

90. It has been suggested during the cross-examination of one witness that a cutting retailer might have been able to obtain Lane's emulsion at less than the ordinary wholesale price, and therefore sell it for less. Could he do that without breaking the conditions on which the article is sold?—No, he could not.

91. Take Kruschen salts: is that a well-known line?—Yes, very well known.

92. We have heard that it is being cut. Does this circular set out the conditions on which Kruschen salts are sold?—Yes, it was received by us from the manufacturers.

93. If the line is being cut, therefore, as we heard yesterday it was, and it is suggested that the person doing the cutting has obtained the goods cheaply, could that have been done without a breach of the conditions laid down by the manufacturers?—I say, no.

94. Is Kruschen salts a favourite line of the cutter?—Yes, very strong.

95. Take Kruschen salts, Eno's fruit-salts, or any of these proprietary lines you like: speaking generally, what class of trader—chemists, grocers, fancy-goods retailer, or draper—does the pioneering work with the public in these lines?—The wholesale druggists entirely.

96. Does that mean people like yourselves, and Kempthorne, Prosser, and Co., and other concerns?—Yes. I do not say "entirely," but I do say "principally."

97. Then take such a line as Johnson's baby-powder: what class of retailer does the pioneering work there—is it the retail chemist or the grocer?—The chemist.

98. At what stage, generally speaking, in the development of a particular line does the cutting retailer take a hand?—When it becomes a very well established and popular line.

99. And we may take it, then, that he had had all the benefit of the advertising of the manufacturers and possibly of the wholesale merchants in New Zealand, and the whole of the pioneering-work done by the chemist?—Yes.

100. You have been dealing with retail chemists during the whole of your career with Sharland's?—Yes.

101. Can you tell the Committee whether or not is it possible for the chemist to carry on and make a reasonable living without having his trade in the proprietary lines that he now has?—I should say not.

102. Perhaps you can tell us the best wholesale price at which certain articles which I am going to name to you can be bought on the New Zealand market. By "wholesale prices" I mean the price which the wholesaler charges to the retailer. Take, for instance, Dr. Morse's Indian root pills: what is the best price at which a retailer can buy that line from a wholesaler?—The prevailing price is 12s. 6d. a dozen, less discount.

103. And what is the best price at which the wholesaler himself can buy?—I am only speaking from memory, but I think it is 10s. 6d. a dozen.

104. It was stated yesterday to be 11s. ?—I think it is 10s. 6d.

105. But the best price at which the wholesaler sells to the retailer is 12s. net?—Yes.

106. Take Cuticura soap: what about that?—The best price at which the retailer can purchase from the wholesaler is 14s. 6d. a dozen less discount, which brings it to 13s. 6d. net.

107. And Piver's shaving-cream?—I cannot remember that.

108. Palmolive talcum powder?—I could get these figures, but I cannot say at the moment.

109. Blue Seal vaseline?—I think the wholesale price of that is 9s. a dozen—that is, for the small size, which sells at 1s. 3d.

110. Would it be possible, in your opinion, for the manufacturer to deal direct with the retailer and eliminate the wholesaler?—I think it would be impossible for him to do so.

111. For example, where a manufacturer is a resident overseas?—He could not distribute.

112. *Mr. Gresson.*] With reference to your last answer, what is to prevent the manufacturer having an agent here who could deal with the retailer?—The expense of distributing one line would make it too high to do business satisfactorily.

113. But surely that depends on the amount of trade in that line?—Yes, naturally.

114. If, therefore, a line has a sufficient amount of trade, there would be nothing to prevent the manufacturer having an agent here and dealing with the public?—I am not aware of any.

115. Could you give me an idea of what amount of trade would be necessary to make it payable?—It is rather too vague.

116. Do all wholesalers keep to the same price?—No, they do not.

117. A retailer will buy from the cheapest house?—Yes.

118. I think there must be some mistake in the price you gave of 12s. 6d. a dozen for Indian root pills. I am informed by a witness here that he buys that line at 11s. a dozen, less $7\frac{1}{2}$ discount. Is there a definite wholesale price, or do wholesalers cut among themselves?—The wholesalers are obliged to cut if the retailers do.

119. Well, you say the retailers cut, and they say the wholesalers cut. It is a question of the pot calling the kettle black?—Yes.

120. It may be that the wholesalers cutting have forced the retailers to cut?—I am not aware of that.

121. Anyway, we have the fact that there is cutting going on among the wholesalers. You have also said that, in your opinion, the chemist could not carry on without proprietary lines. I put it to you that that must be very largely the result of guesswork on your part, because no chemists do carry on without proprietary lines, do they?—Generally speaking, they all carry proprietary lines. I believe there are a few instances where they do not, but it does not enter into this discussion.

122. Can you say that a chemist cannot carry on without proprietary lines?—I could not say that.

123. You have no material on which to form an opinion?—No.