

if any, to Wellington. It was found, as the Committee proceeded, that it was not necessary to visit other centres, therefore the whole of the evidence was heard in Wellington. Evidence was given by thirty-one witnesses, the hearing of which occupied from Monday, the 21st February, to Friday, the 4th March. The following interests were represented: Twelve retail grocers, seven oversea manufacturers' representatives, two New Zealand manufacturers, two fancy-goods dealers, two retail chemists. These witnesses came from all parts of New Zealand. Other witnesses who tendered evidence were: Emile W. Ernest de Fenq, organizer of the P.A.T.A.; W. T. Charter, director, English Wholesale Societies, Ltd.; J. H. Barker, secretary, New Zealand Master Grocers' Federation; J. Roberts, secretary, New Zealand Alliance of Labour; W. Nash, secretary, New Zealand Labour Party.

3. In addition to evidence obtained from witnesses, the Committee thought it desirable to obtain expert opinion from the following Professors in Economics: A. H. Tocker, Canterbury College, Christchurch; B. E. Murphy, Victoria University College, Wellington; Allan G. B. Fisher, University of Otago, Dunedin.

4. The inquiry was held in private, in accordance with section 21 of the Board of Trade Act, 1919. Section 24, however, authorizes the publication of evidence which is deemed expedient in the public interest.

5. The Committee decided, with your approval, that the evidence should be printed after information of a confidential nature had been deleted. Counsel representing all parties agreed that the publication of evidence in this way would be quite satisfactory.

P.A.T.A. IN GREAT BRITAIN.

6. Before proceeding to consider the position of the P.A.T.A. in New Zealand, the Committee considered it desirable that some reference should be made to the operations of the association in other countries. In Great Britain an association has functioned for thirty years, its sponsor being Sir William Glyn-Jones. The Committee has perused recent annual reports issued by the association, and has ascertained that its main objective was to prevent the cutting of prices both in the wholesale and retail trades. The council consists of representatives of manufacturers (proprietors), wholesalers, and retailers, who manage the affairs of the association. The manufacturers pledge themselves not to supply their goods to any one on the stop list, and any trader who persisted in cutting any one of the articles was placed on that list. The lines listed by the P.A.T.A. have grown steadily from year to year, and it may be fairly claimed that there are few nationally advertised proprietary articles which remain outside the scope of the association. The membership of the association in July, 1925, comprised 444 manufacturers, 63 wholesalers, and 7,750 retailers.

As the constitution and objects of the P.A.T.A. associations are practically alike, it is not proposed to quote them, except in the case of the proposed New Zealand organization; but it may be said that the English association passed certain resolutions, which were not recommended in New Zealand, as follows:—

- (a) "That the Council of the P.A.T.A., having had its attention drawn to the purchase of P.A.T.A. articles for resale to other chemists at less than the minimum wholesale prices, desires to call the attention of the trade to the fact that such arrangement constitutes a breach of P.A.T.A. regulations."
- (b) "That no industrial co-operative society shall be supplied with any article on the P.A.T.A. list unless the society agrees not to sell below the minimum prices, and that no bonus or dividend on the purchase-money, or rebate in cash or goods, be given unless the value of such bonus, &c., be charged to the customer in addition to the P.A.T.A. minimum price of the article."

The reports of the English society also show that discrimination was made in favour of wholesale firms dealing substantially in P.A.T.A. articles. Unless a wholesale house was able to prove that its business was predominantly wholesale, and that trading in proprietaries was the major portion of its turnover, it was not eligible for election to the association.

Counsel for the P.A.T.A. quoted in connection with the operations of the P.A.T.A. in Great Britain a report issued in March, 1920, of a sub-committee appointed under the Profiteering Act, 1919, to inquire into the principle of fixed retail prices. This committee held five meetings, and examined eight witnesses, comprising one manufacturer, two wholesalers, three retailers, and four members of the general public. The committee reported, *inter alia*, that the margin of profit allowed to the retailers was not so much as to enable them to cut the prices even if they wished, but was adequate to enable them to earn a fair remuneration,