

MEMORANDUM *re* NATIONAL DISTRIBUTORS, LTD., OF NEW ZEALAND AND THE COMMONWEALTH
DRIED FRUITS CONTROL BOARD.

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1. NATIONAL DISTRIBUTORS, LTD., a wholesale grocery company was formed in 1928. This company is not interested in any retail stores except that it sells to Self-Help Co-op., Ltd., a retail company with 145 stores throughout New Zealand, and it also sells to 400 other stores in New Zealand. None of the shareholders in National Distributors, Ltd., own shares in any retail business in New Zealand.

2. National Distributors, Ltd., is on the wholesale list for nearly *all goods manufactured in New Zealand* and for *all goods manufactured or produced in Australia* apart from fruits controlled by the Commonwealth Dried Fruits Control Board, hereinafter referred to as "the Board." National Distributors, Ltd., is on the wholesale list for nearly *all goods manufactured in English-speaking communities* with the above-mentioned exception, and National Distributors, Ltd., is a *wholesale house recognized by the Government of New Zealand through its Sales-tax Department*.

3. In November, 1931, National Distributors, Ltd., applied to the Board to be placed in the wholesale list (see copy letter of 20th November, 1931, on page 19). Nothing came of this. A further application was made in October, 1932 (see copy of letter of 5th October, 1932, on page 19 hereof). This produced no result. A further application was made in October, 1934, and the letter to the Board of 3rd October, 1934, reviews the whole position and makes a further application (see copy letter page 22 hereof).

In the meantime the matter had been further discussed with the Board or some of its members by Messrs. Crowe and Newcombe in 1932. These gentlemen, whose office is in Adelaide, attempted to assist the company's application, but without success. The Leeton Packing Co., Ltd., also at various times fruitlessly endeavoured to further the application. In 1934, both prior to and subsequent to the company's letter of 3rd October, 1934, the company's case was stated to the Board or some of its members by (1) the Right Hon. Wm. A. Watt, of Melbourne, (2) by Mr. S. H. Wilson, of Messrs. Pavey, Wilson, and Cohen, Solicitors, of Melbourne, (3) by Mr. R. H. Wood, general manager of the firm of Felton, Grimwade, and Co., of Melbourne, (4) in 1935 by Mr. Nisbet, the present Commonwealth representative in New Zealand, who supported the application.

On the 2nd March, 1934, the company's solicitors wrote to the Hon. Mr. Stewart, Federal Minister of Customs, with reference to the application. This letter, a copy of which is attached on page 20 hereof, was acknowledged by the Hon. Minister's Secretary, who said it had been referred to the Board (see page 21 hereof). The Board has not, however, answered the letter.

The company has never received any direct advice as to the Board's decision, but the answers received by the people who interviewed the Board or its members were—

- (a) That the Board had laid down a policy and would not depart from it.
- (b) That National Distributors, Ltd., had been very unreasonable and impatient.
- (c) That National Distributors, Ltd., if it would only be patient and not attempt to force the issue, would in due course achieve its object.
- (d) That the company would not be placed on the list unless the company was a member of the Merchant's Association of New Zealand. The company has from time to time and as late as January, 1935, applied to be admitted as a member of the New Zealand Merchants' Association, but the association has not granted the application. It may be noted here that neither producers nor suppliers of dried fruits are interested in having the sale of their products limited to members of this particular association.

In 1934, during the months of May, June, and July, the Board apparently altered its fixed policy and gave the best buying terms to any one purchasing lots of not less than 400 cases at one time. National Distributors, Ltd., purchased under this arrangement which, had it remained in force, would have given the company the treatment it desired. Following the visit of a deputation to Melbourne, in June or July, 1934, from New Zealand Merchants' Association, consisting of Mr. Stronach Paterson, president of the Wellington Association and Mr. Talbot, secretary, the arrangements were cancelled. This was due to the strong representations made by the deputation which stated that New Zealand merchants would bring pressure to bear on the New Zealand Government to remove the duty on American fruit if the old list was not reverted to. National Distributors' name did not appear on the old list.

It is desired to particularly stress the following main points:—

- (a) The company is a purely wholesale organization with very large buying power.
- (b) The company has competitors in New Zealand, wholesale houses who are interested directly or indirectly in chain stores. Examples of these are:—

Burns Philp and Co. : Yates Cash Stores, Service and Economy Stores, and other stores.
Goldingham and Beckett : Community Stores.
Ellis and Manton : Star Stores (North Island), Ltd.
Bond and Bond : Blue and White Stores.
Hutchinson's (Wholesale), Ltd. : Hutchinson's Retail Stores.
Nathan's (Auckland) : Marriott's Stores.
National Trading Co. : Wallace Supplies Stores.
Foodstuff's Ltd. : Four-Square Stores.
Farmers' Trading Co. : Farmers' Trading Stores.
Master's Ltd. : Master's Stores.
Green and Co. : Star Stores (South Island).
Rattray and Co. : Single Profit Stores.

- (c) All these wholesale houses are on the Board's best list, but, in addition to these, there is on this list Wardell Bros., Ltd., who are retailers operating only three retail stores, and Wardell's were placed on the list subsequent to National Distributors' application.