

147. But you say, Yes, if the price is excessive?—If the price proposed by the manufacturer is excessive, it is pointed out to him that the profit is too great.

148. That is exercising control?—If the manufacturer insists that the retailer enjoys a big margin of profit he may fix his price on his own account, but not through the association.

149. *The Chairman.*] Has your council any idea as to the cost of production of the articles of which the manufacturer fixes his prices?—It would have some idea.

150. *Mr. Gresson.*] With regard to the articles you bought from the Self-help store, when you went to those shops and got the goods at what you suggested was an excessive profit did you find any evidence of cutting?—Yes.

151. What articles?—Granose biscuits, sold at 11d. per packet; I believe they cost 11s. 6d. per dozen. Edmonds' baking-powder, sold at 1s. 2d. a tin; I think the price is 14s. per dozen. They are the only lines I can call to my mind.

152. Were there any others?—I did not see any others.

153. Actually, then, we may take it that as a result of your inspection of the Self-help stores these were the only two items you saw?—I did not inspect for cut prices.

154. How did you notice those, then?—They were obvious.

155. It is, nevertheless, a fact that they were the only two articles found in the shop?—Yes.

156. *Mr. Kennedy.*] The P.A.T.A. operations seem to be directed against the cash stores, are they not?—No, not against any section of traders.

157. Do you suggest there is any cutting by any of the credit stores?—I do not suggest anything about it.

158. The stores that you have mentioned this morning are all cash stores?—Yes, I believe they are.

159. You told us that you saw no objection to a manufacturer passing on to the consumer the economies that he effected by reason of a large turnover?—I have no objection to that.

160. If that is permissible, do you agree with your counsel that it is immoral for a retailer to pass on to his consumer the benefit of the economies which the retailer may effect in his own business.

*Mr. Myers:* I protest, Mr. Chairman. I did not say anything of the sort, and I have never made any such stupid statement. What I did say was that I accepted one of the witness's statements that he regarded it as immoral.

*Mr. Kennedy:* I accept the explanation without reservation.

161. *Mr. Kennedy* (to the witness).] Do you contend that the retailer should not pass on to the consumer the benefit of the economies that he makes in his own business?—The retailer may do what he likes with his own goods—that is, the goods he packs himself; but when he is dealing with a manufacturer's line—that is, a proprietary line—he is dealing with the good name of that article and the goodwill of that particular manufacturer, which is not his own. While he may own the physical goods, he does not own the goodwill in them, so that he has no jurisdiction over them.

162. So that you object, if he buys well or turns over his stock well, to his passing over the benefit in the shape of a lower price to the consumer?—With his own goods he may do as he likes.

163. As a matter of fact, you define manufacturers as including not only the person who manufactures, but you include those who control the goods, do you not?—We define a manufacturer's agent as a manufacturer because he is to all intents and purposes the manufacturer.

164. I suppose the definition as contained in your constitution still stands—that manufacturers are those who control the source of supply of one or more proprietary articles?—Exactly.

165. That is still the definition?—Yes.

166. And may I take from you that the association is out primarily to protect the interests of manufacturers so defined?—Yes.

167. Do you say that the retail chemists were the first to send out this S.O.S. to New South Wales?—They were the first to speak to me. The matter has been discussed in New Zealand since 1906.

168. Are the chemists specially identified with the manufacturer, that they should fight his battles?—I do not know.

169. You mentioned a list of articles sold by Macduff's: have you got your invoices there?—Yes.

170. How many of those articles that you complained of are manufactured in New Zealand? Bath salts, for instance: are they manufactured in New Zealand?—No, I think not.

171. Hair-slides?—No.

172. Cigarette-cases?—I do not know whether they are manufactured here.

173. Palmolive soap?—That is an English soap.

174. White Cross baby-powder?—English.

175. Cuticura soap?—I do not know where that is manufactured.

176. Lane's emulsion?—New Zealand manufacture.

177. Piver's shaving-cream?—French.

178. Calvert's tooth-powder?—English, I think.

179. Palmolive talcum powder?—Australian, I believe.

180. Pond's cream?—English.

181. Blue Seal vaseline?—English.

182. Clements' tonic?—I believe it is manufactured in New Zealand.

183. McClintock's talcum powder?—From overseas.

184. Kruschen salts?—Overseas.

185. So that practically all those items you complained of in regard to the price at which Macduff's sold are manufactured abroad, with a few exceptions?—Yes.

186. They would be handled in New Zealand by the manufacturers' agents or by the ordinary wholesalers?—Not always; in some cases the manufacturers have their branch office here.

187. Prices have been fixed by the association prior to this agreement being set up in New Zealand?—No.