48. Do you think it would be worth £350 per annum ?—As I am just starting the business I was reluctant to draw anything out of the business.

49. I quite appreciate that. Would you mind putting down on a piece of paper your capital ?—When I started or subsequently ?

50. You borrowed money, or something of that sort ?—That cannot be regarded as capital.

51. Yes it can. Put down your own capital and the borrowed capital separately ?—Very well. [Particulars written down and handed in.]

52. You have an overdraft with the bank, have you not ?—No, a clean start.

53. You must owe a considerable amount to your wholesale people ?—Yes. All the accounts are paid monthly.

54. You have carried on business on this turnover [pointed out] on the capital mentioned on this piece of paper ?—Yes, and will continue to do so.

55. Do you think that that is sound trading ?—In my experience it is.

56: What rate of interest are you paying on this borrowed capital ?—Six per cent.

57. Does that come out of the net profit ?—Yes.

58. You mean to say you have to pay it out of the net profit ?—It is paid.

59. It is paid before you take that figure [pointed out] ?—Yes.

60. I suggest to you that for the services you render a salary of £8 per week would be reasonable, and I ask you to assume for the moment, for doing the whole of the work—you will see what the figures will leave you [pointed out] on your turnover [pointed out] ?—Yes. I may say that a lot of this is pioneer work.

61. Do you think that is sound trading ?—Yes, under the circumstances.

EIGHTH DAY: THURSDAY, 3RD MARCH, 1927.

The Committee met at 10.30 a.m.

The Chairman: With regard to the extent to which the Self-help stores deal in proprietary lines, it was stated in evidence that those lines indicated in black on the price-list, and which were considered by Mr. Sutherland to be exclusively proprietary lines, represented 29 per cent. of his total business. Mr. Myers suggested that those figures should be checked by the Committee, and I think it is essential, in order to assist Mr. Myers, that we should make that check promptly, so that he can use the result in the course of his reply. Our accountant has gone into the matter, and this heap of invoices on my desk represents the transactions of the Self-help stores with three firms out of twelve for one month. The invoices cover all classes of goods, so that it would be necessary for our officer to take each invoice, but the work of making a calculation even on one month's invoices would take longer than the time which can be given to it. After discussing the matter with our investigating officers we thought that for the information of the Committee we would take two months' invoices—say, January and June—so as to have seasonable information, and check on those two months' invoices the figure of 29 per cent. which Mr. Sutherland has put forward.

Mr. Myers: That seems quite reasonable, and it should give us a pretty good idea, because, speaking generally, Mr. Sutherland seems to buy from month to month. But, of course, it may or may not be satisfactory, because there may be some lines of proprietary articles of which, in order to buy them on the best terms, he may have to buy a substantial quantity—he might buy three or four months' supplies. But, at the same time, we appreciate the fact that it means a tremendous lot of trouble.

Mr. Gresson: Could we give some assistance by allowing Mr. Sutherland to be present ?

Mr. Myers: The investigating officers could obtain the information.

Mr. Gresson: I suggested that the months to be taken be January and July.

Mr. Myers: I agree to January and July being taken.

The Chairman: We will take those months, then—January and July. Undoubtedly Mr. Myers and the members of the Committee were surprised that the percentage was so high. If the investigation for January shows that Mr. Sutherland was right to within, say, 2 per cent. we do not propose to go into the matter with the same exactitude for July. We would be justified in proceeding with a close investigation only if there was a remarkable discrepancy in any one month.

Mr. Myers: That would be reasonable, unless you find in the selected month (say, January) that Mr. Sutherland was purchasing large quantities. If that were the case it would be necessary to carry the investigation into February or March; but I have no doubt that, when the investigation for one month is made, you will be able to see how much further it is necessary to proceed.

WILLIAM EARL sworn and examined. (No. 29.)

1. *Mr. Walker.*] What is your occupation ?—I am a grocer, carrying on business at Johnsonville and Khandallah, the partners in the business being my brother Edward and myself. We commenced business in November, 1922.

2. And you did booking, canvassing, and delivering ?—Yes.

3. After you had been established six months what was your turnover ?—— a month; and my turnover increased slowly.

4. In November, 1925, you conceived the idea of trying to get business in Khandallah ?—Yes.