

NINTH DAY : WELLINGTON, FRIDAY, 4TH MARCH, 1927.

ADDRESSES OF COUNSEL CONTINUED.

Mr. Walker : If it pleases the Board, I propose to address you very briefly to-day on behalf of the section of the people I represent—namely, a section of the working-people who may be taken to be a sample of the working-class of New Zealand generally. Before I proceed further I would like to mention that it must be borne in mind—I think it was borne in mind by you throughout the deliberations—that these men, or rather these working families, are folks who will never, on this side of the grave at all events, know what it is to have much of a margin to live upon, and therefore I submit that their welfare is the prior consideration in this matter—that is to say, their welfare is the most important part of the trust which is imposed on this Committee from the standpoint of the public. The matter divides itself into three questions : First, Is this going to affect them ? Is it going to raise the cost of living to them ? Are the grounds for allowing it to come into force adequate ? The question as to how it is going to affect us is answered very, very quickly. No one connected with the P.A.T.A. has ever pretended that this is going to mean anything but an increase in price for the working-class of commodities in everyday use amongst them. Now, with reference to any real ground for this association to come into operation, I would ask, first, what have the P.A.T.A. grocers told us in their evidence ? Hook said—I am going to touch upon the evidence very briefly, gentlemen—that he tried to persuade the public that he was a cheap grocer, but a real cheap grocer opened up business only about sixty yards from him, and he blew out. I come now to the evidence of Mr. McIlwraith, who gave his evidence in a straightforward manner. He said, “I am not afraid of them. It is true I am not making as much as I would like to make.” So much for the P.A.T.A. grocers. I submit that there is nothing in the evidence of the P.A.T.A. grocers to justify the intended increase in everyday commodities to the people. We come now to the retail chemists, and I submit that their evidence, in the main, was absolutely colourless. It was admitted in evidence that the price charged for dispensing medicine in New Zealand is higher than is the case in Australia and in other parts of the world, and they want now to be able to charge top prices for certain proprietary articles ; but it has not been suggested or hinted that if they get those higher prices they are going to reduce the dispensing prices. We come now to the wholesale chemists. No wholesale chemist has come here and been able to show that they are not paying dividends. It would not matter very much whether they are paying dividends or not ; it is only a question of what profits they make. I stress this point because one manufacturing chemist is going to submit his balance-sheet. I respectfully submit that you will not get much useful information out of one chemist, and therefore I suggest that the Committee should be supplied with three balance-sheets, and by that means you will have a better idea of what they are paying out in dividends and what they are making. It is a matter of common knowledge that large firms such as I am referring to now make a practice of storing up unusual reserves, and they do that by depreciating their buildings and plant, and you cannot get at them. You can only get at them by having their assets valued. I submit that what they have paid away in dividends is beside the point. No wholesale grocer has come forward to give evidence. Certainly Mr. Press came here ; but he came here as the representative of Amber Tips tea, and he confined his evidence to that. As I say, none of them have come along and produced their balance-sheets. With regard to the manufacturer or packer, I submit that the most that can be made of the evidence on the side of the P.A.T.A. is “not proven.” There is one possible exception, and that is with respect to Johnson’s baby-powder. Now, with regard to Edmonds’ baking-powder, you will remember that before Cropp came on to the scene it was like a battle-ground. It could not be denied that it was going steadily ahead ; but it was said, “Look at the money they have spent on advertising to counteract the effect of price-cutting.” As we all know, Mr. Cropp gave his evidence in a collected form, and he said that the cost of advertising was £2,500 per annum. I submit that that amount is exceedingly small for a business of that size, which operates right throughout New Zealand. Now, it had been very strongly asserted—proved, in fact—that the great price-cutting centre was Wellington, and that that the people were getting very decent profits out of baking-powder. I put the question to Mr. Cropp, “Do you spend your cost of advertising evenly over New Zealand, or do you focus it in one spot ?” He replied, “For the last five years we have spread it evenly.” If they were advertising to counteract the effect of price-cutting, we would have expected him to say that half of their advertising should be concentrated on Wellington, because that is where price-cutting so far as his article was concerned was more prevalent. However, not one of these representatives came along with a balance-sheet in their hands. The question was asked by Mr. Montgomery as to whether a book with respect to the costs of secret remedies on proprietary articles was read. I may say that in the Auckland Library I perused a book some years ago which was published by the British Medical Association expressly on that point. I suggest to those who have not seen it that if they will concentrate on it they will obtain a good deal of useful information out of that book as to what manufacturers’ costs are, and how they are entitled to any special consideration by the public. We turn now to the other side of the evidence, and we find that there were different classes of grocers who gave evidence for our side. Those men, I submit, were manifestly brainy and intelligent members of the grocery trade. If you were to take them and compare them with the average run of grocers there would be no difficulty in selecting those men as having brains. These men, with one or two odd exceptions, came with their balance-sheets, and those balance-sheets proved that they were making good progress in their new regime ; and, moreover, they were satisfied with it. Although they were not making enough, that is their concern ; and I respectfully submit that that is not a matter for our consideration, but it is a matter of concern as to whether or not they are meeting their financial obligations with the merchants and whether their financial positions are sound. No merchant has been here to complain of his obligations not being met ; but, and as regards their balance-sheets, although I have not seen them, one could see that their liquid assets are substantial. Now, the merchant has to sell to these men on the best of terms. These men do not