

Mr. Ansell.] In reply to Mr. Harris you made a statement that you had reduced your overhead very substantially in the cash-and-carry store and that you did not dismiss any staff, is that correct?—Yes. I did not at the time. My turnover increased.

Did you give the same service to the public?—We cut out delivery and calling for orders.

I understand from your remarks that the wages paid under the new system are the same as under the old?—No reduction.

You say that four employees under the new system could do the work of eight under the old?—They handle more goods; there are no men going out for orders. The man in the cash-and-carry store would handle three times as many goods as the man in the service store.

You remarked that with price-fixation on certain lines (tobacco) the business dropped by two-thirds, would you suggest less consumption of that article?—No, only that a man could get it anywhere at the same price.

Is it a fact that the business was transferred to the tobacconists?—Possibly. Some people think that is quite all right, but I claim that tobacco was the grocer's line originally.

Are there any other examples apart from what you have given us (sugar and flour) in regard to which you are not on the special discount basis?—I do not know of any others. Sugar is really the only item.

There are other lines, are there not—flour for instance?—I understand there are some on the direct list. Then there is Edmond's baking-powder on which there is a discount of $7\frac{1}{2}$ per cent. which you cannot get unless you join the organization United Buyers. I will not join up, as I am opposed to that kind of thing.

Mr. Sullivan.] You are of opinion that service given must be charged for?—Yes.

That must have an effect on unemployment if you curtail that service. What would be the position in your own town if all those engaged in your line of business adopted the same method?—Naturally it would displace some. Once we all became cash and carry we would get on to a level basis—we would have to adjust ourselves. In 1921 I worked at 10 per cent. on the turnover; prices in that year were enormously high, but then they have come down till to-day that is just about cut in half. When cutting costs down, overhead increases. You must increase turnover or increase the margin of profit.

You say that when the price was fixed on tobacco your business in that line dropped by two-thirds?—Yes.

Due to the fact that you sold tobacco at the same price as the tobacconists?—Yes. A service store would send a tin of tobacco at the same price three miles away, if any one rang up on the telephone, and it could even be booked at the same price.

If all the traders adopted your method, what would happen in regard to employment of the assistants? Would it not displace many?—Yes, it might; it remains to be seen.

If there was to be a wide application of your method, would it not mean unemployment for a great mass of the people. If you were faced with that problem as a member of Parliament, what would be your solution?—That is going into a very big question—that is, unemployment. Machinery has displaced so many to-day, but it has made work easy as has my method of cash and carry made work easier. My method has been successful. I have my views on these things, but they do not concern this Committee. I think that superannuation is the way out of the difficulty. My system of trading has improved work very much and has made the task much easier and that is something worth while. We do not work hard; conditions are easier for the men since the cash-and-carry method was adopted; my men never work any overtime except one night before Christmas and one night before stock-taking, and I claim that has made the change over worth while. My competitors are in a very different position; their assistants work very late hours and do a considerable amount of overtime, due to the fact that they give service—delivery—to their customers.

The whole position is this: that if all traders adopted this method of cash and carry—reducing the service to their customers—it would displace a number of assistants. It would reduce staff, would it not?—Yes.

What year did you start your cash and carry?—1921.

And since that your business has grown?—It has fallen off a little during the last two years.

I was wondering if people were most disposed to carry their own goods now than in prosperous times?—Yes, that is the position.

My difficulty is that I do not want to see prices fixed and the public exploited, yet I do not want to see men displaced from their employment—I have to solve that problem. People have benefited by the reduction in prices?—Yes, considerably.

Mr. Jordan.] What is the difference between a wholesaler and a retailer? If you opened three shops to sell exclusively retail, could you get on the wholesale list?—I can get on to some so-called wholesale lists to-day, but we do not get the full wholesale. If the wholesale is $12\frac{1}{2}$, we get 10. Some manufacturers are quite content to go to bigger buyers.

Complaint has been made that certain persons or amalgamations obtain prices that you cannot get?—Yes.

You could get the same prices if you complied with certain conditions?—If I joined a combine. If I wanted fifty cases of Edmonds' baking-powder I could not get $\frac{1}{2}$ d. discount, whereas if a firm in the combine wanted one case they would get $7\frac{1}{2}$ per cent.

If you did certain things you could claim lower prices, but you are opposed to that?—Yes; it is a chain, and I am opposed to that.

Tell me, why are you opposed to chain stores?—Well, I claim that my interests are in Timaru and I have no right to open a store in Temuka and take the profits out of that place.