

get on until the National Distributors joined the Merchants' Association. I also got the thing in conversation with merchants whose names I cannot divulge. Half the merchants want National Distributors on the Merchants' Association and there is about another half who do not. Those who want them on want to get the benefit of our advice and experience in helping them with their fights with the Four Square Stores.

I understand that the National Distributors' fruit only sells at a price which is fixed?—Yes, and I would like to state that the Self-Help have never cut the price of Australian currants or sultanas. We have always made a good profit on those lines and we have never been accused of price-cutting in connection with them. We always make a good profit on Australian dried fruits, and we have been complimented by the dried-fruits representative who has come over from Australia on the displays we have made of their product.

What suggestion would you give to the Committee for the refusal on their part?—They were influenced by the merchants of New Zealand, who told them straight out that they would bring pressure to bear to try and get the duty removed on American fruit if they did not go back to the old list—that is, the Australian people did go back to the old list and the old list did not have the name of National Distributors on it.

*Mr. Healy*: I am a bit out of the running of the thing. Will you tell me how long this Committee has been taking evidence?

*The Chairman*: This is the first day on the main evidence.

*Mr. Healy*: It seems to me like a case of intimidation on the part of the Self-Help people, asking the people to watch the division-lists of the House and telling them how to cast their votes.

*The Chairman*: You had better bring that up in the House.

*Mr. Healy*: It seems to me to be a breach of privilege to say things like that in the House while the Committee is still making inquiries. It is a question of distributors. I have heard from a number of business people that the policy of National Distributors was to get the monopoly and to supply merchants with goods, the merchants would supply the retailers with goods, and the retailers would supply the public. That is three hands it goes through and it is a very uneconomic way of doing the business.—How on earth could National Distributors get a monopoly with the huge firms that deal in groceries with the enormous amount of capital they have got. They could buy us twice over.

*Mr. Sullivan*.] If anything is to be done, Mr. Sutherland, how would you prefer it to be done—on the lines of minimum profit?—Yes, so that a fixed profit must be made, say, not less than 10 per cent., and you could not be refused supplies of any article so long as you made 10 per cent. on it. If you did not have that provision they could at once force you to make 10 per cent. on everything, and they would gradually work the whole lot of the lines up so that you would be getting about 50 per cent.

Supposing you put out an increased number of stores and employees, would that hold good if all the grocery businesses of the Dominion were run on the same lines as your own?—It is impossible to run it all on our own. A big number of people must have service and they will not bother carrying their goods home. We only have a very small part of the business of the Dominion. In every country in the world the chain stores only have 15 per cent. of the business. They have in America and I suppose they have elsewhere. The people want the service; they do not want to be carrying the articles along the street.

*The Chairman*.] I think it was Mr. Sutherland, jun., made a statement in evidence that he was representing the largest distributors' association in New Zealand. In making that statement he must have some idea of the total distribution made, so it may be that they want a monopoly as Mr. Holland suggests.—They could not fight firms like Nathan's, Johnston's, and Ellis and Manton.

Also in your list taken from the Year-Book as to employees in the trade union, that would include in more recent years employees in such concerns as Woolworths and McKenzie's?—No, Woolworths and McKenzie's have just gone into the grocery trade. The last year is 1933, and Woolworths were not in it then.

That is taken from the list of the union? In connection with bread you mention the profit in Wellington City as 14·1 while at Upper Hutt it is 7·5. That is lower than your average turnover?—It is a different baker out there.

There must be price-cutting there.—I did not say there is. Ours is 7·7 and overhead 7·5—very little difference.

What is the retail price here in Wellington?—5d. or 5½d.

That is 10d. for a 4 lb. loaf. Now we have a statement handed in by the representatives of the bakers. They came down a day or two ago to give that evidence, but we were not ready to take that evidence and we told them they had better leave their statement for examination. In part of the statement it is said that the Self-Help stores sell bread in Auckland at 8d. with a landed cost of flour £1 8s. 6d. above Wellington.

*Mr. Wilkinson*.] The witness has promised to let us have the particulars of the prices?—At every store we have got.

*The Chairman*.] Apparently it has been so in Auckland?—Not long. We have the returns every week, and it has only been started three weeks, or a month at the outside.

*Mr. Harris*.] Regarding the question of unemployment, Mr. Sutherland expresses the opinion that if the amendment went through it would reduce the number of assistants all round. Would not the question of price-fixation, Mr. Sutherland, induce quite a lot of new businesses to start—possibly tobacconists—and would not that have the effect of increasing the amount of labour rather than decreasing it?—I said it would drive me out of business; I would have to start and look out for something else.