

91. *Mr. Kennedy.*] Is your business largely confined to chemists, or the greater part of it?—That is a difficult question to answer, because I have not the percentage of figures; but we do a very large business with chemists.

92. Would you tell the Committee, when the price was reduced below your tariff figure, what section of the community it was that would not push your line of Kolynos?—The chemists would not push the line. There are others besides the chemists.

93. But particularly chemists?—Yes.

94. I suppose you found that the boycott, if I may use the term, was confined to the area in which the price was being reduced?—Yes, those were our observations.

95. So that if the price was cut in, say, Invercargill, that would not affect your sales in another town?—Not so much in the remote districts; in the centres they would get that effect.

96. Would not the objection to stocking your line when the price was reduced be confined to that area where the price was being reduced—as a broad generalization it is true as I have put it?—Yes.

97. So far as the public were concerned, if they wanted Kolynos they would get it at the cheap price, and the chemists would not stock it?—That is so.

98. Do you not concede that from the point of view of the consumer it was of some advantage to get it, even in limited quantities—that is, Kolynos—at a reduced price, and, as I say, it would be of some benefit to the consumer?—To some extent, I suppose, on direct purchase it is.

99. The cost of living has been quite a problem in recent years, has it not?—Yes.

100. It is always an advantage to the consumer, especially the wage-earner, to make his purchases keenly?—Yes.

101. Under your price-fixation scheme that benefit is to be taken away from the consumer, is it not? That is to say, if your price-fixation under the P.A.T.A. comes into force in Dunedin, for example, where you say the price was cut, the consumers must pay an increased price for the article?—Yes, that is so.

102. If the price was cut in, say, Wellington, the same will obtain in Wellington, Christchurch, Dunedin, and elsewhere?—Yes.

103. So that the consumers who under present conditions go to the best place—namely, the cut-rate stores—will, if the P.A.T.A. functions, pay more for their Kolynos?—Incidentally, they will not get the advantage that they should not have got. In other words, the consumers will pay a little more for that line.

104. That is part of the function of the P.A.T.A.—to make them pay more?—To make them pay a fixed price, which must be more than when the cutting is taking place.

105. That is, a larger price than is obtained under free competition?—It cannot be otherwise.

106. I suppose you will concede that that is intended in all the lines that are to be registered under the P.A.T.A.?—Yes.

107. On all lines registered under the P.A.T.A.?—That is, I suppose, the general scheme.

108. You want them to make the consumer pay a higher price than would obtain under free competition?—That is the effect of it.

109. And that is, as a member of this council, the aim of it?—The aim is to protect prices from being cut below a reasonable price, which is considered to be a fair and reasonable price for the benefit of the trade.

110. But you want prices to be above free competition—you frankly conceded that?—I say it is unavoidable if you protect the prices that are not cut.

111. It is unavoidable?—Yes.

112. Your article, I suppose, is not the sole dentifrice on the market?—Not by any means.

113. Do you know when Gibbs's dentifrice was put on the market?—I cannot tell you that. Speaking from memory, I should say it would be within the last two or three years.

114. I suppose the large advertising campaign so far as that article is concerned would have some effect on the sale of Kolynos?—I suppose so.

115. I suppose you do not expect under competition that an article will perpetually preserve its sale on any market?—Under fair conditions it will.

116. *Mr. Reardon.*] That rather contradicts the answer you gave where you inferred that they all have their innings?—They develop their business and very often drop it. They do not carry on intensive advertising campaigns, and they fall through.

117. *Mr. Kennedy.* I suppose the rise of Kolynos was due to the fact that it displaced some other article?—Kolynos was the first firm to get to any size.

118. Kolynos may be subjected to the same rule?—Yes, it is the law of human nature; but we do not intend to let it go too far.

119. Did Kolynos supplant any other dental preparation on the market?—It must have done.

120. What do you attribute that to—price-cutting on the other lines, or due to the superiority of Kolynos?—It came on to the market not as a result of advertising alone, but as a result of the doctors and dentists recommending it, and also as a result of a certain dental conference supporting it.

121. Did not your preparation supplant a lot of other lines—at the present time you are telling us that other lines are supplanting yours notwithstanding the fact that your article supplanted something else; it may have supplanted them for many reasons?—Yes.

122. Your market-price cutting could be one, superior quality could be another?—Yes.

123. We will leave it at those two. There is also the question of advertising—to which of those do you ascribe the supplanting of Kolynos?—I would like you to say that again.

124. You tell us that your line is supplanted by other lines?—I have not exactly said so, except that it has been recognized that the sales have gone down.

125. The sales have gone down?—We do not use the word “supplant.” I say that other dentifrices are being sold by chemists, and in consequence they could not get a profit on Kolynos.