

Gresson, said that it cannot be assumed that a trader would be such a lunatic to go on continuously selling goods at or under cost, and that if he did he would soon come to grief. Any person who tried to sell goods generally—that is to say, all classes or most of his goods—at cost or below cost would be a lunatic, and must come to grief within a very short period. But the point I make is this: that is a very different thing from adopting the tactics which these men do adopt, of choosing a certain number of lines and from time to time offering those lines for sale at cost or under cost as decoy lines, obviously for the purpose of enabling them to do bigger business in lines which show them huge profits and give them a profit more than they lose by selling these proprietary articles at a sacrifice. It is those shops, more so than cutting grocers and people like Boyd, against whom manufacturers, wholesalers, and retailers, who have become interested in the cost of manufacture, are entitled, I submit, to the fullest measure of protection. Then, we have the suggestion made by every one of those people who have come forward that the operations of the P.A.T.A. would involve the closing-up of their businesses. Well, I am prepared to say that it would be a very good thing if some of these businesses—I do not say all of them—were shut down for good and all, for the reason that the tactics adopted by them are not healthy and sound trading. The point I want to make, however, is that there is nothing whatever in the suggestion that these gentlemen make—there is no real foundation for it, although they came here thinking it—that the P.A.T.A. could operate in respect of all goods, or nearly all, which they sell in their establishments. Obviously, that is not the case. That never was the intention of the P.A.T.A.—to cover all these various lines of goods, including foodstuffs. They could not deal with foodstuffs even if they wanted to, because they are prevented from doing so by the law. Now, my suggestion is that if any of these gentlemen are the altruists that some of them suggested they are they can do a great deal in the interests of the consumer, if the P.A.T.A. operates, by joining that body, because it is common-sense. I suggest, that the bulk of the people who go to the shop of a particular cutter—let us call him “A”—will not continue to go to his shop if he cannot sell leading lines, such as groceries and foodstuffs, at a price lower than that of his competitor. It is absurd, I suggest, to say that a person who is buying those goods from “A” as a regular grocer will not continue to buy the proprietary goods which “A” stocks, so long as “A” is not charging more for them than his competitor; and the result would be that whereas “A” would obtain a higher rate of profit in regard to those proprietary lines, he would also have more to come and go on, and in consequence he would be able to give back to the public, if he wished, concessions on lines which everybody uses—namely, necessities of life—as against those proprietary lines which may be convenient to use but which certainly—some of them may go near it—are not necessary to human existence. The next point that I wish to refer to is one that has been much traversed—namely, goodwill in proprietary goods. Professor Murphy admits that a manufacturer has a goodwill in a particular article, and he says, “I object to it all, because the manufacturer has made that goodwill by advertising, or partially by advertising, and that is a waste.” Mr. Gresson said that he was not an economist, and I do not claim to be one, but I have never been able to see how you are going to provide for all the unemployment that there would be if all the views of Professors of Economics were given effect to. My submission is that the manufacturer who has established a market for his goods by his efforts, by his skill, and by his expenditure of money, even though he spends it by advertising, is entitled to protection. Why should he not say, “I have gone to the trouble of making these goods; I have gone to the expense of making goodwill for them; my business depends upon that market being maintained, and if it is not maintained, then I go to the wall; and it cannot be maintained if I allow it to be used by cutting traders as a decoy line so that they can make profits on other lines.” Why should not a manufacturer be entitled to make provision to prevent that result? It is not like the ordinary articles of food which are the necessities of life, where the manufacturer or the producer of those articles is no longer concerned with them. There is no question of goodwill involved. There is no question of goodwill or trade goodwill involved to the manufacturer or producer, to the wholesaler or retailer who acts as the distributor of those goods. There is no reason, according to the Legislature of this country, for allowing price-fixation such as has always been permitted in respect of manufactured articles other than foodstuffs. My submission is that goods of persons in respect of which, or in respect of trade in which, a goodwill has been established are vested in the persons interested in that goodwill, and they are entitled to be protected. No trader is obliged to stock those goods, and he is not stocking them for the benefit of the public, but he is stocking them for his own benefit; and I say that that observation is true whether he is selling them at prices fixed by the manufacturer, or whether he is using them for the purpose of advertising himself by selling them at a lower price and in that way endeavouring to increase his business. After all, there are a certain number of people in business and there are a certain number of people who will continue in business, and these people in the credit business require a certain amount of money to pay their overhead expenses, and these overhead expenses must be furnished in some way or other by the public, together with a profit to the trader; and how is the cutting trader benefiting the public in those circumstances?—The overhead of all these different traders has to be found, and I repeat the suggestion I have already made that there is no reason why the cutting trader should not be compelled to respect the agreement made by the manufacturer and obtain the price fixed by the manufacturer, and there is nothing to prevent him, if he so wishes to continue giving, from continuing to give by way of concession to the public just as he does under his existing methods of trading, and even more. That brings me to the next point I desire to make, and that is the necessity for the P.A.T.A. as an organization. I assume for the moment that the Committee agrees with the submission I have made that the manufacturer is entitled to protection, and that, with the manufacturer those persons who have helped in building up the manufacturer's trade, and who are interested in the goodwill, are also entitled to reasonable protection. It is quite true that a manufacturer, under the existing law, may fix the price to both the wholesaler and retailer; but we