

The Chairman : I prefer that we should get hold of Mr. Cropp. Would you not yourself prefer, Mr. Kennedy, that Cropp's statement be given strictly in the form of evidence from the witness himself.

Mr. Kennedy : I thought it was strictly in form. I suggest that if Mr. Cropp be available that he be called, but if he is not available I would like to renew my application to put the question to Mr. Wilkie.

22. *Mr. O'Leary*.] In general, does the consumer purchase groceries and necessities at your store cheaper than at other stores in Christchurch and Dunedin ?—In general, yes.

23. Assuming that I have £3 to spend in a grocery store in Christchurch, will I get more for my £3 in your store than in others ?—Yes, decidedly.

24. What increase will I receive in your store over the others ?—Recently in Dunedin we compared the prices of opposition grocers with our own, and we found that the amount saved in purchasing 18s. worth of goods from our store was 3s. compared with buying from other stores.

25. Did you take 18s. as the average expenditure of a housewife per week ?—Yes. We ran out the lines they usually purchase, and the total amount for twelve months was £9 17s. odd, and we printed at the bottom of our circular, "Sufficient to buy Mum a new frock and Dad a new suit."

26. Did you take 18s. as the expenditure in your shop ?—No. It means that 18s. worth of groceries in other shops could be obtained for 15s. in ours.

27. And you do not sell any articles at the low cost ?—None at all.

28. *Mr. Myers*.] Do you happen to issue any price-lists ?—Occasionally, not frequently.

29. Have you got one of your price-lists here ?—No.

30. Do you happen to have a list of the goods comprised in this 15s. worth in your own shop and costing 18s. in the others ?—Not with me, but I could get one.

31. Do you appreciate the fact that that involves a difference in turnover of 16 per cent. or 20 per cent. according as to whether you take the 18s. or the 15s. ?—I quite appreciate the difference, yes.

32. You tell us that your average gross profit on turnover is 19 per cent. ?—Yes.

33. That means, according to you, that the other man's gross profit on turnover, assuming that he bought as well as you, would be either 34 or 39 per cent. ?—Quite so.

34. Is not that rather a ridiculous statement ?—No, not by any means. It may seem rather high, but that would only be on a portion of his business, and there are portions which bear 25 per cent. and over.

35. Are you solemnly prepared to say that there is any retail grocery business in New Zealand which is making a gross profit on turnover of either 39 or 34 per cent. ?—No, I do not suggest there are.

36. But you are telling the Committee that ?—No.

The Chairman : I do not take it that way.

37. *Mr. Myers*.] Will you give me an idea as to the particular lines : are they bread-and-butter lines ?—Yes.

38. You say you make 19 per cent. gross profit on turnover ?—Yes.

39. What is the highest profit you get on turnover in your shop ?—I could not possibly get more than 38 per cent.

40. I asked what is the highest gross profit on turnover on any one article ?—I have one that must be nearly 100 per cent. : That is aspirin. We indent aspirin to compete with aspro. We buy that line costing us under 3d. We buy the small sealed carton that the chemists use, and sell them at twenty-five for 9d. Aspros sell at twenty-five for 1s. 6d. We originally sold aspirin at twenty-five for 6d., but the public would not buy because they thought the quality was not there, so we were forced to sell them at twenty-five for 9d.

41. What about butter ?—We sell butter at a margin of 4 per cent.

42. What is your turnover in aspirin in a week for all your stores ?—It would be hard to say. We buy them by the pound and sell them by the 100. I should say, £6 or £7 a week.

43. You say you make 150 per cent. on them ?—66 $\frac{2}{3}$ per cent.

44. There are always charges to be added to the 3d. ?—No ; everything is included—c.i.f.e., duty-paid, and delivered to our store and put in boxes.

45. Is there any other line on which you make, say, 33 per cent. on turnover—any single line in your shop ?—No, not that I am aware of.

46. Can you give me any line or lines on which you get 30 per cent. on turnover ?—It is hard to say. Yes, we make 30 per cent. on boracic acid.

47. That is not an article of which you sell a great deal ?—No ; but your witness mentioned it the other day.

48. What other items are there on which you make more than 30 per cent. ?—Powdered alum.

49. That is only a small line ?—It is only in the small lines that we get anything like that, because the popular selling lines are reduced to a minimum.

50. Can you give us any line on which you get more than 25 per cent. ?—No ; I think our average is about 20 per cent., because we usually make it 3d. on 1s. 3d.

51. You think your average is about 20 per cent. ?—Yes.

52. You have told us your average was 19 per cent. ?—Yes, for the period.

53. I want you to tell us what articles show you more than 25 per cent.—I mean, in substantial sales ?—It is hard to say. I quite appreciate your question, but it is hard for me to give them offhand.

Mr. Myers : I think you should have no difficulty whatever if the evidence is correct.

Mr. Gresson : But there is a very real difficulty.

The Chairman : The witness has implied that the percentages of above 20 per cent. are on a few slow-selling lines, and that he has to search for them to find them ; that generally he makes