produce had advanced by 3·6 per cent. "Other foodstuffs and groceries of animal origin" were higher by 5·7 per cent., as were metals and their products by 5·1 per cent., and textile manufactures by 2·8 per cent. Other recorded increases were chemical and manures, 1·2 per cent.; mineral oils, 1·1 per cent.; coal, 0·9 per cent.; other non-metallic minerals and their products, 1·3 per cent.; mixed agricultural products, 0·9 per cent.; other vegetable products and groceries, 0·5 per cent.; and leather, 0·4 per cent.

Export Prices.—The "all groups" index of prices for goods exported showed a slight fall of 0·4 per cent. This relatively small decline, however, was made up of large increases and decreases. The index of dairy-produce prices in March, 1938, was 21·5 per cent. higher than it was a year earlier, and meat prices showed a corresponding rise of 9·3 per cent. The only other increase was in the case of minerals, the index for which was 2·7 per cent. higher. All the other groups recorded a fall in their indices, the largest being that of wool, which was 33·2 per cent. lower. The other "pastoral produce" index was 19·0 per cent. lower, that for agricultural produce was down by 5·0 per cent., and the timber index was 10·4 per cent. lower.

Effective Wage Rates.—On the base 1926–30 = 1000 the nominal wage-rate index in March, 1938, stood at 1063. This was 205 points higher than the index for the year 1935, and represented an increase of 23·9 per cent. Over the same period retail prices advanced by 105 points, from 837 in 1935 to 942 in March, 1938, an increase of 12·5 per cent.

On the 1926 = 1000 base the effective wages-rate index stood at 1025 in 1935, but by March, 1938, this index had risen to 1128, an advance of 103 points, or 10 per cent. Thus, on the basis of wage rates, the above figures show that the standard of living of the workers rose during the two years by 10 per cent.

Control Measures.—Control over prices has been exercised by the Department partly through the fixation of the prices of certain commodities under the provisions of the Board of Trade Act and also through the administration of the Prevention of Profiteering Act. Other sections of this report cover the various commodities the prices of which are fixed under the Board of Trade Act.

The prevention of Profiteering Act is designed to prevent prices from being raised to a greater extent than is warranted by any additional costs which are incurred by a seller, either for the actual goods or services supplied or in the general expenses of operating his business. Under the provisions of this Act a large number of investigations have been conducted into the prices of many commodities and services and covering a wide range of industries and trades. In a number of instances, where it appeared that a particular price had been raised more than was reasonably justified on account of increases in costs, a reduction in prices was made, and in some cases refunds of portions of purchase-money have been made.

In addition to the special investigations which are being made all the time under the Act, a continuous check is maintained on the prices of the items which figure largely in the household expenditure of families, such as foodstuffs and clothing. The existence of the Act and the continual investigational work carried out by the Department has provided a powerful check on any tendency for exploitation of the consuming public through the device of raising prices.