

be seen that Professor Murphy takes a similar view—that is to say, when he was under cross-examination he advanced almost the same view. My learned friend said to Professor Murphy, “Is it not unfair to the manufacturer to spend all this money and then for the article to be cut,” and the reply of Professor Murphy was to the effect that he does so with his eyes open and he knows what the law is; and I suggest to you with a great deal more confidence now that I know the view expressed by Professor Murphy that there is a great deal to be said for that view. Now, the scheme itself of the P.A.T.A. bears on its face evidence that it has been hastily considered and suddenly changed. You will note, gentlemen, that when Mr. de Fenq was giving his evidence I put to him a letter which he wrote to the association of grocers in Christchurch, in which he stated that there was no reason why the scheme should not be extended to include proprietary foodstuffs. Now, of course, finding—quite rightly, and I make no suggestion against it—that that would offend against the Commercial Trusts Act, he forsakes the idea of dealing with foodstuffs at all. It will be noted by a perusal of the letter with respect to certain agreements arrived at that the agreement with respect to prices to be charged contemplated only one price to the credit man and the cash man, and again it was found that that would not work, and consequently they put in a clause dealing with  $2\frac{1}{2}$  per cent.; and I submit that that is a mere guess, and nothing else, as regards the margin between the cash man and the credit man. On the day that I was absent from the sitting of this Committee it was either stated on behalf of the P.A.T.A. or stated by the representative that they would not have any objection to a representative of the Board of Trade being on the P.A.T.A. I take it my friend will correct me if I am wrong.

*Mr. Myers:* That is so.

*Mr. Gresson:* Well, gentlemen, what a change of front! Now they say, “Let us operate under any circumstances, if necessary; but we virtually admit that we have no power of protecting the interests of the consumer: we have got no power to find out whether the manufacturing cost is the proper cost or not, but we are so intent to operate that we will have a representative of the Board of Trade on the P.A.T.A., and under the Board of Trade it will be all right.” I now wish to refer to the necessity of the P.A.T.A. First of all, and an obvious comment to make, is that not a single economist is called to support it. I quite realize what my friend’s answer will be: the Australian investigation is against it; the Canadian investigation is against it; and the English investigation, after examining eight witnesses in a country of forty or fifty millions, is half-hearted in support of it. But, gentlemen, the point that I want to make here is this: that, so far as all these places are concerned, there are different conditions operating in Canada, in Australia, and in New Zealand, and we are dealing with conditions operating in New Zealand, and the Cost of Living Commission in 1912 examined the conditions in New Zealand. I quite agree with the view that the opinions of business men are to be respected, and, of course, evidence given by them has to be given the greatest weight, because the principles of political economics are built up on the experience of business men, and I do not wish to hear anything derogatory said with respect to a Commission which contained tried and useful representatives whose experience extends long past New Zealand shores, and when one comes to go into the matter, as Professor Murphy said, it will be found that the findings were viewed with great favour in the greatest journal of the day. I suggest, gentlemen, that when one is examining the evidence against it it will be found that all the Commissions, with the exception of the English Commission, are against it. I can fairly say as regards the English position that it is entirely different in many respects when comparing the conditions in New Zealand, because in England there is a huge population and therefore different conditions operate, and in many respects—I say this with every love of the Old Country—New Zealand is ahead of England in respect to these matters. It is not necessary to say that because England has not done it we are not to do it. It is not to be said that because it has worked well—

*Mr. Myers:* Professor Murphy said that we are not leading the world with respect to the fixation of wages for labour.

*Mr. Gresson:* That is very hard on him.

*Mr. Myers:* Professor Murphy did not agree with the methods adopted in New Zealand.

*Mr. Gresson:* So far as one can fairly see as regards the evidence of political economists, it is against the proposed operations of the P.A.T.A.; but when one comes to what one may call the practical effect on business one fact stands out very clearly, rightly or wrongly—my friend will say wrongly, but I am inclined to the opinion that the Commission should find rightly—and that is that the cash grocers and the cash fancy-goods men do entertain a very real fear that the operations of the P.A.T.A. will deleteriously affect their businesses. Probably it is not necessary for me to go to the length that my friend said when cross-examining the witnesses—namely, to put them out of business. Now that this inquiry has made it clear that the operations cannot extend to foodstuffs, that should, or may, affect the question of them being put out of business; but the question is whether it will seriously affect the various business concerns in the way it would by the operation of the P.A.T.A. I want to say, in passing, that you have the figures in front of you, and you will realize on those figures that even a smaller percentage of their turnover might make a very big difference to their business, and therefore I submit with some confidence that it is a very real and justifiable fear lest the operations of the P.A.T.A. may not necessarily put them out of business, but will render their business position a great deal more difficult. There is a further point that my client feels very strongly, and it is this: we submit that, if the P.A.T.A. functions, any retailer who does not join it will, to a certain extent, be regarded by members of the public as an outcast. This may have many ramifications. Supposing that Mr. Sutherland refuses—as he will do—to join the P.A.T.A., some of the other P.A.T.A. grocers could easily approach some of the wholesalers or manufacturers, who may be members of the P.A.T.A., and who supply Sutherland, and may say to them, “We cannot combine with you