

10. You do the whole of the New Zealand trade?—I personally do the whole trade from one end of the colony to the other.

11. Do you sell fancy tobaccos at all?—To some small extent—as cut tobaccos, not fancy tobaccos.

12. Then, you do not claim to have any large proportion of the fancy-tobacco trade, but at least 50 per cent. of the plug trade?—Yes, at least 50 per cent., if not more.

13. *Mr. Witheford.*] Have you any complaints from retail tradesmen who say that they are prevented from selling particular brands of well-known cigarettes?—I have heard complaints, but my inquiries have shown me that the complaints were unfounded. In fact, several large retailers have assured me that there is nothing to complain about at all. Any grievance that exists is owing to the retailers cutting prices against each other.

14. You say there is no truth in the statement that retail tobacconists have been interfered with?—My own inquiries lead me to say there is no truth in the statement—absolutely none.

15. *Mr. Barber.*] You said that the American tobacco trust did not prevent shops keeping other lines?—I said that my firm did not, and that, so far as I am aware, the American Tobacco Company of New Zealand (Limited) did not.

16. Wherever I go I never go into a tobacconist's shop without hearing of some complaint?—I heard that statement made, but when I inquired into the matter I found it was absolutely untrue. We never dictate ourselves, and I believe that it is really not the case, for if you walk along the streets you will see numerous brands of tobaccos in the tobacconists' shop-windows.

17. The statement has been made to me more than once, but the tradesman who made it declined to come and give evidence before the Committee because he thought he was under the control of the tobacco trust?—Well, he would be a good man to call; but I think you could disprove it. In the first place, I presume he would buy all his goods from the merchants, because neither myself nor the American Tobacco Company of New Zealand (Limited) supply direct to the retailers. We wholesale agents sell to the merchants only, and consequently there could not be this grievance against the American Tobacco Company, but it might be against the merchant. The American Tobacco Company, so far as I know, does not supply to the retailer.

18. *Mr. Aitken.*] It supplies the merchant?—Yes.

19. *Mr. Hardy.*] You know something about the reports over which there has been friction?—Yes.

20. Do you know, then, the cause?—No; my inquiries lead me to think there is none.

21. "I regret to say I will be unable to appear before the Committee. I prefer to have nothing to say on the subject named in your letter": would you think that man is afraid to come before the Committee?—I should say he has not the time or ability to put what he thinks of the subject into plain language.

22. Do you not think he would say in that case, "I have not the time"? Another man says, "I cannot attend before the Committee, and with all proper respect I submit that this is a question which should be dealt with solely by the wholesale tobacco-merchants throughout the colony." This is written in good English, and consequently if the man is able to write in good English and had a reasonable excuse he would have given it?—He should have.

23. So that there may be reasonable friction?—There may be some friction.

24. Do you think there is cause for friction according to that letter?—No. I should say that man felt that, owing to the absurd rumours, and letters published in the newspapers, in time the so-called trust might do what was stated, and he felt it might be necessary to get some protection.

25. He goes on to say that he considers "it is the clear duty of the merchants to protect the interests of the retailers"?—I think I have covered that already. He is apparently looking to the future, and thinks there might be a combine and wishes, with the assistance of the merchants, to protect himself against it.

26. *The Chairman.*] Have you any idea of the wholesale profits made?—Yes; the merchants make on an average 1½d. per pound on our Derby and Golden Eagle tobaccos.

27. What is the average net profit of the retailers?—I doubt if the retailer makes 6 per cent. net profit. In some cases he makes 10 per cent., but, generally speaking, I should say the net profit would be about 6 per cent. I cannot speak with certainty as to what he does make, because the retailers cut so much against each other that no man really knows what each man is making.

28. What would you consider the average cost of managing these places—about 25 per cent.? What would the gross profit be?—I should think it would be on an average from 15 per cent. to 20 per cent. Fifteen per cent. would probably be nearer the mark than 20 per cent.

29. So that if they average 6 per cent. that would be beyond the mark?—I should say that would be above the mark, although I have no retail experience to guide me.

30. Can you tell me how much tobacco in weight you sell in the colony?—About five thousand cases—that is per year. Multiplied by 160 that would give 800,000 lb.

31. Then, in cigarettes, can you tell me the weight of those?—We sell practically no cigarettes, our cigarettes being of too high a grade for the public to buy.

32. Can you give us at all a reason why the retailers as a body will not come here to give evidence? Do you not think it arises from the fear that if they come and give evidence it may affect them afterwards in the treatment they will receive directly or indirectly from this tobacco company?—I do not, simply because they buy from the merchants, and not from the American Tobacco Company of New Zealand (Limited), and the merchants themselves would not refuse to supply any retailer who requires goods and is able to pay for them; and the merchants would take care to protect any of their clients in such instances.

33. You have heard probably of documents having been sent out by the American Tobacco Company binding their people to do no business in any tobaccos outside of their own?—I have only heard of one case, and I have not proved that it is true.

34. You have not heard of anything of this sort: "As agents for the American Tobacco Company