

56. As a rule, you never practise it, nor would you countenance it as a policy in your firm?—Exactly.

57. *Mr. Gresson.*] You stated that the difference was $2\frac{1}{2}$ per cent. and 5 per cent. between the credit price and the cash price?—(No answer.)

The Chairman: That is on particular lines.

Witness: That is general. We issue two prices to every article in our catalogue. Generally speaking, in that book every article carries a different margin in credit and cash prices, and that difference represents $2\frac{1}{2}$ per cent. to 5 per cent.

58. Then, on the cash side of your business you wrap up and deliver?—Yes, we do.

GEORGE ROBERTSON HORSBURGH sworn and examined. (No. 27.)

1. *Mr. Kennedy.*] You are a grocer in Hawera?—Yes.

2. And you have been there for about five and a half years?—I started in November, 1921.

3. And you have had a lifelong experience in the grocery and retail trade?—I have had some considerable experience. I have had experience in New Zealand, in America, and at Home.

4. What is the nature of the business that you carry on in Hawera?—I think I must be what is termed the sixth- or seventh-class grocer, because I give discriminate accommodation, the same as the wholesalers and the banks. I have thirteen lawyers—in fact, I serve the elect of Hawera—and I give accommodation wherever there is reasonable security.

5. Apart from the risks you have mentioned, your business is as nearly as possible a cash business?—You cannot run a strictly cash business in a place like Hawera and do a big turnover. Further, I give what I would term a systematic and methodical service—in fact, I give the most comprehensive service on the best lines.

6. Have you been able to sell successfully at prices which your competitors call cut-rate prices?—Never.

7. In actual fact have you ever sold at less than cost?—Yes; and I want to explain that.

8. Would you mind being brief?—Yes. When I started in 1921 there was a substantial line of salmon called middle-cut salmon, which was being retailed in town at 1s. 2d. I went to the firm to give them an order, and I was astonished when I ascertained that it could be purchased at 6s. 6d. per dozen. I asked how much they had in the store, and they laughed at me and said that they had more than I could sell in Hawera. I bought a couple of cases then, and I purchased the lot later—I think the number of cases that I bought was thirty-five—and I had a big sale for that particular line. The man who sold the article to me approached me a fortnight later and said, “You know more about salmon than I do.” I replied, “I think I know more about all grocery lines than you do. What is your trouble?” He said, “You have bumped the market up to 9d.,” and I said, “That is exactly what I anticipated.” He said, “You will get 1s. 2d. for that article.” I said, “The others can pay 9d. and I will sell under their cost.”

9. Were you selling under your cost?—No, and I do not think any man living sells under his cost—not a Scotchman, anyway.

10. Have you, apart from the salmon, sold anything in your business under cost?—I did not sell the salmon under the cost to me.

11. I see. Am I right in taking it that your practice is to sell above cost to you?—Exactly, except that the only circumstances which would warrant such senseless business methods would be selling against replacement cost. That would be good business. That is to say, if an article was in stock on a falling market and you had large stocks you would have to sell at the replacement value.

12. You have been enabled to sell at a lower competitive price in Hawera than your competitors?—In the first instance I claim to know the business, in that I have brought my business up to a high standard of efficiency. I pay my employees a little over the award wage, and I endeavour to get the best of men. I buy when at all possible at the fountain-head.

13. Do you go direct to the manufacturers?—I do. I am put on merchants' terms in many cases. I have an English buyer. I endorse what was said with respect to buying fruit in Australia during the past season, and if I obtained that fruit from the local wholesale house I would have to pay more for it.

14. Have you as a consequence of your own indenting been able to buy much cheaper than from the New Zealand wholesalers?—Yes, considerably. I will cite a case in particular of a proprietary article—namely, a tea-set. The Dalton people wrote to some of my friends stating that some of their prices must be protected. This particular article I have in mind was offered to me by the representative of an Auckland fancy-goods house, and he informed me that they were retailing it at 33s. He offered to put me on the ground floor. The same tea-set costs 5s. 9d. precisely at the pottery.

15. What figure did you retail that to your customers?—They are landed here at 13s., and I am retailing them from 16s. 6d. to 19s. There is to a certain extent breakage to be covered.

16. You could name other articles, if necessary, I take it?—Yes.

17. How many men did you employ when you started?—I started with my son—a boy. I submit, if I may be permitted to say, that by charging high prices is putting men into the Bankruptcy Court. As I say, big prices, or ostensibly big prices, are causing that to a large extent in the grocery houses not only in this country but also in Great Britain and America.

18. What is the number of men you are now employing?—Eleven. I have here a photograph of my staff. [Photograph handed to the Chairman.]