

allow of sufficient margin. He approached the said gentleman in a friendly way and suggested to him to put his price up. The reply was that he would see him damned first, because he bought the goods and he was going to do as he liked. My friend put the position to him, and said, "Here is my position to-day: I am faced with this—am I going to allow you to sell my goods at a price which does not allow of a sufficient margin, because, if so, the other thirteen grocers in this town have one and all assured me that they are going to buy some other line and substitute it for mine." I want to say that I may view things somewhat differently, but a man in business owes something to those who are associated with him in the same trade. I contend that it is not right for a man to inflict an injury upon his fellow-tradesman, because he is a man upon whom he is more or less dependent. The policy of the P.A.T.A. is to protect the manufacturer against the unscrupulous and unfair trader. One outstanding fact that, alas, is too frequently lost sight of is that, when losses such as those instanced occur, finally the public is called upon to bear the burden. Roger Babson, of the United States, who, I believe, is regarded as one of the world's greatest economists, states that "cash and carry" is fine in theory, but not good in practice. He says that, at most, "cash and carry" can only save about 5 per cent. This statement is confirmed by other investigations that have been made. It is contended that, other than in exceptional cases, the most equitable way of conducting retail business is for sales to be conducted allowing for a margin sufficient to cover overhead expenses and provide a reasonable return on capital employed. Strong protest is made against the trader who wilfully seeks to deceive the public by selling various goods at a small fraction over cost, but without consideration being given to an equitable margin necessary to defray expenses and allow, as already stated, a reasonable return for capital and labour employed. I could quote innumerable instances of deliberate attempts to mislead the public. In this connection it is probably not here out of place to draw attention to the fact that prior to the recent Weights and Measures Act being introduced the grocers, as represented by the New Zealand Master Grocers' Federation, urged upon the Government the desirability of bringing down legislation to protect the public against what in its opinion were unscrupulous and unfair methods adopted, having regard to the weight of innumerable goods being sold to-day within the Dominion. Whilst recognizing the difficulty there may be in producing actual evidence, if one is to accept statements made by men whose word I have no reason to doubt, then I am satisfied that some of those who to-day are objecting to the margins the result of price-fixation are not sincere in the attitude they have taken. I know of instances where those who have protested against minimum-price fixation have expressed their willingness to sign an agreement with this object in view, conditional that their names were placed on the wholesale list, thereby securing a margin considerably in excess of that which they professedly considered as being adequate for the safe conduct of their business. I have in mind one instance where an unscrupulous trader was deliberately cutting the retail price of certain goods, and on being approached by a representative of the manufacturers expressed his willingness to raise his prices, conditional that he was put on the wholesale list. I should be very reluctant to suggest that amongst those who are engaged in the "cash and carry" business there are not those who seek to run their business in accordance with the policy of the New Zealand Master Grocers' Federation, which, as already stated, seeks to unite retail grocers to stand by the cause of honest and fair trading. I am, however, satisfied that many of the methods adopted are with one deliberate aim—to deceive the public and to secure the trade of their competitors by methods which cannot commend themselves to those who desire to trade fairly and honourably. As already stated, the movement for minimum-price fixation is becoming world-wide. As will be noted in this connection, a demand has been made by the New Zealand Grocers' Federation upon the Government, through the Department of Industries and Commerce, to assist the retailer in his endeavour to secure an adequate return for capital and labour employed. I notice that under the Board of Trade Act, 1919, the Governor-General in Council may, on the recommendation of the Board of Trade, make regulations for the prevention or suppression of methods of competition, trading, or business which are considered to be unfair or prejudicial to the industries of the Dominion or to the public welfare. Business is becoming increasingly difficult, and the P.A.T.A. has been brought into operation to remove some of the difficulties at present existing. As representing probably the largest and, without question, the most important class of traders—the distributors of foodstuffs—I respectfully claim the right of the said traders to take such steps as will ensure for the manufacturers, their distributors, and the public, for whom they cater, reasonable and equitable protection. What is needed is the support of the Government in the honest endeavour now being made through the medium of the P.A.T.A. to stabilize business, and to reduce to a minimum those losses which ultimately have to be borne by the public and which too often are the result of reckless trading. In conclusion, I submit for the consideration of the Committee the desirability of amending legislation which shall extend the scope of the P.A.T.A. in relation to those goods which at present it is prevented from dealing with, so that the manufacturers and distributors shall have a right to demand a measure of protection against the ignorant and reckless trader, the number of whom would appear to be rapidly on the increase.

4. *Mr. Gresson.*] Your *Review* has supported the P.A.T.A. ever since it was mooted in New Zealand?—Yes, and before.

5. From the first you have hailed it with favour?—Absolutely.

6. Would you just explain to me this: You say that your federation, and, I take it, all reasonable grocers, raise no opposition to the class of trading called "cash and carry": what do you mean by that?—We have no objection to the differentiation in price between the "cash and carry" and the "cash and credit" grocer.

7. That is to say, on fixation of prices the "cash and carry" is to be allowed to sell at a lesser retail profit?—Yes.