

27. You say that the line has been cut during the last three years : do you know to what extent it has been cut ?—It started off by coming down to 3s. : then it seems to have been maintained at 2s. 11d. ; and I understand it has recently been cut to 2s. 10d. Some time ago it was 2s. 10d. at the Hutt ; but the 2s. 10d. to-day is in evidence at Courtenay Place.

28. I suppose you have been in business for a number of years ?—Yes, roughly, thirty-five years.

29. As a result of your business experience, what results do you anticipate to Amber Tips tea and its proprietors if this cutting continues ?—If the cutting continues I think it will have very detrimental effects, and in time it might put the line off the market.

30. We have been told by several grocers that what they do is to buy bulk tea, blend it themselves, and sell it under their own brand, substituting that tea for the Amber Tips and other brands. Is that what you would expect to find ?—Yes, it is what obtains. In a case where a line such as Amber Tips is cut, I suppose if you went round to the retailers you would not find Amber Tips on show. If a customer asks for Amber Tips and the salesman has time he will endeavour to sell another brand, and particularly his own brand, if he has one, out of which he makes more profit.

31. Have you yourself seen that done ?—Yes. I was in a store recently, and a customer came in and asked the retailer : “Have you any Amber Tips at 2s. 11d.?” to which he replied “No, not at 2s. 11d., but at 3s. 4d. ; but here is my own tea at 2s. 10d.—it is just as good.” When the customer left I said to the retailer, “That is rather hard on us, isn’t it ?” He answered, “Well, what do you expect ? I made 10d. on that.”

32. You have been in business in tea during the whole of your business life ?—Yes.

33. Is tea-blending in itself a science ?—I should say so. We have not tackled it, and I would not like to tackle it.

34. You know Nelson Moate teas and the proprietors of Bell Tea : who are they ?—It is a company called the Bell Tea Company.

35. Do those companies or firms which blend teas and sell them under brands or proprietary names all get experts for blending purposes ?—So far as my knowledge goes, they do. They could not make a success of it unless they did.

36. Has the ordinary grocer who buys bulk tea and attempts to blend it, and sell it in his own packet, any knowledge or experience of blending tea ?—I should say not. The fact that tea-blenders receive exceptionally high salaries and take particular care of themselves in order to keep their palates clear inclines me to the opinion that a man doing such small blending could not call himself an expert.

37. Are you able to say whether during the last three years the cutting has been worse in some places than in others ?—Wellington has been the storm-centre.

38. But there has been a certain amount of cutting in other places ?—I understand that there has been cutting at Auckland and Dunedin, but we are not concerned there ; but we are told that it has been going on in those places. There has been a little cutting in Wanganui, but I believe that has been “patched up.”

39. Can you tell us, speaking of your own district, whether the diminution of sales has been in places where the cutting has been most intense, or in other places ?—It has been most noticeable within a certain area—say, the town area—where the cutting has taken place. For instance, at Miramar and Day’s Bay there has been no cutting, and the retailers have maintained their area. At Karori and Upper Hutt also the prices are maintained.

40. We have heard that Mr. Sutherland, of the Self-help Company, sells Amber Tips at 2s. 11d. Can you tell the Committee whether it is possible to buy at such a price as to enable him to sell at 2s. 11d.—I mean, and make a profit ?—He could buy at 2s. 10d. less $2\frac{1}{2}$ and $2\frac{1}{2}$ per cent., and I should say that selling at 2s. 11d. was not an adequate profit for his or any business.

41. It may be suggested that he is buying better than that. Do you know from any conversation you have had with him whether he has been, or could, buy better ?—Mr. Sutherland approached me about twelve months ago and asked for supplies of Amber Tips. He had previously been drawing his supplies elsewhere. He told me he was only able to buy at 2s. 10d., less $2\frac{1}{2}$, and desired to obtain supplies direct from us.

42. And did you give him those supplies ?—No, I asked him to observe the price. By observing the price, we suggested that 3s. 2d. was fair for a cash trade, and that we would not regard 3s. 2d. as cutting.

43. That would leave him 4d. a pound ?—Yes.

44. That is 13 per cent. on sales. Is 13 per cent. on sales, in your opinion, a fair and reasonable profit even in a cash business ?—Judging by cash returns of retailers, that is about what they would look for in a cash transaction.

45. Did he agree to sell at 3s. 2d. or any particular price ?—No, he said he would if we supplied him direct.

46. So that he was not objecting to taking the profit ?—I do not think so.

47. You do a general grocery business ?—Yes.

48. And you stock many of the proprietary lines which are sold at chemists and grocers ?—Yes.

49. Have you experienced much cutting by some retailers in those lines ?—Yes, there is cutting in the proprietary lines.

50. Serious cutting in some of the lines ?—Yes.

51. At all events you have joined the P.A.T.A. ?—Yes, because we believe it will be for the improvement not only of the trade but generally the whole people interested—that is, buyers, sellers, and the public generally.

52. *Mr. O’Leary.* From your knowledge, has the practice of grocers buying tea in bulk and blending it existed for a number of years ?—It has been more or less, yes, but not so extensive as recently.

53. Has that increased recently ?—Yes.