

Would it affect the amount of labour employed in the grocery trade?—I have 500 employees that would have to be put off.

If you went out because of the price-fixation your 500 employees would be put off, but would not the effect be that further businesses would start to absorb those put off by you and others besides?—No, I do not think many more would start. Mr. Horsburgh said this morning that a lot of women would start small shops.

*Mr. O'Leary.*] Mr. Harris asked as to whether you knew that National Distributors were for a time put on the list of the Australian Dried Fruits Board. Were they or were they not?—I just cannot answer it yes or no. The Australian Dried Fruits Board altered its selling-terms and they did away with the old list. They extended the old list by leaving it as it was and leaving their four representatives here supply any one who could take 400 cases in one shipment. We took 400 cases in each of our branches—that is, Auckland, Wellington, Christchurch, Dunedin, and Invercargill. When these 400 were done we sent for a further 400, but in the meantime New Zealand merchants had gone across to Melbourne and seen the secretary, and they got the Board to revert to the old list. I would like to make it clear on the Australian Dried Fruits question that on almost every article—and this might interest Mr. Holland—the ones who could get profit out of them are the distributors, then there is the merchant and the retailer. That is three already. The distributor gets his percentage. There are four distributors for New Zealand—Harrison and Ramsay, Gollin and Co., J. R. Buckland, and another man.

You buy from other merchants than National Distributors do you not?—Yes, a great lot. If National Distributors will not sell to us cheaply enough we buy elsewhere.

It is quite true, as the Chairman has pointed out, that practically the whole of that list is known as Commercial Trust commodities?—Yes, they could not fix them otherwise.

You say that if this legislation goes through the commodities governed by the Commercial Trusts Act will have their price fixed?—Yes, they will.

*Mr. O'Leary:* That is all the evidence we have here, but Messrs. Spratt and Johnson are here and will carry on.

At this juncture Mr. B. Sutherland handed in a statement showing the cost price, selling-price, and profit per cent. on the sale of bread throughout New Zealand in Self-Help stores.

*Mr. O'Leary:* I think some explanation of this P.A.T.A. inquiry should be made, as there appears to be some misunderstanding. It seems that 1927 was the year in which this P.A.T.A. was formed. Mr. De Fenq who had organized it in New South Wales, came to New Zealand, where it was proposed to operate, and in the main it covered commodities that did not come under the Commercial Trusts Act and for which prices could be fixed, so that his association would be legal. Apparently what they did was this; they formed the association and inquired as to whether they would be likely to be allowed to operate because under the Board of Trade Act there is power for the Governor-General in Council to make regulations.

*Section 26, Board of Trade Act, 1919.*

The Governor-General in Council may, on the recommendation of the Board of Trade, make, by regulations under this Act, such provisions as he deems necessary in the public interest for the following purposes:—

- (a) For the prevention or suppression of methods of competition, trading, or business which are considered to be unfair or prejudicial to the industries of New Zealand or to the public welfare.
- (b) For the prevention or suppression of monopolies and combinations in or in relation to any industry which are considered to be prejudicial to that or any other industry in New Zealand or to the public welfare.
- (c) For the establishment of fixed or maximum or minimum prices or rates for any class of goods or services, or otherwise for the regulation or control of such prices or rates.
- (d) For the prohibition, regulation, or control of differential prices or rates for goods or services, or the differential treatment of different persons or classes of persons in respect of goods or services in cases where the existence of such differential prices, rates, or treatment is considered prejudicial to any industry in New Zealand or to the public welfare.
- (e) For the regulation and control of industries in any other manner whatever which is deemed necessary for the maintenance and prosperity of those industries and the economic welfare of New Zealand.

All such regulations shall be known as Board of Trade regulations, and are so referred to in this Act.

Apparently those who were behind this association were wise enough to make inquiries as to whether that section of the Board of Trade Act would be put into operation if it commenced operations in New Zealand. This Board of inquiry was set up, and it reported against the association, which then knew that it was useless going on with the proposals which were up against the regulations under the Act. That is the explanation, and I thought it would be of assistance to the Committee in the matter.

*Mr. Wilkinson:* Will this amendment allow the establishment of the P.A.T.A. business? A witness said just now that if the amendment was made law it would enable them to form a P.A.T.A., but that does not seem to me to be the case.

*Mr. O'Leary:* Strictly, the P.A.T.A. can perform now.

*Mr. Wilkinson:* Subject to the control of the Government?—Yes, apparently under section 26 of the Act the Government can deal with the position.

(The Committee rose at 11.40 a.m.)