

people, being already in the association, says, "This Palm and Olive soap is such a clever imitation of ours that unless they fix their costs approximately the same as ours we ought to refuse them admission," what would you say?—The individual's objection would not be considered.

243. There are a number of manufacturers whose costs vary greatly. If a manufacturer is struggling to keep down his costs and is compelled to fix the price of his article according to the costs of the manufacturer who is working more expensively, the man who is running his business cheaply would make handsome profits compared with the other?—Yes.

244. The same situation would arise in the case of the Palmolive soap that I have suggested?—I can only say that the association has no power to refuse registration provided all matters are in order, their prices are in order, and that they will do the necessary things.

The Committee adjourned at 12.30 p.m. till 2.30 p.m.

On resuming at 2.30 p.m.

Examination of EMILE WILLIAM DE FENQ continued. (No. 2.)

*Mr. O'Leary* : As representing a large body of consumers I was pleased to hear this statement from your counsel yesterday : "It proposes to touch, I say, only proprietary lines other than foodstuffs, because you may conceivably have proprietary lines which are foodstuffs, but it does not intend or contemplate to touch foodstuffs at all."

*Mr. Gresson* : Apart from proprietary foodstuffs.

*Mr. Myers* : Not even infants' foods.

*Mr. Collins* : Nor ingredients used in the preparation of foodstuffs?

*Mr. Myers* : No. That is an essential difference between the P.A.T.A.'s proposed operations in New Zealand and the operation of the P.A.T.A. in Australia. In Australia the P.A.T.A. touched foodstuffs as well as proprietary lines in the ordinary sense of the word, and it is partly because they touched these foodstuffs that Mr. Justice Beeby's report was, to a certain extent at all events, of a hostile character.

245. *Mr. O'Leary* (to witness).] You heard that?—Yes.

246. That statement is correct?—Yes.

247. I am surprised to hear to-day that your reason for not touching foodstuffs was because the Board of Trade did not allow it, or, in the words of your counsel, that the law did not allow it?—Yes.

248. So that this exclusion of foodstuffs that your counsel referred to yesterday is not from any desire to help the consumer, but because the law will not allow it : Is that not the position?—Yes.

249. Have you and those associated with you in the formation of this association and the planning of this work in New Zealand any regard for the welfare or interest of the consumer?—Yes. The system requires a certain amount of special protection, and if unscrupulous traders are allowed to continue the cutting of articles obviously the consumers will not get the benefit in the long-run. That is one of the reasons I think of for the moment.

250. Is that the only statement you can give of how the interest of the consumers have been considered?—The natural sequence of price-maintenance is reduction in price.

251. I take it that if there was any great consideration given to the consumer you would be well able to remember what the consideration is?—It is the only consideration without discussion.

252. When you say that foodstuffs are excluded, may I ask whether such articles as olive-oil, magnesia, and things of that kind, which are used by the ordinary people, come within that province—that is, those articles particularly in reference to infants?—They have not applied for registration, and, when they apply, their applications will be considered.

253. Is there any reason why they would be refused?—I cannot speak for them.

254. I understand that quite a number of articles in New Zealand have been applied for registration under the association?—Yes.

255. Have you the applications here?—Yes.

256. Would you mind producing them?—No.

*Mr. Myers* : They will be handed in later with pleasure.

257. *Mr. O'Leary* (to witness).] Yesterday one of the members of the Committee—Mr. Montgomery, I think—asked you a very pertinent question, and it was this : You made various purchases at what you called the cut-rate stores of articles on which the storekeeper was making a handsome profit?—Yes.

258. He asked you if you had made similar purchases at stores that were not considered cut-rate stores?—I did not.

259. You are unable to say, then, as to whether or not the prices that you would have paid at the other stores would have been greater or less or the same as what you paid?—I am not able to say.

260. You have, therefore, left the Committee in the dark on that very important question : Is that not so?—Yes, they are in the dark so far as those articles are concerned ; but the lines I produced are lines on which the price is not fixed by the manufacturer—that is to say, the manufacturer sells them at an open price and the buyer fixes his own price. I may say that I merely bought those articles to show that those lines are not confined to a percentage of profit they confine themselves to on the control lots of which the price is stipulated by the manufacturer.

261. That means that the purchaser may be able to get the cut-rate goods at, say, the ——— and other stores, and by going to the other stores he can get those goods at a higher rate?—Not necessarily higher, because he has to pay the price that the manufacturer stipulates to the consumer for that respective article.