

*Witness* : The reason is that the P.A.T.A. have not published throughout the length and breadth of the country details regarding their possible operations. Only recently I was speaking to Mr. Wardell in Christchurch, one of the principal grocers there, and he had never heard anything about it.

*Mr. Collins* : Does he not read the newspapers ?

*Mr. Gresson* : It was badly advertised in the Christchurch papers. I do not blame the Committee for that, let it be understood.

*Mr. Collins* : There was a 2 in. advertisement in the newspapers in Christchurch for three nights respecting the inquiry to be held.

*Mr. Gresson* : The trouble was that the advertisement was put in a very bad place.

*Witness* : I was not referring to the official notice, but to the publicity given to the operations of the P.A.T.A. I was in Ashburton recently, and no one there had been acquainted with it. I went to Timaru, and I was informed by Mr. Norrie that a meeting had been called, but as only about three were present the meeting lapsed for the want of members. I have spoken to a number of traders in Dunedin who have not been acquainted with the operations of the P.A.T.A., and I am convinced that had publicity been given to it the position would have been different to what it is to-day.

*Mr. Myers* : I suppose you know that there was a leading article in one of the Christchurch newspapers respecting the matter ?

*Witness* : Yes.

ALBERT LEONIDAS CROPP sworn and examined. (No. 22.)

*Mr. Collins* : You have attended this inquiry at great inconvenience to yourself : but a point has been raised between counsel engaged on a matter in which you are interested—namely, Edmonds' baking-powder—and in that connection it was deemed prudent to obtain the information from you rather than from any witness who may have the information by hearsay. I may say that it is not proposed to keep you very long, and if you can spare, say, ten minutes we will be pleased.

1. *Mr. Myers*.] You are the managing director of the company known as Edmonds' Baking-powder ?—Yes.

2. Is that a limited-liability company ?—Yes.

3. And is baking-powder the only article which you manufacture ?—It is the principal article.

4. And we are all aware that you have built up a considerable business ?—That is so.

5. How long have you been carrying on this business—that is, the company or Mr. Edmonds ? Since 1879.

6. Originally, I suppose, it was a comparatively small business ?—Yes, a very small business.

7. But it has now grown to considerable dimensions ?—Yes.

8. Would you mind telling the Committee the period of its greatest growth ?—I should suppose that 1911 was the period of the greatest growth in the history of the business.

9. *Mr. Collins*.] The ratio of increase ?—Yes.

10. *Mr. Myers*.] Has it increased since 1911 ?—Yes, nearly 100 per cent.

11. Has that been a gradual increase ?—Yes.

12. Apart from the merit and quality of the article, has your company indulged in an advertising campaign ?—Since 1911 they have done quite a large amount of advertising.

13. And did that help to increase the business—that is, the turnover ?—Since 1911, when we started the advertising campaign, the annual increases have been in and about the same ratio.

14. Fairly constant ?—Yes.

15. Take the last three or four years : has your firm still gone on increasing ?—Well, last year it did not do anything like the ratio of the previous year—that is to say, we cannot look for the same ratio now, or anything like it, because we have practically got to saturation-point.

16. Are you still maintaining your advertising as intensively ?—More intensively.

17. Why ?—Because of the conditions in trade throughout New Zealand.

18. When you used the words, "of the conditions in trade," are you referring to the conditions in your own particular article ?—Yes.

19. Would you mind explaining what you mean by that ?—In 1920 we were faced with the proposition of having to conduct a trade with practically every retailer in the Dominion opposed to the sale of the article.

20. Why ?—Because of the cost to the retailer through the distributor.

21. That is, the present cost price to the retailer ?—Yes.

22. Are there other lines of baking-powder competing with your article ?—Yes, there are.

23. Are you able to say whether or not their trade has been increasing very rapidly by reason of cutting ?—I should say that the position has not increased at all.

24. Can you indicate why, in your opinion, it has not increased ?—Well, I think the fact that we took precautionary measures as soon as this condition became serious accounts for it—that is, extra advertising and publicity.

25. Was there anything else besides extra advertising ?—That is the line we deemed advisable.

26. What price do you fix—I know you cannot enforce it—as the retail price of your article ?—As a result of a discussion I had with the Board of Trade in 1916, I think, the big retailer was allowed 25 per cent. of gross profit and the small retailer 20 per cent. profit—that is, gross profit. Two years ago we placed the whole of the sale of our goods on to a flat rate, and to-day the big grocers buy exactly at the same price as the small grocers.

27. And the retail price is what ?—It is between 1s. 5½d. and 1s. 6d.