

take any tied-house items. They are big buyers ; but, no matter how keen a buyer or even a big buyer he may be, he cannot obtain goods from a merchant unless he is satisfied that the money is safe. These men came into existence for the purpose of reducing their prices everywhere and they are well satisfied with their position, and the public is interested in seeing that these men are guarded against any concerted action to put them out of existence. Much was made with respect to substitution, but I submit that that is a matter than can take care of itself. One witness who gave evidence on behalf of the P.A.T.A. itself was compelled to admit that, as a salesman and knowing the state of the trade, customers would regularly come out of the shop with a different article than the one they went in for. Certainly a great deal has been made of that, but I submit that it is a matter that has a sinister meaning. However, no wholesaler came before the Committee to support our side, and I suggest that one could infer from that that the wholesaler knows perfectly well that it is going to suit his book to join with the P.A.T.A. If the wholesaler thought that the P.A.T.A. was going to cramp his style in the way of net profits I think he would have been here to say so. He kept well out of the way in spite of the fact that he handles a whole mass of proprietary lines. This brings me to the question of what proprietary lines are. If you turn to the dictionary you will find that you get no assistance from Webster's Dictionary, and it will be found that in other dictionaries it is not defined. If we turn to the evidence of Mr. de Fenq it will be found that he said that they were only going to include proprietary articles, excluding foodstuffs. From the standpoint of the public, if by price-reduction these new classes of traders can sell, say, £100 of goods in a day where the old style of grocer sold only, say, £25, why should they not be permitted to sell cheaper ? After all, the connection between the manufacturer, which is the goodwill, can be interfered with or smashed in many ways wholly beyond the control of the manufacturer, and it comes to this : admitting for the sake of argument that one or two manufacturers proved conclusively that they do suffer and were likely to suffer very severely from the effects of price-reduction, I submit that this Committee would not on that account be justified in depriving the people of the benefit—of the fullest benefits—they receive at the present time by purchasing from these cheap grocers. That, gentlemen, is the viewpoint of the working-man, and I submit that before the Board can recommend that this P.A.T.A. should be allowed to function the fullest weight should be given to the needs of the people, because, after all, it is their welfare which is particularly in your hands.

*Mr. Kennedy :* If the Committee pleases,—What I venture to suggest to the Committee as one of the most important problems in New Zealand is to reduce the high cost of living. I venture to suggest also that it is entirely against public welfare and public interest that the cost of living should be raised, and it is equally to the public advantage that the cost of living should be reduced. I say also to the Committee that no man or no trader should be prevented by the concerted action of fellow-traders from making his contribution to the lowering of the cost of living ; and it is my submission that the action of the P.A.T.A. will mean, if this lowering of the cost of living is arrested, that instead of the cost of living remaining stationary it will, on the contrary, in the course of time, for the P.A.T.A. purposes, mean a rise and not a lowering of the cost of living. Now, the only way in which lower cost of living can be effected is that the buyer gets the commodities which he requires for a less sum of money ; and if you are to have a considerable lowering of the cost of living you must have these reduced prices operating for the necessities of life—that is, those what may be termed the conventional necessities—namely, those things which the ordinary men and women buy, and those things which you find figuring on their family budgets—not only food, but such things as household requisites, crockery, enamelware, soap, and toilet requisites, as well as all the requirements of the nursery. Now it is submitted that the claim of the P.A.T.A. is in fact that practically all those things I have enumerated, although I admit they made an exception in foodstuffs—

*Mr. Myers :* And footwear.

*Mr. Kennedy :* My friend makes that concession now, but it is not a concession. What they want to do is to permanently fix the prices and prevent the operation of the ordinary competition in their prices. The complaint really is, if the Committee pleases, not of high prices, but of low prices. The audacious supposition is that the public are being charged too little. Apparently, a man is to be regarded as somewhat of an outcast trader if he is not prepared to take as much out of the public purse as his competing trader. My submission is that the P.A.T.A. is designedly and avowedly out to raise prices. They talk about stabilizing prices, but the stabilized price is a price which is higher than is customarily paid, although it cannot be higher than the normal figure actually appearing upon the container of the article. To do that, competition in prices of these particular articles is to be eliminated, and rival traders and those associated with them are to use the weapon of boycott so that they may force upon competitive traders a higher price. I venture to quote and adopt as my own the remarks of Professor Murphy as contained on page 6 of his notes, which says,—

Statistical proof of demonstrative force cannot, from the nature of the case, be adduced, because insufficient investigation has been made, but there is no doubt that the general and correct impression among economists who have carefully studied the matter is that price agreements among distributors wring more from the consumer than all the trusts that ever existed. Trusts sometimes bring about a fall in price by passing on some of the economies resultant upon cheapened operation. There are no resultant economies from price-maintenance agreements—they are always followed by a rise of prices ; and a fall of prices may be brought about not by the formation of a price-maintenance agreement, but by its collapse. I know of no economist of note in the modern world who has anything to say in favour of price-maintenance agreements from the point of view of public utility and welfare.

If the Committee would permit me, I desire to refer to and adopt as my own the remarks appearing on page lxvi of the Cost of Living Report, and these are the remarks I submit to the Commission :—

This restraint of trade in the Dominion has only become acute during recent years. In the United States of America and other countries it has proved to be the greatest curse of modern civilization, enabling unscrupulous