

31. Oatmeal?—That is a free and open market. Baking-powder is on the tariff list.

32. Cornflour?—That is an open market.

33. *Mr. Fairbairn.*] The chief purpose of the Commission is to find out the causes that have led to the increased cost of living. Can you say that the operations of the Merchants' Association in regard to tariff lines has increased the cost of living on certain necessities of life?—Yes. As I have already stated, I think in nearly every case of a line tariffed by the merchants the wholesale price has advanced, and the retail price has had to advance accordingly.

34. Do you know of any single instance where the Merchants' Association has reduced the price of any line?—I am not aware of any.

35. The duty on mustard was 2d. a pound under the old tariff: has the reduction been passed on to the public?—Not from the retailer's point of view. The retail price is still the same; in fact, the retail price has advanced.

36. Although there is no increase at the manufacturer's?—That is so.

37. Has the reduction in duty on infant-foods been passed on the public generally?—In some instances it has. Mellin's Food is lower now than formerly.

38. Robinson's groats and barley?—They have advanced 1d. in spite of the reduction of duty.

39. The same applies to Neave's Food?—Yes. At one time that was sold for 9d, now it is 10d.

40. *Mr. Macdonald.*] If the prices were fixed according to the law of supply and demand, do you think these tariff lines would be cheaper now if they were not fixed by the combination?—I think if these articles were left to an open market it would be beneficial to the consumer, who would get them at a reduced rate at the present time.

41. Who fixes the minimum retail selling-price of tariff lines?—I am not prepared to say.

42. Is it the Merchants' Association?—They have more or less to do with it. I believe they have interested themselves in trying to regulate the selling-price amongst the trade.

43. When you buy you know you have to retail at not below a certain selling-price?—That is so.

44. *Mr. Veitch.*] Is there any arrangement between the Master Grocers' Association and the Merchants' Association with regard to fixing the retail selling-price?—They have never had a conjoint meeting. I do not know whether there is any understanding between the executives of the two bodies.

45. The master grocers to some extent fix the retail price?—We keep a sort of controlling hand on things. We try to maintain a fair profit. There are too many keen dealers to have any exorbitant profits.

46. They do not leave it to open competition?—No. I suppose in every trade there must be certain regulations in order to get a fair profit.

47. Do you think the profits of the master grocers are greater since you had an association amongst yourselves than they were before?—There would be much need for it, for the reason that the Arbitration Court awards raised the price of wages, and it is right that the grocery trade should get more profit to meet the extra expense.

48. The cost of distribution has gone up?—Yes.

49. And to meet that you charge a slightly advanced price?—Yes. I do not know that our profits have increased very much. We try to prevent cutting.

50. It has been stated before the Commission that the master grocers, owing to the higher price at which they are compelled to sell things, do not get their accounts met as well as they used to have them met. In other words, if you made a good effort to sell cheaper your accounts would be paid more regularly to you by your clients. Do you agree with that?—I do not know. I think we must all be aware that the social conditions of the people have altered very much in the last few years. Amongst both young and old they look for more comfortable homes and better diet, and more recreation and pleasure. I think that has all added to the cost of living. I do not altogether blame the high cost of products for having kept the people from meeting their bills. It is simply that they are taking more pleasure and comfort out of life, and probably living beyond their means in many cases.

51. *Mr. Macdonald.*] They are paying cash for the picture-shows and taking credit from you?—That is so.

52. *Mr. Robertson.*] Would you say that the average cost of grocery lines is higher now than ten years ago?—Generally speaking, perhaps so. Take dried fruit. The Government took the duty of 2d. a pound off that, and to-day I suppose the consumer is paying the same as when the duty was on. I am not insinuating that the merchant has benefited by that, or the retailer either. It has probably been because of other circumstances, such as storms, bad seasons, and so on. With regard to the lines tariffed by the merchants, there is no doubt about it that the price has advanced, and in no instance has the price been reduced.

53. *Mr. Macdonald.*] What about kerosene?—There is no doubt that the Vacuum Oil Company has had a monopoly in New Zealand for many years. The duty of 6d. per gallon was taken off kerosene during the Seddon Government, and there is very little difference between the price now and what it was when the duty was on. That 6d. a gallon has gone into the Vacuum Oil Company's profits, and the public has benefited very little by it, although that was the intention of the Government in removing the duty. I am sure the country would have been better off to have retained the duty. It seems to me that the Government have sacrificed that 6d. a gallon for the sake of the Vacuum Oil Company.*

54. Do you not think that the tariff reductions have benefited the consumer generally?—So far as grocery lines are concerned, I do not think they have got much benefit from them.

* Having gone more carefully into the question of kerosene, I probably have done the Vacuum Oil Company an injustice by stating that the full 6d. per gallon has gone into their profits, and to be more correct now state that it has averaged from 2d. to 3d. per gallon.—S. PEDEN.