

FREDERICK ROBERT MARRIOTT sworn and examined. (No. 10.)

1. *Mr. Myers.*] What is your occupation?—I am New Zealand manager for A. Bourjois et Cie, of Wellington. They are a French firm, and ours is a New Zealand company.

2. The articles you sell are manufactured in France, but there is a New Zealand company which markets them in this Dominion?—Yes.

3. I take it that the New Zealand company is the sole representative and distributor of the goods made by Bourjois?—Yes.

4. It is a well-known perfumery concern in France?—That is so.

5. Have their goods been long in New Zealand?—Some of them have been here probably for twenty years. Most of them have been here for five years and under.

6. How long have you been managing the business in New Zealand?—Nearly five years.

7. In the first year of your operations what was your total turnover?—Very small; I think the first year it was about [*Figures deleted.*]

8. It is now a great deal more?—Yes, it is now about [*Figures deleted*] a month.

9. How has that been built up?—Partly by our own efforts; to a very great extent by supplying expensive show-cards, and giving the chemists every opportunity to display and sell our goods, and recently by expensive advertising.

10. So that you have, one way or another, been spending considerable sums of money in establishing your goods on the market?—Yes.

11. During the last year or two what do you estimate your advertising expenses have been?—Last year we spent slightly over £2,000. This year we are spending over £3,000. That is in newspaper advertising only. Of course, we give away a considerable amount in show-cards, and samples, and perfume cards. Then, we brought out a little perfume calendar. We gave away £150 worth of those last year. That is not included in the £3,000 I have mentioned, which only includes newspaper advertising.

12. Have your goods been made the subject of cutting operations?—Recently they have.

13. What do you mean by “recently”?—I have had increasing trouble during the last two years.

14. But for how long past has it become intense?—During the last six months.

15. Apparently the cutters have left your goods alone while you have been building up your trade, and then when you have built it up and established a reputation on the market, they have started on your goods?—Yes; they had no reason to cut them until they were established.

16. Why?—No one was interested in them up to that time.

17. And when you establish the goods, and gain the interest of the public, the cutters get to work on them?—Yes, they look for cheap advertising.

18. Have you endeavoured to stop that?—I have endeavoured to stop it by persuasion. In fact, that is practically the only weapon I have had.

19. I think you have joined the P.A.T.A.?—Yes, with the object of getting machinery which will stop it for me.

20. We have heard something of the altruism of some of the cutting traders. Can you tell us of any cutting trader—you need not mention names—threatening you in regard to the cutting of your goods?—Yes. To my certain knowledge I have experienced three cases where I have had to interview a cutter on account of his cutting, and he has insisted that unless I put him on the very best terms—that is, the terms at which we would sell to wholesale houses such as Kempthorne Prossers and Sharlands—he would continue to cut. There has been no correspondence on this subject; it was all by word of mouth. I hand in the name of the person I refer to. [Name handed in to Chairman of Committee.]

21. What terms do you refer to?—20 per cent. off list.

22. He threatened to continue his cutting unless he received 20 per cent. off list prices?—Yes.

23. That being the discount which you allow to wholesalers?—Yes.

24. What is the discount allowed to chemists and other retailers?—To chemists who buy small parcels the prices are net; for purchasers of over £10, a discount of 5 per cent.; and for purchases of £25 or over, 10 per cent.

25. Had these people already been cutting your prices?—Yes.

26. Of course, you do not wish your prices cut, and you had no protection, such as the P.A.T.A. to fight for you. What did you do?—I had to submit to it and make a provision that in all cases a £50 parcel should be taken.

27. And what was the result?—The result was that they have not in one instance cut.

28. But instead of getting the 10 per cent. as they were getting before, and cutting your prices so that they would get no profit, or very little, and preventing any one else from getting a profit, they are quite content to stop cutting so long as you give them 20 per cent.; then they will sell at list prices?—Yes, that is so.

29. And you say that in the absence of some such organization as the P.A.T.A. you have to submit?—Yes.

30. I think it is part of your policy to see that your goods are sold to the public at not too high a price?—Yes, we insist on it.

31. I think you could give us an illustration of that?—Yes. We put up a small concrete powder, to be retailed at 1s. That costs a chemist who buys on the worst terms 8s. 6d. a dozen. The article is supposed to be one of particularly good quality. It was introduced to stop the infringement of our registered name. We had had a lot of trouble in England and Australia in fighting firms who were imitating our line. This cost us a lot of money, and we considered it was cheaper to introduce a new competitive line. On this line we make practically no profit. By concrete powder I mean