Witness forwarded the following memorandum :—

"Following the evidence which I gave before your Committee to-day regarding the margin to be allowed to the retail trade, and to my reference to the margin allowed in this trade in Australia, I beg to submit the following information (*vide* Government *Gazette*, New South Wales, Monday, 9th August, 1920) :—

"The price of butter is fixed as follows: Wholesale, in 1 lb. prints, 249s. 8d. hundredweight (2s. 3¾d. pound); retail—Cash, 2s. 6½d.; booked ½d. per pound, delivered ½d. per pound, extra.

"This is just about 12½ per cent. on the cash basis on selling-price, with an allowance of 1d. extra for booking and delivering, which is the basis we are asking for in New Zealand."

C. R. PETRIE examined. (No. 12.)

1. *The Chairman.*] Your full name, Mr. Petrie?—Charles Robert Petrie.

2. And your position?—I am manager of Seetons Limited, of Auckland.

3. Will you make a statement?—Yes, sir. I desire to speak about our provision department, which deals with butter-supplies. It also deals with bacon, cheese, eggs, and other sundries, such as tinned meats, fish, &c. But butter is the most important class of produce we deal with in that department. From some of the questions put this morning by some of the members of the Committee it would appear as though they have an idea that it would be cheaper if the grocers were cut out of the trade altogether, and that the butter should be distributed on what is known as the block system. But I do not believe that the block system would be any cheaper than the system which our firm is at present employing. Our business is one of the largest of its kind in New Zealand, and it is run on the very best up-to-date lines. Each department is run separately, and the overhead charges are carefully calculated. We have five different departments. We have a system of analysis which shows us exactly what each department is costing, and I have some of the figures here. The figures for last year, for the year ending 31st March, 1920, showed that the provision department was costing us 12·95 per cent. on the turnover; and I think you will admit at once that that is a low percentage to run a business on. We are able to run this department at this cost because we have had a great deal of experience in the business. We have introduced efficiency methods into the business, and also our very large turnover has reduced the working-expenses. But in spite of that low overhead charge we find that the gross profit of that department works out only at 10·58 per cent. for last year. That shows a loss on last year's turnover of 2·36 per cent. I have a number of figures here which give full particulars with regard to the working of that department, but I will not go any further into details, as they are mostly of a confidential nature. However, those percentages I have quoted to you will show you what the position really is in regard to retailing butter under the present system of control. We are running the business on the lowest possible margin of working-expenses, and it is impossible, with the butter control, to make those expenses.

4. *Mr. Hockly.*] What you have lost on the sale of butter you have made up by extra charges upon other lines?—Yes. The percentage of expenses I have mentioned refers only to the provision department. The percentage on the turnover of the whole business is a great deal more than that. It is somewhere about 17 per cent. So the other departments had to bear the loss. The loss amounted to about £700.

5. What you say bears out Mr. Bennett's statement in regard to the overhead expenses?—Yes.

6. *Mr. McCombs.*] What is the present selling-price of butter?—1s. 9d. per pound.

7. What do you get out of that?—About 2½d. per pound.

8. *Mr. J. R. Hamilton.*] In connection with an endeavour to work out a scheme whereby the poorer people would be able to get butter without the Government having to subsidize all and sundry, do you think that the grocers would be willing to help in that matter?—They might possibly be able to do something.

9. Do you think that such a scheme could be devised, say, with tickets?—Coupons would be just as good as cash to us.

T. PARSONS examined. (No. 13.)

1. *The Chairman.*] Your full name, Mr. Parsons?—Thomas Parsons.

2. You have a forty-cow dairy farm of 160 acres at Eketahuna?—Yes, sir.

3. You have already sent in a statement of your receipts and expenditure?—Yes, sir. I would just like to make one small alteration to that statement. I did not take into consideration the outgoing empty cows. I wish to allow for five outgoing empty cows at £4 each. That will increase the receipts by £20, and will reduce the debit balance to £57 6s.

4. We would like you to tell us something about the value of the land—that is the first thing?—Well, I took that land up as standing virgin bush over thirty-five years ago. I have put all the improvements on that land. I took it up at £1 an acre under Mr. Ballance's deferred-payment system. At one time I had about 700 acres. I may say that I have never speculated in land. I have never taken up any land except what I took up in the early days as standing-bush land.

5. The original cost was £1 per acre?—Yes.

6. And the price you have put into your return is the selling-price to-day?—Yes. That is the price at which land has been sold adjoining. I may say that out of the original fifty settlers who took up the block of land of which this section forms a part only four are left to-day. All the others on that block of land are now returned soldiers.

7. *Mr. Hockly.*] It is all dairying-land?—Yes. It is all second-class dairying-land. I have lived upon the land now for over thirty-five years. I have always taken a great interest in the dairying industry; in fact, I was the first man in New Zealand to call the settlers together in any district to start co-operative dairying. I had four different sections at one time. When my sons grew up and were old enough I leased three of the sections to them, and I sold one. That was about six years ago. As to this particular section, I leased it to my eldest son six years ago at £1 an acre. That was a fairly good price at that time. He stayed on it for six years,