

47. What have you to say upon the admitted fact that no member of the public has any say in the fixation of those respective prices?—I can only say that the price ought to be fixed by competition; otherwise you would have a man being his own judge and jury, and the public would have no protection.

48. I want to put to you what has been the main criticism—or, rather, the main argument—advanced, and, I think, fairly advanced, in favour of the P.A.T.A.—that is, a manufacturer spends a great deal of money on advertising his line, and he acquires thereby what we may call “goodwill” in the article, and the retailer by selling that article under cost injures the acquired right of goodwill which the manufacturer has. I am asking you to assume that argument?—What do you mean: legally or equitably acquired?

49. Do you think, from an economic point of view, that a retailer should sell that article under cost, and so possibly injuriously affect the manufacturer’s goodwill in the article?—Do you mean, sell it at such a price that he is making a loss?

50. Yes?—I think that that is an undesirable practice, although I think it is a very rare practice. Plainly, I think it is undesirable because that also is falsifying the economic barometer. No economist would defend the selling of an article under its production cost.

51. My learned friend contends that through the operations of the P.A.T.A. the goodwill of the manufacturer in that article will not be ruined: what have you to say as to that?—I say that if the manufacturer has any legal or equitable right to any goodwill, if he likes to advertise he has to take the risk of the goodwill being prejudiced. He also has to take the risk of some other manufacturer wiping out his goodwill by another advertising campaign. He also takes the risk of his goodwill being eliminated by the substitution of a demand for another production. For instance, he might build up a tremendous reputation for, say, ice-cream, and somebody might come along and kill it by supplying the demands by, say, Eskimo pie. It seems to me that it is wrong in principle to contend that a manufacturer has any right to any goodwill. The P.A.T.A. remedy, in my judgment, is worse than the disease, because it directly injures the consumer. If there is a conflict of interests, in my opinion the consuming public must take precedence over the interests of the manufacturer. That may be quite wrong, but that is my opinion.

52. What it amounts to is this: even agreeing that my friend is right in the case he makes out, in our opinion the cure is worse than the disease?—From the viewpoint of the public interest, admittedly.

*Mr. Gresson*: That concludes my examination of the witness, and I wish to hand in the report, which was not read out in order to save the time of the Committee.

*Mr. Myers*: I take the strongest exception. The witness is here and he has been examined in the ordinary way, and I propose to cross-examine him in the ordinary way. The report that he has made is in no way evidence; it is simply my friend’s brief, from which he has examined Professor Murphy.

*Mr. Reardon*: You simply put us in the position of saying that if we want a report from him we will have it.

*Mr. Myers*: If the Committee takes that view I submit it is not fair, because there are all sorts of things in that report which are not in the nature of evidence at all.

*Mr. Collins*: So there was in the Canadian report.

*Mr. Myers*: The Canadian report is not evidence.

*Mr. Collins*: Surely this Committee is entitled to look at it?

*Mr. Myers*: The Committee can look at it, but it is not evidence. My objection is that the report is not evidence, and cannot be considered to be evidence. I submit that that is calculated to do an injustice.

*Mr. Reardon*: What is to prevent us having the report read and put in as an appendix?

*Mr. Myers*: If the Committee decides to adopt that course, very well and good; but I do most strongly protest, because I submit it has not been read.

*Mr. Gresson*: I think my learned friend is looking at the matter from a wrong point of view, and I do not think that he has given full weight to the fact that the witness is present here to-day and has given evidence in certain matters. He is not dealing with evidence on facts. I think the Committee is entitled to have the report on the principal matter put in.

*Mr. Collins*: I think I indicated to counsel at the outset that, whilst this was a judicial Committee, we could not expect that the proceedings would be confined to what is known as evidence from witnesses such as Professor Murphy. We did not know that we would receive a great deal of information or advice in this way and it is in that sense, I consider, that Professor Murphy is before us to-day. I can assure you that had you or the other counsel not called Professor Murphy it was the intention of the Committee to call him.

*Mr. Myers*: If this report goes in I suppose it will be published as part of the proceedings?

*Mr. Collins*: Yes.

*Mr. Myers*: That is not a report for this Committee. It is like a man handing counsel a statement of evidence, and he gives his evidence on oath.

*Mr. Collins*: The Committee will take into consideration your objection, Mr. Myers.

*Mr. Gresson*: I propose to ask Professor Murphy several questions.

53. *Mr. Gresson* (to Professor Murphy).] You made a report on this matter?—Yes.

54. Do you consider that that report contains a full account of your views on the matter?—Yes.

*Mr. Gresson*: I ask leave to put it in. [Report handed to reporter.]

*Mr. Myers*: I have made my objections.

*Mr. Collins*: That has been noted by the Committee.

*Mr. Kennedy*: I strongly support my friend in this matter, sir.

*Mr. Collins*: The Committee will adjourn for a few minutes in order to consider this matter,