a carton containing the article, or is the tariff price where there is a tariff price, or the controlled price where there is a controlled price. In the next column we show the percentage of profit. They are on cost, and not on turnover, which the new selling-price would return to us.

56. Did you find the profit set out in the first column an adequate one to return satisfactory results ?—Yes.

57. If your present sales were not affected, would the profit shown in the fifth column be greatly in excess over that which you find adequate for your purpose ?—Absolutely.

58. In the margin of the return you have made certain notes ?—Yes.

59. Where there is any doubt as to the possible new selling-price, you have put a marginal note so as to indicate the position ?—Yes.

60. I will refer now to one or two items on your list. Take "3 Flowers—160 tubes": you say you used to sell that at 1s. 11d. ?—Yes. We used to sell it at that price until the agent came round and threatened to stop our supplies. They had the power, and they have it now.

61. The price to-day is 2s. 6d. for that line; but we came to an agreement. We explained that we wanted to sell at 1s. 11d. They were not agreeable to that, but allowed us to sell at 2s. 4½d. to enable us to compete with the shops who were giving away to their customers a 5-per-cent. cash discount coupon.

62. Do you use cash-registers in your business ?—We do not. The reason is that we do not believe in having £800 or £900 tied up in expensive fixtures. We have an efficient staff which we can trust. We went into the matter of cash-registers, and ascertained that the interest on the money lying idle would be about £60 or £70 a year. We came to the conclusion that we were not losing anything like that, even if there happened to be a dishonest assistant. We tested it out with a cash-register man to see if he could handle the same amount of business as we do, and he agreed that on two of our counters it would be impossible to handle the business without getting five or six additional assistants, so we have never contemplated putting in cash-registers.

63. *Mr. Reardon.*] I think your predecessor adopted the same policy of trusting his employees ?—Yes, I believe so; and we have only had one case of trouble in our business, and that was not a case of taking money but of selling the goods at half price.

64. *Mr. Kennedy.*] This system of giving cash coupons is not one which is readily adaptable to your business ?—It is of no use to us. The customer would have to pay, any way. Some one has to pay for it.

65. On the list you have handed in you have marked the "controlled" prices ?—Yes.

66. And if you sell below the controlled prices your supplies are stopped ?—We are threatened in many cases, and in some cases supplies have been stopped, and we have to use all sorts of methods in order to obtain them.

67. You gave to the Committee the new prices of Johnson's baby-powder subsequent to their instituting a system of control ?—Yes.

68. You say that the price to the retailer has been increased ?—Yes.

69. Are there any other cases in that connection—I mean where the price has been increased subsequent to a system of price-control ?—Yes. I start off with Kolynos. We used to buy Kolynos at 13s. a doz. in 5-gross parcels, and I may say that our sales of that article are 5 gross in two weeks. The best price we can buy at to-day is 13s. 6d. in gross parcels, so as soon as they controlled it, it had gone up to 6d. to us. We are on the black-list so far as that article is concerned, although we have never been asked to raise our price. With regard to Carter's little liver pills, since Fasset's have taken over the agency prices have increased from 11s. 8d. to 13s. 7d. These people are on the executive of the P.A.T.A. Stearn's peroxide cream has increased from 16s. 10d. to 17s. 1d.; Johnson's baby-powder, from 11s. 5d. to 12s. 5d.; "Gets-it" corn-cure, from 14s. 11d. to 16s. 2d.; Sanders' eucalyptus, from 11s. 4d. to 12s. 9d.

70. Has the price from the retailer to the consumer generally altered in those lines ?—No, not that I know of, unless chemists have raised prices; but they may do if the P.A.T.A. control these lines.

71. These were articles which you were previously selling to the public at a figure less than that nominated on the carton, or otherwise nominated ?—Yes.

72. Under the control are you compelled now to sell to the public at a higher figure than you were previously selling at ?—Yes, in one or two lines—Kolynos and Johnson's powder. Sanders tried to control their line, but have not been successful.

73. But is the price to the consumer that you are now compelled to observe in the case of those articles higher than that you were previously charging ?—Certainly, very much higher.

74. Have you found great numbers of consumers require cheap prices rather than service ?—The majority of them do.

75. Your accountant has abstracted a return showing the capital in your business, your turnover, gross profit, percentage of gross profit to turnover, your expenses, and percentage of expenses to turnover ?—Yes, I produce the return. [Handed in.]

76. Your accountant is Mr. Lambert, F.P.A. ?—Yes.

77. Does the return show items in respect of the years 1924, 1925, and 1926 ?—Yes.

78. Does that return show that your expenses to turnover in 1924 was 17·6 ?—Yes, and that in 1925 it was 14·5, and in 1926 13 per cent.

79. In the year 1925 your turnover had increased over that of 1924 ?—Yes.

80. And in 1926 a very large increase on 1925 ?—Yes.

81. Your profits have increased in successive years ?—Yes.

82. And the present figures are a source of great satisfaction to you ?—Yes.

83. Does the profit shown include directors' fees ?—Yes.