

32. Do you buy in many cases direct from the manufacturers?—Not very many cases. We are on the wholesale basis with the majority of our lines, thus saving from 15 to 20 per cent. I produce invoices from the manufacturers with whom I have dealt direct. I would like these to be regarded by the Committee as confidential, because my operations are closely watched by the wholesalers, and if it were disclosed it would damage us.

33. In other cases you have dealt with manufacturers in New Zealand and also through direct importation from England?—Yes, we are still doing that.

34. By your dealing direct have you been able to effect considerable savings in your buying?—Yes, considerable.

35. The prices at which you have bought have been below those at which you could have bought from the New Zealand wholesalers?—Yes, very much.

36. Have you found in actual experience that there are variations in the prices of various New Zealand wholesalers?—Certainly; if there were not there would be no competition amongst them. Naturally, we buy from the best possible source.

37. The name of Sharland's was mentioned before this Committee. I want you to express your views as to their comparative prices compared with those of other wholesalers from whom you buy?—We use a trade term—we say that Sharland's are "not in the running." Their prices cannot compare with those of people like Fairbairn, Wright, and Co., and other wholesalers, so that naturally we do very little business with them.

38. Are Fairbairn, Wright, and Co. wholesalers, dealing with grocers' as well as certain lines which appertain especially to chemists?—Yes, they handle certain grocers' lines, particularly in Auckland; they specialize in groceries in Wellington. They also keep druggists' lines and patents of all kinds. I was going to mention their methods. Fairbairn's methods, to my mind, are those which other wholesalers might easily take a lesson from. In a sense, they do a cash wholesale business. Their terms are seven days. If you do not pay your account within seven days you do not get any more stuff from them. They work on the lowest percentage possible. They have gone so far as to refuse to handle lines where the manufacturers demand that they should charge a price which would give an excessive profit to the retailer. And they are one of the most successful business firms that I know of. My partner was manager there for some time.

39. In your business there are associated with you your brother and Mr. W. T. Richards?—Yes; he is at present in England purchasing for the company.

40. Your business was started under your management some four years ago?—Yes, a little over three and a half years ago.

41. Have you found that the public have patronized you well?—Yes, because of our prices and the attention which our assistants give to them.

42. As giving the Committee briefly an idea of the scope of your business, would you tell us the result of a count which you took between the hours of 7 and 8 on a Friday night in your main Cuba Street shop?—Yes. A count was taken over a portion of an hour—for about ten minutes—and on working it out we calculated that from 3,000 to 4,000 people patronized our shop during the hour.

43. *The Chairman.*] You multiplied the number by six and it worked out at between three thousand and four thousand?—Yes.

44. *Mr. Kennedy.*] How many assistants had you immediately prior to Christmas?—Six in our top shop, and forty in the main—that is, counting ourselves.

45. That, I suppose, would be larger than your normal staff?—Oh, yes.

46. What would be your normal number?—Twenty-seven is the membership of our staff to-day. It is a bit smaller now. Two girls went off after Christmas and we have not replaced them.

47. How many did you employ when you started four years ago?—We started off with nine, in addition to ourselves.

48. Is your system to exhibit in the window the prices at which you sell?—Yes, and every article in our shop is marked.

49. Have you found the public to be discriminating in the matter of prices?—Yes, certainly they are. The public are so well educated to it that they know the prices pretty well as accurately as we do.

50. Do you follow in your business a uniform system of profit, or do you load certain lines, described before this Committee as recovery lines?—We do not class them as that, but every business man knows that a line which is selling slowly must bear a larger profit than one which is selling quickly. We have lines that we turn over twenty-four times a year. We could not expect them to bear the same profit as one turning over only two or three times a year.

51. Do you turn over a large volume of patent medicines?—Yes, there are dozens handled.

52. Do you have any system of substituting articles of your own to the customer, when he asks for anything else?—No, certainly not. Our assistants have not the time to talk another article against one which is asked for; and, in addition, you would lose the confidence of your customers. While our assistants were wasting time talking one article they could be working or selling some other articles to the waiting customers.

53. Your aim, then, is to give the customer what he wants in a minimum of time?—Yes.

54. You have compiled a list of certain articles—some seventy-five—sold at your shops?—Yes; that is only a fraction of our lines. I produce the list. [List handed in].

55. In the first column you have set out the cost to you?—Yes; and in the second column there is shown the selling-price we have fixed. In the third column we have set out the profit on cost which that figure will return. The third column shows profit on turnover, not on cost. In the fourth column we have shown "New selling-price." That price is either the price that is named on