

32. Very well, that is your idea of business management?—My reason is that it eliminates a lot of work. May I say that before I was in my present business I had a business—that is before the war—in another part of the town, and as a consequence of the war I was compelled to go to camp. In that business my wife was helping me, and we worked from 5 o'clock in the morning—I assisted with the housework as well—until late at night, and we worked like niggers. I did not know what it was to have a half-holiday, and we got very little out of it. It is quite different to-day.

33. *Mr. Collins.*] Did you lose very much by this credit system?—Yes, very considerably.

34. *Mr. Myers.*] A man who is doing a credit business has to take a risk and provide for it?—Exactly.

35. Would you mind telling me, if you can, what was your percentage for overhead—that is, percentage of turnover?—About 5 per cent. it would work out at.

36. That is right through?—That is on the cash system.

37. It is your own shop?—It is my own business.

38. Is the property yours?—No.

39. What rent do you pay?—[*Figures deleted.*] I am on a lease.

40. That is a pretty low rental?—Yes.

41. What would it cost you to renew it—would it cost you about £6 to renew it?—I do not think so. I may say that I am right in the heart of the town.

42. How long has your lease to run?—Just a few months.

43. What is your wages bill?—It is in the balance-sheet.

44. Has it been audited?—Yes, by a public accountant—namely, Mr. A. C. Martin.

[At this stage witness asked that the balance-sheet should not be disclosed, and all reference to wages, deleted from the notes of evidence. As a result of the cross-examination of Mr. Myers witness admitted that the gross profit worked out at 11½ per cent. on turnover.]

45. *Mr. Myers.*] Your gross profit apparently worked out at 11½ per cent. on turnover?—Yes, that is about it.

46. That means on some lines you have to make a substantial profit—that is, more than 11½ per cent.?—Yes, for the reason that it is impossible to make it right.

47. You are selling a lot of flour and sugar, and so on, at a low rate of profit?—Yes.

48. On what other lines do you do that—for instance, salt?—Yes.

49. Tea?—A small profit. Tea that costs me in bulk 2s. 1d. I retail at 2s. 6d., and the bag I put it in costs me 1½d.

50. At what price do you sell Bell tea?—3s. 1d.

51. And Amber Tips?—3s.

52. What does it cost you?—2s. 10d., less 5 and 2½ per cent.

53. You are making more on your own tea than you do on the others?—No, I do not think I am. I think my margin is pretty small. I average over 10 per cent.

54. Would you mind telling me the capital you have employed in your business?—It is in the balance-sheet.

55. How long have you been in business?—Altogether about fifteen years.

56. In business on your own account?—Yes, and twenty-eight years in the grocery trade.

57. How long have you been doing the cash business?—Since April, 1921.

58. On what terms do you buy from the merchants—cash on the 20th of the following month?—It varies.

59. By selling for cash it means that by the 20th of the month you have sold sufficient to pay your accounts?—Yes.

60. Otherwise you could not do it on the capital?—No. I worked on an overdraft previously, but I do not require it now.

61. In other words, you are using the capital of the merchants to finance you?—Yes.

62. Otherwise you could not carry on your business?—Not on that capital.

63. If the merchants required from you the same terms as you require from your customers it would be good-bye to your business?—No, because I would arrange other finance.

64. In other words, you object to giving credit to the customer but you take credit from the merchant?—Yes, so long as it is offered.

65. I know that, and I am not blaming you; I am only making the point to show that you are taking what you object to yourself giving—that is correct, is it not?—That is quite right.

66. In order to enable you to carry on business in this way you have to sell cheaply, which you can afford to do as a consequence of your getting cash?—Yes.

67. You say that you can undersell your competitors in every line?—Yes, that is what I aim at.

68. So that it would be easy enough for you, supposing you are making more profit upon slow-selling lines even—say, 11½ per cent., I suggest, to reduce the price of flour to the public than do what you are doing—that is, getting something like 25 per cent. on small lots?—I aim at making as small a margin as I can on everything.

69. Would you mind telling me how many tons of flour you get in the year?—I could not offhand.

70. Can you tell me the extent of your turnover in flour in the year?—No, I am not going to guess at it; but it varies.

71. Cannot you give me some idea?—I do not dissect the business.

72. I know you do not. Surely you know the average purchases of flour per month from the miller?—As much as [*Figures deleted*] per month I pay out for flour.