255. Of course, you know that you are selling a large number of lines on which, accepting your figures as correct, you are absolutely making a loss ?—You mean a loss on our overhead ?

256. Yes ?—Those things have a tremendous turnover. You cannot charge that article [pointed out] with 13 per cent. of overhead, in a sense because it does not require any handling.

257. I know that argument in business, and it is rather a doubtful one, especially when it is applied to a considerable number of lines as there are here. There are a number of lines where the rate of profit is considerably under the percentage of overhead expenses. I notice that you put Beecham's pills down on this list [produced] as costing 9s. 3d. ?—Yes.

258. That is an imported article ?—No ; that is an article obtained from Fairbairn and Wright.

259. You know the English wholesale price is 12s. ?—There are two sizes—that is, the 10½d. size and the 1s. 1½d. size—and they are marked on the box.

260. I am taking the larger size ?—We do not stock it.

261. As I say, the English price is 12s. : that would indicate that you would have no difficulty in importing P.A.T.A. lines ?—Yes, we would have difficulty. Their agents are here, and the manufacturers want to know where the things are going to. If we want to import a thing from Home they want to know where the agents are, and if they were not satisfied they would not send the goods.

262. We all import goods behind the door, so to speak ?—The agent still gets his commission.

263. Not invariably ?—That is not fair, and it would mean that he is working for nothing.

264. I have had one or two casual looks into your premises from the doorway and the interior doors : what proportion do you think you sell of proprietary medicines and toilet preparations ?—A very big proportion of that class of goods is behind the counter. If you saw the number of people who come to the ordinary counter and compare them with the other people going round the crockery you would find that a very big percentage go to the ordinary counter.

265. You mentioned that you consider a retailer has a perfect right to dispose of the manufactured goods that he has bought in any way he chooses, without regard at all to the fact of what his action might have on the manufacturer ?—I do not regard a man who sells a line below cost as a sane business man.

266. Do you consider that the manufacturer should be protected in any way : do you think you have a right to do as I said just now ?—No, I do not.

267. *Mr. Reardon.*] Are you interested in indents from indent agents ?—They bring their samples round. Some of them will not deal direct ; they deal direct through our Home buyer. With drafts they bank on our Home buyer, where otherwise they have to trade with us, and the payment is longer. It is only a matter of about 2½ per cent. difference. Our buyer costs us 2½ per cent.

268. *Mr. Hayward.*] That is a common practice in business, and a sound one, too. An importer in New Zealand who may be importing goods by the same ship from twenty manufacturers will allow his Home buyer to pay for these goods and accumulate them on the one bill of lading and ship them out here, and draw on the consignee and pay for the goods in England to the various manufacturers, and draws 2½ per cent. for his services. In some cases they work on 1 per cent., but on general lines it is 2½ per cent. ?—That is so.

269. *Mr. Reardon.*] You add the charges on to the landed cost ?—That is part of the cost.

270. Would there be any considerable portion of your turnover that would go through indent agents and not through wholesale houses ?—Yes, a considerable amount on the crockery side, but not on the other. May I point out one case when we had occasion to go to a wholesale house for a pot-mit. We asked for their price, and they said it was 36s. per gross. I told them that they were mad, and they said that that was their price. However, I rang up the manager of another firm, and he said that he would sell me as many as we liked, when their shipment arrived, at 21s. per gross. I do not know what the first people were making out of it. I know that we were making a good profit out of the line.

271. *Mr. Collins.*] Supposing the P.A.T.A. were able to control only about 10 per cent. of the lines that you stock, what effect would that have on you ?—It would have an effect ; but that would not put us out of business. Our turnover would go down, and we would lose the good will of our customers, because they look upon us as being better than the chemist.

272. Are you subjected to an award ?—Yes ; the assistants are under the award.

273. You have to pay the wages laid down by the Court of Arbitration ?—Yes. I submit that we treat our assistants absolutely well. For instance, we give them morning and afternoon tea, they get payment for holidays, and they get over award wages, and bonus. As a matter of fact, we keep our staff longer than most people.

274. And they are placed on their honour as regards honesty ?—Absolutely.

275. I suppose your leakage is considerable ?—Yes. We had ten convictions in about eight months, and we estimate that we lose about £300 per annum. You will never get over that, and there are a lot that never get as far as the Court ; it cannot be done.

ROBERT ABRAHAM WILKIE recalled and re-examined. (No. 21.)

1. *Mr. Collins.*] You were asked to produce a list showing the table of your cash prices as compared with the credit grocery prices ?—Yes. [Put in.]

2. You have produced it in the form of a circular issued by you from both your Christchurch and Dunedin establishments ?—Only in Dunedin. I may say that our head office is in Christchurch. The text of the circular itself refers to Dunedin particularly.

3. Take the item which represents tea, Ceylon, which you quote in your list at 2s. and the credit grocer 2s. 6d. : you could not possibly compare them as the same teas ?—We have every