

262. You say, "not necessarily higher"; but you gave us examples yesterday of articles which you bought and which you stated were sold at less than cost: Is that not so?—I did not buy any articles sold at cost or under cost; but I cited articles that were sold at cost.

263. I thought they were really purchased. However, you purchased some goods in certain stores and you quoted the cost price, and I was led to understand they were being sold at a loss?—No; they were sold at a big profit.

264. If you can purchase them at less than cost, that is not going to be the price that the manufacturer will fix if he comes in under your association?—Exactly.

265. The purchaser would have to pay more for the cut-rate items in one store than would be the case if he purchased at, say, the ——— store, on which a fair profit is made?—If they are recognized cut-rate items.

266. Yes?—He would have to pay more.

267. I suppose you suggest that it is for my nine thousand railway men to do that?—They are paying more in the long-run.

268. Has Amber Tips been offered for registration?—No.

269. I understand from you that the basis of your objection to the method of trading is this: that on account of these goods being undersold by some shops the other traders will not stock them, and as a result the manufacturer loses because there is no demand for the goods?—The other traders are antagonistic to the line.

270. That means a loss of business on the part of the manufacturer?—Yes; the inability of being unable to get those goods to the consumer.

271. Can you give the Committee any lines where the manufacturer has been affected in that way?—I can give you one—for instance, Dr. Lyons's tooth-paste.

272. Where is that manufactured?—That is an overseas line. I do not know where it is manufactured.

*Mr. Myers*: I am going to call evidence on those points.

273. *Mr. O'Leary* (to witness).] I will suggest a reason, and a reason out of your own mouth. You remember dealing with Edmonds' baking-powder this morning?—Yes.

274. I take it you remember Mr. Gresson putting it to you that Edmonds' baking-powder was being undersold in some localities?—Yes.

275. And yet the sales had doubled over the same periods?—Yes.

276. Your answer to that was this: "I attribute that in the case of Edmonds' baking-powder to two causes: one, clever advertising, and, second, the quality of the article—the virtue of the article." I think you said that. Do you remember that?—Yes.

277. I suggested to you that these lines are perhaps undersold, and you say that it reflects on the manufacturer if lines are cut?—That is so. In answering your question relative to the tooth-paste which you mentioned a little while ago, I attribute the loss of sale to the cutting.

278. That is your answer to my question?—Yes.

279. I take it that you, as a business man or a commercial man, realize what can be done by way of advertising—that is to say, an inferior article can, by means of advertising, be put on to the public and sold to the public for a considerable time before it is found out?—I do not admit that.

280. Have you been in New Zealand long?—I have been in New Zealand for twelve months.

281. You have not been here, apparently, long enough to find that out?—(No answer.)

282. *Mr. Walker*.] There was a lot said in your evidence in reference to ——— cut-rate prices?—Yes.

283. And the suggestion was made very plainly by you that some of these prices were slaughtered at cost, and even under cost?—Yes.

284. You told us what you believe is a fair average wholesale price at which ——— would be likely to buy those goods?—No; I cannot tell the price at which the traders should have sold the goods.

285. No, you gave us the wholesale price?—They may have got certain articles in a job way.

286. You are aware that there are men running factories here of world-wide experience, and those men are anxious at times to put in certain lines to traders cheaper in order to boost up their returns for the quarter?—I do not think there is much of that done with those lines we are referring to.

287. You do not know that it is the practice at times to do that?—I do not know that it is the practice.

288. If it was the practice, would it not be customary to go to some of the big buyers and the notorious advertisers, like ——— and put in in a big parcel cheap?—Not if they knew it was going to damage the business.

289. You do not know whether they do it or not?—I do not think that they do.

290. You do not think it is likely they would do it?—Not unless there is a reason.

291. I suggested a reason—that is, to give a fillip to sales?—The goods may be damaged.

292. In other words, you cannot tell us whether ——— is selling those goods for cost or under cost?—I know that if he bought the goods in the regular channels he has not paid the price at which he is selling them at.

293. With respect to your evidence relative to slaughtering cost, you do not know from whom he gets his supplies?—I know that so far as certain lines are concerned he is unable to buy them direct from the manufacturer.

294. That is only surmise. Are you relying upon certain agreements not to supply people direct?—No.

295. In the course of your evidence you made an interesting point in regard to the supply of articles to chemists. You said that the dispensing prices in New Zealand were higher than they were in most parts?—I said they were higher in New Zealand than in Australia.