

26. Would you allow the "cash and carry" man to pass on a benefit up to $2\frac{1}{2}$ per cent. ?—I would go further, and say up to 5 per cent.

27. Why would you set it at 5 per cent. if in actual fact economies in his business would enable him to give 8 per cent. or 10 per cent. to his customers ?—I have quoted one of the greatest economists, who said that the difference is not more than 5 per cent. ; and this is confirmed by other investigations that have been made. You may get individuals saying it is better than that, but when you analyse their statements you will find that they leave out certain items which have not been included.

28. Assuming they are making these profits, would you limit it at 5 per cent., and not pass on 10 per cent. when they made it ?—In the interests of the trade I would think he should stick to 5 per cent. I have quoted you Wheeler, which is the biggest thing of its kind in New Zealand, and that is 16 per cent., and we aim at 20 per cent.

29. You regard the P.A.T.A. as necessary to secure a fair and reasonable profit ?—Yes, for the manufacturer and distributor.

30. The wholesaler ?—And retailer, sir.

31. You know in actual fact that in most cases the P.A.T.A. will not have the slightest idea of the manufacturing cost ?—It is not concerned with it.

32. How, then, do you suggest that the P.A.T.A. is necessary to secure for the manufacturer a fair and reasonable profit, when it is not concerned with this question ?—Let me put it to you by asking another question.

Mr. Collins : Please answer the question, Mr. Barker.

Witness : If the manufacturer is placing on the market an article that should be sold at 1s. 6d. and it is being cut to 1s. 2d. and he is losing his business, then it is perfectly right, surely, for him to protect himself.

Mr. Kennedy : That is your answer, or what is intended as an answer ; but it is not an answer.

Mr. Myers : It is an answer.

Mr. Kennedy : It was a question he gave.

33. *Mr. Kennedy* (to witness) : In the absence of competition, would not wholesalers and retailers treat as fair and reasonable the utmost they could get ?—No, sir. I resent that question. I want to say that there is no suggestion of any movement in the direction of increasing profits, or anything of that kind.

34. *Mr. O'Leary.* At the conclusion of your statement to the Committee you said, "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, but manufacturers and distributors of which 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." Do I understand from that that you suggest an amendment to the Commercial Trusts Act ?—Yes.

35. So that the operations of this association could extend to the commodities that it is prevented from dealing with under the present law ?—Absolutely, yes ; but I would go this far, and suggest that the price should be approved of by the Department of Industries and Commerce.

36. That is why you want an amendment ?—I have in mind a well-known brand of tea the sales of which have suffered because that tea has been sold at cost price or a fraction over.

37. Can the "cash and carry" grocer obtain the same rate of profit, of gross profit, on all the articles he sells, or is there a lower rate on some articles than on others ?—Judging from the prices, there is a lower rate on some articles and a mighty big one on others.

38. If the "cash and carry" grocer sells some articles at cost or below, what about the others ?—He has to get an extortionate profit on them.

39. Just so. Speaking generally of what we call proprietary articles as compared with bread-and-butter goods, it is the fact, is it not, that the proprietary lines are slower selling than the others ?—Yes.

40. When you speak of allowing the "cash and carry" man to give 5 per cent. to the customer I take it you are referring to the proprietary goods ?—Yes, certainly ; and other goods, too.

41. If a grocer is allowed to give the benefit of only 5 per cent. to his purchasers on proprietary lines, is there anything to prevent him, if he wishes to do so, still being altruistic enough to give the whole of his economies to his customers on bread-and-butter lines if he wishes to do so ?—There is nothing to prevent him.

42. *Mr. Hayward.* You are secretary of the Master Grocers' Association, are you not ?—Yes.

43. That organization extends all over New Zealand ?—Yes.

44. What percentage of the grocers are in your organization ?—That is difficult to say, sir. The federation has only been in existence four years. With one exception—namely, Christchurch—all the grocers' associations, I think I am right in saying, in the Dominion are affiliated.

45. You do not know the individual grocers ?—Well, three or four years ago I went over the whole of the Dominion and came into contact with them. I want to say this : that you will always find a very large number of grocers—the same applies to other traders—who are prepared to take all the advantages which the association forces upon them, but they are not prepared to link up and pay their subscriptions. We cannot compel them.

46. What is the total membership of your association throughout the whole Dominion ?—I cannot tell you.

47. Are there two hundred members ?—Certainly ; we have over 200 between Wellington and Auckland.

48. Could you give me any indication of the percentage of turnover that the credit grocer would lose in bad debts ?—I will say without hesitation that it does not exceed, if it reaches, $\frac{1}{2}$ per cent. It is grossly exaggerated by the "cash and carry" trade.