

124. When you are fixing these retail prices, how are you going to make it act evenly as between a firm with a turnover of, say, £10,000 and another with a turnover of £200,000? One trader must be able to trade on better terms than another. How are you going to reconcile these traders?—The association does not attempt to reconcile them. That is for the manufacturer. He fixes his price and is responsible to the consumer for his goods. If the man with a big turnover does not wish to handle an individual article, that is a matter between himself and the manufacturer; it has nothing to do with the association.

125. As I understand it, then, you say that the manufacturer, in fixing his price, may differentiate between a cash and a credit business?—Yes.

126. Have you ever known that happen in the past in other countries?—It has not happened in the past.

127. So it is to be pioneer work in New Zealand?—Yes.

128. Whose idea is it?—It is because of the local conditions.

129. Has it been discussed here?—Yes.

130. Two prices?—Yes.

131. Why not mention so in your literature?—It is mentioned on the manufacturers' agreement. [The agreement was here produced to the witness, and attention was drawn to an imprint by a rubber stamp in column 2, reading "Less not more than 5 per cent. cash over counter or 2½ per cent. monthly settlement."]

132. *Mr. Gresson.*] When was that stamped interpolation on the agreement put in?—I cannot tell you.

133. As originally drawn up, there was no provision for two prices. Now, the words I have referred to have been inserted. When was that alteration made, and why was it not included in the original form?—The original form was printed before the association was brought into being. After the association was brought into being it was decided that manufacturers be recommended to differentiate between cash-over-counter sales and booking sales. This is referred to in the minutes of the association of the 25th November, 1926. This is the minute:—

Question of cash and book prices was discussed as a possible handle for opposition, Mr. De Fenq explaining that he had strongly advised 5 per cent. cash, 2½ per cent. booked, each manufacturer to provide for this in his application.

And the following resolution was passed:—

That every manufacturer be written to recommending him to make a cash-and-carry price.

134. Suppose a credit grocer sells at the cash price, what would be done?—It would be pointed out to the retailer, and if he refused to sell at the booked price he would be treated as a cutting retailer.

135. And the cash man, of course, is at liberty to sell at the credit price if he wants to?—No; if the cash man sold at greater than the cash-and-carry price he would be treated as selling at an excessive price.

136. And this question of the two prices had its inception since this minute?—No; you can trace it back to the meeting of the grand council in August, when representatives from each of the four centres met in Wellington, and I recommended that they provide for the cash-and-carry trader, to allow for 5 per cent., and the meeting decided that 2½ per cent. was sufficient difference between the cash-and-carry and the booked price. The meeting decided that in August, but since then the executive have decided that 5 per cent. would be a more equitable allowance.

137. And are you aware that, as a matter of experience, the figure approximates more closely to 10 per cent. than to 5 per cent. as the difference between the cash and credit trader?—I do not think that is right.

138. But you admit that 5 per cent. is more or less a guesswork figure?—No; it is taken from the Committee's recommendations.

139. What is the "stop list"?—That is a list of those traders who are cutting the price of registered goods, or charging excessive prices for registered goods.

140. He is put on that list if he cuts the price?—Yes.

141. What is the effect of putting him on the list?—It should stop him from getting supplies.

142. That means to say that if you can succeed in getting the vast majority of the manufacturers and retailers in these particular articles to join your association you can keep out of business any man who does not come into your association, by refusing to supply him with your articles?—No. You will keep going back to the question of a trader being compelled to become a member of the association to obtain these goods, but that is not so. A trader, whether he subscribes to the association or not, provided he observes the prices as fixed by the manufacturer, is no concern of ours.

143. Suppose you get a sufficient number of articles on your list, then you can prevent the supply of those articles to any trader who refuses to observe the retail price as fixed by the manufacturer?—That is so.

144. And, therefore, if ultimately you become strong enough in New Zealand, you can impose your retail price on any retailer as a condition precedent to your dealing with him?—The manufacturer, if he does not wish to fix his price, leaves it open.

145. Can a manufacturer join your association and register his article without fixing a price?—No. I regard the association as being for the convenience of the manufacturer to enable him to maintain his price, both wholesale and retail, as fixed by the manufacturer.

146. With the assistance of the united wisdom of your committee?—No; the committee has no jurisdiction.