

28. And they have brought it down to 1s. 2d., which means they are selling the article at cost ?—In some places.

29. Can you tell the Committee this : if there was no cutting, and the goods were being sold, can you say whether or not, having regard to the reputation that you have earned for the article, your advertising would require to be so intense ?—It would not.

30. Can you say whether the decrease in advertising that you would be able to make would be small or considerable ?—Fairly considerable.

31. Can you tell the Committee as to whether or not that would enable you to produce your article at a price which would enable it to be sold at a lower price to the public ?—It would be quite a small matter if it were so.

32. Would there be a reduction ?—We could make a reduction, but that would be a sum of £2,500 per annum spread over, say, two and a half million tins.

33. It would not amount to a great deal ?—No.

34. The fact that this goes on compels you to spend more in advertising ?—We deem it advisable ; we cannot take any risks.

35. *Mr. Kennedy.*] You say that your sales have increased over a period of years, but that your rivals have been increased in recent years ?—I take it that that is so.

36. That is your observation ?—Taking it from a family consumption basis.

37. Has the price of your rival baking-powder been reduced by these competitive grocers ?—In some cases, yes.

38. So that you are all in the same boat ?—In many instances we have some unfriendly grocers in the trade who immediately the cutting became general were informed by us that we could not supply them with it if they cut it. Some of them did everything in their power to push the other lines, and I am told that in some instances the grocers offered their employees a premium on every pound of baking-powder they sold other than our own.

39. Are the other baking-powders reduced by the competitive grocers in the same way as yours ?—That I cannot say. In one line I know that it is so.

40. In spite of the competitive grocers your sales have over a period of years increased ?—Yes.

41. You do not expect the ratio of increase that you had in earlier years to be maintained ?—We cannot expect it.

42. Is it not a fact that a large part of your advertising is to maintain the popularity of your baking-powder and to prevent opposition creeping in ? Is that not protective advertising ?—Yes ; but there are other measures.

43. What were your sales in recent years : you advertise them to be phenomenal ?—Yes, we maintain that it is phenomenal.

44. What are they ?—Two and a half million per year, in tins.

45. Can you tell us in actual fact if, in your judgment, the sale of the rival baking-powder is only a fraction of the two and a half million tins that were sold ? I suppose another manufacturer could not sell another half a million ?—That is so. We do not know his figures.

46. How long do you suggest there has been competitive prices lower than you would like ?—I should say that it is near enough to six years—that is, since cutting first started.

47. So that in spite of that you have been constantly increasing and you are, in your judgment, near your saturation-point ?—Yes.

48. Instead of losing ground, you have during the last six years been improving your ground ?—Due probably to precautionary measures.

49. You have never taken seriously the possibility of Edmonds' baking-powder, with its production of two and a half million tins, being driven off the market ?—I think I have lost more nights' sleep over it than you have.

50. In the face of having reached your saturation-point and these increases year by year ?—In spite of that we have the fear in front of us, and no one can deny it.

51. I suppose you recognize that competition is simply a fight between merchants for the public good will ?—In this case it is not the merchant. It is in this case a question between the manufacturers.

52. Do you not treat trade as a battle for the public good will, in that if you do not maintain your article in its popularity you lose ground ?—As in the past, we have to fight for our position.

53. How does your cost of advertising compare relative to your sales ?—It has been more during the last few years.

54. I suppose that much of it is experimental only : you do not find it necessary to keep it at that figure ?—I suppose all advertising is experimental.

55. Do you reduce your advertising ?—We do not reduce our advertising—that is, our newspaper advertising has not been decreased. I may say that we spent ——— by way of precautionary measures, but we did not continue to spend the extra ———.

56. Would you supply the Committee, if it desired it, particulars of your sales and the total advertising costs in those years that have been mentioned ?—Yes, and it would probably show more than what I have said.

57. *Mr. Walker.*] Is your advertising spread fairly evenly over New Zealand ?—Yes, from Auckland to the Bluff. In later years we have made a general Dominion campaign.

58. Do you, in addition to the ——— mentioned, spend another ——— ?—Yes.

59. On what ?—Cookery-books.

60. *Mr. Myers.*] In order to save members of the Committee making calculations, the amounts to $\frac{1}{4}$ d. ?—That is near enough.