

Order No. 3 (1959) of the Trade Practices and Prices Commission

In the matter of the Trade Practices Act 1958 and in the matter of an agreement between members of the New Zealand Federation of the Phonographic Industry relating to the sale of gramophone records.

WHEREAS the Trade Practices and Prices Commission has, pursuant to section 18 of the Trade Practices Act 1958, conducted an inquiry into an agreement or arrangement between members of the New Zealand Federation of the Phonographic Industry relating to the sale of gramophone records.

And whereas the members of the New Zealand Federation of the Phonographic Industry at a meeting on 9 April 1957 agreed that:

- (a) Minimum wholesale and retail prices and maximum retail margins (where the minimum prices listed are not adhered to) be observed for gramophone records of the types listed in Appendix A of the minutes of the said meeting.
- (b) No special discounts further to those in operation at the date of the said meeting be granted.

And whereas the said members of the said Federation at a further meeting on 8 May 1957 further agreed that:

- (c) Retailers be permitted to display for sale at reduced prices only such records as are deleted from the manufacturers' catalogues and contained in lists issued from time to time by the manufacturers or importers.
- (d) All forms of advertisements which include those particular records at reduced prices must show in prominent type that the records are catalogue deletions.
- (e) The retail prices of all other records still contained in current catalogues must not be varied under any circumstances.
- (f) Cut-out allowances (the refunds allowed to retailers on return of slow selling or obsolete stock) be made on

a reduced basis, but retailers would not be permitted to include in their returns records specified in the deletion lists.

- (g) Total allowances be based on a maximum of 2 per cent of a retailer's purchases.
- (h) Any breach of these conditions will result in a retailer firstly losing his cut-out privilege and, secondly, the withholding of supplies of records by all members of the Federation; the executive of the Federation to adjudicate on any breaches of the above conditions with a right to appeal by the retailer to the next general meeting of the Federation.

And whereas the said members of the said Federation at a further meeting on 10 March 1958 further agreed that:

- (i) Advertising of prepaid freight by record retailers, in relation to mail order business, be considered to be a violation of the retail prices and conditions of sales permitted for records.
- (j) Record clubs be considered to be a violation of retail prices and sale conditions permitted for records.

And whereas the foregoing agreements were, in the month of October 1959, terminated by the said members of the said Federation, and whereas the Trade Practices and Prices Commission is of opinion that the repetition of the trade practices evidenced by the said agreements would be contrary to the public interest:

Now, therefore, the Trade Practices and Prices Commission, pursuant to section 19 of the Trade Practices Act 1958, hereby orders the parties to the said agreements not to revive or renew the said agreements or to enter into any other agreement or arrangement of substantially the same nature or to repeat in any form the said trade practices.

Dated at Wellington this 8th day of December 1959.

The seal of the Trade Practices and Prices Commission was affixed hereto in the presence of—

[L.S.]

S. T. BARNETT, Chairman.
R. D. CHRISTIE, Member.
F. F. SIMMONS, Member.