

were the subject of Court proceedings. It should be emphasized that the Department's duty was to investigate all complaints, and, where an overcharge was proved, to authorize a prosecution. The instructions of the Government were that, no matter how small the article concerned, profiteering had to be checked. Although some of the items may have been comparatively unimportant in a consideration of the cost of living, nevertheless their sale throughout the Dominion at unreasonably high prices meant a considerable tax on the consumers.

Many overcharges were small, and refunds were considered sufficient readjustment. It was found that in order to secure a conviction it was necessary that the profit should be considered above the "reasonable" limit—that is, it had to be "unreasonably high."

LEADING CASES.

BOARD OF TRADE *v.* ALARM-CLOCK DEALERS.

In this case the defendants raised the principle of charging according to replacement values, and the Magistrate dismissed the charges on the grounds that the replacement-value practice was certain and universal in commerce and that it was reasonable. The Magistrate also held that the practice of fixing prices for a resale was reasonable.

As the admission of replacement value as the basis of the calculation of profits was likely to make it difficult to secure any convictions under the existing law, the Crown decided to appeal against the Magistrate's decision. The appeal case was heard in Wellington, and the decision of the Full Court confirmed the Magistrate's judgment that replacement value must be considered in fixing prices.

BOARD OF TRADE *v.* A WELLINGTON GROCER.

The prosecution of a Wellington grocer for an overcharge on Mellin's food resulted in the defendant being fined £100. An appeal was lodged in this case, as the trader's net profits over the whole business were comparatively low, and it was urged that it was unfair to take a single transaction as a basis for legal proceedings. The appeal was considered by the Full Court in Wellington, and the Magistrate's decision was upheld, the Full Court laying down the principle that the prevailing market price was a good test of reasonableness. Although it was admitted that the defendant sold many other commodities at exceptionally reasonable rates, the Court held that he was not entitled to take on other lines a price which considerably exceeded that current in the retail market.

As a result of the two cases referred to above considerable light was thrown on the interpretation of the Board of Trade Act, and, bearing in mind that replacement value had always to be considered and that the prevailing market price was a satisfactory test of reasonableness, the Board was in a better position to decide what prosecutions should be authorized.

NEW ZEALAND TWEEDS.

The Board instituted proceedings against two Wellington wholesalers in the soft-goods trade for alleged profiteering on the sale of New Zealand tweeds. In these cases the goods were locally manufactured and in keen demand, and the question of replacement value did not affect the position so seriously as in connection with imported tweeds. Moreover, while the profits on the transactions selected for prosecutions were exceptionally high, the profits over the whole of the defendants' businesses were also high; thus any contention that the big profits taken on the selected transactions were intended to cover low profits or losses on others did not carry weight. In these instances the maximum fines were inflicted, and similar prosecutions in Dunedin were also successful.

PRICE-INVESTIGATION TRIBUNALS.

In March, 1920, the Board set up in each of the four centres a price-investigation tribunal, consisting of three members, to inquire into alleged breaches of section 32 of the Board of Trade Act.

Up till the 31st March, 1921, they investigated 1,479 complaints, comprising—

Auckland City and country districts	..	..	..	..	566
Wellington City and country districts	..	..	..	..	421
Canterbury, Nelson, Marlborough, Westland	..	..	..	..	260
Otago and Southland	..	..	..	..	232

These figures include cases that were under consideration at the 31st March. The striking feature of the returns is the aggregate of 902 cases which were dismissed because investigations showed that the prices were not unreasonable. In 189 additional instances the complaints were written off because there was not sufficient evidence to prove that they were justified. Where inquiries showed that the profit was higher than normal and yet not sufficiently high to warrant a prosecution, the tribunal arranged refunds and adjustments; these totalled 222.

The following table summarizes the complaints dealt with in the various districts:—

—	Auckland.	Wellington.	Canterbury.	Otago.
Refunds and adjustments.. ..	115	80	17	10
Dismissed (not unreasonable prices)	274	271	198	159
Written off (not sufficient evidence)	85	40	28	36
Partially dealt with, referred to other Departments, &c.	92	30	17	27
Totals	566	421	260	232