

Mr. Gresson : " Dishonourable " is a nasty word to use.

Mr. Myers : Mr. Norrie claims the right to sell at any price he likes.

Mr. Collins : As a matter of fact, he does not do it.

Mr. Myers : He claims the right. However, I will use the word " immoral."

Mr. Gresson : I do not mind the use of the word " immoral."

113. *Mr. Myers* (to witness).] I will put it in this way : Do you consider that that would be a proper thing to do ?—It is not in my interests to do so.

114. But you regard it as improper on the part of anybody else ?—That is so.

The Committee adjourned at 5 p.m. until 10.30 a.m. next day.

FOURTH DAY : FRIDAY, 25TH FEBRUARY, 1927.

The Committee met at 10.30 a.m.

EDWARD SMITH sworn and examined. (No. 9.)

1. *Mr. Young*.] What is your occupation ?—I am a retail chemist, carrying on business in Auckland.
2. How long have you been in business on your own account ?—About eighteen years.
3. I think you have made application to join the P.A.T.A. ?—Yes.
4. What reasons prompted you to make application ?—First of all, there was the reason of self-preservation : I found that part of my business, in common with that of others in my profession, was being chopped about and spoilt by the tactics of some of the cutters. Secondly, I had seen the results of the operation of the association in Australia, and they appeared to be equitable to all parties. Thirdly, it seemed to me that our own system of stabilizing wages in New Zealand had been so beneficial that a system of stabilizing business would be likewise beneficial.
5. Can it be said that chemists do the pioneering-work in putting goods on the market ?—Yes, absolutely.
6. Can you give us an example ?—Yes, take, for instance, tooth-paste. In the case of a new line the public are prepared to take advice from a doctor, a druggist, or a chemist in regard to the quality of tooth-paste, and in regard to the advisability of using it. They are not prepared to take advice from any other kind of trader, so the vendor of a new tooth-paste naturally seeks the co-operation of the chemist in putting that article on the market. Just as soon as it is well established and the public are asking for it, then it has been taken by the cutter and made a catch line in his particular business.
7. Notwithstanding that, I take it that for a number of years you have always stocked tooth-paste ?—Yes.
8. Supposing some ten years ago a new tooth-paste came along, what factors would you take into consideration before stocking it ?—Naturally, the factor which would enter into consideration first would be the price, and then the quality.
9. And what comparison, if any, would you make with your existing stock—We should want to know, first of all, that we had just as good an article. It would have to be as good an article at a better price, or a better article at as good a price as our existing stocks.
10. What do you mean by a better price ?—At a price which would show a better profit to ourselves.
11. What sort of pioneering-work do you do with a new line which comes to you ?—In the past we have been distributing samples if the manufacturer gave them to us, but we do not do that now. We make window displays free of charge to the proprietor of the article and generally help to put the line on the market.
12. Why do not you do that now ?—We found that it did not pay us. We put in a tremendous lot of work, and as soon as the article is firmly established we find that the price is cut about so much that it is no longer profitable to handle it, and our work has gone for nothing.
13. Do you know of any line that you have not pushed that has been cut ?—I cannot think of one occasion where a line which has not been pushed has been cut.
14. Can you afford to sell a well-known article at a cut price ?—No.
15. Why not ?—The cost of running the business has to be taken into consideration, and the price of some articles are cut to such a margin that they will not bear their share of the overhead charges.
16. Suppose you deal with an article which is heavily cut, and you charge the full price for it, does that affect you in any way ?—Certainly ; the public soon get you " set " as a high-price man and avoid you.
17. If all proprietary articles—that is, all proprietary patent medicines and toilet preparations—were cut, how would that affect your business ?—It would simply mean that so far as we were concerned we should have to rely wholly and solely on the professional side of our business ; I mean the dispensing side.
18. Does the dispensing side of your business pay you handsomely ?—Yes, proportionately it does. It is much the most profitable part of the business.
19. Will your dispensary support your business ?—No.