

101. If you believe that it is in your power to limit the profits of the man who is between the manufacturer and the retailer, it would also be within your power to increase his profits?—I do not think we consider that. We would only be interested in whether he was getting too much.

102. Not too little?—Certainly not.

103. *The Chairman.*] Your firm has a price-fixation scheme from wholesaler to retailer?—Yes, right from the wholesaler to the consumer.

104. In dealing with firms outside chemists, why have you not been able to ensure your prices being observed?—In common with other articles, they are using them as an advertisement.

105. You mentioned, I think, that what steps you have taken have been persuasive?—Yes.

106. You have not threatened to withhold supplies?—No. They would laugh at me. It cannot be done. It cannot be done where you are dealing with hundreds of lines, as we are doing. With one line it would be possible.

107. Were you present yesterday when the representative of Palmolive soap was present?—Yes.

108. Were you present when he claimed that 90 per cent. of his scheme was efficient?—Yes.

109. Threatening to withhold supplies would not be effective?—It would not be possible.

110. With reference to the names you have submitted to the Committee, were they approached by travellers, or by yourself?—One by myself, and another by a traveller. My purpose in seeing him was to get him to come into line, and not to cut prices—to ask them to refrain from cutting and to keep to standard prices.

111. You were anxious to continue trade with him?—Yes, but we wanted them to observe the price.

112. Had they at this time been buying direct from you, or from recognized wholesale chemists?—I think most of their supplies were bought from recognized wholesale chemists, but I imagine that one or two transactions were made direct with myself.

113. Has your trade steadily increased in New Zealand during the last five years?—Yes.

114. Increased as well as you expected?—Yes, quite as well.

115. You are quite satisfied with the business you are doing?—Yes.

116. Do you know anything about the trading of your firm in other countries?—Yes.

117. Has it increased in the United States?—I do not think we handle the same lines there as we do here.

118. But it is a valuable and increasing trade?—Yes. Right throughout the world, in South Africa, England, and Australia, it is showing enormous increases.

119. In all the States of Australia?—Yes.

120. Despite the fact that in some States there is a P.A.T.A. and in others there is not?—I do not know much about Australia. I know there is an association there, but whether it operates or not I cannot say.

121. But, whether there is a P.A.T.A. or not, your export trade generally throughout the world has shown very satisfactory increases?—Yes. I would like to qualify that by saying that these lines that we handle come into favour very rapidly. In fact, some of our lines which are having a good sale at present have not been on the market more than a few months. Some of them are quite new lines, and have not reached the stage yet where the demand is so intense that it is worth while price-cutting as a general principle. We have one or two lines which have been substituted, as a matter of fact, for other lines which have been cut. It has helped us in some instances to get our lines on the market, the fact of others being cut. I would refer to Johnson's baby-powder. Dozens of times our powder is being substituted for Johnson's, and the vendor goes out of his way to recommend us because our price has been maintained. That, of course, is not fair to Johnson's or anybody else. Ours will get it next. These cutters sell below cost, at cost, and without a working margin of profit.

122. Have your goods ever been sold below cost?—No. If we were to go to some of these people who were selling at ridiculous prices and ask them to push our goods at the same price they would not consider it for a moment. And yet when we have spent thousands of pounds in advertising those lines and in establishing them, and done the best we can to give the public value, the cutters will get to work with an ulterior motive and spoil our whole trade to advertise other lines on which they can make enormous profits while they are cutting ours.

*Mr. Myers:* I desire, Mr. Chairman, at this point to put in an invoice from the W. H. Comstock Co., Ltd., which will show the price of Morse's Indian root pills to the wholesaler. It is an invoice from the manufacturers to Messrs. Sharland's. I think the question of the Indian root pills arose earlier, and I would like to put the invoice in for the information of the Committee.

JAMES CHARLES STAUNTON-VERE BURBERY sworn and examined. (No. 11.)

1. *Mr. Young.*] What is your profession?—I am a retail chemist, carrying on business at Hataitai.

2. Do you consider that a chemist has any public function to perform?—Yes. We have an onerous calling, subject to many risks. These risks are not understood by the general public. There are occasions where a chemist is subject to claims as a result of a small error. One case occurred in the South Island, where through the minor mistake of a chemist it cost him £400. That might happen to anybody.

3. That is to say that your calling is one which requires a certain amount of skill?—Certainly; we have to be specially trained.

4. Does that training cost you much?—I would not like to say how much, but there are four years' apprenticeship. A boy must be matriculated before he can start now; then they have a second examination, the B section; and finally, the C section. If they get through those stages for less than £600 or £700 they are lucky.

5. And the result of these qualifications is that you become legally recognized as qualified dealers in certain articles?—Yes, a very limited number of articles.