

*Mr. Sullivan :* They have an actual site in Wellington?—Yes, I understand that they paid £24,000 for that site as a cash transaction.

What would be the view of the Pharmacy Board if they were allowed to carry on at the sites where they had made these arrangements, but were not permitted to commence business elsewhere?—That is a question that is being discussed by us at the moment.

You would be prepared to allow them to carry on in Auckland and Wellington if any legislation could be brought into operation which might prevent them spreading?—We would make that sacrifice to save New Zealand.

*Mr. Jordan.]* Mr. Rickard says, “In no other business is the proprietor specially trained by law to provide a definite public service”; is it possible for the proprietor of a pharmacy not to be a certificated chemist?—It is possible under the present Act.

Therefore I could open a chemist’s shop provided I employed a certificated man as manager?—That is right.

But you say, “In no other business is the proprietor specially trained by law to provide a definite public service”?—Although it may exist, there are not very many unqualified owners; in any case a manager would be there who would give the service of a qualified owner.

That question was leading up to the bigger question: a proprietor of a concern can be anybody—a shareholder?—That is a point which has been brought up.

That exists in New Zealand to-day.

*Mr. Wilkinson.]* Did I understand the witness to say that the chemists would be agreeable to allow these people to carry on in the two places purchased?—We would be prepared to consider foregoing that.

Foregoing what?—We would agree to their remaining in Auckland and Wellington.

There is no law to-day preventing any business commencing operations?—It is legal to-day but we hope that it will not be legal to-morrow. Without question, I might say that the opening of these stores I feel positive, in my opinion, is going to be death to the majority of chemists in New Zealand.

What would happen if they opened in twenty-four other towns?—Take, for instance, Masterton, where there are four chemists and a friendly society—if they opened there I venture to say that at least two would go to the wall within a year. Then there is another factor—the friendly society is doing a tremendous amount of good. Members pay into this society 10s. a year, which entitles them to free medicine, and some of these would have as much as £20 or £30 worth of medicine during the year. The shops are the only means of keeping the business going, and if these friendly societies had to go out of business the people would be thrown back on the Hospital Boards, who would have to carry still another burden.

*Mr. Jordan.]* Do you think the establishment of these stores would make your business very competitive?—I certainly do; they make a habit of cutting prescriptions right to the very bone.

Price-cutters?—Yes.

It has been said that there are more chemists in England now than there were before Boots commenced?—That may be due to population. I would not like to say that Boots have reduced the number in England.

*Mr. Healy.]* You say here, “Price-cutting stores are quite willing, after diverting the bulk sale of a line to their own shops, to enter into an arrangement to have the prices raised”?—That is going on at the moment in so far as these people get a line of, say, “Kruschen” salts—this line may be cut to such an extent that it is sold under cost price, and after a while the other chemists may get in touch with the manufacturer to arrange that this article be sold at a definite price. After having brought the business into their shops these chain stores say, “Very well, we will sell at 2s. the line which they had been selling at 1s. 8d. or 1s. 9d. That is the sort of business that is going on to-day with all price-cutters.

What lines come under the Commercial Trusts Act?—Of course, there are certain lines enumerated in the Commercial Trusts Act, mostly footstuffs. The amendment would enable the manufacturer to fix prices for particular lines and thereby prevent price cutting.

*Mr. Holland (Chairman) :* Is medicine of all descriptions obtained at Boots?—Yes.

And manufacturers wish to fix the prices because of the introduction of this firm?—Yes, we are very anxious that this Bill should go through.

*Mr. Sullivan.]* You are only interested in the amendment to the Commercial Trusts Act in regard to the question of whether Boots will be allowed to establish themselves?—That is not the sole reason. It would be helpful if Boots were not able to cut into our own lines. Apart from that, we do require legislation to allow manufacturers to fix prices so as to prevent chain stores cutting to such an extent.

Your first point is that you would prevent Boots if you could; secondly, if they cannot be prevented you want the amendment to the Act?—Yes.

*Mr. O’Leary.]* You are not really very much affected by the Commercial Trusts Act, because you see the Commercial Trusts Act is restricted in operation so far as you are concerned to foodstuffs?—Yes.

You cannot be very much affected by it?—The Act as it stands at present allows price-cutting to go on. We have not the power to fix prices.

Yes, you have. What about the scores of lines not covered by the Act at all. Are you not allowed to fix the prices for many lines?—No.

I suggest to you that you might take advice on the matter, because the Commercial Trusts Act deals with petrol, coal, agricultural instruments, and foodstuffs. These proprietary lines are not foodstuffs.—We want an amendment to this Act to enable prices to be fixed.

At the present time the manufacturer can fix prices for any number of commodities that you sell, and they do it.