

19. *Mr. Kennedy.*] Do I understand you to say that this conversation took place in Wanganui ?  
—Yes.
20. And that there were present [*Name deleted*], Mr. Marriott, and yourself ?—Yes.
21. Was it at [*Name deleted*] own shop ?—Yes.
22. You and Mr. Marriott had gone to see him ; he was not seeking you ?—That is so.
23. Did [*Name deleted*] complain of other people price-cutting ?—Yes.
24. You had previously put other retailers on the special-terms list, had you not ?—That was the first discussion I had with him.
25. But you had put other retailers in New Zealand on special terms, had you not ?—Yes.
26. So that [*Name deleted*] was only asking from you a privilege that you had already extended to others ?—Yes.
27. Was it about the cutting of this article that [*Name deleted*] complained ?—Several articles.
28. He was not at the time cutting it ?—Yes, he was cutting it at the time.
29. But he complained about other people doing the same ?—Yes.
30. *Mr. Montgomery.*] Did I understand you to say that 20 per cent. was allowed by your firm to the wholesalers ?—Yes.
31. And what is the discount to the retailer ?— $2\frac{1}{2}$  per cent, and other discounts for special quantities.
32. *Mr. Reardon.*] There is nothing morally wrong in a retailer endeavouring to deal direct with an indent agent ?—No, nothing morally wrong.
33. *The Chairman.*] Outside of a few firms, I suppose there is not much cutting going on in lines you represent in the Dominion ?—No, very little in regard to the lines I am associated with.
34. Was this Wanganui firm selling all the lines you represent ?—A good range of them.
35. Was he cutting all or one of them ?—I should say half a dozen out of fourteen or fifteen lines.
36. Did he cut below cost ?—No, not below cost.
37. Do you know what percentage ?—I expect some would not be more than 15 to 20 on cost.
38. *Mr. Myers.*] When you said 20 per cent. to the wholesale, what did you mean ?—20 per cent. off the list price to the wholesaler.

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ARTHUR FREDERICK CRISP sworn and examined. (No. 15.)

1. What is your occupation ?—I am a grocer on my own account.
2. And your place of business ?—282 Willis Street and 47 Aro Street.
3. How long have you been in the grocery business ?—About twenty-three years.
4. All that time in New Zealand ?—No, three years in New Zealand and previously in England.
5. Have you in the neighbourhood of your shops any cutting rival ?—Yes.
6. How near, and who is the rival ?—There is one six doors away from the Willis Street shop—that is the Self-help Co. ; and about 100 yards away from the Aro Street shop—the same company.
7. How long have those shops been operating against you ?—All the time I have been there—two years.
8. Have you joined the P.A.T.A. ?—Yes, in order to protect myself on standardized articles, if possible.
9. Protect yourself against what ?—Cutting.
10. Is there much of that ?—Yes, a good deal of it.
11. What do you do now to meet that cutting ?—We have to do the best we can wherever we can.
12. What do you mean by that ?—That we buy stuff they do not stock and try to make a fair margin on that, and work against the articles that are being cut as much as possible.
13. I suppose that might be called substitution ?—It is substitution of a fair article at a fair profit.
14. For the article which the customers wants ?—Exactly.
15. Does that require persuasion ?—Yes, every time. It requires salesmanship.
16. And the customer gets something he does not want in place of something he does want ?—Yes, we introduce another article.
17. Apart from the question of substitution, do you know the expression “ recovery lines ” ?—Yes, I know that expression.
18. Do you have to use other goods for recovery purposes other than those which are being cut ?—Yes ; we have our regular lines in substitution.
19. But suppose you cannot substitute ; suppose a customer demands a certain article ?—We have to sell it.
20. Even if that line is being cut ?—Yes.
21. How do you make up your losses on those lines ?—There is one way—by taking up a similar line ourselves. I refer to tea.
22. Take Lane's emulsion : is that sold by ——— ?—Yes ; it is sold at 3s. 9d. by them, and it costs 3s. 9d.
23. Kruschen salts ?—Yes ; it costs 1s. 8d., and sold by ——— at 1s. 9d.
24. Clement's tonic ?—Yes ; costs 2s. 7½d., and is sold by them at 2s. 6d.
25. Do you stock it at all ?—No, I cannot stock it.
26. And Velvet soap ?—I get a ½d. profit on 8d. I have to stock that. It costs me 8d. and I have to sell it at 8½d. to meet competition.
27. Why ?—The other people are selling it at that price.
28. You are endeavouring to substitute something else for ——— ?—Yes, a soap called ————  
—a slightly larger bar, which we sell at 9d.