

124. You have told us that some years back the manufacturer usually allowed the wholesaler a margin of 20 per cent. : could you tell us at the same time what percentage goes on to the article before it gets to the public after it has left the wholesaler ?—Take Lane's emulsion ; it was sold to us at 24s., less 20 per cent. ; now it is sold at 24s., less 15 per cent. The increase between the wholesaler and the public was from 24s. to 30s., and it remains at that to-day.

125. Take the article you manufacture yourselves, Nazol : is there anything in it which would prevent any other article being substituted for it ?—I should say that the fact that it has not been possible to successfully substitute it justifies me in saying yes.

126. But you were complaining, were you not, of substitutions ?—At attempts to substitute ; but those attempts were unsuccessful.

127. Well, then, what are you complaining about ?—They had to be fought by advertising.

128. Nazol has always been a fairly good line ?—Yes.

129. You mentioned the case of Wheeler, and you suggested that he carried on business for three years and then filed a petition in bankruptcy as a result of his cutting tactics. Are you aware that Wheeler was carrying on business in Auckland successfully from 1908 to 1923 ?—I do not know that. All I know of him is his connection with Wellington.

130. Are you able to tell of any of the circumstances which led to Wheeler's disaster ?—No.

131. Or of the liquidation ?—None whatever.

132. With regard to Crème de Menthe tooth-paste, you say that because of price-cutting the article went off the market. In the first place, was it ever a well-known article ?—It was attempted to make it well known.

133. Might it not have gone off the market because of its own inherent difficulties ?—I only know what the circumstances were connected with it.

134. I suggest that if you have an article which is not very good, and a slow-seller, you will find people naturally cutting the price in order to get rid of stocks ?—It did not have time to become a slow-seller.

135. How long was it on the market ?—The cutting began immediately. I believe it is still sold.

136. Is not tooth-paste one of the lines which gets the fiercest competition ?—I suppose that could be said.

137. With regard to the cutting of Eno's that you complained of, as I understand it, you say the cutting cannot hurt any one, because you have to stock it ?—That is because it is such a good article.

138. Then we may take it that as regards a good article the question of cutting will not affect its sale one way or another ?—It may.

139. In what respect do you suggest it would affect them ?—A good article may not be as well known as Eno's. Eno's has a world-wide reputation. There may be a good article of its kind which is not so well known, and which cannot achieve such a wide distribution because of some distributors not stocking it owing to its being cut.

140. Is it not fair to say that although cutting may prevent a new article getting a footing on the market it cannot harm an already established article—except, possibly, increasing the cost of advertising ?—That would be correct.

141. I would like this information for my own purposes : What is the difference between what Mr. de Fenq referred to yesterday as a proprietary article, and a patented proprietary article ?—There is no difference. A patented article is a misnomer. The majority of articles are proprietary articles, but patent articles are not in existence nowadays. Proprietors do not patent their preparations.

142. Are all the articles we have been referring to proprietary articles ?—Yes, that covers the field.

143. What actually constitutes a proprietary article ; is it simply a man's name, a particular form of container or receptacle ?—No. He would register his design or trade-mark ; that makes it proprietary.

144. If, for instance, Woods' flour is registered, is that a proprietary article ?—That is taking me out of my line of business.

*Mr. Reardon :* I think the reason medicines are not patented is because it would be necessary to disclose the formulæ ; so proprietors register a trade-mark.

145. *Mr. O'Leary :* Do you seriously suggest that any argument can be used in support of your contention based on the fact that one or two price-cutters have gone bankrupt ?—I suggest nothing.

146. Do you know a man named ——— ?—Yes.

147. We were told yesterday that he was a notorious price-cutter ?—I was not present yesterday.

148. I understand he is not a pauper as a result of his operations in New Zealand ?—It is not within my knowledge that he is a notorious price-cutter.

149. Well, perhaps the word "notorious" was not used. We were told he was a price-cutter, and that he had to toe the mark. It has not pauperized him ?—I do not recognize him as a price-cutter.

150. All your argument, apparently, is on the assumption that every proprietary line that goes out is good and something which is worth purchasing ?—Yes.

151. I suggest that it would be a good thing for the community if half of these proprietary articles died a natural or an unnatural death. A lot of it is only rubbish ?—No ; the manufacturers maintain they are good articles.

152. *Mr. Myers :* Apparently you claim the cutters get to work on the best lines ?—Yes, exactly.

153. So that we need not bother much about the rubbish that my friend has spoken of ?—No.

154. With regard to ———, does he deal only in proprietary lines or in fancy-goods generally in a large way of business ?—In fancy-goods in a large way.

155. *Mr. Hayward :* You mentioned just now that, while price-cutting may injure a good line which was not established, it would have little effect on a good line when it once became established