by agreement not to recommend it in preference to the association article. Its general vice, it is submitted, is this: that it almost avowedly ignores the interest of the consumer, and it forgets the economic fact that traders exist for the benefit of the community and not the community for the benefit of traders. If such be the results of the association, then it is not to be wondered at, it is submitted, that the Canadian and Australian reports were hostile to the coming into existence of the association. Of course, it is idle for me to simply abuse the association. I have to try, as far as I can, to meet the circumstances which my friend says justify the existence of the association. I think I am correct in saying that its sole justification, as urged by my friend, is the cut-throat system of price-cutting which has been in existence in respect of these proprietary articles. As to that, I have various comments to make. The first is this: that there is no evidence of what may be called a mass attempt by all the grocers on any particular trade article. The cutting is sporadic, one grocer cutting one line at one time and another cutting another line at some other time. Further, that the lines cut are unessential lines, which do not seriously affect the general buying public. The remedy, it is submitted, is in the hands of the manufacturer. It has been common ground from several witnesses that in the case of well-advertised article which the public demands even cutting does not affect its supply. I think Edmonds' baking-powder was cited as one of the examples. In any event, if price-cutting is so serious, a better remedy should be devised to meet it than a remedy which is so fraught with danger as is the remedy proposed by the association. While I am on this point I would like to recall that several witnesses were asked by the Chairman of this Committee whether, in spite of the fact that price-cutting was going on, their businesses had not generally prospered, and I think that in every case the answer was that they had prospered, with the exception of Mr. Hook; but he, I think, was the only one to say that he was driven out of business by price-cutting. Well, gentlemen, an ounce of practical results like that is worth a ton of theory. It is all very well to say that, theoretically, price-cutting will drive these articles off the market. There has been a large body of evidence purporting to show that price-cutting is deleterious to the manufacturer, and that it has not popularized his line. I should have thought the contrary would have been the effect. While on that point, I think it is permissible for me to say that when a witness says that his sales for a period of, say, six months have declined compared with the preceding six months it does not necessarily follow that the decrease has been caused by price-cutting, because it must be obvious to everybody that the real trouble which effects all proprietors of trade articles is the easiness of substitution. Take a specific case—Kolynos tooth-paste: Personally, I have always used it, although, of course, I know that there are excellent tooth-pastes on the market much cheaper than Kolynos. If there is an article which is very nearly as good as another, and it is cheaper than that other, you are bound to have substitution, and I do not think it is fair to assume, as some of the witnesses did, that when sales decreased over a length of time price-cutting must have been the cause. It may have been one factor, but I submit it was not the sole or the largest factor, because I have been waiting all the time for my learned friend to produce the witness who would be able to say " Look, as the result of price-cutting my lines has gone completely off the market and I have had to stop manufacturing." If the theory that cutting so seriously affects the manufacturer is sound, one would expect that the line would go off the market; but the only explanation I can offer to the Board is either that the price-cutting does not effect the article as seriously as the manufacturer thinks, or else that the attacks on the article in the way of price-cutting are sporadic, and not massed, and that it may consist of price-cutting for a month in one article, followed by price-cutting in another article for another period, and that it does not seriously affect the article in the long-run. At any rate, if it does come to a question of price-cutting, it is by no means clear that the cash man is the man who is cutting the price. Suppose you have a credit store that has to sell at 10 per cent. increase in price compared with that of the cash store, and the credit store comes down to the same price as the cash store: who is doing the cutting? I should have thought the credit store. The cash man, who is able to work on a better basis, is not to be blamed for selling at a cheaper rate, but the cutting in those circumstances is done by the credit store. That was an example given by a witness from Timaru. My learned friend has stressed very much what he called dishonest trading, but which we decided afterwards we should call immoral trading. Here I will make a frank admission, and, so far as I can see, all the reports that have been put before the Committee by the witnesses of my learned friend contend that price-cutting, which may be defined as selling at or below cost, or at an insufficient margin, is immoral. I should have submitted to the Committee that if a manufacturer chooses to spend large sums of money in advertising his article he may well, as my friend says, build up a goodwill in that article; but he does that with his eyes open, knowing full well that if his article gets into the hands of a retailer he could do as he likes with it, and under these circumstances, although I admit that all authority is against me, I should have thought that it was perfectly legitimate business for the retailer to sell at any price he choose. After all, suppose Kolynos is cut: the manufacturer has the remedy in his own hands—he can go and arrange for some other article to be cut. Mr. Collins asked whether we had ever known of any line being bought and deliberately slaughtered so as to reduce the price of another article, but no witness testified that he knew of such a practice in New Zealand.

The Chairman: We have known of it abroad.

Mr. Gresson: But, then, in such cases the rival manufacturers can retaliate. It seems to me you cannot be too nice about these things. I admit, however, that all the reports of these Commissions are against me.

Mr. Myers: I do not understand that it is the economist who suggests the view of Mr. Gresson. I thought it was the honest man.

Mr. Gresson: But, then, Mr. Myers and I disagree about honesty. I want to deal with the practical aspect of it for a moment as regards my own client. First of all, it is clear that as regards