

326. Edmonds Ltd. say that they have to spend a great deal more on advertising by reason of these price-cutting tactics than they would otherwise have to do: can you see another reason of the interest of the public being conserved?—If they were able to reduce their cost of advertising they would naturally pass that on to the public in reducing the price of the article to the public.

327. The public is consequently affected adversely because the selling-price of this article cannot be reduced, and the public cannot get the benefit of any reduction?—That is so.

328. You were asked by Mr. Gresson this morning as to whether you were aware of any articles in New South Wales which had come down in price by reason of the P.A.T.A. I think you have been thinking over that aspect of the matter?—Two lines have crossed my mind—namely, aspro and Palmolive soap.

329. What was the price of aspros?—I think it was 1s. 9d.; I am not quite sure.

330. That is your recollection?—Yes.

331. And it was brought down to 1s. 3d.?—Yes.

332. There was a substantial reduction in the original price?—Yes.

333. And Palmolive soap was brought down to what?—It is now 6d., but originally I believe it was 1s. 3d.

334. You were asked also, I think, by a member of the Committee—I am not sure by whom—and by counsel also, whether if you had manufacturer A on your list and manufacturer B was making a similar article at a lower price, manufacturer B could get on your list. Would you mind indicating what the position is in England in that respect?—There are only two lines that cross my mind. Lysol is one. There are over twelve different brands of Lysol on the list. I do not know how many there are, but there are more than I have named. So far as the price is concerned, they do not know how they arrive at the price. There are quite a number of different manufacturers.

335. And fixing their own prices?—Yes.

336. *Mr. Collins.* Presumably, for the same article?—Well, presumably for the same article—namely, Lysol. When one manufacturer of Lysol applied for registration it was not submitted to any other Lysol people.

337. *Mr. Myers.* And just the same thing applies to aspirins?—Yes.

338. In England there are quite a number of different aspirins manufactured?—Yes.

339. And soap, as well?—Yes; there are many different kinds of soap manufactured.

340. And on the list competing one with another at different prices?—Yes.

341. Now, I think also you searched the records of your secretary with a view of ascertaining whether there was a reply sent to Messrs. Middows Bros. and Taylor?—Yes.

342. This is a copy of the letter sent?—Yes. [Letter put in.]

343. You were asked by Mr. Kennedy whether the action of the P.A.T.A. and the manufacturers would prevent economies which a trader might effect being passed on to his customer?—That is not part of our policy.

344. It comes back to what we were talking about before—that is, assuming that a trader makes fair and reasonable profits upon proprietary lines, then by cutting them below what is a reasonable profit, and he is charging more for flour or for some other necessities of life than he should, what do you suggest he should do for the purpose of passing on his economies?—Reduce the price of the essential articles. As a matter of fact, they are his articles, to do what he likes with them.

345. So that he is helped, and not prevented, by the action of the P.A.T.A.?—Yes.

346. You were asked whether, when a manufacturer sends on his application to be placed on your list, you know anything about his manufacturing cost?—We do not know anything about that.

347. You do know, however, what he proposes to charge the wholesaler?—Yes.

348. That is on his application?—Yes.

349. You do know what the wholesaler is to charge the retailer?—What the manufacturer proposes the retailer should charge?

350. That is on the application?—Yes.

351. And your council can see as to whether or not that leaves a fair and reasonable margin of profit or too much profit?—Yes.

352. You also know what it is proposed by the manufacturer the retailer should charge to the public?—Yes.

353. And what ratio of profit it involves?—Yes.

354. That is on the application?—Yes.

355. And you can see at once whether that is a reasonable or unreasonable rate of profit?—Yes.

356. And may we take it, then, that in regard to proprietary articles, where the manufacturer or manufacturer's agent applies to be placed on the registered list, your council can check the price which the wholesaler charges the retailer, or it is proposed he should charge the retailer, and the price at which it is proposed the retailer should charge the public?—Yes.

357. May we take it, unless you refuse that, you are in the position to protect the public interest as well as the interests of the manufacturer—that is to say, of seeing that the public is not charged too much?—The minimum price is invariably the maximum price. I can produce written evidence, if necessary, of where a dealer of a proprietary article or controller of two articles, having one registered with the P.A.T.A., was sold at a figure of 6s. 9d., and the other article, not registered, was sold at 13s. 6d.; and the complaint was that the chemist charged excessive profits for the particular line not registered. That was in New South Wales.

358. If that article had been on the P.A.T.A. list would you have insisted on the profit being very much less?—Yes.

359. You were asked about the operations of the P.A.T.A. in New Zealand: I think you had an opportunity of looking through the minute-book of the Chemists' Defence Association?—I have seen it.