

be permitted to sell the article. Is not that fair? What is there contrary to the public interest in that? It is the mere protection of trade—the trade of the manufacturer and of every other honourable trader who is dealing in the article, and who is desirous of obtaining a fair and reasonable profit on his dealing in the article, and no more than a fair and reasonable profit.

*Mr. O'Leary*: Will you tell us that that is the only penalty?

*Mr. Myers*: As I understand it, that is the object. But the representatives of the association will be giving evidence, and they will perhaps be able to amplify it. But I go further still, and I say with confidence that a trader who uses a proprietary article for the purpose of advertising—in other words, for the purpose of selling it at or below cost in order to enable him to do business in other lines—I say that person is not an honourable or honest trader. He is deliberately endeavouring to damage the trade of the manufacturer, to begin with. And I say that his course of conduct is not fair to the public. Take, for instance, the case of a dealer in fancy-goods. I dare say you gentlemen of the Committee know that so far as most lines of fancy-goods are concerned the public does not know their value. And if a fancy-goods dealer advertises, we will say, Cuticura soap, which costs him, say, 1s. 1d., or thereabouts, at 1s. or 11½d., with the idea of getting customers into his shop, and selling them other goods on which he is making perhaps 100 or 200 per cent. profit, I ask, is that in the public interest? And that is the question you gentlemen will have to consider in connection with this inquiry. I propose to put in a copy of the constitution of the P.A.T.A. I do not know that I need do more at present than read clause 3, which is the "Objects" clause. That clause reads,—

3. The objects are—

- (a) The discussion of matters of common interest to the branches of the trades represented, with a view to decision and, if necessary, concerted action.
- (b) The taking of such steps as the association is advised are legal to deal with cutting of prices; to maintain fair distributing prices; to give advice and render assistance to its members in preventing substitution, and to restrain excessive prices of listed proprietary articles.
- (c) The doing of all such other things as may appear to be of benefit to the trade.

And, as no doubt you gentlemen of the Committee know, membership is open to manufacturers of proprietary articles, or their agents, and to wholesale distributors and retail distributors. This is not the first inquiry into the operation of the P.A.T.A. I said yesterday, and I say again now, that the operations of this association—or of its parent association—have been inquired into in Great Britain. And I shall put in the findings and decisions by a sub-committee appointed by the Standing Committee on Trusts to inquire into the principle of fixed retail prices. It is contained in a parliamentary paper dated 1920, and the inquiry was made under the provisions of the Profiteering Act, 1919. The report, gentlemen, is of so much importance that I shall make no apology for reading it in full. It has to be read some time or other, and I think it would be an opportune time now. The members of the Committee were Mr. Douglas Wenham (Chairman), Mr. G. W. Bailey, Mr. E. Bevin, Mr. John Hilton, Mr. J. W. Hope, Mr. T. B. Johnston, Mr. H. L. Symonds, and Mr. Sidney Webb. The report is the report of all these gentlemen, except Mr. Sidney Webb and Mr. Ernest Bevin, who preferred not to sign the report, as they had been unable to attend any meetings of the sub-committee.

*Mr. O'Leary*: Is it stated why those gentlemen could not attend the meetings?

*Mr. Myers*: No; it says they were unable to attend.

*Mr. Hayward*: There was no minority report?

*Mr. Myers*: No. There is an addendum by Mr. Hilton, but I do not think it will be necessary for you to read it. I do not think there is anything in the addendum which has any real bearing on the matters now under consideration. The report is as follows:—

To the Chairman, Standing Committee on Trusts.

SIR,—

*Terms of Reference.*

We were appointed to report the extent to which the principle of fixing a minimum retail price by manufacturers or associations prevails; what are its results and whether the system is, in the interests of the public, desirable or otherwise.

I would pause at this stage to remark that it may be said with truth that the English legislation on the subject of trusts and of the Board of Trade is not the same as ours. My answer to that is that it is not material at the moment, for this reason: that this Committee was charged to inquire into and report upon the same point as you gentlemen are asked to inquire into and report upon—that is to say, as to whether or not the operations in question, which included there the operations of the association, and which are here the operations of the association, are or are not contrary to the public interest.

*Mr. Collins*: This Committee's inquiry is rather wider than that.

*Mr. Myers*: No doubt; but it all comes back to a question of the public interest. They were asked to inquire as to whether the system of fixing a minimum retail price was desirable or otherwise, and I may say at once that they came to the conclusion that it was desirable. The report continues,—

The Committee have held five meetings, and have heard evidence from eight witnesses. They have also had before them a list compiled by the Profiteering Act Department comprising a large number of articles of common use, retail prices of which are known to be fixed, and a memorandum by Sir William Glyn Jones, describing the genesis and procedure of the Proprietary Articles Trade Association, which embraces solely articles dealt in by retail chemists and druggists and vendors of patent medicines.

While recognizing that a considerable further body of evidence was available, and that we might have continued our investigations so as to cover a large field, and to include in our report a fuller account of the various methods of, and schemes for, fixing retail prices which we understand to be in existence, we are