

84. So that the public does not get the benefit of your having manufactured these goods which compete with those on the P.A.T.A. list at a lower price?—Any person can become a member of the Co-operative Society and can share in the benefits to be obtained.

85. I am speaking of the trade?—And the law provides that we shall accept any person who applies for membership, and that means that any person who comes into our shop and asks for our goods can get the benefit of co-operative goods.

86. Exactly; they have to join your association before they can get all the benefits?—Not altogether.

87. The point I am putting to you is this: unless a person goes to buy at your establishment he cannot get the benefit of the cheaper price at which you manufacture goods competing with the P.A.T.A. list?—That is so.

88. You do not give the whole of the public the benefit of your services?—Yes, we do.

89. You say you do?—Anybody can become a member of the Co-operative Society.

90. By leaving his own trader and becoming one of your constituents?—That is a different proposition altogether. I say that the door is open to them if they care to accept.

91. I suppose your constituents prefer to buy an article that is manufactured by your concern to buying a competing article that is on the P.A.T.A. list?—Not always. The larger advertising that is done by the P.A.T.A. attracts the people to the commodity, and this necessarily creates a demand in our shops.

92. In the case of these proprietary articles a large expenditure is necessary to popularize the article?—I think that a great deal of money is wasted in that way.

93. That may be your opinion?—You asked me for my opinion, and I have given it to you.

94. Is it not the general experience that a large amount of money is spent in advertising an article and thereby popularizing an article?—It is questionable whether it is right or not. I say it is not.

95. That is not your business, nor is it mine. I suppose you will agree that where a manufacturer has spent a large amount of money in popularizing his article he is entitled to some protection?—He gets it, because he charges the consumer with it.

96. Does he get it if by immoral tactics on the part of retailers the trade, so far as his article is concerned, becomes ruined?—The trade, so far as his article is concerned, would not become ruined, because the cheaper the article is sold the greater the demand.

97. That is not correct. Do you not think that if a proprietary article is slaughtered in price by a retailer here and there that the ordinary retailer will endeavour to stock as little as possible of that article? Is that not common-sense, and does that not meet with your own experience?—I do not know. Personally, I should not stop stocking it.

98. But they would stock as little of it as possible, and sell other lines in preference?—I would only stock those articles in accordance with the demands.

*Mr. Collins:* I want to say that so far as the questions that may be put to any witness or witnesses during the course of this inquiry they are made, so far as the members of the Committee are concerned, without prejudice and without any suggestion of bias. For instance, a question that is asked by a member of the Committee may show, in your opinion, that it is biased.

*Mr. Myers:* We recognize that. As a matter of fact, you are a Board of inquiry set up to consider the whole of these matters.

99. *Mr. Hayward* (to witness).] I have here a list showing the price in Britain for Allenbury's food: what do you consider is a reasonable rate of profit on goods of that class in England?—Do you mean the profits of the retailers?

100. Yes, retailers' profits?—That is a very difficult question to answer.

101. So far as your co-operative stores are concerned, what rate of profit would you put on infant-food, for instance?—Something about 15 per cent. to 17 per cent.

102. The wholesale price is 20s. per dozen and the retail price is 2s. 1d. each?—I may say that my principle as a manager was to fix the profits on these goods that were stable in character, and in general usually as low as possible.

103. This rate is 20 per cent.?—That is not a great deal too high. If you come down to other things you will find that there is a very different rate of profit.

104. *Mr. Montgomery.*] In connection with the effect upon manufacturers that the cutting of the price of goods might have there is one question I would like to ask, and it is this: whether the cutting or the slaughter of goods is generally confined to one article, or whether it is spasmodic in its nature?—It is very spasmodic. The man who does that sort of thing would take a certain article for one fortnight and another article for another fortnight: he would not stick to one article alone.

105. Would you not consider that, unless a very considerable number of these articles were the product of a particular manufacturer, that the occasional slaughter of goods in that way by cutting would greatly affect him?—It would have no effect on him.

106. *Mr. Reardon.*] Reverting again for a moment to your retail experience, what was the rule as to the percentage over landed cost?—We have no landed cost. Do you mean over the stock?

107. Yes, over the stock?—It all depends on the nature of the stock. Any one who is in the business will know that there is a very much less rate of profit on articles such as butter, bacon, cheese, and other things where the stocks are turned over much more quickly than in articles such as soap, &c.

108. Broadly speaking, the P.A.T.A. articles were among the articles of goods that you consider slower-selling lines?—Yes.

109. That would affect the amount you would put on the article above the landed cost?—Yes, except in the case of infant-food, which is done up in packages, and consequently there is no depreciation. In regard to fancy toilet-soaps, I may say that we do not stock them and have never done so. We