96. Who are the executive ?—The executive are representatives of the manufacturing, wholesale, and retail sections.

97. So that all three are represented ?—Yes.

98. What is the function of the committee ?—The function is to "police" the prices fixed by the manufacturer. In the event of the price which is submitted by the manufacturer being approved, he then fixes his price with the wholesalers and the terms under which they are to supply to retailers The association does not fix either wholesale or retail prices. It issues a list of retail prices to all retail members and others, showing the prices which have been fixed by the manufacturer.

99. So that virtually that middle body has only really got the right to say whether it approves of the price the manufacturer has already fixed ?—And "policing" the maintenance of the prices by the manufacturer.

100. On that committee that you have explained to us, who represents the interests of the public as regards price ?—I think the manufacturer is representing the interests of the public. The manufacturer has the interest of the public first and last in his mind. The natural law of competition is best in the public interest.

101. You consider that the public is adequately represented by the fact that owing to the economic laws the manufacturer will not endeavour to place an excessive price on his goods ?—Exactly, and that we are not dealing in necessary commodities. If they will not bear one kind of cough-mixture there are plenty of others. It is a matter between the manufacturer and the consumer.

102. Can you point to anything in your constitution which prevents your dealing with necessary commodities ?—No reference has been made in our constitution as to what we cannot do.

103. And what is there to prevent you from dealing in necessary commodities ?—If you will define what you mean by "necessary commodities" I might be able to answer.

104. I am using your own words. You used the expression ?—You mean foodstuffs ?

105. Yes ; what is to prevent your dealing in foodstuffs ?—The law of the country.

106. But the objects of your association are quite wide enough, if the law permits it, to deal in any form of article ?—If the law permits it, it is for the public benefit.

107. If the law permits it, I say the objects of your association are sufficiently wide to permit you to deal in any form of article ?—As far as the P.A.T.A. are concerned, it is set up for certain objects—to maintain prices of proprietary patent medicines and toilet preparations. It has never given any consideration at all to foodstuffs—not even proprietary foodstuffs.

108. But you remember that in your letter of the 19th July you say, "There is no reason that even proprietary foodstuffs will not be included at a very early date." They were the words you used ?—Yes, but proprietary foodstuffs was not what I meant ; I meant patent foodstuffs.

109. In fixing your retail prices, do you differentiate in New Zealand between the cash and the credit man ?—The association in New Zealand recommends to the manufacturers that they allow a difference in price for a cash-and-carry sale as against a booked sale—a fixed difference of 5 per cent. That is a recommendation.

110. Do you draw any distinction between the various classes of cash grocery business ?—There is a difference if it is a cash-over-the-counter transaction.

111. Are you aware that there are at least four types of grocery businesses ?—That is a matter for the manufacturer to analyse. If he wishes to provide for an individual grocer to sell his goods at say, 10 per cent. off list, and another at 5 per cent. off list, and another at list price, that would come before the committee and it would be considered.

112. Have any prices been fixed in New Zealand yet by your association ?—No prices have been fixed.

113. In New South Wales did they fix different prices between the cash businesses and the credit businesses ?—No ; the price fixed was the cash-and-carry price, the booking trader being allowed to charge for such service if he wished.

114. What was the difference between the cash and the credit business ?—There was no stipulation at all.

115. Then, the arrangement in New South Wales was that the retail cash price was fixed and the credit man could charge what he liked ?—Exactly. The P.A.T.A. here is not based on New South Wales ; it is based on that of England.

116. Did you have anything to do with the formation of the P.A.T.A. in New South Wales ?—No ; it was formed eighteen years ago.

117. In New South Wales, if you only fixed the cash retail price, that really largely does away with the usefulness of the association so far as the manufacturer is concerned ?—Not so far as the cash-and-carry man is concerned. The manufacturer cannot control the credit man except by the law of competition ; the minimum is invariably the maximum.

118. Did you have much experience of the association in Australia ?—Indirectly, for eleven years.

119. Can you tell us the name of any single article reduced in price as a result of the operations of the association ?—No, I do not know of any. We cannot remember all the prices ; they are altering all the time.

120. Can you tell us the name of any article which increased as a result of the association's operations ?—No.

121. Is it not a recognized fact that the operations of the association, wherever their prices have been observed, result in increased retail prices and not in decreased prices ?—Positively no.

122. Although, after eleven years, you cannot point to any single case in New South Wales where an article has been reduced in cost ?—Not from memory. I cannot remember all the prices.

123. I do not ask you to remember the prices, but can you give us the name of any article which has been reduced ?—You might attribute it to some other reason.