

ADDRESSES OF COUNSEL.

Mr. Gresson : If the Board please,—Having had the opportunity of addressing you earlier, I do not think it will be necessary for me to detain you for as long a period as I did before, because I do not propose to go over the particulars which I indicated to you in my opening. It seems to me that the way I can be of most assistance to this Board of inquiry is by drawing attention to the various classes of evidence that have been submitted, to suggest to you the weight that should be attached to the particular classes of evidence, and to avoid as far as possible economic subjects on which I admit that I am very ignorant. So far as the evidence is concerned, I think I can give the Board some assistance in regard to the question as to what degree should be attached to the various classes. May I say that on an examination of the evidence it will be shown at once that the inquiry is really resolving itself into the investigation of two conflicting claims. On the one side you have got certain manufacturers, wholesalers, and retailers, all of whom claim that some such institution as the P.A.T.A. is necessary for their welfare. In dealing with this question I submit that you are four judges who are trying a case, and I propose to assist you to come to a conclusion in respect to the matter. On the one side you have these manufacturers, retailers, and wholesalers, who claim, according to my friend, and with some show of right on his side, that price-cutting, if it exists, is causing them serious diminution in profit. On the other side you have virtually the cash grocers and stores, such as Macduffs, who appeal to the public for two reasons—first, because they sell good articles, and, second, because they sell cheaper than anybody else. Now, gentlemen, you have to decide which of these foregoing claims are to be supported. Let me first of all draw the attention of the Committee to the claim of the P.A.T.A. and the manufacturers dealing with the various classes. I would ask you to consider what evidence is there to the effect that the manufacturers have been deleteriously affected by virtue of the operation of price-cutting. I know that my learned friend will correct me if I say anything that is not correct, because I was away on one day and I have not yet received a copy of the evidence that was taken on that particular day, but, so far as I can see in summing up the evidence, the manufacturers were represented by Messrs. Kempthorne and Prosser with respect to Kolynos, and Sharland and Co. with respect to Johnson's baby-powder and other lines.

Mr. Myers : Mr. Page gave evidence on behalf of Johnson's baby-powder.

Mr. Gresson : I am obliged to my friend for correcting me. Well, Mr. Page came here on behalf of the company and gave evidence with respect to Johnson's baby-powder, and the Palmolive representative dealt with Palmolive soap; and I want to say, first, that I have this comment to make as regards the various articles which the manufacturers claim have been injuriously affected. May I say that not one of those articles has gone off the market; and the point I think it is more important to stress is that all those articles are articles which lend themselves, and extraordinarily so, to competition and substitution—and what can be easier than to substitute tooth-paste, baby-powder, or soap? I submit that in the long-run the article which will sell best is the article which is the cheapest. Now, may I say that not only are they all capable of lending themselves to substitution, but they all serve the people, and therefore any one of them can really be equally necessary. I know that very probably my friend will say that baby-powder is necessary, and the natural thing is that substitutes can be made for them; and I should think, moreover, that they are luxuries. Certainly, on that basis, if a person chooses to use Kolynos because he likes it, he has to pay 1s. 6d. or whatever price it is sold at; but, I submit, just as good an effect is produced by using salt and water, and on that basis Kolynos is not necessary. Similarly, one person may use Palmolive soap, whereas another person finds that washing-soap is as good. The point I wish to draw attention to is that none of these articles are necessary, and all of them come under the heading of luxuries. Again, in dealing with the complaint of the manufacturer my friend will undoubtedly refer to a matter which he elicited in cross-examination from one of the witnesses. He will say, "How are you going to protect the individual manufacturer? Even if he goes in legally for profit he cannot enforce it. It is true he can enforce it at law, but it can be circumvented, and it is impossible for the protection of the product to rely entirely on a fixation scheme." That is my friend's point. To that I have two answers. The first is—and I say it openly—that it would be a good thing if the law in New Zealand were altered to prevent it being legal for a manufacturer to fix his wholesale and retail prices, and I say it is a retrograde step in the law when the law allows that interference; and, second, it would be a good thing for New Zealand if the law were altered; and I suggest that it is no argument whatever to say that because the manufacturer has that power, and because it can be circumvented, that the P.A.T.A. should function. I suggest, to the contrary, that it would be much better if this Board of inquiry would recommend that the law be altered by the statute repeal of the law which operates in this country, and which allows the manufacturer to fix the retail and wholesale prices; and, gentlemen, I am fortified in that view—after all, it is more a matter of economics than of law—by the opinions of Professor Murphy himself and by the report of the Cost of Living Commission. This is not my own view that I am putting to you, but it is the view of men who have dealt with the matter and which coincides with my own. So much for the claim of the manufacturer. There is one remark I want to make, and it is this: may it not be fairly contended that if price-cutting has that serious effect which my friend says it has it is exaggerated. But, if price-cutting has that effect in these particular lines, may it not be caused by the fact that the particular lines affected, such as Kolynos, baby-powder, and soap are luxuries, and not essentials? What leads one to that conclusion is this: that when you come to deal with an article like Edmonds' baking-powder, which is absolutely an essential article, one finds, contrary to what one would have expected, that price-cutting has not affected that commodity. It is true that it has cost the company a good deal more in advertising, but price-cutting has not driven it off the market. The real distinction between the two is that the price may and does affect a non-essential luxury, and another article may be substituted therefor, but it does not have any