

ERNEST SYDNEY PILCHER sworn and examined (No. 7).

1. *Mr. Myers.*] You live in Wellington, do you not?—Yes.
2. And you are the New Zealand representative of Palmolive Company?—Yes.
3. Which sells soap?—Yes, shaving-cream, and other toilet preparations.
4. Have your preparations been largely advertised?—Yes.
5. How long have they been on the market in New Zealand?—For a period of about five years.
6. Up till 1924 were your articles becoming established on the market?—They were becoming established.
7. Up to then were your sales decreasing or about steady?—Increasing slowly.
8. In 1924 did you find any alteration?—Yes.
9. We will take, first of all, Palmolive soap. Up to 1924 you have told us it was increasing. At what price was it being sold retail?—9d. per cake.
10. And that price has been generally maintained up to 1924?—Yes.
11. In 1924 was there any alteration so far as the selling-price was concerned—I do not mean any alteration made by you, but any alteration in the method of trading?—The cutting of prices began in 1924.
12. You were still advertising largely?—Yes.
13. And cutting went on to what extent?—It became worse as the year went on.
14. And what did the price come down to?—It has been sold at 6d.
15. At that time what was the wholesale price—that is, the price to the retailer?—81s. per gross.
16. That is, 6½d.?—Yes.
17. And it was sold at 6d?—Yes.
18. What happened to your sales?—They dropped very considerably.
19. Did you find that any customers were refusing to keep up their stocks of the article?—Yes, many of them.
20. That went on till 1925, did it not?—Yes.
21. In 1925 did you adopt a new system?—We introduced a price-maintenance scheme.
22. And when did that become effective?—In August, 1925.
23. What happened then in regard to your sales?—They remained steady again, and as time went on they increased when we got the system generally known and the retailers knew that we were endeavouring to maintain the price.
24. Have the sales increased since?—They are gradually increasing.
25. To a small or a large extent?—To a large extent.
26. You say that there has been a steady increase?—Yes.
27. By reason of the increased sales have you been able to make any reduction in price?—Yes.
28. What is the reduction?—The retail price is now 7½d. per cake.
29. The increased sales were not only in New Zealand?—In Australia combined.
30. Have you found your scheme completely effective?—Not completely, but it is very efficient. No scheme can be 100 per cent. efficient.
31. Have you found under your scheme that there is a certain amount of cutting?—Yes.
32. Not long ago you brought an action against a grocer in Blenheim, did you not?—Yes.
33. He was selling under the fixed price?—Yes.
34. And you obtained an injunction from the Supreme Court against him, did you not?—Yes.
35. You do not know how many more people throughout New Zealand are adopting the same course?—No.
36. Have you seen this soap [cake of Palm and Olive soap produced by Mr. de Fenq in his evidence shown to witness]?—Yes, I have seen it in the windows.
37. That is not your manufacture?—No.
38. Were you present at these proceedings when it was put in the other day?—No.
39. That was sold in response to an order for Palmolive, and was invoiced as Palmolive soap?—That is a substitution for our article.
40. *Mr. Reardon.*] Your article is wrapped, is it not?—Anything that is not wrapped is not Palmolive soap.
41. *Mr. Myers.*] You have joined up with the P.A.T.A., have you not?—Yes.
42. Why is that?—We supposed that our scheme was 90 per cent. efficient and we want to get the other 10 per cent of efficiency.
43. Apart from the question of efficiency, what about the question of what may be termed policing-work?—We would sooner pass that aspect of the matter on to an organization that would have more effective means of putting a stop to the unauthorized practice than would be the case in a small office like ours.
44. What is your price to the wholesaler?—60s. per gross.
45. And the wholesale price to the retailer?—68s. per gross.
46. Is that less a discount?—Yes.
47. And the retail price is fixed at what?—7½d. per cake.
48. *Mr. Gresson.*] I see that you are a member of the executive of the P.A.T.A.?—Yes.
49. Who elected you: was there a meeting of the P.A.T.A.?—I was proposed and seconded.
50. What did the meeting consist of?—It was representative of the wholesale and retail houses in New Zealand.
51. And you were elected on the executive of that body?—Yes.
52. Can you tell me, as regards the proposed operations of the P.A.T.A., as to whether they are limited in any respect?—The operations?