

REPORT.

To His Excellency the Right Honourable John Rushworth, Viscount Jellicoe, Admiral of the Fleet, Knight Grand Cross of the Most Honourable Order of the Bath, Member of the Order of Merit, Knight Grand Cross of the Royal Victorian Order, Governor-General and Commander-in-Chief in and over His Majesty's Dominion of New Zealand and its Dependencies.

MAY IT PLEASE YOUR EXCELLENCY,—

I, the Commissioner appointed by Your Excellency on the 14th October, 1921, for the purpose of inquiring into certain matters relating to the production, distribution, importation, and price of cement during the period from 1st January, 1920, to 31st March, 1921, have the honour to submit the following report for Your Excellency's consideration :—

I entered upon the duties imposed upon me by the Commission at as early a date as was practicable after its issue.

Sittings held.—Sittings were held in Wellington on the 18th day of October, and on the 1st, 2nd, 3rd, 4th, 7th, and 8th days of November, 1921.

Notification of Sittings.—As a preliminary to the sittings I caused advertisements to be inserted in the local daily newspapers announcing the Commission, and inviting all persons interested to attend and give evidence.

Course of Sittings.—At the sittings the following parties were represented: The Solicitor-General, Mr. W. C. MacGregor, K.C., appeared for the Board of Trade; Mr. Perry for Mr. Robert Masters, M.P.; Mr. Myers for Wilson's (N.Z.) Portland Cement Company (Limited); Mr. Myers and Mr. C. A. Loughnan for the Golden Bay Cement Company (Limited); Mr. C. G. White, the chairman of directors of the Milburn Lime and Cement Company (Limited), represented that company.

The following witnesses were examined on oath: Gerald Fitzgerald, Robert Edmond Herron, Arthur Richard Masters, Edward Marriott Boulton, Robert Masters, Donald Gordon Johnston, William George McDonald, Charles Gilbert White, Berkely Lionel Dallard, George Elliot, Edward Sydney Luttrell.

PRICE OF CEMENT.

The first two questions submitted for investigation deal with the price of cement. The first question refers to the increase of £1 16s. per ton ex store Wellington which was sanctioned by the Board of Trade in December, 1920. Before dealing with this question it is necessary to state shortly what had been done by the Board before that date in connection with fixing the price of cement. That goes back to July, 1918, when, in consequence of public complaints as to the price being charged for cement, the Board investigated the subject. The price ruling in July, 1914, for cement in Wellington was £3 15s. per ton. This price had been determined by free competition between the several companies manufacturing in New Zealand and the importers of cement. When the Board began its investigation the price had been increased to £4 16s. per ton Wellington. The result of the investigation was to satisfy the Board that the price of £3 15s. ruling in July, 1914, was fair and reasonable, and did not yield the manufacturers an unreasonable margin of profit. The investigation established also that there had been an increase of £1 3s. per ton in costs between July, 1914, and September, 1918. In these circumstances the increase in price of £1 1s. per ton appeared to be reasonable. The Board reported, accordingly, that the price was a reasonable one, and made an agreement with the companies that nothing should be done in the meantime in the way of fixing prices by Order in Council, the companies undertaking to sell at not more than £4 16s. per ton, and not to increase the price without the sanction of the Board. At the time when this agreement was made the price in Australia for cement manufactured there was £4 19s. per ton, and the Board was acting, I think, in the interests of the public in making this agreement with the companies. The price of £4 16s. per ton was maintained in New Zealand until July, 1919, when the companies asked for authority to increase the price by 9s. per ton. The evidence satisfied the Board that the