

On resuming,

*Mr. Collins* : The inquiry is resumed. Gentlemen, in regard to the matter at issue the Committee has gone into this matter and has decided that if Mr. Myers considers that it is necessary that the information submitted by Professor Murphy through his counsel should be read, then the Committee is willing that it should be read clause by clause. Seeing, however, that counsel has had an opportunity of perusing it fully, we hope that that course will not be necessary. We have decided in regard to the other objection raised by Mr. Myers that as the report was made to opposing council, to ask Professor Murphy, as one of the leading economists of the Dominion, whether the information which he has made in the report will be similar to the report that he will make to the Committee if the Committee requests him to make a report. We are unanimously of that opinion.

*Mr. Myers* : That means you accept the report and that it will be published as part of the proceedings.

*Mr. Collins* : Yes.

*Mr. Myers* : Very well ; this includes any observations and comments which are obviously written evidence.

*Mr. Collins* : *In toto*.

*Mr. Myers* : Very well.

(At this stage the cross-examination of Professor Murphy by Mr. Myers was proceeded with.)

55. *Mr. Myers* (to Professor Murphy).] Apparently you take exception to any form of price-fixing ?—Yes, entirely.

56. I think you said, quite fairly, that although in your opinion stabilization of prices, as you call it, is bad, that is not the universal opinion of economists, and there is a difference of opinion amongst economists on the point ?—I have never seen the question argued ; but there is admittedly a difference of opinion amongst them.

57. Did you by any chance take any interest in the flour case which was recently decided by the Court ?—No. I could not give any useful information on that.

58. You know that that was, *inter alia*, a combination whereby the price of flour was fixed ?—I have heard that that was so. They are a price-fixing monopoly, as I understand the position. That is what I have seen in the newspapers.

59. That is to say, Distributors Ltd., which was the agent of all the millers, came into the combination or price-fixing monopoly ?—It appears to me to be so from what I read in the newspapers.

60. Then you would regard such a combination as against the public interest ?—I would destroy it to-day if I could. I am strongly opposed to price-fixing monopolies.

61. You know that the Courts have upheld the appeal ?—I do not know. I do not know what side you were on, but I do know that you won the case.

62. I suppose you know of the terms of the Board of Trade Act, 1919 ?—I have read the Act from time to time and used certain sections, but I cannot profess any knowledge of it.

63. I understood from your evidence that the way you refer to the public interest is that you are thinking and talking of the interest of the consumer ?—Yes.

64. Do you know that under the Board of Trade Act any person who sells any goods at an unreasonably high price—that is to say, at a price which produces more than a fair reasonable rate of profit—is guilty of an offence ?—I do not know from memory that it is so.

65. May I take it, then, that in expressing opinions to-day you did not have the Board of Trade Act before you ?—I had no statute before me, with the exception of sections of the Sale of Goods Act.

66. I do not know that you told me that your position was sound legally ?—I would not put my opinion against yours.

67. I am not saying you are wrong, but I do not think you are right. Now apart from that, there is the Board of Trade Act ?—I knew there was a Board of Trade Act ; I did not know its terms. I found very great difficulty in getting references.

68. Therefore you have had to deal with it somewhat on your own opinion ?—Yes, except where an authority is cited. The views are my own.

69. Do you agree with the principle of fixing a minimum wage for labour in any particular industry ?—Must I answer that question ?

70. Well, I think so ?—If I support that, you will say I am hedging. I have no objection so long as I can answer it in my own way.

71. So long as you do answer it ?—It is my opinion that it is economically unsound.

72. The fixation of wages as it is done in New Zealand does not meet with your approval ?—No, it does not.

73. In other words, I suppose you say it is economically unsound, in your opinion ?—Yes, in my judgment. I do not believe in wage-fixation, except in the case of the bare minimum wage.

74. And not in the fixation of wages as it is done in New Zealand at the present time ?—I would go as far in individualism as anybody nowadays would go. You are forcing me to express these opinions.

75. Of course, you quite appreciate, I suppose, the danger in practice of dealing with the course of trade by legislation and by preventing the ordinary methods of traders ?—I think the onus is heavily on the interfering party in all cases.

76. You have said, and very properly, that a manufacturer creates a goodwill in the proprietary articles which he manufactures, by means of advertising and otherwise ?—Certainly, by advertising.