8. What did you find as a result ?—I found the result very reassuring. After two years as president of the association (I had been associated with the association since 1913 in an executive capacity) we issued prices on a 25-per-cent. margin, which was an arrangement between the membership and the association—that is to say, we were to sell everything on a margin of 25 per. cent on cost price.

9. And 20 per cent. on turnover ?—Yes. We used to be very loyal, and with a few exceptions these prices were maintained. I was also president of the New Zealand Federation of Grocers, which body I was, together with others, successful in forming when on a visit to Wellington. However, I discovered that the credit prices were not entirely a success. I saw a big business being built up in Auckland by people whom you might call outsiders, who had no birthright to Auckland, and with the operations of the Farmers' Trading Co., Wheeler Bros., and others who had come into our midst and stabilized in cash prices, and who were everywhere taking our cash business away and leaving us with the credit business, I as president of the association conferred with the members of the executive first and then at a general meeting with a view to seeking their co-operation to compete with them. I discovered, however, that they would not support me, and after a period of possibly three months my position as president became untenable and in consequence I resigned from both the association and the federation and stood alone. I advertised cut prices, and I discovered that I could considerably increase my turnover where I was working on a 25 per cent. margin on cost. I reduced it to a 20-per-cent. margin on cost and made considerably more in net profit and I increased the turnover. I propose to bring out this point because I think it has bearing on some evidence you had this afternoon. In October, 1923, I landed fifty cases of peaches from Australia. The wholesale price to the retailer was 12s. 6d. per dozen, and the retailer sold it at 1s. 3d. per tin. These fruits landed me at 9s. 5d. per dozen. I conceived the idea of selling that line at 1s. per tin, and in consequence the turnover increased enormously. I sold in that period—fifty cases was my requirements for a three-monthly period—1,550 cases at 1s. per tin. It was then that I decided the cash business with the increased turnover on the lower margin of profit would be very much more beneficial than the smaller turnover on the higher margin of profit.

10. As regards the question of the margin of the wholesale merchant, you have, as a result of importing yourself, been able to form some opinion—do you consider that the margin in Auckland is fair ?—I do not think that the merchants are doing any good, from what I have heard from reports ; their overhead must be tremendously high. I may say that I had a considerable importing business —that is, practically 90 per cent. of my articles are imported direct or bought through secret agents —and as a result of my experience I find that the profit of the merchant is very high. When I sell out of a line which I can import direct at 11s. 6d. I cannot replace that line from the Auckland merchants under 14s. 6d.

11. Under the operations, or the proposed operations of the P.A.T.A., you, of course, will be prevented from dealing direct with the manufacturer of direct lines ?—Yes ; it will be necessary to put all our business through the merchants, who are bound tooth and nail, like ourselves, and who will be permitted, by the courtesy of the P.A.T.A., to give us 2½ per cent. discount for cash or prompt payment.

12. As regards the proposed operations, you fall into line with the objections raised by the various cash grocers ?—It is no good to us ; it is vital, and it would ruin my business. As a result of increased business, which I have been doing under the improved method, I have built up a very large business, and in consequence I now have plans out and am calling tenders for a £16,000 building.

13. Have you in your possession some of the balance-sheets of your business ?—No. I may say that I have just returned from Sydney.

14. Will you please write down on that piece of paper your average turnover, so that I can hand it in for the information of the Committee ?—It will be approximate. [Witness wrote on a piece of paper the approximate turnover, which was handed to Mr. Myers for his perusal and then handed to the Chairman.] That is approximately correct.

15. *Mr. Myers.*] When you suggest that if the P.A.T.A. comes into operation you must buy everything through the merchants and will be unable to import anything, what class of goods have you in mind that you will not be able to import ?—Patent medicines and foodstuffs.

16. Everything ?—Not everything. I mentioned those two lines because I know what I am talking about.

17. When you speak of foodstuffs do you include all foodstuffs ?—Yes, I do.

18. I see what you mean—foodstuffs naturally comprise the greater part of your turnover ?—They do.

19. When I speak of foodstuffs I include sugar, butter, currants, and all the other multifarious articles and ingredients of food ?—Yes, that is so.

20. What proportion of your turnover would include that ? You can put that down on a piece of paper if you like ; we do not want to disclose anything which is detrimental to your business. [Witness wrote down particulars on a piece of paper.] Of this amount which you have put down, what proportion of those multifarious articles of foodstuffs and ingredients of foodstuffs does that include ?—Of my total turnover ?

21. You can give it to me in fractions or you can write the figure down—you have already told us it is the greater portion ?—I should say 90 per cent. I should say that 70 per cent. would be hardware, and patent medicines would be 30 per cent. .

22. When you get back will you go into your figures a little more closely and send particulars to Mr. Collins, with some certificate as to what they are ?—Do you mean as to the proportion of patent medicine ?

23. Yes ?—I cannot dissect it.