

120. There is one question that I would like to ask you that has been partly covered by the re-examination of Mr. Myers: Supposing you had decided to fix the price at 1s. 2d., what would have happened—you are selling it in England at 1s. 2d.?—It would not have recovered to the extent it has recovered. I may say that no manufacturer wants his line to be cut.

121. Therefore you are offering a special inducement to the retailers to push your line?—We do not give the retailer what he asks for, but we give him what we consider is a fair margin of profit. The same applies to the wholesaler.

122. *Mr. Collins.*] I take it that you will permit an accountancy examination as to the sale of this powder if the Committee consider such a circumstance is warranted?—Quite.

123. You have succeeded in establishing a price in New Zealand satisfactory to your clients by fixing this range of prices, both wholesale and retail?—That is so.

124. It was not necessary for your firm to join up with the P.A.T.A.?—Except that we support it in principle.

125. You have succeeded in satisfying the price to the distributors by acting on your own behalf?—Yes.

126. Are you satisfied with the position as it stands to-day?—Yes.

127. Presuming that the cost of the distribution of articles through the chemists' shops is greater than through grocers or shops selling fancy goods, you have arrived at your price of 1s. 6d. by taking into consideration the chemist who has the higher cost of those I have mentioned?—Yes.

128. You would not consider it expedient, then, if you could double your turnover in New Zealand by cutting out the chemist and putting your article through the grocers and sell it at 1s. 2d.?—We claim that our figures prove that such an action as that would be detrimental to our business, and, moreover, our figures would go back again.

129. You have looked upon the chemist as your chief distributor—he comes more in direct touch with babies: that is your point?—Yes. I may add further that the majority of the cutters have been anxious and willing to fall in with our scheme; but they want to be assured that there is no likelihood of any one cutting below them.

130. The overhead cost in the different distributors varies as between the grocer and the chemist?—Yes.

131. And the public are not getting the advantage of your dealing with the distributor who is getting the quicker turnover?—We claim that our article is better than many of the substitutes.

132. Is your house connected with the P.A.T.A. in New South Wales?—Yes. Our Sydney house tells us that they have not the same trouble in Australia as we have in New Zealand.

133. Has the price been reduced there?—I cannot say.

134. In all cases you deal through the wholesalers?—Yes.

135. You give no advantage to a big store like the New Zealand Farmers' Union in Auckland, who could buy huge quantities?—They have always bought through our wholesalers in Auckland.

136. There is no way of escaping the wholesalers in your line?—That is so.

137. *Mr. Myers.*] You told Mr. Collins that your price-fixing scheme is satisfactory and that you could work it without reference to the P.A.T.A.?—Yes.

138. Is there any advantage in the P.A.T.A., either in the way of policing or otherwise of your article, and thereby saving expense to you?—Yes; and we have made application for the registration of Johnson's baby-powder.

139. For which you pay £5 5s. per year?—Yes.

140. Do you regard that as a good investment?—Quite. I may say that we were hoping that the P.A.T.A. would be functioning before this, and if they had been functioning we would not have had to introduce this scheme, but it became a matter of such urgency that we could not wait.

ALBERT GEORGE CAREY sworn and examined. (No. 4.)

1. *Mr. Gresson.*] You come from Oamaru, and are a grocer there?—Yes.

2. And you deal strictly in cash?—Yes.

3. In addition to dealing in cash, you deliver goods up to a value of more than £2 10s.?—Yes, in the town.

4. Are you the only cash grocer there?—Yes, I am the only cash grocer there.

5. And what is the result of being a cash grocer as compared with your credit competitors?—The result is that I am in a happy position.

6. Do you sell at the same prices as they do?—No.

7. Do you sell under or over them?—I sell under them.

8. Do you sell goods in the way my learned friends suggest—namely, below cost?—I have no lines that may be called bread-and-butter lines that are cut below cost.

9. Do you find that on nearly all occasions you are able to undersell the credit men?—On practically every article, yes.

10. Owing to the reduction in your overhead expenses?—Yes, absolutely.

11. You have come up against the P.A.T.A. in Johnson's baby-powder?—Yes.

12. You refused to sign the agreement in regard to that powder?—Yes.

13. And similarly with aspro?—Yes.

14. In the case of aspro, they charge 36s. per dozen of 100 tablets, which works out at 3s. per bottle, and they want you to sign up at 4s. 6d. and to sell at a profit of 1s. 6d.?—Yes.

15. As regards the P.A.T.A., do you agree with its operations?—No.