

In the illustrations you gave you cited Cuticura soap, the sales running down from 100 in 1923 to 50 in 1926, and Coalgate's dentifrice from 100 in 1922 to 33 in 1925. You would call these good lines?—Yes.

156. And you regard the falling-off in sales in those two instances as a result of price-cutting?—I do.

157. *Mr. Montgomery.*] Does it not occur to you that the fall in the consumption of Colgate's dentifrice might have been in some measure at least due to heavy competition of new soaps and dentifrices on the market within recent years, such as Palmolive soap, Euthymol tooth-paste, and the like?—It would have an effect.

158. Is it a fact that these soaps have been very serious competitors of Cuticura soap during recent years?—Palmolive must be regarded as a serious competitor of Cuticura, but at the time Cuticura soap was selling largely it also had serious competitors other than Palmolive.

159. But has not the competition in soaps become peculiarly acute during the last two or three years?—It could be said, yes.

160. *The Chairman.*] Have your sales of Eno's fruit-salts decreased materially during the last three years as a result of cut prices?—Yes.

161. Have you, as a matter of policy, merely stocked Eno's because of the cutting which goes on—that is, you stock as little as you can?—Yes, we stock it because we just keep the good will of those customers who will buy from us.

162. In the case of Crème de Menthe, why did not the manufacturer punish the retailer for cutting the price, by stopping his supplies?—Because such a quantity came back on the hands of the wholesaler from the retailer that the manufacturer could take no action.

163. There was some evident objection to its qualities, if you had so many returns?—No; the retailers who bought from the manufacturer through the wholesaler, on the understanding that the line would be retailed at 1s. 9d., found they were unable to obtain that price, and therefore returned the goods to the wholesaler. The manufacturer, therefore, could not sell further supplies to the wholesaler.

164. Could he not have re-established his position by dealing with the price-cutters?—He evidently failed in his effort to do so.

165. But in other lines manufacturers have succeeded in taking drastic action?—Yes, at a very great cost to themselves; probably this particular manufacturer was not able to stand up to the cost.

166. Could you give us the total sales of your tooth-pastes and soaps during the periods you have referred to?—No. We do not completely separate the accounts.

167. Can you say whether your total lines have generally decreased during the last few years, of all brands?—Speaking from memory, I should say the aggregate would be higher over all.

168. And has competition been pretty severe in all lines during the last five years?—Yes, competition is very severe at the present time in all classes of goods that we handle.

169. And has competition been so severe that you have had to consult with other wholesale druggists in conference as to protecting your own interests?—Yes; this P.A.T.A. movement is the outcome of it.

170. You have agreed amongst yourselves to support the P.A.T.A. movement?—Yes, as being the machinery which would best effect an improvement.

171. What do you consider would be a fair profit to your shareholders: do you consider 7 per cent. fair?—I should say that 8 per cent. is not a high return.

172. So that you are a little disappointed with the last three years, of 7½ per cent., 7 per cent., and 7 per cent.?—I am particularly pleased that the shareholders are not as disappointed as I am.

173. Has the number of wholesale chemists increased during the last ten years?—There has been no increase during the last ten years.

174. Have any gone out of business?—No.

175. You have been in the business of Sharland's for thirty years?—Yes.

176. You have a very good knowledge of trading-conditions over those thirty years?—Yes.

177. Have you noticed a general evolution in trade over that period? I mean, in your earlier stages with the firm your main trade was with the chemists and druggists?—Yes.

178. Then, at a later stage, you did an increasing trade with the grocers?—Yes.

179. And less with the chemists?—No.

180. Has it steadily increased with the chemists during all that period?—Yes.

181. Despite all the cutting by the new distributors of goods, the draper and the cut-rate man, your business has steadily increased with the druggists and chemists?—There has been a general increase.

182. You understand that my question relates purely to proprietary lines?—Then, I withdraw the answer. I thought your question referred to general lines.

183. Then, I ask you, has there been a change of trade during the last few years? First, in proprietary lines it was mainly with chemists and druggists?—Yes.

184. Then the grocers started to have an important connection with you?—Yes.

185. At what period of time did the grocer have a bigger trade with you than the chemist?—I should say from fifteen to twenty years ago.

186. And has the drapers' connection with you been improved during recent years?—No. As a matter of fact, we do not do a great deal of business with the drapers.

187. And only in recent years have the cut-rate stores been your customers to a considerable extent?—To some extent; not considerable.

188. Are they not considerable customers with you to-day?—No; quite the reverse.

189. Where do they make their purchases?—I could not say. I do not enjoy their confidence.