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THE CEMENT INDUSTRY.

Our readers will watch with great interest the future developments of the charges made by Mr. Masters, Member for Stratford, against the principal cement manufacturers of New Zealand. It is alleged that they have operated a mutual agreement for restraint of trade which has had the effect of maintaining high prices by rigorous curtailment of output, this going so far as to cause the shutting down of the Golden Bay works, and the throwing out of employment of a couple of hundred men when the economic position made it particularly hard to get another job. The Government—itsself one of the largest users of cement in New Zealand—promptly agreed to have an inquiry made into the allegations, and we have already heard from some of the parties to the agreement that it does not bear the objectionable construction put upon it by the Member for Stratford. As these things will have to be argued out before a proper tribunal, we will not attempt to anticipate its conclusions. One or two general observations are, however, not out of place. Some years ago, the interest of New Zealand capitalists in the building material of the future was thoroughly aroused, and ample supplies of money became available to develop cement manufacture in accordance with the prospective demand. Very large sums indeed were invested in the industry, and very large sums have been lost. Apparently the industry became seriously over-capitalised, and the strongest people in the business dropped their rivalry and came together to save the position. Whether, in their defensive efforts they made an offensive upon the consumers' pockets, we leave the coming investigation to decide. There seems to be some parallel between the cement situation and that of the flour-milling industry about the year 1907. New Zealand millers were dealt a severe blow by an Australian tariff on imported flour. With this market cut off, the New Zealand flour-milling industry found itself in a position which threatened speedy ruin. The milling plants were sufficient to supply thrice the requirements of the local market, consequently the millers entered into a mutual agreement for reduced output and the prevention of price-cutting. Com-

plaints of exploitation soon arose, and the result of an investigation was the passing of the Flour and Other Products Monopolies Prevention Act of 1907, which enables the Government to deprive the industry of tariff protection if it is evident that the tariff is being used to push prices in New Zealand to a point comparing unfavourably with outside supplies under normal conditions. The tariff protection to cement was suspended for quite a long period during a shortage of New Zealand cement. This shortage was primarily due to coal difficulties. Approximately 15 cwts. of coal are needed to produce a ton of cement. The Board of Trade, in conjunction with the Coal Control organisation, made special arrangements to keep the New Zealand cement works fully supplied with fuel. It was expected that the manufacturers in New Zealand could then cope fully with the demand. Eventually the demand fell off seriously, and then began the organisation of the cement industry which had led to public criticism. Whether these protective measures went too far, investigation will eventually show.

TIMBER COSTS AND PRICES.

The Board of Trade has done some valuable investigating work in connection with important New Zealand industries such as coal-mining, woollen manufacturing and timber-milling. These inquiries, in which skilled accountants with a proper knowledge of costing take part, will give the public a fairer view of things than can be obtained through the arguments of directly interested parties. The public is not disposed to listen patiently to representatives of the sawmillers seeking to justify increased prices; nor do they attach much credence to denunciations of profiteering from other quarters. But when a State Department looks into the position with statutory authority to demand books and papers, its conclusions must be accepted with respect. The Board of Trade has permitted several increases in timber lists, and it justifies this course in a long memorandum just published, in which the industry is very closely analysed from the point of view of production costs. The result goes to show that New Zealand mills are not working, in the main, on a very wide