

5. In addition to being a director of this wholesale company, you occupy a certain official position with the Board of Trade?—In addition to being a director of the Co-operative Wholesale I am also a director of the Joint English and Scottish Wholesale Societies, which is a joint body financed by both the English and Scottish Wholesale Societies. I have served on Government Committees and on the business men's advisory committee to the Post Office. I am at present a member of the Advisory Committee of the Overseas Department of the Board of Trade, and I am also a member of the Board of Trade Committee which is now sitting in the interests of industry and trade.

6. What is the size of the wholesale organization with which you are associated as director?—We are a federation of 1,200 retail co-operative stores. The trade of the wholesale society of which I am a director would be from £70,000,000 to £80,000,000 per annum; but we are the manufacturers and wholesalers for these joint and retail societies, that have a trade of from £250,000,000 to £300,000,000.

7. You have become acquainted with the operations of the P.A.T.A. in England?—Yes.

8. Will you describe to the Committee how they have operated and how it has affected your co-operative stores, and the effect on the public interest?—Of course, from our point of view, we always say that any price-fixation which renders the possibility of the consumer getting no advantage of efficiency or of anything that might lead to the lessening of the cost of living is a harmful institution. So far as the operations of the P.A.T.A. are concerned, all I can say is that it is not in the best interests of the people. I may say that from fifteen hundred to sixteen hundred people, representing a membership of three million heads of families, have on two occasions unanimously passed resolutions asking the Government to bring in legislation to deal with the matter of the Price-fixing Association, of which the P.A.T.A. is a member.

9. Can you tell the Committee how long it is since these resolutions were passed?—Two or three years; but the position is just as acute now.

10. Were you aware of a certain Committee investigating the P.A.T.A. in 1920?—I know of no public investigation. There was an investigation, and it might have been an interdepartmental investigation consisting of officials of the Board of Trade. As I say, I know of no public investigation. I may say that the great difficulty we have and the great objection we have to the operations of the P.A.T.A. so far as the co-operative movement is concerned is that it prevents us giving our retail buyers any benefit derived from mutual trade that is financed by their own capital. I want you to understand that the co-operative movement in Britain is financed by purchasing members—that is to say, they provide the capital, and they appoint the officials and control the business of the purchase and sale of commodities on their behalf with their own money in their own interest. The practice is to sell in the retail stores at the usual price charged in the local stores for a given commodity. At the end of every half-year the accounts are presented and they are audited by public auditors, and after the expenses of management have been met and provision made for a reserve the difference—which is termed “surplus,” or, as you term it, “profit”—is divided after the interest has been paid on the capital and 5 per cent. is divided among the customers according to the value of their purchasing-power. Our objection is that if we sell through our co-operative organization articles of the P.A.T.A. our members are not allowed to get the benefit of their own mutual trading by a reduction in price.

11. If, for example, you sell below the P.A.T.A. in one article, how does that affect you?—We are liable to have the supply stopped of articles manufactured under the association.

12. *Mr. Myers.*] Until you come back into line?—That follows.

13. *Mr. Kennedy.*] Can you give the Committee, in a rough way, information as to the number of articles on the list of the P.A.T.A.?—I cannot.

*Mr. Myers:* Is that of any importance? It does not follow that the number of articles in New Zealand is the same as those in England. I cannot see that that has any relevancy.

*Mr. Collins:* You can understand, Mr. Myers, that we are only trying to obtain information as to what operates in England.

*Mr. Myers:* Quite so.

*Witness:* I want to make it quite plain that I have no particulars by me. I am only quoting from my knowledge and experience.

14. *Mr. Kennedy* (to witness).] In England foodstuffs are not touched?—Up to the present there has been a considerable agitation amongst certain members to extend the principle to certain foodstuffs.

15. How does the price fixed by the P.A.T.A. compare with what your association desires to sell an article at?—I cannot quite follow you. Do you mean whether we have manufactured anything similar to-day to meet the needs of our customers in the direction of control?

16. No; I want you to tell the Committee whether the price fixed by the P.A.T.A. is more, or just the amount you require to show what you deem a reasonable profit?—I should say, in the majority of cases, more, because it would provide a greater profit than was necessary for distribution. That is my opinion in regard to manufacture. All I can say is that we would, as we have done in hundreds of instances, be compelled to manufacture articles of a similar character to meet the demand for certain articles produced by the P.A.T.A.

17. *Mr. Myers.*] You do not advertise to the same extent?—That is so.

18. *Mr. Kennedy.*] Why did you embark on the manufacture of certain lines?—Because our members had a very distinct objection to having their limit of purchase taken from them, and they objected to purchasing an article when the price was dictated to them, and where their efforts were not allowed to reflect themselves in the advantages that would otherwise accrue to them; and, further, they said, “We want a certain article of this character and you must produce it,” and we are producing several hundred lines through our various factories. As a result of our laboratories and research work we are producing such articles as cod-liver oil and emulsion, and we are selling them cheaper than the price fixed by the P.A.T.A.