34. But as a rule ?—No, not as a rule.

35. I suppose you can submit invoices for all these different goods ?—Yes.

36. Any when you say "the wholesalers' prices," where are you quoting the prices from ?—From Messrs. Rattray and Co.

37. That is a Dunedin house ?—Yes, and a Christchurch one.

38. Do you deal with Rattray's ?—Yes.

39. But I suppose you do not buy goods from Rattray's under their list prices ?—It depends on the quantity. As you will notice, they have prices for case lots and for dozen lots. As a rule, I buy at the lowest prices. I am using that price-list to indicate what the ordinary storekeeper would have to pay. In my own case, by importing, and buying direct from the importer and paying cash, I can in a great number of cases buy cheaper. That is the point.

40. But you do not import very much stuff ?—The greater part are my own importations.

41. In grocery goods ?—Yes.

42. You mean to say that you import from abroad most of the goods you sell ?—Yes.

* 43–77.

78. Take an item like Lane's emulsion: what do you sell that at ?—2s. 3d. and 4s. 3d.

79. What do you buy it at ?—From Fairbairn, Wright's at 22s. 5d. and 42s. 5d.

80. Do you sell Kolynos ?—Yes, we sell it at 1s. 5d.

81. That is not cut badly there ?—We never cut a thing badly unless we are driven to it. The so-called cash man is frequently driven into charging a lower price than he would otherwise charge. Take Amber Tips: a man sells that at 3s. 2d.; that is 2d. below his neighbour. The credit trader comes down to his price, and that man immediately reduces still further; and so it goes on We make it a point never to sell except at a margin satisfactory to ourselves. We will accompany a man to the edge of the precipice, but we will not go over with him.

82. You seem to have been doing a much bigger business in 1921 ?—That was an exceptional year.

83. Have you any of the preceding balance-sheets ?—No. In that year I took in a partner, he brought a certain amount of business with him and he went out and took a lot of business away with him. That created a temporary state of affairs and we lost very heavily that year.

84. So you cannot take that year as a fair sample of your trading compared with your cash business ?—No; I could not stand another year like that.

85. *Mr. Greeson.*] In 1921, which is put in your report as a average year, is it right to say that your overhead charges would not be a fair indication of what they would be on the credit business ?—That is a fair sample of what the overhead charges would be, but it would include whatever were the drawings of the partner I have referred to.

The Committee adjourned at 12.30 p.m. till 2.30 p.m.

On resuming at 2.30 p.m.

Mr. Gresson: I have here a very long report prepared by Professor Murphy, of the Victoria College, but as it is a very long one and as I am desirous of saving the time of the Committee I do not propose to ask him to read it.

Mr. Myers: That Professor Murphy has prepared a long report is true, and I submit that it contains a great deal of informative matter and also a great deal of expressions of opinion, and I say, with all due respect to Professor Murphy, that it is besides what this Committee has been set up to decide.

Mr. Gresson: No more than the evidence given by other witnesses.

Mr. Myers: May be. Other witnesses may have been asked questions which bear upon the course of business which this Committee is inquiring into as contrary to public interest or not, but I do not know whether they have been asked to express an opinion on the very question which the Committee has now been asked to decide.

Mr. Gresson: I will now call Professor Murphy.

BERNARD EDWARD MURPHY sworn and examined. (No. 25.)

1. *Mr. Gresson.*] What are you ?—I am Professor of Economics at the Victoria University.

2. You have been good enough to examine into the workings of the P.A.T.A. and report on the subject ?—Yes, I was asked to report on that matter.

3. Did you have available to you the Canadian report ?—Yes.

4. And the New South Wales report ?—I had Judge Beeby's summary report.

5. And the English report of a Commission that we are not clear as to what it was set up under ?—I have seen no English report.

6. You are, as an economist, familiar with the report of the Cost of Living Commission in New Zealand in 1912 ?—Yes.

7. Without going into your reasons, I want to know this: do you consider that the P.A.T.A. is a monopoly ?—It is admittedly a monopoly on its own papers.

8. What do you consider would be its effect so far as boycotting is concerned: do you consider that its operations might lead to boycotting ?—That appears to be one of their principles as is stated in their documents.

---

* Questions 43 to 77 deleted as confidential.