

1936.  
NEW ZEALAND.

# INDUSTRIES AND COMMERCE COMMITTEE

(REPORTS OF THE).

(MR. J. HODGENS, CHAIRMAN.)

*Laid on the Table of the House of Representatives.*

## ORDERS OF REFERENCE.

*Extracts from the Journals of the House of Representatives.*

THURSDAY, THE 16TH DAY OF APRIL, 1936.

*Ordered*, "That a Select Committee be appointed, consisting of ten members, to consider all matters in connection with industries and commerce that may be referred to it: the Committee to consist of Mr. Hodgens, Mr. Holland, Mr. Holyoake, Mr. Hunter, Mr. Jordan, Mr. McKeen, Mr. Petrie, Mr. Robertson, Mr. Wilkinson, and the Mover."—(Hon. Mr. NASH, for Hon. Mr. SULLIVAN.)

FRIDAY, THE 17TH DAY OF APRIL, 1936.

*Ordered*, "That all petitions not finally dealt with during the session of 1935 be again referred to the same Committees as they were referred to during the said session."—(Hon. Mr. SAVAGE.)

TUESDAY, THE 28TH DAY OF APRIL, 1936.

*Memorandum for the Chairman, Industries and Commerce Committee:—*

The following resolution from the Industries and Commerce Committee was adopted and agreed to by the House of Representatives on the 28th April, 1936, on the motion of Mr. Jordan: "That the proceedings of the Committee during the taking of evidence on the petitions in connection with the pharmacy trade be open to accredited representatives of the press."

TUESDAY, THE 5TH DAY OF MAY, 1936.

*Ordered*, "That the petition of the Pharmaceutical Society of New Zealand, Incorporated, be referred direct to the Industries and Commerce Committee."—(Mr. CHAPMAN.)

WEDNESDAY, THE 13TH DAY OF MAY, 1936.

*Ordered*, "That the Industries and Commerce Committee have leave to sit during the present sitting of the House."—(Mr. JORDAN.)

*Ordered*, "That the petition of the Dunedin Retail Chemists' Assistants' Industrial Union of Workers be referred direct to the Industries and Commerce Committee."—(Hon. Mr. JONES.)

THURSDAY, THE 14TH DAY OF MAY, 1936.

*Ordered*, "That the Industries and Commerce Committee have leave to sit during the present sitting of the House."—(Mr. JORDAN.)

WEDNESDAY, THE 20TH DAY OF MAY, 1936.

*Ordered*, "That the Industries and Commerce Committee have leave to sit during the present sitting of the House."—(Mr. JORDAN.)

WEDNESDAY, THE 27TH DAY OF MAY, 1936.

*Ordered*, "That the Industries and Commerce Committee have leave to sit during the present sitting of the House."—(Mr. JORDAN.)

*Memorandum for the Chairman, Industries and Commerce Committee:—*

The following resolution from the Industries and Commerce Committee was adopted and agreed to by the House of Representatives on the 27th May, 1936, on the motion of Mr. Jordan: "That the proceedings of the Committee during the taking of evidence on the petitions in connection with the marketing of fruit from Cook Islands be open to accredited representatives of the press."

*Ordered*, "That the Whakatane Paper Mills, Limited, Water-supply Empowering Bill (private Bill) be referred to the Industries and Commerce Committee."—(Hon. Mr. FRASER.)

THURSDAY, THE 28TH DAY OF MAY, 1936.

*Ordered*, "That the Industries and Commerce Committee have leave to sit during the present sitting of the House."—(Mr. JORDAN.)

*Ordered*, "That the Industries and Commerce Committee have leave to sit during the sitting of the House on Friday, the 29th day of May."—(Mr. JORDAN.)

TUESDAY, THE 2ND DAY OF JUNE, 1936.

*Ordered*, "That the Industries and Commerce Committee have leave to sit during the present sitting of the House."—(Mr. JORDAN.)

WEDNESDAY, THE 10TH DAY OF JUNE, 1936.

*Ordered*, "That the Industries and Commerce Committee have leave to sit during the present sitting of the House."—(Mr. JORDAN.)

WEDNESDAY, THE 12TH DAY OF AUGUST, 1936.

*Ordered*, "That the names of Mr. Jordan and Mr. McKeen be discharged from the Industries and Commerce Committee, and those of Mr. Barrell and Mr. Richards substituted therefor."—(Hon. Mr. SULLIVAN.)

WEDNESDAY, THE 19TH DAY OF AUGUST, 1936.

*Ordered*, "That the Industries and Commerce Committee have leave to sit during the present sitting of the House."—(Mr. HODGENS.)

TUESDAY, THE 1ST DAY OF SEPTEMBER, 1936.

*Memorandum for the Chairman, Industries and Commerce Committee:—*

The following resolution from the Industries and Commerce Committee was adopted and agreed to by the House of Representatives on 1st September, 1936, on motion of Mr. Hodgens: "That the proceedings of the Committee during the taking of evidence on the petition of C. A. Garside and others and cognate petitions relative to the operations of chain stores be open to accredited representatives of the press."

FRIDAY, THE 4TH DAY OF SEPTEMBER, 1936.

*Ordered*, "That Paper No. 154 (Cook Islands Fruit Industry, Report of Parliamentary Delegation on) be referred to the Industries and Commerce Committee."—(Hon. Mr. SULLIVAN.)

WEDNESDAY, THE 21ST DAY OF OCTOBER, 1936.

*Ordered*, "That the Industries and Commerce Committee have leave to sit during the present sitting of the House."—(Mr. HODGENS.)

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## REPORTS.

### SPECIAL REPORT.

I HAVE the honour to report that the Industries and Commerce Committee has passed the following resolution: "That the proceedings of the Committee, during the taking of evidence on the petitions in connection with the pharmacy trade, be open to accredited representatives of the press, and that the Chairman do report this resolution to the House and move the adoption thereof by the House."

28th April, 1936.

No. 115.—Petition of PHARMACEUTICAL SOCIETY OF NEW ZEALAND (INCORPORATED), Wellington, and 12 petitions of a similar nature as per schedule attached.

PRAYING for protective legislation and the extension of powers now granted to the New Zealand Board of Pharmacy.

I have the honour, by direction of the Industries and Commerce Committee, which has heard lengthy evidence on and carefully considered these petitions, to report thereon as follows:—

- (1) That the mass production and manufacturing facilities under the control of Boots the Chemists (N.Z.), Ltd., enable them to sell at lower prices than the independent chemist.
- (2) That the evidence submitted to the Committee tended to prove that—
  - (a) That there was considerable discrepancy between the prices charged for dispensing of prescriptions by Boots the Chemists (N.Z.), Ltd., and those charged by the private chemists.
  - (b) That the prices charged by private chemists were to a considerable extent an unnecessarily heavy burden owing to overhead costs, consequent upon the large number of dispensing establishments in operation, and the Committee is of opinion,
  - (c) That an adequate service could be provided by a smaller number of dispensing establishments.
- (3) That steps should be taken to ensure that the community generally will be able to procure pharmaceutical services at the lowest price compatible with quality and reasonable payment for all necessary work in connection with the service.

The Committee therefore recommends—

- (1) That the organization of chemists' services be regulated by license under the control of the Minister of Industries and Commerce.
- (2) That the operation of large-scale company pharmacies in New Zealand be not extended for a period of six months in order to enable existing chemists collectively to organize and plan their operations with the object of reducing the present scale of prices to the consumer, while at the same time providing an adequate payment for services rendered.
- (3) That on the expiry of the specified period, the position be reviewed by the Government, and should it be proved that existing chemists have not organized so as to satisfactorily adjust prices, licenses may be issued to such companies and persons as may be determined by the Minister of Industries and Commerce.
- (4) That all chemists, if employing assistants, should be required to employ a specified proportion of qualified assistants.
- (5) That the Government investigate the possibility of the establishment of a national pharmacy service.

In conclusion, the Committee recommends that the petitions be referred to the Government for consideration.

SCHEDULE.

No. of Petition.	Petitioner.	No. of Petition.	Petitioner.
1935.		1936.	
156	H. S. Peacock and another, representing the Dunedin Retail Chemists' Assistants' Industrial Union of Workers.	45	Smith, E., and 947 others.
162	Thompson, E. J., and 14 others.	56	Tyerman, H. B., and 91 others.
163	Nees, A. L., and 10 others.	89	The Wholesale Druggists Association of New Zealand, and 405 others.
164	Thompson, E. J., and 14 others.	122	Dunedin Retail Chemists' Assistants' Industrial Union of Workers.
187	Kane, J. H., and 495 others.	127	Dunedin Retail Chemists' Assistants' Industrial Union of Workers.
190	Cometti, R. A., and 469 others.		
207	W. H. Cocker, representing Boots' Pure Drug Co., Ltd.		

W. J. JORDAN, Chairman.

9th June, 1936.

SPECIAL REPORT.

I HAVE the honour to report that at a meeting held on 10th June, 1936, the Industries and Commerce Committee passed the following resolution: "That this Committee place on record its sincere appreciation of the able manner in which Mr. W. J. Jordan, M.P., has presided over and conducted the important business brought before the Committee during the term he has occupied the chairmanship, which position he has vacated to enable him to serve the Dominion in another capacity. His courteous and tactful manner and close attention to the details of the difficult matters referred to the Committee have enabled the Committee to arrive at unanimous conclusions. The Committee directs that this resolution be reported to the House."

10th June, 1936.

No. 54, 1935.—Petition of S. S. GREEN and 20 Others (representing the Auckland Master Bakers' and Pastrycooks' Association), Auckland.

PRAYING that action be taken under the Board of Trade Act, 1919, to fix a minimum price and to regulate the distribution and sale of bread.

I am directed to report that the member in charge of the petition having expressed a desire to withdraw same, the Committee recommends that he be allowed to do so.

27th August, 1936.

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WHAKATANE PAPER MILLS, LIMITED, WATER-SUPPLY EMPOWERING BILL.

I HAVE the honour to report that the Industries and Commerce Committee, to which was referred the Whakatane Paper Mills, Limited, Water-supply Empowering Bill, has taken evidence and carefully considered the same.

The Committee recommends that, pending an exhaustive examination by the Government into the question of the economic and commercial utilization of New Zealand exotic forests, the Bill be not allowed to proceed.

J. HODGENS, Chairman.

27th August, 1936.

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SPECIAL REPORT.

I HAVE the honour to report that the Industries and Commerce Committee has passed the following resolution: "That the proceedings of the Committee, during the taking of evidence on the petition of C. A. Garside and others and cognate petitions relative to the operations of chain stores, be open to accredited representatives of the press, and that the Chairman do report this resolution to the House and move the adoption thereof by the House."

1st September, 1936.

No. 63.—Petition of MAKEA-NUI TINIRAU, ARIKI, O.B.E., of Rarotonga, and 252 Others.  
PRAYING for an inquiry into the best and most beneficial methods of applying a guaranteed minimum price to fruit shipped from Rarotonga.

I have the honour to report that the Industries and Commerce Committee has carefully considered the petition and has no recommendation to make.

23rd September, 1936.

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REPORT ON PARLIAMENTARY PAPER NO. 154: REPORT OF PARLIAMENTARY DELEGATION ON COOK ISLANDS FRUIT INDUSTRY.

I HAVE the honour to report that the Industries and Commerce Committee, after careful consideration of the report and evidence, is of opinion that the recommendations contained in the report of the Cook Islands Delegation should be given most favourable consideration by the Government.

And the Committee further recommends that the report of the Cook Islands Delegation should be considered by the Government in conjunction with the report of the Special Commission appointed to inquire into the marketing of fruit in New Zealand.

23rd September, 1936.

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No. 62.—Petition of VAKATINI, ARIKI, of Rarotonga, and 806 Others.

PRAYING that a Producers Board be established to control the marketing of produce for the Cook Islands.

I have the honour to report that the Industries and Commerce Committee has carefully considered the petition and has no recommendation to make.

J. ROBERTSON, for Chairman.

23rd September, 1936.

No. 252.—Petition of W. J. McGRATH and 6 Others (representing the Milk Producers' and Vendors' Association of Napier).

PRAYING for the fixation of the price or prices of milk in the Borough of Napier.

I have the honour to report that, as there are sufficient powers under the Board of Trade Act to enable the Minister of Industries and Commerce to deal with the prayer of the petition, the Committee recommends that the petition be referred to the Government for consideration. The Committee further recommends that as the question raised by the petitioners is one affecting many other localities in the Dominion, the Government should consider amending the Municipal Corporations Act so as to enable local bodies to control the position in their own localities.

J. HODGENS, Chairman.

24th September, 1936.

No. 158.—Petition of E. G. OFFER, of Wellington, and 201 Others (representing the Retail Ice-cream Vendors and Shop-keepers of the Wellington City and Suburban Districts).

PRAYING for inquiry into the sale of ice-cream in Wellington City and suburban districts.

I have the honour to report that the member in charge of the petition having expressed a desire to withdraw same, the Committee recommends that he be allowed to do so.

13th October, 1936.

No. 48.—Petition of C. A. GARSIDE, of Blenheim, and 85 Others.

PRAYING for the regulation of the chain-store system with a view to ensuring reasonable protection of other traders, manufacturers, and property-owners.

I have the honour to report that the Industries and Commerce Committee has taken evidence on and carefully considered this and a cognate petition.

The Committee is presenting a special report dealing with the subject-matters of the petitions, and recommends that this petition be referred to the Government for consideration.

31st October, 1936.

#### REPORT ON CHAIN STORES.

I HAVE the honour, by direction of the Industries and Commerce Committee, to present the following special report of the Committee on Chain Stores:—

The Committee finds that the single-unit retailers are experiencing increasing difficulties in successfully competing with larger-scale organizations; that the latter form of organization is able to offer price advantages to the consuming public; that large-scale organizations tend towards monopoly, reducing the number of buyers from manufacturers and producers, and of sellers to the public.

The Committee is of the opinion that it is desirable to maintain the advantages of large-scale organizations in the interests of the consuming public, and recommends that the Government give consideration to the advisability of exercising some form of control over them when such action appears necessary to prevent monopoly and abuse of power over producers and purchasers of goods. The system of taxation as applied to chain stores in some countries is worthy of study in this respect.

The Committee is further of the opinion that—

- (a) There is too much differentiation in the wages paid to retailers' assistants handling the same related types of goods in different kinds of establishments, and that in the interests of fair competition there should be uniformity in this regard;
- (b) A definite case was made out regarding the lack of uniformity in the opening and closing hours of shops—the Committee recommends that the law should be amended in this respect;
- (c) That there should be specific standards for goods as far as possible for the protection of traders and the purchasing public.

The Committee regards the limitations of departments for specific trades as suggested by the petitioners as quite impracticable; and does not make any recommendation in this respect. The Committee commends the system of consumer co-operative trading as worthy of encouragement, and suggests to single-unit retailers the advisability of adopting co-operative methods for their own protection against the new forms of competition with which they are faced.

The Committee recommends that this report be referred to the Government for consideration.

J. HODGENS, Chairman.

31st October, 1936.

#### SPECIAL REPORT.

I HAVE the honour to report that the Industries and Commerce Committee desires to place on record the valuable services rendered to the Committee by the Chairman, Mr. Hodgens, whose courtesy, tact, and business ability has greatly assisted the harmonious activities of the Committee during the session; and it also desires that this resolution shall be recorded on the minutes of the Committee, and be reported to the House.

C. A. WILKINSON, Member of the Committee.

31st October, 1936.

## SPECIAL REPORT.

I HAVE the honour to report that the Industries and Commerce Committee desires to record its appreciation of the services rendered by the Clerk, Mr. M. S. Pasley, in the discharge of his various duties during the session; and it also desires that this resolution shall be recorded on the minutes of the Committee, and be reported to the House.

31st October, 1936.

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No. 249.—Petition of E. B. WYLIE, of Wellington, and 9,482 Others.

PRAYING that legislation be enacted with a view to preventing:—

- (1) Departmental stores from carrying on more than one class of business under the same roof.
- (2) Overseas capital from entering the New Zealand retail trade.

I have the honour to report that the Industries and Commerce Committee has taken evidence on and carefully considered this and a cognate petition.

The Committee is presenting a special report dealing with the subject-matters of the petitions, and recommends that this petition be referred to the Government for consideration.

31st October, 1936.

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## FINAL REPORT.

I HAVE the honour to report that the Industries and Commerce Committee, consisting of ten members, has held forty-one meetings during the session, with an average attendance of eight members.

Twenty petitions were referred to the Committee and reported on to the House.

Thirteen of these petitions referred to pharmaceutical chain stores, two to the Cook Islands Fruit Industry, and two to the chain grocery stores.

The Committee considered, and reported on to the House, the Whakatane Paper Mills, Limited, Water-supply Empowering Bill.

31st October, 1936.

J. HODGENS, Chairman.

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