

The original invoices and statements of distribution expenses were available, and these were useful for the purpose of the investigation. The statements in the report relating to this company are, in a large measure, based on the above information.

The head offices in New Zealand of the Atlantic Union Oil Co. and the Texas Co. (Australasia), Ltd., keep complete records which were suitable for the Department's purposes. These companies, however, do not compile their trading accounts in the form generally adopted by other commercial interests. While the information available no doubt adequately fills the requirements of these companies, the records in some respects did not disclose the information particularly desired by the Department. The costs incurred in purchase and importation of motor-spirit were clearly disclosed. Some items, however, in the cost of distribution within the Dominion were not readily ascertainable, particularly by reason of the absence of separate accounts for various expenses.

IMPORTS OF MOTOR-SPIRIT.

The imports of motor-spirit for the past four years were as under :—

Year ending 31st December,				Total Imperial Gallons imported.	Total Value.
					£
1927	..	..	..	48,042,640	2,005,983
1928	..	..	..	54,540,416	1,655,451
1929	..	..	..	62,448,092	2,130,835
1930	..	..	..	68,309,672	2,090,542

Statement A attached to this report shows the importation of motor-spirit for the past sixteen years. It will be noted that imports have increased in quantity from 7,125,493 gallons in 1915 to 68,309,672 gallons in 1930, the corresponding value being £395,848 in 1915 and £2,090,542 in 1930. The import value is based on the invoiced f.o.b. price plus 10 per cent. The greatest proportion of imports is from the United States of America, followed by the Dutch East Indies as the second-largest supplier. In this connection it is noted that the imports from the East are increasing in proportion to total imports. In 1916 the imports from this source totalled 1,448,314 gallons, of a value of £106,209, which increased in 1930 to 19,674,621 gallons and £523,525. In 1916 the percentage of total gallons was 15·9 ; in 1930 the percentage had increased to 28·8.

While the greater proportion of spirit used in the Dominion is imported by the major oil companies, the aggregate importations of sundry importers previously referred to is not a negligible proportion of the total importations. This is set out in the following table showing the total importations of the major oil companies and the importations of all other importers, together with percentage of total quantity imported :—

Year ending 31st December,			Total Imports.	Imports by Major Oil Companies.	Percentage of Total Imports.	Imports by all other Importers.	Percentage of Total Imports.
			Imp. gal.	Imp. gal.		Imp. gal.	
1928	..	..	54,540,416	46,687,928	85·61	7,852,488	14·39
1929	..	..	62,448,092	52,673,900	84·34	9,774,192	15·66
1930	..	..	68,309,672	58,971,488	86·33	9,338,184	13·67

The above table shows that approximately 14 per cent. of total importations of motor-spirit are brought into the Dominion and sold by commercial interests other than the four main oil companies. These independent importers drew supplies from the United States, where under the present circumstances there is extreme pressure to sell and where motor-spirit may be bought at prices which have been affected by over-production. Supplies may be secured from independent refiners, and advantage taken of fluctuating market conditions based upon the sale of quantities in excess of domestic and ascertained export requirements of the major oil interests. In consequence, it is evident that the four main companies in New Zealand are not without competition from traders who apparently draw supplies from independent operators overseas.

Prior to 1927 shipments of motor-spirit to New Zealand were, in the main, contained in cases of two 4-gallon tins. The first shipment in bulk arrived in New Zealand in 1927. As the importation of motor-spirit in bulk has distinct costing advantages over shipments obtained in drums and cases, it follows that the importations are being increasingly confined to bulk shipments. This is shown by the following table setting out the imports for 1929 and 1930 in bulk, cases, and drums :—

				1929.		1930.	
				Imperial Gallons.	Percentage of Total.	Imperial Gallons.	Percentage of Total.
Bulk	..	..	..	49,289,472	78·92	56,151,021	82·20
Cases	..	..	..	10,289,781	16·48	8,308,353	12·16
Drums	..	..	..	2,868,839	4·60	3,850,298	5·64
				62,448,092	100·00	68,309,672	100·00