104. Do you think that the observance of the fixed selling-price of a manufacturer's goods lulls that manufacturer into avoiding, or disregarding, the necessity for instituting improved methods of manufacture ?—No.

105. You think competition from other manufacturers stimulates him in that direction ?—Yes; the competition is still there. Other manufacturers are trying to get a share of the trade, too.

106. *Mr. Montgomery.*] How does the pressure of competition among your own people—that is, among other chemists—affect you ? Do you consider there are too many chemists in business in New Zealand ?—No, I do not think there are too many in New Zealand. They might perhaps with advantage be more widely distributed. There is a tendency perhaps to congregate in the cities and to neglect the country places.

107. As to the question of dispensing and selling of proprietary medicines, are there any other avenues of support to dispensing than the sale of proprietary lines ?—No, I do not think any could be named.

108. I would suggest to you the keeping of optical goods or the testing of eyesight—that a chemist would be well suited for that, and, say, photographic goods, and other avenues of enterprise which might enable him to practically do without the sale of proprietary lines ?—But why should the chemist give up the sale of those lines ?

109. I am suggesting that there are other avenues of support. I do not suggest that you should give up anything ?—Some chemists do practice as opticians, but the number of opticians necessary to do the optical work is not very great. If every chemist practised optics I am afraid there would be be nothing in it for anybody. Then, with reference to developing and printing photographs, a chemist must be ready to dispense medicine for anybody who comes into his shop, or to attend to any one who may have been injured as the result of an accident. He could hardly be in the dark room and attend to somebody who may have met with an accident.

110. You are replying on behalf of the chemist who is single-handed ?—A great number of them are single-handed. And, if not single-handed, a chemist may have as an assistant a young man with, say, two years' experience. In the event of a person meeting with an accident you could hardly hand him over to such an assistant. At least, it would be policy to go oneself.

111. I suggest that the photographic side of the business could be conducted during the slack time ?—But we can never tell when the slack time will come. Often we are slack in the morning and very busy in the afternoon.

112. It would average up ?—I do not think it would in practice. We never know when a slack or busy time will come on us.

113. *The Chairman.*] How long have you been in business ?—Eighteen years.

114. Has your business been progressive ?—Yes.

115. Grown from year to year, and with the growth of the city ?—Yes.

116. And in recent years has business been fairly prosperous with you ?—Taking into consideration we have had some lean years, yes.

117. In handling proprietary lines, you told Mr. Young that you considered price before quality ?—No; I wish to qualify that. As a matter of fact, when a question of that sort is put one is taken unawares. We mostly handle lines introduced to us by the recognized wholesale druggists. They do not send you a line which is not of good quality. We quickly get to know what the quality is likely to be. For instance, if Kempthorne Prosser's or Sharland's traveller introduces and recommends a line we do not question the quality, because we know their reputation for handling good lines. Naturally, we look at the line, but the question of quality is not the main outstanding feature. We are not taken in by those people.

118. Is yours a credit business ?—No; strictly cash.

119. If the overhead expenses of a grocer, or a retail draper, or even of a cut-throat store, are, say, but 15 per cent. as against yours of 25 per cent., do you not think those businesses could afford to sell cheaper than you ?—I do not think the overhead in a drapery business is as low as 15 per cent.

120. I am putting a supposititious case. Take the grocers: their overhead is lower than yours in this class of trade, and they could afford to sell proprietary lines cheaper than you ?—Experience has not shown that.

121. Your opinion is that their cost of running is much the same as yours ?—Yes, if you take into consideration the number of grocers in business. For, say, twenty years we have found that their prices for proprietary articles are very much the same as ours. The firm of [*Name deleted*] in the early days of their business got the name of being cutters, and I think they deserved it. They still exist, but they are not now cutting, and, with few exceptions, we are quite prepared to sell at [*Name deleted*] price-list. But many others have started within the last twenty years, and they have declared their ability to run at a lower overhead than ours, but we do not admit that.

122. Do you have period sales to clear out dead stock ?—No.

123. Have you much dead stock ?—No; but it is largely a matter of opinion as to what is dead stock. Some stock might be considered dead to-day, but it might be very much alive to-morrow.

124. You prefer to take the risk ?—Yes.

125. You have fixed minimum prices for dispensing ?—Yes.

126. That is, in consonance with the resolutions of the Pharmaceutical Society ?—Yes. At the annual conference each year the pricing committee goes into the question of dispensing prices, and recommends any alterations or adjustments it considers necessary, and those are adopted by the conference.

127. And there is generally a loyal observance ?—Yes, speaking generally. Provision is made for any cases of hardship which might arise. Provision is made for their cases according to merit.

128. And you will supply to the Committee a statement showing the percentage of business done by you in proprietary lines, such as those controlled by the association in New Zealand, and the percentage of trade done for the last twelve months in dispensing ?—Yes.