

49. Do you know the rate of profit under the Queensland Government price-control?—Roughly speaking, it was 20 per cent.

50. *Mr. Montgomery.*] Have you given any consideration to the question of the expenses of distribution as between the manufacturer and retailer?—No.

51. Do you consider from your experience that the present system of purchase by the retailer through the wholesaler is the most beneficial to the public?—Not necessarily. To put it in other words, under existing circumstances the wholesaler is regarded by some as the necessary evil. The manufacturer is faced with this: that the only method he has of distribution so far as his goods are concerned is through the wholesaler.

52. Have you any idea of the difference in overhead expenses as between the grocer and chemist—that is, the average retail chemist?—No, I have not.

53. What would be the grocers average overhead?—It is to-day anything from 14 to 18 and 19 per cent.

54. *Mr. Reardon.*] Take an old-established firm like Wardell's: supposing they could go to the source of supply and get their goods direct, does the Grocers' Association object to that firm passing the saving on to the public?—Yes, because of the injury it does to the smaller men in business. You cannot get away from the fact that you have to give consideration to them.

55. *Mr. Collins.*] Do you think the fixation of prices should reach the conditions in Queensland—they can go as far as they like in regard to price-fixation?—There are good points to be found from what we may call bad Governments.

56. Have you taken any steps to try and meet cutting, particularly in Auckland, as an official of the Grocers' Union?—I have interviewed those individuals who were cutting, but unfortunately not with much result. For instance, one man that I have in mind was selling flour and sugar at barely 5 per cent. on cost. On one occasion when I was speaking to him a woman came in, and I was pleased when she asked for a bag of sugar and a bag of flour, and I said to him that I wished to heaven everybody would come in like that. I submit that there is plenty of room for competition without this cutting of prices which is at present practised.

The Committee adjourned until 10.30 a.m. on Monday, 28th February, 1927.

FIFTH DAY: 28TH FEBRUARY, 1927.

The Committee met at 10.30 a.m.

HAROLD JAMES HAY sworn and examined. (No. 14.)

1. *Mr. Myers.*] I am a traveller representing an English firm at present. I live in Wellington.

2. You are not employed by or with Mr. Marriott?—No.

3. Have you ever been employed by him?—Yes.

4. Up till when?—Last November or beginning of December.

5. Do you know [*Name deleted*]?—Yes.

6. What is he?—A fancy-goods man.

7. With whom, if anybody, have you associated him?—I have been under the impression that he was working with Macduffs, of Wellington.

8. What gave you that impression?—He made a statement that he would be buying goods through that firm.

9. From you?—From our house, Bourjois.

10. We have had it from Mr. Marriott that goods which were ordered by [*Name deleted*] were delivered to Macduffs in Wellington?—Yes, ordered through Macduffs, delivered to Macduffs, and paid for by Macduffs.

11. Were you present at any conversation with [*Name deleted*] when the question of cutting was discussed?—Yes, I was present.

12. When was that, about. I could not say exactly. I think it would be about July last.

13. That, of course, is more or less a guess?—Yes.

14. Tell us what the nature of the discussion was?—Mr. Marriott was present with me. Several firms were cutting our lines in [*Name deleted*], and [*Name deleted*] started to cut as well. We interviewed [*Name deleted*] and he complained about other firms cutting. He said he was ready to sell at proper prices and not cut provided he received the 20-per-cent. discount which was allowed to wholesalers.

15. Who made that suggestion?—He made the suggestion in order to get on the wholesale basis. He said if he were put on the wholesale basis he would not cut the lines.

16. And if he were not put on that basis?—He would go on cutting to meet the competition of the other people.

17. Have you had any other experience in regard to Bourjois' lines with firms other than [*Name deleted*]?—Yes, I could mention [*Name deleted*] of Dunedin. They used the same arguments as [*Name deleted*] that they would not cut if put on the wholesale terms, but that they would do so unless they were.

18. Any other firms?—They were about the only two prominent firms with whom I had personal arrangements.