1907.

NEW ZEALAND.

AGRICULTURAL IMPLEMENT INQUIRY BOARD

(REPORT OF THE) SET UP UNDER "THE AGRICULTURAL IMPLEMENT MANUFACTURE, IMPORTATION, AND SALE ACT, 1905."

Laid on the Table of both Houses of the General Assembly by Leave.

In the matter of "The Agricultural Implement Manufacture, Importation, and Sale Act 1905," and "The Agricultural Implement Manufacture, Importation, and Sale Extension Act, 1906."

REPORT OF "THE AGRICULTURAL IMPLEMENT INQUIRY BOARD" on the Complaint in Writing dated the 15th Day of July, 1907, of Cooper and Duncan (Limited), Booth, Macdonald, and Co. (Limited), P. and D. Duncan, Andrews and Beaven, and Reid and Gray.

1. A SITTING of the Board was held in Christchurch on Friday, the 11th day of October, 1907, to inquire into the matter of the said complaint. Mr. Russell and Mr. Johnston appeared as counsel for the complainants; Mr. Harper and Mr. Hunt as counsel for the International Harvester Company; and Mr. Brown for the Massey-Harris Company. Mr. Stringer, K.C., attended to watch the proceedings on behalf of the Hon. the Commissioner of Trade and Customs.

2. Mr. Russell intimated that no evidence would be offered in connection with the Massey-Harris Company; and the allegations in the complaint against that company were withdrawn.

3. Before calling evidence, Mr. Russell asked for a ruling as to the construction of sections 4 and 6 of the Act of 1905—viz., whether, in order to obtain a recommendation from the Board under section 6, it was necessary to prove both the matters mentioned in section 4,—

(1.) A material reduction in price of imported implements, and

(2.) Competition on unfair lines;

or whether it would be sufficient to prove only that the price of any implement imported into New Zealand had been materially reduced. Counsel for all parties agreed that the latter view was the proper one to adopt, and the Board held that in order to entitle the complainants to a recommendation it was not necessary to prove any competition on unfair lines. The evidence of the complainants was confined, therefore, to the question of reduced prices.

4. A transcript of the shorthand notes of the evidence is forwarded with this report.

5. The evidence was directed principally to prove sales at reduced prices of (1) drills, (2) disc harrows, (3) cultivators.

6. We find it proved that drills were sold by the International Harvester Company at materially reduced prices to the following purchasers: viz., Hector McIntosh, farmer, Kaiapoi; John Pethig, farmer, Rangiora; Henry Blackett, farmer, Loburn, near Rangiora; William John Bunting, farmer, Woodend; Martin James Fitzgibbon, farmer, Loburn; Henry Mortimer Keith, farmer, Loburn. In all these cases the drills sold were drills which had been manufactured in the United States of America by the American Seeding Company, and were known in New Zealand as "Osborne" drills.

7. On the evidence as to these particular sales, and on the other evidence adduced, we find that in Canterbury the prices of Osborne drills have been materially reduced by the Harvester Company below those specified in the statement compiled under section 3 of the Act. The evidence as to disc harrows and cultivators is not sufficient to justify a similar finding with regard to those implements.

8. It was proved that the Osborne drills sold by the Harvester Company had been imported into New Zealand by the Osborne Company, which formerly carried on business in New Zealand. The business of that company, with its stock of implements, was taken over by the Harvester Company on the 1st June, 1905—that is to say, nearly five months before the Act was passed—and these drills were all imported before that date.

9. It was admitted by the Harvester Company that these Osborne drills had been sold at reduced prices, and the reasons given for selling them at these prices were that they were old stock