

8. *The Chairman.*] Do you mean that the merchants are acting collectively and in an association ?—Yes. I am referring to a list or scale for goods.

9. *Mr. Hall.*] You say they have a way of getting on the list of wholesale merchants ?

10. *Mr. Veitch.*] If you are classed as a wholesale merchant they will give you the benefit of discounts which you cannot get if you are not on the list ?—Yes.

11. *Mr. Fairbairn.*] It is within your knowledge that certain goods are supplied to certain retailers at a lower price by the merchants ?—Yes.

12. And that it is impossible to get the goods at those prices except in that way ?—Yes.

13. Have you ever known of a penalty having been inflicted on a retailer or any one who has purchased outside the combination ?—No, I cannot say I have.

14. That means that they have been able to effect a complete monopoly of those goods ?—Yes, I am sure of it.

15. If, for example, you could buy Colman's goods on the same terms as the more favoured retailers—if you could buy at, say, 15 per cent. better terms, would the public get the benefit of it ?—Yes, certainly. I think it would make a big difference to the public.

16. If you could buy sugar at $2\frac{1}{2}$ per cent. better than you are buying it, it would make a difference of 3d. a bag ?—Yes.

17. Who would get the benefit of that ?—The public, by all means.

18. How often do you turn your sugar over in your business ?—Once a fortnight I get supplies.

19. That means twenty-six times a year ?—Yes.

20. Assuming that your working-expenses in conducting your business is 10 per cent., would you consider that 15 per cent. a good profit for sugar ?—Yes.

21. That is to say, you would be making on the capital outlay 5 per cent. multiplied twenty-six times ?—Yes.

22. Then, generally, you know that the Merchants' Association of Dunedin have introduced restrictive conditions in connection with trade that have entirely obliterated competition in buying ?—Yes, fair competition.

23. *Mr. Macdonald.*] Do I understand that what you say is this: that no retailer can purchase outside the association ?—Well, not for every line of goods, but for certain lines; it is limited.

24. *Mr. Fairbairn.*] Would you be good enough to name them ?—Take New Zealand manufactures—condensed milks, baking-powder, and general household lines.

25. *Mr. Macdonald.*] Sugar ?—Yes; that was the greatest one of all.

26. *The Chairman.*] Soap ?—Yes, certain brands.

27. *Mr. Fairbairn.*] You can buy sugar and some of these lines outside the Merchants' Association. We are now referring to lines that you must buy through the merchants ?—Yes.

28. Can you buy, outside the Merchants' Association, Keiller's marmalade, Fry's cocoa, Bournville cocoa ?—No; a man would need a pencil and a fifty-page book to put them all down.

29. You can buy candles outside ?—Yes.

30. Would you be good enough to let us have a list of the lines that you must buy through the Merchants' Association, where the prices are fixed ?—Yes, I would not mind doing that.*

31. What we want is a list of the goods that you can only get through the Merchants' Association—not that you can buy outside. We want you to indicate what lines are absolutely tied and controlled ?—Yes.

32. *Mr. Macdonald.*] Can any retailer become a member of this association ?—This is a wholesale-merchants' association.

33. They practically "corner" the trade in certain articles ?—The retailer must buy from these people, and they can frame whatever tariff they wish.

34. *Mr. Veitch.*] Do you know if they give special rebates or discounts to firms that buy large quantities from them? Are they treated any better than firms that buy smaller quantities from them ?—Yes, the big buyer is treated a little bit better. Of course, it is a very small difference.

35. *Mr. Macdonald.*] Has this association in your opinion artificially raised the prices of those articles? Assuming that there was free competition and you could buy them from any wholesale house you liked, has the association raised the prices to the retailer ?—I am sure of it.

36. *The Chairman.*] Can you inform us whether the association is registered, or is it merely an understanding without a document ?—I think they must have something registered. I would not be quite sure of that. I do not know much about the association. I think they must have some agreement.

37. *Mr. Macdonald.*] In writing ?—I am sure of it. They seem to have a very strong "pull" over each other. If any member happened to break anything he would get pulled up with a round turn.

38. Can you tell us generally what the effect on prices of the reduction in the tariff has been? Who has pocketed the benefit of the reduction in the tariff ?—It is benefiting the producer and manufacturer, I should say. It is not benefiting the public to the extent it should do.

39. *Mr. Veitch.*—The producers of goods are the producers outside of New Zealand ?—Yes.

40. *Mr. Fairbairn.*] Do you remember the price of Neave's Food before the tariff alteration ?—We retailed it at 9d. a tin.

41. Surely not as low as that ?—Yes; but that was a long time ago.

42. *Mr. Robertson.*] In regard to English goods: there must be an arrangement between the association and the manufacturers at Home ?—Yes.

* "Re your request for a list of controlled lines of goods, I submit the following; as being to the best of my knowledge controlled:—Highlander condensed milk; Keiller's marmalade, jams, &c.; Colman's goods; Keen's goods; Reckitt's goods; Nugget polishes; Scott's emulsion; cough cures; patent medicines; spices, peppers; Lever Bros.' soaps; cocoa—Fry's, Bournville, Van Houten's; and several smaller lines that do not seriously concern our business.—R. W. WILSON."