

6. Such as?—Dispensing medical prescriptions, as well as a number of poisons which stores do not sell. I should like to mention that one of our chemists was penalized to the extent of £10 for selling Lysol without taking a signature from the buyer.

7. In addition to these things in respect of which you are legal licensees, you carry other things in your stock?—Yes, we have quite a substantial list of things in the ordinary way of business, but the encroachment of other stores on these things has made it very difficult to carry on.

8. What things do you refer to?—Toilet preparations, patent medicines, drugs, and the like, and many which should not be sold at other stores. I would instance Easton's Tablets, Three Syrup tablets, and others.

9. Do you regard your dispensing business as sufficient to enable you to carry on?—No; it would be impossible to carry on without other lines.

10. Is there a chemist near you?—Yes, there is one right opposite.

11. Is that a dispensary?—Yes.

12. Any other chemist in your locality?—Not within a mile.

13. In regard to proprietary lines, generally speaking, they are in small and compact form?—Yes.

14. Do you do the pioneering-work in selling those lines?—Yes, it has always been so. Chemists usually undertake to market the line for the manufacturer.

15. Do you get any assistance from the manufacturer?—It is a little different now from what it used to be. Chemists generally charge for making a window display.

16. So far as cutting is concerned, in your experience does the cutter operate on the known or unknown lines?—On the known lines.

17. Can you give any instances?—Yes, Vinolia sachets. I sold those during the last twelve months for 1s., and I have seen them sold in other stores for 2s. 6d. Vinolia was a well-known line, and was practically run off the market through cutting.

18. When was it that you saw the high prices?—Last December twelve months. That was sold at 2s. 6d.

19. What does it cost?—It costs me 6½d. in Auckland, and I sell it for 1s.

20. I think you have prepared a return showing the proportion of various sundries which you stock?—Yes. These are the proportions of individual goods to turnover: Patent medicines, 25 per cent.; proprietary lines, $\frac{3}{4}$ per cent.; photographic goods, 5½ per cent.; drugs, 12 per cent.; sundries, 12 per cent.; combs, $\frac{3}{4}$ per cent.; surgical dressings, 1¼ per cent.; dispensing, 21 per cent.; toilet goods, 10 per cent.; dyes, 1½ per cent.; brushware, 3 per cent.; perfume, $\frac{3}{4}$ per cent.

21. Those figures were given by you to me as a result of some information prepared for a conference in Dunedin in 1925?—Yes.

22. What do you mean by "sundries"?—Teats, and odds and ends, not included in the others.

23. Did you work out your overhead expenses?—Yes; my overhead at that time was about 25 per cent. on cost.

24. Does that include paying wages to yourself?—No; the overhead to-day is about 25 per cent. on cost, or 33 per cent. on turnover.

25. From those figures it would appear that the greater proportion of your sales are patent medicines?—They were on that date. Since then they have gone down considerably. On last year's working we lost about 10 per cent. on the previous gross profit.

26. At the time you took out those figures what would you say was the average profit shown on proprietary lines?—Practically no profit on proprietary lines. It would be 25 per cent. on cost, which meant no profit at all. Some of them would show more, of course. Thirty-three per cent. would cover overhead.

27. Do you know of any lines which have been affected adversely by cutting?—Yes, those Vinolia lines I have mentioned, and one line which had a particularly good sale—I refer to Dr. Lyons' tooth-powder. We used to buy those lines by the gross, but they are now entirely eliminated from our stock.

28. To what do you attribute that?—They were cut to pieces, and jobbed off at any price at the finish.

29. Coming now to Kolynos: in what quantities did you used to buy that?—In 5-gross lots.

30. And how do you buy it now?—By the dozen.

31. You are not turning it over much?—We avoid selling it at all. We try something else in its place because it does not pay.

32. Do some traders have lines of face-cream made up and sold under their own name?—Yes, I could mention several firms who do that.

33. What is the object of that?—To increase the profits on those lines as a set-off against the losses on other lines.

34. Can you say whether, generally speaking, these firms are cutters?—As a general rule, no. They do on some lines, but they make up for it on others.

35. *Mr. Gresson.*] On those figures you have given us, which I understand are altered now, you say your sales of patents amounted to 25 per cent., and proprietary lines 8 per cent.; that is 33 per cent. altogether. As I understand you, you are now making no profit on those articles?—Proprietaries are our own goods, which we make up ourselves.

36. So that means to say that as regards 25 per cent. of your business it is ineffective from a profit point of view?—Yes.

37. Which means to say that for your business only 75 per cent. of it is effective from a profit point of view?—Yes.

38. Would you mind writing down for the Committee your turnover and income for the last two years, approximately?—I could only guess at it now. I will supply the information.

The Committee adjourned at 1.50 p.m. till 2.30 p.m.