

62. Are there any persons in New Zealand interested in the tobacco trust?—There are some, I think I am right in saying. The trust controls $87\frac{1}{2}$ per cent. of the local trade. I produce samples of Auckland-made goods.

63. *Mr. Hardy.*] What is your Nimrod manufactured from?—All American leaf.

64. For which you paid a duty of what?—Two shillings, and 1s. excise.

65. How many sticks go to the pound?—Eight. That is the size we sell.

66. Is this sold to the diggers [Sample referred to]?—That is twist.

67. At what price do you supply this?—Our trade has fallen into the hands of the retailers, and we have to charge 5s. a pound for it. We cannot sell in bond.

68. What is the tobacco generally sold in the North Island?—Derby, at 5s. $3\frac{1}{2}$ d.

69. And in bond?—1s. $7\frac{1}{2}$ d. to 1s. 9d.

70. Do you know of any manufactured tobacco that is sold in New Zealand at under 1s. a pound?—I have only heard of that mentioned by Mr. Rutherford this morning.

71. What is the price of Juno?—That has been raised 3d. a pound by the tobacco trust.

72. Is it not within your knowledge that one-case lots have been put up 1d. per pound and ten-case lots $\frac{1}{2}$ d. per pound?—I understand it has been put up 3d. per pound.

73. Is that in the North Island?—They do not sell it there; they sell Derby there.

74. Is it within your knowledge that with some tobaccos instead of putting the prices up they have reduced the weights?—They have done both.

75. Instead of the customer having to pay a higher price for his tobacco he is satisfied with a smaller weight?—He does not know it.

CHARLES BEAUCHAMP RUSSELL examined. (No. 2.)

76. *The Chairman.*] I understand you are managing the tobacco trust here?—No, sir, I do not know it.

77. Will you kindly say what you are?—I am managing director of the American Tobacco Company of New Zealand (Limited), a company formed ten years ago in New Zealand.

78. Would you prefer to make a statement, or would you rather reply to questions?—I do not quite know what I am here for. I was rung up by telephone message from Mr. Aitken and asked to come up here.

79. *Mr. Hardy.*] Certain charges have been made against the American or New Zealand Tobacco Company, and these charges seem to some members of the Committee to be exceedingly serious, and you have been called to give you an opportunity to go into the matter?—All that I know of them is that I have seen certain statements made in the newspapers, and all I can say is that they are absolutely false.

80. Have you or your company tried to control the tobacco business in New Zealand?—No.

81. What tobaccos do you handle?—We handle a number of tobaccos. To put the whole thing in a nutshell, I may state that, taking the financial year ending the 31st March, our trade in tobacco alone amounted to only 12 per cent. of the entire tobacco trade of New Zealand, and the amount of business reached 2,000,000 lb. weight. Our proportion of that was 12 per cent.

82. What is your proportion now?—We have not got the financial returns since March, but it is a little more. We can only check it from the financial returns.

83. Do you control Derby and Juno?—We do not handle or control Derby tobacco.

84. Do you control Juno tobacco?—We have an agency for Juno and certain other brands from the same factory. There are other brands for which Partridge and Co. is one agent, and Kronheimer and Co., of Melbourne, is another. That is to say, the manufacturer splits up his brands among a group of agents.

85. Have you at any time brought pressure to bear upon retailers to prevent them selling or stocking other brands of tobacco than those you represent?—I am pleased that you have raised that question. If I may take the liberty of mentioning the fact, that statement was made by Mr. Seddon in his recent speech at Newtown. After he made that speech I wrote to him drawing his attention to certain matters which he seemed to be under a misapprehension about, and he replied stating that he would give me an interview as soon as he could. Not having had the interview I wrote him further, stating that I had a few figures prepared in connection with the subject, and I have those figures with me now. They were prepared solely for Mr. Seddon, because in a sense it gives an insight into our business, and I wish to have the whole matter ventilated. The nature of our business is that we do not do any business with the retail trade in the colony. We do not come into contact with the retailers. We have no retail tariffs. The retailers—the tobacconists and grocers—form themselves into associations, and are masters of the situation, because they fix their own prices. We would be no parties to any retail tariff. We do not fix the prices, nor dictate to retailers in any shape or form what they should or should not buy.

86. Do the wholesale agents fix the prices for the retailers?—They do not fix the prices at which the retailers shall sell, but fix a tariff at which they shall sell to the retailer.

87. Has it come to your knowledge that one of your agents has issued a circular stating that Juno tobacco has been reduced in weight, and that the retail price in future shall be 9d. a stick?—No, I never heard of it.

88. If such an instruction were placed before the Committee would you call the agent to account for having issued it?—I cannot say what I would do until I had the facts before me.

89. What is the weight of Juno?— $4\frac{1}{2}$ s, 7s, $7\frac{1}{2}$ s, to 8s. There are other sizes on the market.

90. It is not within your knowledge that one of your agents stated that in future your company would not sell 7s?—It is a peculiarity of the trade that the size that runs down in Dunedin does not run in Auckland, and the size taken in the Wairarapa does not suit Wellington.