

the Self-help stores they have reduced service to a minimum. During the course of my cross-examination I indicated to the Board that there are at least six classes of grocery businesses, and I would like to have these six classes recorded. They are (1) the cash-and-carry business, with no wrapping-up or delivery; (2) cash and wrap up, but no delivery; (3) cash, wrap up, and deliver; (4) credit, wrap up, and deliver; (5) credit, wrap up, deliver, call for orders—all various forms of service; and (6) credit, wrap up, deliver, call for orders, and monthly discount. Now, one would not expect that there were so many classes of business, but when the matter is examined it will be seen that in each of those classes of business the overhead expenses will vary.

The Chairman: You do not mention a seventh—a grocerteria.

Mr. Gresson: That is the lowest form of all.

The Chairman: I noticed they were prevalent in the United States and Canada.

Mr. Gresson: It will be noted, as I say, that each of these businesses give a different class of service, and service must be paid for. To meet the obvious objection that jumps to the eye, that if the association fixes a price it is not fair to fix the same price for the cash store as for the credit store, the present New Zealand association has belatedly—evidently after its printed form of agreement was settled—added a condition at the top of one of its columns saying that in the event of cash they may sell at a difference of $2\frac{1}{2}$ per cent. between cash and credit. But that is not worth the paper it is written on. It is a pure guess. Mr. Heaton Barker thought it should be 5 per cent. I have a few witnesses who will say it should be 10 per cent.; but, whatever it is, it can never be fairly compensated for at a fixed percentage. In the grocery business alone you have to fix six prices for all those six different kinds of service; and you cannot treat any one of them adequately unless you do fix those six prices. The evidence will show from my witnesses that we have reduced the price of groceries to the average family in Wellington by 5s. or 6s. a week. Why should we be driven out of business to protect the manufacturers and wholesalers—the wholesalers who have lent money to retailers, who have to charge a higher price to the public in order to pay interest on the advances from the wholesalers? As I say, why should we be driven out when we are reducing the price of groceries to hundreds of families by 5s. or 6s. a week?

The Chairman: What do you mean by “driven out”? Do you mean by legislation?

Mr. Gresson: No; I mean that the operations of the association would involve our extinction; and I would suggest that under those circumstances the Committee will scrutinize very carefully the actions of the association before it does anything which may so seriously affect the cost of living to the average family. The Registrar of the Canadian Commission points out that, although the association was operating in Canada, when they investigated the “cash and carry” stores and the credit stores they found that the mere fact of cheap prices does not prevent the credit stores from carrying on. There are always people who will pay for particular services, and there are always people who will fetch the goods themselves, and there are always the people who wish to be called upon for orders. I do not suggest that all businesses should be for cash; both sorts perform different services to different elements of the community. Those are all the facts on which I wish to offer any observation, and I propose to call the evidence of Mr. Wilkie and Mr. Sutherland. Before doing so, however, I wish to recapitulate that, with the exception of the English report, every report which is available on the workings of this association is hostile to the association; and the Committee will note that the English report is very guarded, to this extent: that every time it is prepared to approve of the association it prefaces its remarks with, “Assuming you can ascertain what is the manufacturer’s fair cost.” Contingent on that, they are prepared to agree to a price-fixing scheme, but always on the assumption that the manufacturer’s fair cost can be ascertained. But what is the good of that to anybody, when I have shown that you cannot possibly do that, and the association frankly admits that they do not try?

ROBERT ABRAHAM WILKIE sworn and examined. (No. 21.)

1. *Mr. Gresson.*] What is your occupation?—I am managing director and chief proprietor of the Star Stores at Christchurch and Dunedin. We are cash grocers, and have four shops in Christchurch and three in Dunedin.

2. And you are chairman of the Canterbury Grocers’ Association?—Yes. I have been fourteen years in the grocery business in New Zealand, and previous to that for fourteen months in the Old Country. I have been in business in Christchurch for six and a half years. I started with one shop there, and in the six and a half years I have increased the number to seven shops. In our business we wrap up parcels and also deliver.

3. What are your views as to the fixation of prices by the association?—We have always been decidedly against price-fixing, because never in our experience have we considered that it could be properly controlled to the satisfaction of the various styles of business. We contend that our cash trade is quite different from the unweildy credit business operating throughout the country. Therefore some allowance should be made for the different classes of business.

4. If this association came into existence and extended its operations at all largely, what effect would it have upon you?—I am satisfied we would either have to go out of business or increase our service, to the detriment of the consuming public, in such a manner as to make our business compete with the others who are giving those services, which we consider to be frills and entirely unnecessary. The appeal of our business lies in the cheapness of our prices.

5. Mr. de Fenq interviewed your association last year?—Yes, in July of last year.

6. And at that time what was the view of the association as regards foodstuffs?—We quite gathered that Mr. de Fenq intended to cover them at the earliest possible moment. There was not a great attendance at the meeting which Mr. de Fenq addressed. That was a meeting at which members of the Canterbury Grocers’ Association were present, and in reply to a question by one of the members I know that Mr. de Fenq concurred that Edmonds’ baking-powder might be included