

Do you say the result will be in a considerable number of boys being dispensed with and they will not be replaced by men?—There are quite a number of shops in Christchurch with which I am acquainted, both general and department, who have dispensed with boys and seem to be financially unable to replace them by senior men.

You made a statement here that is rather alarming, not that I dispute it—that is, when a store changed over from service to cash, of sixteen men five were dismissed. That goes to show that the chain store on the cash system—which I presume yours are—is going to result in a tremendous amount of unemployment throughout New Zealand?—That is definitely and absolutely correct. I can prove it with the figures given yesterday. The number of employees in the Wellington district of the Grocers' Union coincides with that fact, and many men who previously were in business themselves and not attached to any union, and are now employed by the chain stores and have joined a union.

Mr. Wilkinson.] In regard to the list which has been handed in showing the number of people who have gone out of business, there is no list showing who has taken their places—new businesses as an offset?—I have no knowledge of that list. It was compiled by somebody else, and I just put it before you.

You were able to reduce your prices in altering the nature of your business. Did not that bring you into the category of price-cutting yourself?—Yes. Until up to that time we were carrying on quite successfully as service, but on account of the chain-store method of selling we were compelled to change over.

You were forced into the position?—That is so.

I ask you whether you consider the Self-Help stores and Woolworths and McKenzies to be in the category of price-cutters?—Yes.

Mr. Ansell.] Just one question; you were present when Mr. O'Leary opened his case. Among others, he made a statement that if the proposed legislation did not affect you it would have the effect of enabling high prices to be fixed to the detriment of the consumer; and also Mr. Sutherland made the statement that if the legislation were placed on the statute-book, generally speaking, prices would be raised by at least 20 per cent. You say in your evidence that the purchaser would have to pay a little more for a few proprietary lines and goods which would amount to one or two shillings a week. What would be your reply to Mr. Sutherland?—I would say definitely that that is a matter which lies in the choice of the buyer. Oatmeal, 4 lb. bags, which are retailed at 1s. 6d. That is a luxury line. Nineteen out of twenty people purchase rolled oats loose at a rate of 4 lb. for 11d. Take a similar line, a $\frac{1}{4}$ lb. of Bournville cocoa, which is retailed at 8d. That is a luxury line which is not purchased by the man referred to in this Committee previously—the man on the bread-line. There is loose cocoa at 10d. per pound—admittedly the quality is not so good, being from ground beans and not from specially selected beans as the Bournville is. Carry that illustration a little further, instead of buying Amber Tips tea at 3s. 4d. per pound, people buy loose tea of various grades for 1s. 10d. up to 3s. per pound, so that the man on the bread-line who is seeking to be thrifty would not in any way be affected by the carrying of this amendment, which only seeks to establish the right of the owner of a proprietary line to control the selling-price of his article. It is recognized with any article in common use the price charged for it might be raised perhaps 50 per cent. or 100 per cent. with an increase in quality of only 5 per cent. The thrifty person can well buy the same article loose or in bulk at a lower price than that asked for the proprietary line.

Can I put it this way; you are in the same class of business as Mr. Sutherland, do you dispute his statement that prices would rise?—Yes.

Mr. Sullivan.] Do you think there is a relationship between the bad times we have been passing through and the consequent reduction of the people's income, and the development of the chain stores which are cutting out the service stores? Supposing things were prosperous and people had good incomes, I presume that only the service stores would endure under those circumstances?—That is definitely so, Mr. Sullivan. The coming of bad times affected the retailer just as much as any other person in the community, and frequently to reduce his expenses he turned over to the cash system of business in order to save himself. A large number of people who had had their incomes reduced 10 per cent. to as much as 50 per cent. naturally went around seeking the lower-priced articles they could obtain, and these they could obtain in the cash shops.

Take the relief worker. Supposing, for instance, that parliamentary action has enabled the fixation of prices and prices were so fixed that it had the effect of eliminating the cash-and-carry businesses, what would be the effect of that on the relief worker?—In my opinion, competition in the grocery trade—and in other trades of which I am not so well aware, but particularly in the grocery trade—competition would be shifted from the price to the service field. When I reduced my employees by one-third, it reduced the service. Over a period I would have to restore that service and restore those employees to work. So far as the relief worker buying goods is concerned, speaking from experience of the class of goods purchased by the relief worker, he is a person who is seeking to make the amount of money he gets go to the best advantage and he buys articles in bulk—he does not purchase the proprietary articles. The little that he gets would be unaffected by having to pay more for goods.

You are definitely of opinion that the coming of the cash and carry has added to unemployment?—I have given evidence on that point when we changed over from the service to the cash and carry.

What is your answer to Mr. Sutherland in regard to the increase in the number of members in the union?—I attribute that to the fact that a large number of small storekeepers have been put out of business by the cash-and-carry people and these men are now employed and have joined up with the union in Wellington. That is one explanation that can be given to that. The whole problem is a budgetary one, and if the people could pay for the service they would have it. The statement was made yesterday