I am informed that the alleged reason for this Bill is that price-cutting is practised on a large scale to-day in New Zealand, and that this price-cutting has been made possible only by virtue of the Commercial Trusts Act. So far as the grocery trade is concerned, I state emphatically that there is practically no price-cutting at all. We trade throughout New Zealand with 145 shops, and we therefore have first-hand knowledge of all prices offered to the public. We know exactly what our competitors are doing, and we are quickly informed of any change in prices which they may make. On the whole, no one sells cheaper than we do. Most grocers in New Zealand more or less meet the price of their competitors. So far as our own business is concerned, we are not price-cutters and we do not make it a rule to sell at cost or under cost. There may be, and there always have been isolated instances of price-cutting, but no Bill will ever prevent this.

Our experience has clearly shown that there is far less price-cutting to-day than there was ten years ago, or than there was in 1927, when the inquiry was held into the Proprietary Articles Trade Association. This allegation of price-cutting is a stock complaint of traders who are unable to keep up with the constantly improving and more efficient methods of to-day.

Any scheme of minimum grocery prices would require of necessity to discriminate between shops which sell for cash only and do not deliver on the one hand and shops which give credit and deliver. The former cater for that section of the public who cannot afford to pay for the luxury of a book-keeping department or have their goods delivered at their house. This section includes those in straitened circumstances and those who are near to the bread-line who must buy their food as cheaply as is possible. The comparatively well-to-do can afford to enjoy the advantage of monthly accounts and the delivery of the food to their homes.

Very often price-cutting is confused with price-reductions, which have their explanation and justification in greater efficiency. This is totally different from selling under cost or at cost, which is very seldom justified. Cash-and-carry stores should never be made to sell at the same price as those stores which deliver and give credit. It is well known that the cash-and-carry store can always operate with a smaller overhead than the other type of store. Unless a safeguard were provided in this respect the inevitable result would be that with both types of shops having to sell at the same prices practically the whole of the trade must go to the group that gives the additional services of delivery and credit. The cash-and-carry group would therefore have to close their doors and go out of business. We employ more than five hundred persons. A grocery which sells for cash should be allowed to sell its goods 5 per cent. cheaper than a store which gives credit and incurs the expense of a system of book-keeping. Further, those grocery stores which do not deliver should be allowed to sell an additional 5 per cent. (10 per cent. in all) cheaper than those shops which deliver. The customers of the cash-and-carry stores must make their purchases over the counter, because they cannot afford to pay for the expense of having their food delivered at their own homes. The lowest market price should not include the cost of delivery and book-keeping services, which the very poor simply cannot afford to pay without going hungry.

The view is widely held that various causes make the cost of distribution in New Zealand exorbitant, and that the difference between what the consumer pays for his food and what the producer gets makes an unreasonable gap. Any legislation which widens this gap, and therefore reduces the purchasing-power of those on the bread-line, requires very careful consideration.

Some grocers call on the customer's house for orders, wrap up and deliver the orders, give credit, and give discount when the bill is paid, sometimes at the end of one, two, or three months. Is it fair to fix a minimum price which will be fair to the retailer who does not give this service ? Is it fair to saddle the customer, who is prepared to call at the shop, pay cash for the goods, and carry them away himself, with the cost of all services performed by the grocer who renders all these services ?

In some districts the retailer carries some of his customers over bad seasons or over the winter months and gets paid for his goods perhaps once or twice every year. It is scarcely fair to those dealing in these districts who can pay cash for their goods to have to pay increased prices because of the retailers who, not having adopted the correct method of running his business, charges the same price to the man who pays cash, as he charges to the man who sometimes, or never, pays. We can all sympathize with the retailer supplying country districts when that district is affected with drought or with a serious drop in the price of primary products ; but it is scarcely fair to saddle the whole of the rest of New Zealand with increased prices which will serve to put more money into the pockets of the retailers in other districts whose prices are already higher than the consumer should be called upon the pay.

As the law now stands, the manufacturer or agent of any article need not supply a retailer with that article unless he wishes to do so ; and the manufacturer or agent does not need to give any reason for refusing to supply.

Mr. B. Sutherland : There are a lot of figures here, and I think if I read out the name of the article and the price " on cost " you will understand that is greater than what it is on " selling-price." They were worked out " on cost."

Mr. O'Leary.] Just to explain the schedules, the first one is a list of articles supplied on which the retail price is fixed by the manufacturer ?—You have to agree to those prices or you cannot get the goods.

And you must make these profits ?—Yes.

ARTICLES ON WHICH RETAIL PRICE IS FIXED BY MANUFACTURER OR AGENT.

Article.	Cost to Retailer.	Selling-price.	Profit, per Cent.
	s. d.	s. d.	
Aspirins (Bayer's 24's)—			
6 doz. lots 9s. 3d. ..	3 5	1 6	84·5
Less quantities ..	12 1	1 6	48·9
Aspros—			
8's ..	4 4	0 6	38·4
27's ..	13 6	1 6	33·3
6 doz. lots ..	11 7	1 6	55·3
54's ..	17 4	2 6	73·07
108's ..	34 8	4 6	55·7
Fluenzol—			
Small—6 doz. lots ..	11 8	1 6	54·2
Less quantities ..	12 3	1 6	46·9
Large—6 doz. lots ..	19 5	2 6	54·5
Less quantities ..	20 6	2 6	46·3
Gibb's dentifrice—			
Small ..	8 5	1 0	42·5
Large ..	13 1½	1 6	37·1