

190. To what extent do you deal with fixed-price goods in proprietary lines; is not the majority of the lines you deal with fixed in price?—No.

191. Not the wholesale or the retail price?—No.

192. There would probably be many hundreds, although you may not be successful in getting the fixed price. Still, the manufacturers request you as far as possible to get a fixed price?—Fixed, but not maintained.

193. Then, you are dealing with hundreds of lines which are fixed in price?—Yes, that is so, but not maintained.

194. I suppose you have no objection to letting the Committee have copies of your balance-sheets for the past five years?—I do not think there will be the least objection.

195. In connection with proprietary lines, where you can keep out the grocer and the cut-rate man, do you think it would be in the best interests of your business to deal entirely with traders who deal exclusively in what may be regarded as baby-goods?—I think circumstances would give them an advantage under such a procedure, but I do not advocate it.

196. You believe in the widest distribution through any channels and a fixed price?—I do.

197. *Mr. Myers.*] Can you tell us for how long serious cutting in proprietary goods has been going on (a) by the drapers and (b) by other than drapers—that is to say, fancy-goods dealers or grocers? I mean, is it a matter of thirty or twenty years, or only recently?—Cutting with drapers has always been in evidence, but not seriously. The serious and extensive cutting has been going on most acutely within the past five years.

198. That is what brought about your anxiety and the constitution of the P.A.T.A.?—Yes.

199. You say a large number of lines have prices fixed, in the sense that you are requested by the manufacturer to try to get those prices, but that they are not maintained; why are they not maintained?—For the reason that the retailer cuts his price, and the wholesaler has to come down to hold his trade.

JAMES STARK sworn and examined. (No. 6.)

1. *Mr. Myers.*] What is your occupation?—I am manager of Kempthorne and Co., Ltd., Dunedin.

2. I want to ask you a few questions with regard to Kolynos. Has your company dealt specially in that line?—We are sole agents in New Zealand for Kolynos.

3. Does that mean sole distributors?—No; we rely on other merchants to assist us in that. We are the sole importers.

4. How long has that article been on the market in New Zealand?—I think, since about 1908.

5. Is it a line which has been much advertised?—Not at first, but latterly it has been very largely advertised—this is, within the last ten years; perhaps longer.

6. Is it a line which became established on the market?—Yes.

7. Is it a line that was stocked by all the chemists throughout New Zealand?—Yes.

8. Is it a line that has been regarded as one of particularly good quality?—Yes.

9. Was an endeavour made to market it readily at a price which would be attractive to the public?—Exactly.

10. What was the price fixed?—The price fixed by the manufacturer was 1s. 6d. per tube.

11. Would you mind telling the Committee at what price the retailer purchases that article from the wholesaler?—There have been changes from time to time, but the present price is 14s. 6d. a dozen, less the usual settlement discount of $3\frac{3}{4}$ per cent.

12. The retail price has never varied?—It has not varied for a number of years. During the war-time it was 1s. 9d., owing to increased cost during the war period.

13. Except during the war period, the price has never varied?—No.

14. Eliminating the war period, has the price varied at which the retailer purchased it from the wholesaler?—There was a time when, owing to certain circumstances connected with duty, the price was 15s. 3d., and it was then retailed during that period at 1s. 9d., but since the present tariff has been in operation there has been no change in price.

15. How does the price of 1s. 6d. compare with other favoured dental creams on the market?—It is very much better in quality than some of the competing lines at 1s. 6d.

16. Are there, then, other cheaper lines which in your view are not the same quality?—They have been on the market.

17. Are there on the market other lines at less than 1s. 6d. which in your view are of less value than Kolynos?—Yes, I have seen them in the shops.

18. What do you say the price was at which the retailer purchased from the wholesaler?—14s. 6d., less $3\frac{3}{4}$ per cent. for single dozens, and for 12-dozen lots 13s. 6d. net.

19. So there is very little difference really?—About 6d. a dozen.

20. Speaking generally, in what parcels is Kolynos purchased by the retailer?—Twelve dozen has been the usual parcel for chemists and other retailers until comparatively recently, when we found that the usual average size of the parcels sold was not maintained.

21. That is, until comparatively recently?—Yes.

22. Has this article suffered in the hands of the cutting trader?—Very considerably.

23. Commencing how far back?—About three or four years ago, or possibly five.

24. Has that cutting continued; and, if so, to a greater or lesser degree?—It has continued to a greater degree.