

in Council, is considered necessary; and, if so, to what extent should control be exercised. The parties were also informed that until the Committee had dealt with the subject the regulations would not be altered in any way.

In view of the complaints made, it might be appropriate to place on record a brief review of the work carried out under the regulations, and a short history of their introduction. During the war, and for many years afterwards, there were numerous complaints as to the quality and price of gas supplied by various undertakings. In the second annual report of the Department of Industries and Commerce it was recommended that legislation be introduced making it compulsory for companies to supply gas of a heating-value of not less than 500 British thermal units net. As a result of these complaints the Dominion Analyst, Dr. Maclaurin, was asked by the Hon. the Minister of Internal Affairs to prepare a draft Bill dealing with the subject. This draft was accordingly prepared and submitted to the Government, but the Minister of Internal Affairs decided to utilize the powers conferred by the Board of Trade Act to deal with the industry by regulations. These regulations were drafted, and were discussed at conferences between representatives of the gas companies, officers of this Department, and the Dominion Analyst, and in 1924 were finally agreed to and gazetted. The regulations became operative in January, 1925, and the necessary steps were taken to make the requisite appointments. In addition to the appointment of Dr. Maclaurin as Chief Gas Examiner, he and two other gentlemen were appointed as Gas Referees. Gas Examiners were appointed in Auckland, Wellington, and Christchurch, and later in Dunedin. Inspectors of Meters were also appointed in Wellington, Christchurch, and Auckland. At the outset it was deemed advisable to apply the regulations only to the gas undertakings of the four chief centres, but it was never intended that they should be so restricted, and after consultation with the representatives of various companies and undertakings in the smaller towns it was decided that fourteen (with a comparatively large output of gas) should be added to the schedule. This addition necessitated the appointment of three additional officers—an Inspector of Meters for the South Island, and an additional Gas Examiner and Inspector for the Wellington District. The work of the Gas Examiners and Inspectors of Meters has resulted in systematic control being exercised of the calorific value, purity, and pressure of gas on the one hand, and the regular testing of meters on the other. It is claimed that this work must be of benefit to the consumers of gas, and to a very large extent beneficial to the gas undertakings, by eliminating irritating disputes about the correctness of meters, and by giving consumers greater confidence that they will receive full value for their money.

Generally speaking, it may be claimed that the official relations with the gas companies and municipal undertakings have been most satisfactory, those subject to the regulations affording every assistance to the officers appointed to carry out their duties. The chief grievance appears to centre in the fact that the industry is governed by regulations and not by Act, and that the price charged for gas may be fixed or altered by the Minister charged with the administration of the Order in Council. From the point of view of the Department it might be claimed that the regulations have proved distinctly helpful to the gas undertakings, in that, following the appointment of technical officers, much expert advice has been given, and closer attention has been paid by the companies to general efficiency methods and the provision of up-to-date and approved appliances.

The coal dispute in the Commonwealth of Australia is causing some of the gasworks increased expense in securing supplies of suitable gas-producing coal. In this connection the Department has under consideration the question of the greater use of New Zealand coal by the gas concerns of the Dominion, and is accordingly securing information and data for dissemination among the gas undertakings.

COMMERCIAL TRUSTS ACT.

In view of the changing conditions of industry, the Commercial Trusts Act, 1910, is becoming increasingly difficult to administer. Section 2 of the Act defines a commercial trust as any association or combination formed for the purpose of controlling, determining, or influencing the supply or demand or price of any goods in New Zealand or elsewhere, or of creating or maintaining in New Zealand or elsewhere a monopoly, whether complete or partial, in the supply of or demand for any goods.

There is nothing unlawful in the creation of a commercial trust or in being a member of one, but the Act aims at the prevention of the commission by commercial trusts of the unlawful acts specified in it. Briefly, it may be said that the Act prohibits the giving of concessions, &c., in consideration of exclusive dealing, prohibits refusals to deal if such refusals arise for certain reasons, prohibits sales at unreasonably high prices where such prices have been fixed or influenced in any way by a commercial trust, and provides in general terms against monopolies which are of such a nature as to be contrary to public interest. It may here be pointed out that every combination or association of firms, or every working arrangement between them, is not necessarily contrary to public interest; in fact, they may be as much to the advantage of the public as to the individual firms concerned.

Because of the increasing tendency in modern industrial organization towards amalgamation and combination, the idea is prevalent that the Act is being evaded. Rationalization of industry—which is the new name for the science of industry, the science that deals with the elimination of waste, the unification and amalgamation of industry into larger units in order to take advantage of the benefits of large-scale production, that deals with efficiency and order in every stage and every line of production—is hastening this tendency.

Combinations and working agreements which formerly might have been regarded as contrary to public interest are now realized and accepted under the changing conditions of industry to be necessary means in many cases for the maintenance and development of industry and trade, for the elimination of wasteful competition, for the reduction of production and distribution costs, and for continued progress and prosperity.