

by one witness that if this amendment were carried five hundred employees would be out of work. In reply to that I would like to draw the attention of the Committee to a case that happened in the South Island recently. A large chain of stores passed into the hands of the receivers, and tenders were invited for the sale of their stores. I and others tendered for those stores, and to my knowledge there were four tenders placed for the whole of the stores. In each case also the manager placed a tender for his respective store, so that you will see that not one person would be put out of work. Moreover, if the managers of those shops had become the purchasers a considerable number of them would have turned the cash business into a service shop, and that would have necessitated them employing more men. I maintain that if a concern had good business then the direct effect would be to increase employment, because a number of those men would seek to capitalize their good will by extending credit and delivering.

Mr. O'Leary.] Mr. Tuck, how many stores is your company interested in?—Six.

All in Christchurch?—Yes.

Do you agree that there is a demand for the service or credit stores in addition to the cash-and-carry businesses?—

Both must be with us?—Yes.

Mr. Tuck, what is it you hope will be attained by this legislation? What will you be able to do: it will contract your business and prevent what is called price-cutting?—Get a better net profit.

How are you going to obtain it?—In raising the price of proprietary lines on which to-day we are getting a low margin of profit. There are a large number of lines mentioned in National Distributors' list on which we only obtain a low margin of profit.

They go from 80 down to 16 per cent.—That is so; they are specially selected lines.

How are you going to see that these prices are raised? You want to deal with somebody who is preventing you getting a profit at the present time; how are you going to do it? So long as it is fair and in the public interest you will combine to see that that man either complies with the price-list or does not get supplies?—I am not concerned with the machinery.

You will have to provide the machinery?—I think the method would be that we would not sell De Witt's pills (which sell to-day at an extremely low margin) unless we had signed an agreement to maintain a certain price.

If he does not do that you would like to see him not only lose his supply of De Witt's pills, but be cut off from other supplies—to bring pressure to bear?—No, Sir.

You do not? All you want is to be able to insist that a price that is fixed is kept by the person who has signed?—I would like to state with the owner of Amber Tips tea or De Witt's pills should be able to say, "This is my line into which I have put a life's work and I want that price fixed."

Or you do not get my commodity?—Yes.

That was the foundation of the proposals of the P.A.T.A.?—Yes, which I definitely opposed.

Would you oppose anything in this Act whereby a man would be punished through other lines if he did not obey the dictates of the supplier of a particular line?—Yes.

So that if without affecting the present Act you can fix a price and cut off supplies if the man does not maintain the price, you would be satisfied?—If only one line had the right to refuse me that line if I refused to keep up the price.

I take it you can do that at the present time?—Yes.

You will be quite happy if you are satisfied with that and because you are not a P.A.T.A. man you will not agree to the use of coercion by cutting a man off on the other lines?—I would not agree to that.

I am pleased to hear that you are still consistent. You gave evidence on the P.A.T.A. inquiry?—Yes, it will be found on page 110 of the inquiry.

What is your system of business?—Cash and delivery and wrap up.

Were you originally a credit grocer?—Yes, I changed my system in 1921.

Have you found the change over satisfactory?—Yes.

You seem to be in the same position as Mr. Norrie. Did you hear Mr. Norrie's evidence as to the effect of his change over?—Yes.

Can you corroborate him?—In general I can corroborate all that he said.

Did you find your own turnover increase under the cash system?—Yes.

You wish to produce certain figures for the Committee?—Yes, I hand in a certificate from an accountant showing the proportion of overhead charges to turnover.

In 1921 you were a credit grocer?—Yes.

Actually you find you have been able to largely reduce prices to the public?—Yes. When I first introduced that system I went on the basis of reducing every price approximately 10 per cent.

Do you yourself do any importation?—Yes, a good deal.

And so you eliminate the wholesaler on those lines?—Yes.

Do you purchase for cash or obtain a month's credit?—It varies. Some firms give four or six weeks' credit, and others require net cash; others, again, require weekly payments.

But you can always get better terms if you pay cash?—Yes, even with a merchant who does a credit business. He will always allow $1\frac{1}{2}$ per cent. if you pay on the invoice.

In your opinion, can a cash business be carried on side by side with the credit business—I mean, do the public want both?—Yes; there is a demand for the credit business. There is a large class of people who will not fetch their own goods or pay cash. They prefer a canvasser calling for orders which are to be booked.

In regard to the question of proprietary articles and patent medicines, I think, in your experience, twenty or thirty years ago the chemists hardly handled patent medicines?—I would not say it was so recently as twenty years ago, but many years ago it was considered to be a breach of professional ethics for a prescribing chemist to sell anything.

It has been stated that Creme de Menthe tooth-paste was an article which was put off the market. What was your experience in regard to that?—A representative from Australia offered me minimum lots of six dozen at bed-rock prices, which I purchased on the definite understanding that an extensive newspaper advertising campaign was to be entered upon. This undertaking was never at any time carried out. For that reason I returned the tooth-paste to the merchant, and it was ultimately sold at any cost the retailer could procure to quit the line. Messrs. Rattray told us that soon afterwards the proprietors went into liquidation. The line was never on the market.