

129. You tell us that you charge 1s. 7d. and 2s. 7d. for Woods' Great Peppermint Cure—you buy it in this packet [produced]?—Yes, that would be the container, and I buy in containers such as that now produced.

130. It will be seen on the container that there is a printed clause regarding the conditions of sale of Woods' Great Peppermint Cure, which reads: "We have forwarded to you, according to your order, the undermentioned goods upon the express condition that the goods are not under any circumstances to be sold retail below the based price. If you do not agree to these terms, at once return the goods to us. Your acceptance of the goods will be treated as an acceptance of these terms." You buy this article with that clause upon the container?—Yes.

131. But nevertheless you sell below—namely, at 1s. 7d. and 2s. 7d.?—Because I have been given to understand that the manufacturer does not mind at what price the goods are sold by the retailer, because he is getting his margin of profit out of it.

132. Did somebody tell you that he had said that?—Mr. de Fenq.

133. Do you know of other retailers in Christchurch who have sold Woods' Great Peppermint Cure at that price?—Yes, every grocer in Christchurch.

134. It was not you who commenced that, but you did it?—My price was originally 1s. 8d. and 2s. 8d.

135. You brought the price down because somebody else came down to your price?—Yes.

136. And I take it they came down to 1s. 7d. and 2s. 7d.?—Yes.

137. *Mr. Gresson.*] In your experience, what is the margin of difference between running a cash business and a credit business: we have been told various figures—for instance, one person said 2½ per cent., whilst another person said 5 per cent.?—We would say not less than 10 per cent. at any time.

138. *Mr. Hayward.*] Your cost of overhead is 17 per cent.?—A fraction less than 17 per cent.

139. That is in round figures?—Yes.

140. You think that a mixed business—namely, cash and credit, with delivery—cannot be run for less than 27 per cent.?—No.

141. Economists say it is impossible to effect a saving of more than 5 per cent. by striking out the services of delivery and credit?—It has been proved in many cases to be 10 per cent.

142. That may be comparing an inefficient business with an efficient business, but it was given in evidence before this Committee that a large grocer doing a cash and credit business and making his delivery can work on 12½ per cent. overhead?—May I explain that my overhead is large because at the present time I am schooling a staff and schooling a business. I am in a position to-day to double my turnover without increasing the cost.

[At this stage the examination of witness was discontinued in order that Mr. Cropp's evidence should be taken.]

Examination of ROBERT ABRAHAM WILKIE continued.

143. *Mr. Myers.*] Would you mind telling me again how you class your business—we have heard quite a number of different classes of grocery businesses?—Under the heading given by Mr. Gresson—namely, cash, wrap up, and delivery.

144. You do not do purely a cash business?—Yes; we did at one time.

145. In your present concern?—Yes.

146. Did you find that satisfactory?—Yes.

147. And you altered it?—Putting on delivery. That was the worst move we ever made, but it was the line we were compelled to take owing to our competitors coming down to our prices.

148. Can you tell what, in your view, is the difference in overhead expenses between a cash business and a cash, wrap-up, and delivery business?—I would say that once our business is properly organized it would be 5 per cent.

149. So that the overhead of a cash business would be only about 12 per cent.?—It would be actually less than that. I mentioned that our expenses are high because I am schooling the organization for future business. There have been previous periods when my figures have been much less.

150. But your turnover is less?—No, my turnover is higher.

151. You had a bigger turnover than you have now?—Yes, nearly — more.

152. How long ago was that?—In 1921–22, I think.

153. Since then has your turnover gone down gradually?—No; almost in one lump.

154. It has not gone up since?—It has been more or less stationary since.

155. *Mr. Montgomery.*] In the course of your evidence you said that if you were not able to sell proprietary articles you would have to go out of business: I suppose you refer to business in proprietary articles; you do not mean that you would have to go out of business altogether?—It was purely and simply if the P.A.T.A. should function and have power to operate throughout my business—

156. You mean in foodstuffs and everything?—If the P.A.T.A. had power to control my business according to their scheme of things.

157. *Mr. Collins.*] Do you know the membership of the Christchurch Grocers' Association?—Yes; we have about ninety financial members at the present time.

158. Out of how many grocers in the vicinity?—I should say about two hundred. We have only been recently organizing.

159. So that any discussion in relation to prices would only relate to those ninety members concerned?—Yes; quite so.