

7. We have been told that the association does not fix prices, and that it has the right to refuse a manufacturer if the executive think that the profit allowed to the wholesaler and retailer are too high?—Yes. The manufacturer makes his own price, and the association has the right to veto it.

8. Have you in your own experience as a manufacturers' agent in New Zealand come to any conclusion as to the desirability or necessity for the existence of the P.A.T.A.?—Yes. I think some such body is highly desirable in New Zealand, on account of the excessive price-cutting that has been going on in standard lines within the last few years.

9. You have had experience in excessive cutting in proprietary lines?—Yes.

10. Would there be any objection on the part of your association to an officer of the Board of Trade being on your executive, or officers of the Board of Trade, for the purpose of exercising some supervision?—So far as I am concerned, there would be no objection. I think the association would rather welcome it.

11. So that an officer or officers of the Board of Trade would have an opportunity of joining with your executive in seeing that prices were not charged which were giving undue rates of profits to either wholesaler or retailer?—That is so.

12. And supposing it were not considered advisable by the Board of Trade to have one of their officers on the association, would there be any objection, so far as you know, to the proposed prices being submitted to the Board of Trade?—There would be no objection whatever to the prices being submitted to the Board of Trade.

13. May the Committee take it that the desire of all those who are joining the association is that trade in these proprietary articles shall be stabilized at fair and reasonable prices?—Yes, that is our object.

14. *Mr. Kennedy.*] I suppose that trade in the lines you represent is quite satisfactory?—Yes.

15. You have no reason to feel dissatisfied with your own efforts in connection with the lines you represent?—I do not quite understand your meaning.

16. You are satisfied with the results you are getting?—No, we are not altogether satisfied.

17. They are reasonably good, although they do not satisfy your ideal standard?—They are reasonably good.

18. Your manufacturers have no legitimate complaints against you or the results you are getting?—No.

19. When registration of the association is applied for, no information as to cost of manufactured articles are supplied to you?—None whatever.

20. So that you cannot profess to revise in the public interest the profit that the manufacturer is getting?—The manufacturer's profit has nothing to do with it.

21. The association is only concerned as to the conditions imposed by the manufacturer?—The association is concerned with the price at which the article is being sold.

22. To the wholesaler and retailer?—Yes.

23. You are concerned to see that the wholesaler gets an adequate profit?—Yes.

24. And what really concerns you is more the adequacy of the profit to the wholesaler than the fairness of the price to the consumer?—No.

25. Do you know the Commercial Trusts Act?—I have not a great knowledge of it.

26. Have you sufficient knowledge to express an opinion as to whether you think it advisable to extend that Act to cover all articles?—I know it cannot cover foodstuffs.

27. But can you assist the Committee by stating whether you consider it advisable or inadvisable to cover those proprietary articles in the public interest? At present it applies to a limited number of things: would it be wise to extend it to include other articles?—I should say, generally, that every branded article has a right to be protected.

28. What is your answer?—I have answered it. I think it would be wise to extend the Act to include all branded articles, whether foodstuffs or not.

29. I suppose, really, you are beginning in a small way with the P.A.T.A.?—No; we were just in the middle of getting our organization going when we were held up, so that I do not know whether we are going to start in a small way or not.

30. I suggest that you wish to start diplomatically?—We do not think we have deceived the public at all.

31. I suppose the full effects of your operations will not be felt until it has been in operation for some time?—Naturally, it will take us some little time to get our organization operating fully.

32. And I suppose, frankly, you are out for higher prices than are ruling in the present competitive regime?—The ruling prices to-day at the advertised prices. Those will be still observed under the P.A.T.A. The cut prices can hardly be said to be the ruling price.

33. You want, then, to have one fixed price throughout the country for each article?—No. The association agree that there should be some difference in the price of an article sold for cash and that sold for credit.

34. Why do you make that differentiation?—We believe that where a man sells for cash, and does not wrap or deliver, he is entitled to sell for a lower price than when he delivers and gives credit.

35. That is because it costs him less to run his business in that way?—Yes.

36. If you admit that, why may not a retailer pass on to his consumer the other savings he effects—for example, better buying or larger turnover?—The manufacturer comes into the situation. The manufacturer has to be considered in that connection. In putting a proprietary article on the market the manufacturer has to consider three things. The first is the merit of the article. The second is, What are the channels of distribution? That is to say, that no manufacturer of a proprietary article can finally make a success of his article unless he has the good will of the bulk of the distributing trade. Obviously, no manufacturer can be his own wholesaler and establish his own shops to market