that the price of £9 13s. 6d. per ton ex store Wellington was considerably less than the price at which imported cement could be obtained in New Zealand. This is made clear by the figures given by Mr. McDonald in his statement. The following were the f.o.b. prices per ton London or Liverpool paid for cement of British manufacture imported into New Zealand at the specified dates: July, 1920, £16 11s. 6d.; August, 1920, £15; October, 1920, £10 1s. 2d.; November, 1920, £10 7s. 11d.; December, 1920, £10 11s. 9d. To these prices has to be added a sum of about £3 3s. 4d. per ton to cover freight and other charges. When, therefore, the Board in December, 1920, sanctioned the price of £9 13s. 6d. per ton for New Zealand cement the cost of imported British cement was at that date between £13 and £14 per ton. Mr. McDonald has estimated that, if for the period from January, 1920, to April, 1921, the price of cement had not been controlled by the Board, and the companies had been left free to get the best price obtainable for their cement, the consumers would have paid a sum of £347,000 more than they did for the cement supplied by the companies. That, of course, is only an estimate and may be excessive, but it is certain that the Board, by its control of prices, secured for the consumer a large saving at the expense of the companies. So far, therefore, from the companies being helped by the Board to fleece the public, they were prevented by the Board from obtaining what they might fairly claim to be the legitimate reward of their enterprise. If the companies had been left free during that period, they might have been tempted to take advantage of the acute shortage of cement to demand high prices from the public. But they were not left free, and it is certain that the prices they were allowed to charge were not unreasonably high, and were not such as to yield even a fair return to the shareholders in Wilson's Portland Cement Company and the Golden Bay Company. The first-named company paid a dividend of 5 per cent. for the year ending the 31st March, 1921. This was the only dividend it paid during the thirty-four months it had been in operation, and the net profit it made during the whole of that period gives a return of only £1 16s. 7·20d. per centum per annum on its capital of £600,000, which had not been watered in any way. That is, of course, an inadequate return, for it was agreed generally that 10 per cent. on the gross investment was a fair return in such a business. That was the return which the Milburn Company was making to its shareholders. The Golden Bay Company paid a dividend of 5 per cent. for the year ending 30th June, 1919, but, as Mr. Dallard has pointed out, that dividend was really a return of capital, because quite inadequate provision had been made for depreciation. The profit and loss account of that company for the following year shows that it made a loss of £444. It is clear, therefore, that neither company had obtained anything like a fair remuneration for the capital employed in the business; and in this connection I refer to the observations of Lord Parker of Waddington, in delivering the opinion of the Privy Council in the case of the *Attorney-General of the Commonwealth of Australia* v. *Adelaide Steamship Company* [(1913) Appeal Cases, at page 801], where he said that in considering the interests of consumers it is impossible to disregard the interests of those who are engaged in the production and distribution of articles of consumption. "It can never be," said His Lordship, "in the interests of the consumers that any articles of consumption should cease to be produced and distributed, as it certainly would be unless those engaged in its production or distribution obtained a fair remuneration for the capital employed and the labour expended."

These facts to which I have just referred support the view that the Board was justified in sanctioning the increases in December, 1920. It is true that at the end of March, 1921, the cement-market suddenly collapsed. This collapse was due mainly, it is said, to the financial crisis. Within a week the necessity for rationing —which had been in operation since January, 1920—had disappeared, the building regulations were suspended, and there was a supply of cement on the market more than sufficient to meet the immediate demand. It is true also that as a result of this collapse the two companies who had obtained the increases reduced the price of cement in April to the former rate. The action of the Board in December, 1920, must be judged, however, on the facts as they then existed, and not by what a learned Judge described as "the easy but fallacious standard of subsequent events." Judged on the facts which were then before the Board, the increases sanctioned in December, 1920, were, I think, quite justified.