

Mr. Hornsby.

LIMITATION OF PROFITS AND PREVENTION OF RINGS AND COMBINES.

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A BILL INTITLED

AN ACT to limit the Profits of Companies and prevent the Establishment of Monopolies, Rings, and Combines. Title.

BE IT ENACTED by the General Assembly of New Zealand in Parliament assembled, and by the authority of the same, as follows:—

1. The Short Title of this Act is "The Limitation of Profits and Prevention of Rings and Combines Act, 1901." Short Title.

2. "Ring" or "combine" or "monopoly" shall mean and include any company registered or unregistered, combination or confederacy of manufacturers or of capitalists, owners of property, corporations, syndicates, shareholders, managers, employers, partners, members of a family, or other combination or number of persons of any kind whatsoever. Interpretation.

3. On and after the coming into operation of this Act, it shall not be lawful for any person or persons to enter into, become members of, or interested in, directly or indirectly, any combine or ring or other monopoly, or to enter into any compact, written oral or implied, which shall have the effect of controlling or otherwise fixing, deciding, or establishing the price or prices or value to be charged or paid for on behalf of the purchase, cession, disposal, or sale of any natural or manufactured products, whether intended for export or otherwise; and no combine or ring shall be lawfully entitled to enter into any contract, agreement, understanding, or arrangement, written or unwritten, oral or implied, for the fixing of the price or prices of natural produce, manufactured article or articles, or any supply of any goods, merchandise, or any other article or thing whatsoever, if Penalty for joining or being interested in any ring.

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by the said contract, agreement, understanding, or arrangement of any kind as aforesaid the price or prices of such natural products, manufactured materials, goods, or things whatsoever shall be controlled, fixed, decided upon, or influenced, either in respect of the producer, manufacturer, consumer, shipper, retailer, agent, or any or all persons concerned in any way in the production, vending, bartering, retailing, marketing, sale, disposal, shipping, trading, or using of any or all such products, materials, or goods, or things as aforesaid. And for any and every breach of this section by any ring or combine, person or persons, the penalty to be inflicted by any Court of competent jurisdiction shall be not less than *fifty* pounds nor more than *five hundred* pounds, and every such penalty shall be recovered by ordinary process of law.

Penalty for establishing ring.

4. Any person who attempts to form or establish a ring or combine or monopoly, or becomes or agrees to become a member thereof, or acts as agent for any such ring, combine, or monopoly, or commits any breach of the provisions of this Act in so far as the establishment or attempted establishment of rings, combines, or monopolies is concerned, shall for every such offence be liable to a fine of not less than *ten* pounds and not exceeding *one hundred* pounds, to be recovered in a summary way before a Stipendiary Magistrate, and in manner prescribed by the provisions of "The Justices of the Peace Act, 1882."

Person in charge of licensed premises not to be limited in any way in any open market.

5. It shall not be lawful at any time for any tenant, lessee, caretaker, or any person owning or leasing or being in charge of any licensed premises within the meaning of any or all of the Licensing Acts in force or to be in force in the Colony of New Zealand, to make any compact, written oral or implied, nor to enter into any agreement of any kind whatsoever whereby the terms of any lease, agreement, or arrangement, written or unwritten, shall so bind or compel, induce, or influence the tenant, lessee, caretaker, owner, or occupier of such licensed premises to preferentially purchase, offer for sale, retail, or trade in any way with any wines, spirits, malt liquors, cider, aerated waters, or any stock-in-trade of any sort or kind whatever in connection with the carrying-on of the trade or business of any licensed house as aforesaid; and no lease or covenant thereof, or agreement, understanding, written unwritten or implied, shall, in the case of any such lessee or lessees, landlord or tenant, owner or occupier, caretaker or any other person, be binding in any way upon any or all such parties to any such lease, agreement, arrangement, or understanding whatsoever. And no action or proceeding of any kind which may be commenced or instituted having for its aim or object the setting-up of any supposed rights or remedies shall be valid, nor shall any Court or tribunal have any power to deal with any such action as may be taken by any party to the arrangement, agreement, lease, provision, written unwritten or implied, which shall have been made by the owner of the aforesaid licensed premises, or any one beneficially concerned therein, with the tenant, lessee, occupier, caretaker, or any other person or persons holding the license, either regularly or temporarily, of the said licensed premises.

Dividends of public or private companies not to exceed £15 per cent. per annum.

6. The profits of any company, public or private, operating or carrying on business in the Colony of New Zealand, to be divided

amongst the shareholders, members of a syndicate, partners, or participators in any way in any of the said public or private companies, undertakings, businesses, syndicates, or any other number of persons constituting for the purposes of this Act a company within the said Colony of New Zealand, shall not exceed fifteen pounds per centum per annum on the paid-up capital of the company or on the full amount of the money or moneys invested in any of the aforesaid public or private companies, undertakings, businesses, syndicates, or other form or kind of partnership, arrangement, or agreement of any nature or kind whatsoever: Provided always that, if at any time it is necessary to make up the deficiency of any previous dividend or dividends which have fallen short of the said yearly rate, a larger dividend may be declared for such purpose and for such purpose only.

Proviso.

7. It shall not be lawful at any time, on the part of any person or persons, loan company or companies, public or private loan office or offices, corporation or other loan or financial institution, to charge, exact, or arrange for the payment to such company or companies as aforesaid by any one of its borrowers, debtors, or any other person or persons acting for or on behalf of any borrower or debtor, or any person or persons who may be or become indebted in any way to such person or persons, loan company or companies, loan office or offices, corporation or other loan or financial institution, a higher rate of interest than fifteen pounds per centum per annum; and if any such person or persons, public or private loan company or companies, loan office or offices, corporation or corporations, or any other financial institution of any nature whatsoever shall attempt to evade the provisions of this section by any special or private understanding, agreement, exchange of money, or any other means, he or they shall be deemed guilty of fraud, and shall be liable to a penalty of not less than *five* pounds nor more than *fifty* pounds for each and every offence; such penalty to be recoverable in a summary way before a Stipendiary Magistrate, and in manner prescribed by the provisions of "The Justices of the Peace Act, 1882."

Unlawful for loan offices to charge more than £15 per cent. per annum.

Penalty for breach.

8. The books of accounts and all other records whatsoever in which are kept all transactions of any and every kind of the aforementioned rings, combines, public or private companies, syndicates, corporations, loan offices, loan companies, or any trading or financial company or companies as aforesaid, carrying on business in any way in the Colony of New Zealand, shall be open at all times without let or hindrance to an auditor who shall be appointed by the Governor, and it shall be the duty of such auditor to obtain and place before His Excellency the Governor in Council all such necessary information as he may discover of the dealings, workings, results, and actual transactions of the aforesaid rings, combines, public or private companies, syndicates, corporations, loan offices, loan companies, or any trading or financial company or companies. The secretaries, managers, directors, or any or all of the officers of the said public or private company or companies, syndicates, corporations, loan offices, loan companies, or any trading or financial company or companies shall supply to the auditor as aforesaid all such information as he may demand, and shall discover to the said auditor all books, documents, papers, or such other records as he may deem necessary for

Public auditor to have right to inspect books and records of any company.

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the purposes of audit. For any breach of observance of the provisions of this clause, any of the aforesaid rings, combines, public or private companies, syndicates, corporations, loan offices, loan companies, or any trading or financial company or companies making default shall 5 be liable to a penalty not exceeding *fifty* pounds nor less than *ten* pounds for each and every day during which such breach or default shall be committed or continue.

Date of Act coming  
into force.

9. This Act shall come into force on the first day of January, one thousand nine hundred and two.