

the chemists declined to stock it, as they said it was unprofitable. They could not sell it with confidence, and they substituted it with other preparations.

57. And they would not stock the line?—That is so.

58. Kolynos, I think you informed us, was a well-established line?—Yes.

59. And, being a well-established line, you say that it was seriously affected by the cutting?—Exactly.

60. You would expect in the ordinary course those results in the case of a line, no matter how well established, with the cutting of prices?—The tendency is for the line to shrink in sales because the distribution is interfered with.

61. We have heard that most of the manufacturers of the proprietary lines which are sold in New Zealand are in England or in Australia—at any rate, out of New Zealand?—Very largely.

62. There is a small proportion here?—Yes, but the bulk of them are outside New Zealand.

63. Speaking generally, are they represented by their own officers in New Zealand, or are they represented by agents, or do the merchants buy from the manufacturers abroad and import them?—It varies. The great bulk are represented by agents, who do not necessarily carry stocks. They may collect the orders, but others do carry stocks.

64. Some have no agents?—That is so. In the case of our agencies we do carry stocks.

65. When you speak of the manufacturer having an agent in New Zealand do you mean an agent like your own firm?—Exactly.

66. You would estimate your capacity in respect of those articles that an agent or distributor holds—do you work on commission?—No; we work on a trade profit. We have to stock to suit the market.

67. I suppose we may take it that in regard to most of the lines that are manufactured outside New Zealand the distribution is done by the merchant in New Zealand and the retailer?—Yes, that is so.

68. That brings me to this question: Is it feasible, in your opinion, for a manufacturer, generally speaking, to maintain a fixed price, both wholesale and retail, without the assistance of some body such as the P.A.T.A.?—Emphatically, no.

69. Could you amplify that by giving reasons?—Because the function of a merchant is not to carry on a price-protection scheme, but to sell goods. He has not the time to devote to what may be termed detective work in connection with the price-protection scheme.

70. Has your company joined up with the P.A.T.A.?—Yes.

71. Have you found that a commercial necessity?—That is so.

72. There is one question that I want to mention to you: At an earlier stage of your evidence in connection with the price that the wholesaler charged the retailer for Kolynos you gave us the price of 1-dozen lots and 12-dozen lots?—Yes, that is so.

73. Were those the only prices in existence?—Yes.

74. Did you have any other lots?—There was the 5-gross-parcel lots.

75. It was withdrawn owing to cutting, was it not?—Yes, recently, by Mr. Kemp.

76. What was that price?—13s. net cash.

77. There was cutting down to 11½d. was there not?—Yes.

78. *Mr. Gresson.*] You said that you approve of the P.A.T.A.: do you also approve in a particular commodity having a cash price and a credit price?—Very often for a cash price a coupon is given to the retailer. We do not object to that; that is a matter for the P.A.T.A.

79. And you as a manufacturer do not take a stand?—That is so.

80. As regards most of these proprietary lines which you tell us are manufactured in England, I presume you will agree with me when I say that the New Zealand trade must be a very small proportion of the total world trade so far as that article is concerned?—I think so; yes.

81. And therefore, as one may put it, a fairly small result on the profits of the manufacturer—that is, taken as a whole?—Yes.

82. One thing I want to know is this: Has price-cutting always been an evil in the trade?—For many years past, and as long as I can remember. It has been going on in all parts of the world for many years.

83. It has been suggested that it has become acute during the last five years?—Yes.

84. That has always been present?—Yes.

85. You have told my learned friend that during 1926, when you said the price-cutting was worst in Dunedin—you gave figures—how did you form the opinion when price-cutting was worst?—In connection with the Dunedin line we kept figures, and as the sole importers we knew the total number imported and sold each month in each centre.

86. How do you know that that was the worst period in New Zealand?—The point is, I referred to Dunedin figures when cutting was worst. I did not refer to the figures being the worst all through.

87. My learned friend used the word “worst.” You do not say that cutting was the worst at that time?—I cannot say that cutting was worst at one time right throughout New Zealand.

88. You have given this general decline in prices, ranging from 94 per cent. down to 82 per cent.: surely that must depend on whether a better and more efficient substitute comes on to the market? If they could work their line up to the standard that Kolynos has obtained by years of work, very well.

89. Is there not an article on the market of the identical formula Dr. N. S. Jenkins, packed by [*Name deleted*], and this costs 7s., and sells at 10d. instead of 1s. 6d.—I have no knowledge of that.

90. I am told by my grocers here that that is so?—There was a Kolynos tooth-paste put on the market, but that was subsequently withdrawn.