

JOHN PEARSON PAGE sworn and examined. (No. 3.)

1. *Mr. Myers.*] You are the representative for Messrs Potter and Birks, of New Zealand, Ltd. ?—Yes.

2. Are they a New Zealand firm ?—Yes.

3. Their headquarters in Auckland ?—Yes, the New Zealand headquarters.

4. I think one of your lines is Johnson's baby-powder ?—Yes.

5. Are you agents or manufacturers ?—Agents in New Zealand.

6. Manufacturers' agents in New Zealand ?—Yes.

7. Is it a very well-known line ?—Very.

8. How long has it been on the market in New Zealand ?—I cannot say definitely, but considerably over twenty years.

9. How long have you been connected with it ?—About the same period.

10. I want to ascertain from you what has been happening in recent years. Is it an article which has commended itself to the cutting traders for cutting purposes ?—Yes.

11. Is that a recent development, or a development for years ?—For a period of years.

12. There has been more or less cutting ?—Yes.

13. Did the cutting of recent years become more or less severe ?—More severe.

14. Is it an article that you advertise largely ?—Yes, considerably.

15. And have you reduced your advertisement during recent years or maintained it ?—Increased it.

16. Do you mind telling me at what price that article is sold to the wholesaler and by the wholesaler to the retailer ?—It is sold to the wholesaler at 13s. 5d. net in 12-gross parcels.

17. Are they the best terms ?—They are the best terms.

18. That is sold to the wholesaler ?—Yes.

19. And the wholesaler trades with the retailer ?—He sells to the retailer at 15s. 9d. net, after which we give a rebate of 3s., which brings the retailer's price back to 12s. 9d.

20. What is the usual price at which the article is being sold to the public—I am not speaking of the cutters ?—1s. 6d. per tin.

21. That is the recognized price ?—Yes.

22. You know that the price has been cut very badly ?—Yes.

23. Cut down to what ?—Below cost.

24. And I think you tell us that that cutting of recent years has become intensified ?—Yes.

25. With what result ?—With the result that our sales decreased considerably over a period of years.

26. Will you give us the percentage of decrease—say, take from 1924 onwards, taking the first figure given as 100 per cent. ?—Up to 1924 our sales had maintained a normal increase each half-year; from 1924 they started to fall each half-yearly period.

27. During this period the cutting was becoming intense ?—Yes.

28. Give the Committee the period and figures ?—I shall take as 100 per cent. the last half-yearly period of 1924.

29. That is, 1st July to 1st December—you will take that as 100 per cent. ?—Yes.

30. Take January to July, 1925 ?—Our sales came to 93 per cent.

31. July to December, 1925 ?—They came to 62 per cent.

32. January to June, 1926 ?—They came to 53 per cent.

33. Did you then take a drastic course ?—We took a drastic course and established a price-fixing scheme of our own.

34. And what was the retail selling-price under that fixation ?—1s. 6d.

35. You made that uniform ?—Yes.

36. Making it clear if a retailer did not sell at your price he would not get supplies ?—Exactly.

37. Would you mind telling me the result since the beginning of July—take half-yearly to 1926 ?—They came back to 114 per cent. I might add that during that period when our sales fell our sales should ordinarily have increased, because during that period we advertised intensively, and nevertheless our sales fell to an alarming degree.

38. The moment you put into operation your price-fixing scheme they went back at once to more than they were ?—Yes, to our 1924 period.

39. How are they this year ?—We have just started on it. Since the beginning of this year the sales have been all right.

40. To what do you attribute the decrease of your sales ?—We feel sure it was due to the antagonistic attitude of what we call the legitimate retailer, and this attitude was forced upon him by the tactics of the man who cut to cost or below cost.

41. During that period of intensive cutting were there other baby-powders on the market ?—Yes.

42. And still on the market ?—Yes.

43. After you introduced your scheme you have bettered your sales ?—Yes.

44. I understand that you go round New Zealand interviewing your customers ?—Yes.

45. Are you able to tell the Committee from your own knowledge, and from your own experience of meeting your customers, as to whether or not the reason you have given for the decrease is the correct one ?—I am sure that in a great number of cases our clients refused to stock our line simply because of the cutting that was going on by other retailers.

46. I think you produce correspondence between one of your customers in Invercargill and yourselves relative to this point ?—Yes: Mr. Brown. He refused to stock our line because he said he would be called a profiteer if he sold at the recognized price whilst the other man was selling below cost. [Letters put in.]