

South Africa

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Pros & Cons re the re-establishment of
~~Advantages secured by having~~ a branch
in S. Africa.

The very considerable foothold our products
have now secured in S. Africa. demands
the adoption of a better system than that
in vogue at present, to ^{not only} maintain this
foothold. but to seize the opportunity of
this advantage to turn what is at present
a comparatively small business into
a large & influential concern.

When affairs in S. A. are settled: - & present
prospects are very bright in this respect: - an
important requisite for an increased business
will be supplied - i.e. a ~~large~~ ^{considerably larger} ~~white~~ population than has hitherto existed
in S. Africa. moreover a population which
will of necessity (climate etc) be proportionately
a larger consumer of drugs than if living
under the advantages of sanitation, climate etc
prevailing in U.K. & large European towns etc.

The question naturally arises: "How can ~~we~~
~~products~~ (already well known in the country)
best direct the attention & secure the custom
of this largely increased white population for
our products, already well known in the
country?"

The method adopted at home is undoubtedly
the most efficient. i.e. advo. & thorough
sampling of the medical men. & in
~~sampling~~ ^{these matters} the requirements of the country should

be borne in mind ² To reap the full benefit of this work & expense, it is absolutely essential that the goods should be at hand for prompt supply when the demand arises. past experience amply prove that we cannot depend upon wholesale or retail firms, under the present system, ~~to stock~~ ^{stocking} a sufficient variety or quantity of our products to meet this ^{expected} demand - in fact some firms have taken advantage of the sampling we have done in the past, to supply goods of similar title but inferior manufacture - it is therefore of the utmost importance that we should hold stock in the country, under our own control. There is considerable scope in S.A. for 'Tatloid' Med. ~~Cases~~ ^{Cases} - under the present system a considerable number of sales are lost, due to the fact that the customer has to take ~~them~~ ^{the cases} as already fitted, & cannot make his own selection of contents & secure the case within a reasonable time - we should develop a considerable business in this line if in a position to fit cases to desire of customer & supply within reasonable period.

The holding of stock in the country would prove a serious barrier to competitors - would enable us to cope more easily with substitution - & should be of great assistance in developing business with the many mining & exploration companies already in existence & those which will be formed hereafter.

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- we should further be in a much better position to enter into contracts for Government & military supplies.

On the other hand the establishment of a branch will entail considerable expense - ~~responsibility, rents, high salaries.~~ Its success will depend almost entirely upon the ability & integrity of the manager appointed. Goods will have to be supplied at the existing landed cost to importers - though it is possible an extra percentage of profit ~~may~~ be gained by invoicing the branch at lower rates than wholesale houses are able to buy, thus saving something in duty - yet in the main we shall have to look for a considerable increased business to make the branch a successful venture - The establishment of a branch will mortally offend our present best buyers, in S.A., & induce ~~them~~ ^{them} to introduce competing lines with the utmost vigour, by means of ~~also~~ ^{their} many branches in S.A. - in this respect however we have little to fear, this firm is already showing signs of antagonism due to their realisation of the foothold we have gained - They ~~are experiencing~~ ^{are experiencing} will experience still more, very severe competition in their wholesale business - retail Chemists are buying direct much more than hitherto - & wherever Lennon Ltd have a retail branch, ~~and others~~ they have opponents - consequently any antagonism they may display to our goods will be to their opponents benefit.

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If I had been the responsibility of
deciding whether a branch should or
should not be established in S.A. -
The point which would present the ~~the~~
greatest difficulty to me in arriving at a
decision would be the question of manage-
ment. Taking everything I can think of
into consideration for & against, I am
firmly convinced that a branch is a
necessity & would eventually pay
handsomely, provided the right man could
be found to take charge. - so much depends
upon his energy, originality, integrity,
^{administrative ability} & aptitude in following & catching the
true spirit of instructions from head quarters -
satisfied in this respect, I should
make the venture.

The alternative to a branch would be
a resident representative - if he
worked hard he might succeed in main-
taining the present foothold our products
have ^{secured} in S. Africa - but there is very question-
able when the certainty of Keener Com-
petition in the future is taken into consideration
- he would have ~~no advantages~~ to labour
under the disadvantages of the present
system - inability to reap much benefit
of sampling etc. inability to promptly meet
desires of customers re fittings of med. Cases etc.
loss of business by delays in correspondence.
When competition commenced he might

possibly maintain the present business - but he has practically no chance of increasing it. On the other hand the firm is not involved in the heavy preliminary expenses necessitated by the formation of a branch - & if S.S. cannot be regarded as a stable country, or if its development is likely to be retarded for some years - the continuance of the present system would seem desirable - but everything points to a large & speedy development of the country - owing to the past unsettled state of affairs, men have naturally hesitated to put money into the country - but many have made preparations long ago to strike out ^{as} soon as the Transvaal & O.R.C. came under British administration.

Taking these points into consideration, I am inclined to the opinion that a resident representative would not be able to further ~~the~~ ^{sale} increased sale of our goods, or enable the firm to reap the full benefit of the coming trade boom - it would take him all his time to maintain the present amount of business done in the country.

Private.

11 April, 1901

hereafter. We should, further, be in a much better position to enter into contracts for Government and military supplies.

Pros & Cons re the establishment of a Branch in South Africa.

On the other hand, the establishment of a branch will entail considerable expense, and responsibility. Its success will depend almost entirely upon the ability and integrity of the manager appointed. Goods will have to be

① The very considerable foothold our products have now secured in South Africa demands the adoption of a better system than that in vogue at present, to not only maintain this foothold, but to seize the opportunity of this advantage to turn what is at present a comparatively small business into a large and influential concern.

② When affairs in South Africa are settled - and present prospects are very bright in this respect - an important requisite for an increased business will be supplied, i.e. a considerably larger white population than has hitherto existed in South Africa. Moreover, a population which will of necessity (climatic, etc) be proportionately a larger consumer of drugs than if living under the advantages of sanitation, climate, etc prevailing in the United Kingdom and large European towns, etc. The question naturally arises, "How can we best direct the attention and secure the custom of this largely increased white population for our products, already well known in the country?"

③ The method adopted at home is undoubtedly the most efficient, i.e. advertisements and thorough sampling of the medical men, and in these matters the requirements of the country should be borne in mind.

To reap the full benefit of this work and expense, it is absolutely essential that the goods should be at hand for prompt supply when the demand arises. Past experience in South Africa amply proves that we cannot depend upon wholesale or retail firms, under the present system, stocking a sufficient variety or quantity of our products to meet this expected demand. In fact, some firms have taken advantage of the sampling we have done in the past to supply goods of similar title, but inferior manufacture. It is, therefore, of the utmost importance that we should hold stocks in the country under our own control.

There is considerable scope in South Africa for "Tabloid" Medicine Cases, etc. Under the present system a considerable number of sales are lost, due to the fact that the customer has to take the cases as already fitted, and cannot make his own selection of contents and secure the case within reasonable time. We should develop a considerable business in this line if in a position to fit cases to desire of customer, and supply within reasonable period.

The holding of stock in the country would prove a serious barrier to competitors; would enable us to cope more easily with substitution, and should be of great assistance in developing business with the many mining and exploration companies already in existence, and those which will be formed

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? Continuing to show

The establishment of a branch will mortally offend our present best buyers in South Africa, Lennon Limited, and induce them to introduce competing lines with the utmost vigour, by means of their many branches in South Africa. In this respect, however, we have little to fear. This firm is already shewing signs of antagonism, due to their realisation of the foothold we have gained. They are experiencing, and will experience still more, very severe competition in their wholesale business. Retail chemists are buying direct much more than hitherto, and wherever Lennon Limited have a retail branch they have opponents. Consequently any antagonism they may display to our goods will be to their opponents' benefit.

If I had to bear the responsibility of deciding whether a branch should, or should not, be established in South Africa, the point which would present the greatest difficulty to me in arriving at a decision would be the question of management. Taking everything I can think of into consideration, for, and against, I am firmly convinced that a branch is a necessity, and would eventually pay handsomely, provided the right man could be found to take charge. So much depends upon his energy, originality, integrity, administrative ability, and aptitude in following and catching the true spirit of instructions from headquarters. Satisfied in this respect, I should make the venture.

The alternative to a branch would be a resident representative. If he worked hard he might succeed in maintaining the present foothold our products have secured in South Africa, but this is very questionable, when the certainty of keener competition in the future is taken into consideration. He would have to labour under the disadvantages of the present system - inability to reap much benefit of sampling, etc; inability to promptly meet desires of customers re fittings of medicine cases etc, and loss of business by delays in correspondence. When competition commenced he might possibly maintain the present business, but he has practically no chance of increasing it. On the other hand, the firm is not involved in the heavy preliminary expenses necessitated by the formation of a branch, and if South Africa cannot be regarded as a stable country, or if its development is likely to be retarded for some years, the continuance of the present

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system would seem desirable, but everything points to a large and speedy development of the country. Owing to the past unsettled state of affairs, men have naturally hesitated to put money into the country, but many have made preparations long ago to strike out as soon as the Transvaal and Orange River Colony came under British administration.

Taking these points into consideration, I am inclined to the opinion that a resident representative would not be able to further an increased sale of our goods, or enable the firm to reap the full benefit of the coming trade boom. It would take him all his time to maintain the present amount of business done in the country.

G.E.P.



We shall probably be able to invoice our branch in South Africa at lower rates than wholesale houses are able to obtain our goods for, and thus we should save something in duty. If it were only two per cent it would amount to a considerable item.

The "Resident Representative" could not send out samples, that is to say he could not be in Cape Town to attend to such matters - they would have to be sent from London. It would take one representative to go to all the chief towns and do them thoroughly, something like seven or eight months.

Mr Pearson thinks one representative would be sufficient in South Africa for the present; it would not pay to go into the small towns. You have to take a cart in and take a cart back, and then ~~you~~ see two doctors perhaps. Here is where the advantage of a branch comes in, because from a branch you can communicate with these doctors, you can send them samples, and they can send their orders. The results are so much quicker. In Mr Pearson's mind there is no comparison between the business advantages of a branch as compared with a "resident representative".

Substitution is not looked upon as dishonest in South Africa - it is looked upon as smart - it is purely a question of S.S.I. The bulk of chemists, however, in South Africa would rather stock our goods than imitations, but they often run out of stock. Sauter goes over to South Africa himself - ~~he takes stocks out~~ ^{he takes stocks out} with him when he went out. His great advantage ~~was~~ ^{is} that he had the stocks with him, as otherwise he would not have done any business.

Mr Pearson could have sold three times over the Kepler which he gave away to the Red Cross Society.

We lose a great deal of business in medicine chests by not being able to fit them on the spot. Our medicine chests should have a very large demand there, but they want them fitted in their own way instead of sent out by us for stock. The cost of girl labour is not expensive in South Africa, - it is cheap. The experienced hands come from England, but the ordinary work girls are all local.

Advertisements of "Tabloid" Tea, "Tabloid" Photographics, Medicine Chests etc. might be put in the public press with the address of the branch if we have one.

Mining Companies etc. think that chemists only stock our leading lines and this tends to the restriction of our business. This would be avoided by a branch.

There is a good future for "Tabloid" Tea in the country, including the Kaffir Stores. If it is invoiced as compressed tea it will go into Cape Colony at sixpence per pound. -----

Lennons send out their compressed goods in bulk and bottle them there; there is no doubt that they get a big pool in this way. They go in as pills. All pills pay 20% duty in bulk.

Limited Liability Companies pay 3% on their capital.

The Kepler is the only malt extract which appears to stand the climate - Allen and Hamburys' solidify, as well as others. Lennons put up a Malt Extract but no one ever buys it.

There is a big field for "Hazeline" and "Hazeline" Snow and the "Lanoline" preparations. Hypodermic products especially should go well there.

Mem. Receive from Mr Pearson his notes - pros and cons on the two alternatives of representative and branch.

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10. April 1901

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27 March 1901.

Re proposed branch.

License for resident agent is about £5. per ann. There is no income tax in South Africa. No other employees except the resident agent (i.e. Manager) and Travellers have to pay tax.

Mr Pearson very strongly recommends an office staff from England. The colonial clerk has been accustomed to peculiar liberties, and his office training is so bad that he would hardly conform to ordinary business habits - he expects to smoke all day, to go out and have a drink when he thinks he will, etc. etc. The type of man which one would get over there could not be compared to the ordinary English Clerk - great temptations to drink etc. Scotchmen are the best type of clerks in South Africa and are more reliable than the Colonials, but their great aim is to better themselves and to be on the look out for more remunerative positions in the towns up country. ~~Wholesale~~ Lennons' assistants, and the principal members of the staff of Heynes, Mathew, are English and were sent out from here. Lennons' wholesale department in Cape Town-book-keepers and clerks, three Scotchmen and six Englishmen, were all engaged in ~~England~~ England and sent out.

In Cape Town a good clerk would get about a £1. a day, and in Johannesburg say 25/- - Juniors 8/- to 10/- a day, etc.

For warehouse duties black labour would be employed with a white man to superintend, whose wages would probably be 10/- to 15/- a day; Kaffir labour say 4d. per hour.

Cartage in Cape Town is very high; customs charges and dock handling is not high - quite moderate.

Although rent is high now, Mr Pearson thinks it will be still higher after the war when the expected boom sets in.

Interest upon stock must be considered.

The attitude of wholesalers and retailers if we were to start a branch.

Mr Pearson says he carefully sounded the firms out there without showing his hand. With the exception of Lennons' they would all welcome a branch. Heynes, Mathew & Co. and others recognise that chemists' orders through them for our goods are becoming less, because the chemists buy direct or through London agents, and therefore it would pay H.M. & Co. and the other wholesale *houses*

for us to have our stock there and hold it for them. Generally speaking, we should be greatly welcomed by wholesalers and retailers, excepting only one firm. All the retailers press for it.

With regard to Lennons' attitude, Mr Fairclough went for Mr Pearson for taking orders from their managers, and said they never allowed goods to be purchased from representatives - goods must be purchased from their London House. The managers themselves would welcome our branch.

Mr Fairclough is the man of all others to endeavour to convert, and the argument to be used with ~~Mr Fairclough~~^{him}, Mr Pearson thinks, is that the firm of Lennon would, by the establishment of our branch, be saved interest on stock. The reason Mr Pearson suggests this argument is that Mr Fairclough and Mr Walsh have held that the reason they have got an extra 5% rebate is because of the enormous stock they have to hold.

Mr Pearson was asked supposing that Lennons took up a very antagonistic attitude, ^{and he said that such} an attitude ~~which~~^{but} would not surprise Mr ~~him~~^{him} Pearson at all, ~~and he said that~~^{but} he did not think it would matter much. All the retailers hate Lennons, ^{who} they are losing customers all the time. Mr Pearson says most decidedly that they could not do more against us than they do now - if they did their worst it would not affect us adversely.

Advantages secured by having a branch in South Africa. From a military and

Government point of view, the establishment of a branch is of paramount importance. Our goods would be used much more if there was a stock on the spot, and Lennons and the other people could not say "we have not these things but we have so and so" as they do now. The Military and Government Authorities would come straight to our branch, and thus save a very large intermediate profit. It must be remembered that there will be a large up-keep of the Military for many years.

A larger variety of our goods will come into use, as only leading lines are stocked now.

There would be no excuse for a chemist selling imitations if he ran out of stock of our leading lines, such as Cascara.

We should do a very much larger business with medical men if we had a stock always out there.

There will be a largely increased medical population and ^a ~~the~~ general development of the country.

The restriction that a branch would necessarily have upon the business of competitors.

The alternative to a branch is

A resident representative in the same way that Evans, Lescher have, ^{Mr} Richardson has been out there 18 or 20 years. He moves about - has a regular journey - Cape Town, Kimberley, Port Elizabeth, East

London, Durban, Maritzburg, Johannesburg, Pretoria, Bloemfontein, Bulawayo etc. His business is to take orders from the chemists and send them on to London for his people here to execute.

Lennons have some idea that Evans, Lescher are going to start a branch in South Africa, and it has very much alarmed them. They asked Pearson if he knew anything about it.

Mr Richardson told Pearson that he had been pressing his firm in London for the last ten years to start a branch. Evans, Lescher's business in South Africa is however, practically a buying business, that is to say, Mr Richardson takes orders for all chemists goods, ours included, to be executed by Evans, Lescher and Webb in London.

27 March 1901.

Re proposed branch.

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Mr Pearson very strongly recommends an office staff from England. The colonial clerk has been accustomed to peculiar liberties, and his office training is so bad that he would hardly conform to ordinary business habits - he expects to smoke all day, to go out and have a drink when he thinks he will, etc. etc. The type of man which one would get over there could not be compared to the ordinary English Clerks - great temptations to drink etc. Scotchmen are the best type of clerks in South Africa and are more reliable than the Colonials, but their great sin is to better themselves and to go on the look out for more remunerative positions in the towns up country. ~~Mr Pearson~~ Leannons' assistants, and the principal members of the staff of Reynes, Mathew, are English and were sent out from here. Leannons' wholesale department in Cape Town took-keepers and clerks, three Scotchmen and six Englishmen, were all engaged in Kxxxxx England and sent out.

In Cape Town a good clerk would get about a £1. a day, and in Johannesburg say 25/- - Juniors 2/- to 10/- a day, etc.

For warehouse duties black labour would be employed with a white man to superintend, whose wages would probably be 10/- to 15/- a day; Kaffir labour say 1d. per hour.

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for us to have our stock there and hold it for them. Generally speaking, we should be greatly welcomed by wholesalers and retailers, excepting only one firm. All the retailers press for it, and send their people here to see it.

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Mr Fairclough is the man of all others to endeavour to convert, and the argument to be used with Mr Fairclough, Mr Pearson thinks, is that the firm of Lennon would, by the establishment of our branch, be saved interest on stock. The reason Mr Pearson suggests this argument is that Mr Fairclough and Mr Walsh have held that the reason they have got an extra 5% rebate is because of the enormous stock they have to hold.

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RETAIL PRICES. Prices obtained by chemists from the public range from 100% to 150% profit, and even in some cases higher, the exceptions being leading lines such as Toilet "Lacoline", "Fabloid" Cascara, Phenacetin, Sulphonal, ^(about a ~~few~~ dozen) ^(line) In Cape Town, "Haxeline" Snow is charged at 1/6 ~~minimum~~ which is described as cheap.

Mr Pearson says we shall require to have a permanent representative in South Africa constantly moving around watching the stocks &c. or establish a branch, and that we should establish a branch there is the feeling there amongst the chemists and the medical men. ~~well~~ They feel there is a necessity for it and they wonder we have not done it before. If we do not open a branch there Mr Pearson thinks we shall be compelled to keep a resident representative there, as the business is bound to grow.

Mr Pearson was asked if he had formed an idea as to which of the two courses would be the wiser, that is to say, He would not take any responsibility in replying. From his experience he thinks it would be very much better to have our branch there as on the same line as in Australia.

We stand exceedingly well with doctors at the Cape; they are extremely friendly towards us - they like our goods. The doctors outside Cape Town and Durban dispense themselves; our goods suit them - they are inexpensive as compared with what chemists supply. Prescribing and dispensing doctors both, they like our goods. We have no competitors amongst doctors at present in South Africa, and the good will of the doctors towards us embraces all our things such as "Fabloid", "Soloid", "Kefler", Hypodermics, "Haxeline" etc. etc.

Lennons at the present time put up imitation goods of Kefler, and all our lines that are in any sense popular.

Parke, Davis & Co. have been throwing out feelers in the way of circulars, and Mr Pearson understands a representative is on the way.

The Americans are equally popular with the English at the Cape as a nation. Freight is against the Americans.

If we have a branch, it should be established at Cape Town. The majority of chemists who have mentioned the matter have referred to Cape Town because Mr Pearson has said to them - "Well, I have no reason to believe my firm contemplate having a branch at the Cape; ^{we} Some chemists have mentioned Johannesburg because, they say between Johannesburg and Pretoria will be the principal white population of South Africa, but all the principal houses at the present time are in Cape Town. As a seaport, Cape Town is the only place in South Africa.

Rent for business premises is, however, very high. There would be a certain amount of difficulty in finding a suitable place. The sanitation of the town is bad, ground very expensive, building extremely expensive. Rentals are by the month, not by the year. All houses, without exception, are let this way. In a street like George Street, Mr Pearson thinks it would cost £120. to £180. per month; this would include taxes as rent always includes all charges.

For an office on the ground floor with a basement about the size of the basement of 66-67, Albion Buildings.

Rough notes of Conferences with Mr Pearson.

26 March 1901:

Lennons stock our goods very well so long as you are on the spot. If you allow them to drift, they seem to lose interest. Sauter of Geneva has got goods into South Africa, but Pearson has not found Allen & Hanburys. Lennons tendency is not to stock largely, only to stock what they are absolutely compelled to to meet the requirements of their own customers. To get our goods, people must insist upon getting them. In all of Lennons' shops a very handsome commission is given to the Assistants on sales of goods in which Lennons are personally interested, that is to say, if they take up a line of compressed goods which they make their own, these Assistants will get this commission, and are therefore directly encouraged to substitute wherever possible. B.W. & Co. goods, being so to speak foreign, bear no commission whatever to the Assistant.

This same system obtains with Heynes, Mathew & Co. and Petersens, and indeed, throughout South African wholesale houses.

Mr Sillow says this also leads on to another point which Mr Pearson lays great stress upon, that so far from substitution - direct and bare-faced substitution, being looked upon as wrong, it is directly encouraged by the Principals and commended: in fact, generally speaking, what would be considered here in England as shady and/or sharp practice, is in South Africa looked upon as clever and smart.

Salaries of Assistants range about £18. to £20. a month in Cape Town - up country £25. to £30. per month, but as will be seen from the foregoing, this salary is supplemented by the commissions authorized.

An example which came under Mr Pearson's own cognisance is an arrangement made with an Assistant by Heynes, Mathew & Co. which was - Salary £17.10.0. per month, 1½% commission upon gross returns, and 5% additional commission upon proprietaries belonging to B.W. & Co.

In one case, also within Mr Pearson's knowledge, where an Assistant did not care to accept the 5% proprietary commission, the deal was as follows :- £25. per month for the first year with a room and 2% upon total returns; the salary to be increased to £30. per month during the first three years.

Mr Pearson's opinion is that Lennons' feel that we are getting greater hold not only on the chemists and the trade generally but also on the Government Departments. There is a strong disposition on the part of the authorities that, if we are on the spot with our goods to make great use of them. The Government authorities do

not like ordering from local chemists because, first, they are not sure of securing our goods, and secondly, because of the very greatly enhanced price; for instance, Petersens have the railway contract, for the present year at 33 $\frac{1}{2}$ % off Lennons list, (including our goods) for all goods except surgical instruments.

Lennons prices for leading lines are 33 $\frac{1}{2}$ % added to our London list. These are the modified prices agreed upon when the duty was 12 $\frac{1}{2}$ %, but now the duty is 20% ad valorem. Lennons are supposed to give 10% and 5% from list to chemists, but they give some chemists 5%, some 5% and 5%, some 5% 5% and 5%, some 10%, and some 10% and 5%.

Mr Pearson says that from his observation of Lennons attitude and from the instructions to their Managers, we can take it that in the future Lennons will do all they can to save our goods. Mr Pearson has no evidence, but he believes they have something on the move to put compressed goods upon the market, there with their own name on. He says they are reducing stocks by keeping only one month's supply and their instructions to their Managers are that stocks must be most carefully regulated.

Mr Pearson is very firmly of the opinion that we should do a very largely increased business in South Africa if we had our own branch there so as to control supplies.

On being requested by Mr Pearson to lay in stocks to meet the demand likely to come along Lennons said why should they put up their capital to take in a large stock of our goods? The chemists in Johannesburg and Pretoria would not order in advance for the goods to be delivered at the seaports to await their pleasure, because they said the docks were full and overflowing, which was true, and that they would rely upon Lennons & Co. for the first three or six months. Lennons were told this, but their reply was that it was not their business - they should order from England. This is really the spirit of Mr Walsh which permeates the whole firm.

Without a single exception, everyone that Mr Pearson has come in contact with who has spoken at all about the future of South Africa, is firmly of opinion that it is to be a very big thing. There are large garrison towns to be formed - a large military population - the large well-known mineral wealth of Pretoria which has never been touched and which is supposed to be really in excess of Johannesburg, and Pretoria is within 40 miles of Johannesburg. Johannesburg has only just been tapped. It forms the subject of lectures in America by Col. Stow, who was sent out by the American Government to report upon the wealth of the country.

Lennons are increasing the size of their establishments where such are already in existence, and starting establishments where none at present exist.

Heynes, Mathew & Co. second in importance to Lennon, seem to be a firm of impulses. Mr Pearson found that their stocks had been bad, but their accounts have been very much increased during the past nine months. They are friendly disposed provided that they get the man representing us that meets with their approval; our representative must meet their methods.

The same rules as to commission to Managers obtains with this firm as with Lennons - the Assistants get no commission upon our goods. They also are making provision for largely increased business - they are also opening a Homeopathic pharmacy in Cape Town in addition to their regular pharmacies.

The relations between Lennons and Heynes, Mathew & Co. have been very bad in the past, and are likely to remain so in view of the quarrel being virtually a personal one on the part of Mr Walsh - (private).

Petersen & Co. come next - they are a very slow firm - want a good deal of pushing. Petersen is an old-fashioned German, but Evans is a young man who has not the power to push. A second-rate firm as compared with the others, both in methods and goods. They are somewhat apathetic in attitude - have talked about starting their own compressing plant etc.

Mr Thomas, retail chemist, Claremont. Had an actual offer of £15,000 for his business - he refused it, and is now building a much larger place on his own account, although two other chemists are there now, and perhaps Lennons, and Heynes, Mathew & Co. will start branches there.

Durban. Lennons have the whole run of the town, and really of Natal, as a wholesale house.

Heynes, Mathew & Co. are meditating starting a wholesale establishment in Durban for this reason.

Pietermaritzburg. Turner & Co. supply our goods when they are asked for - they feel badly over our terms to Lennons, and everybody in South Africa knows the terms we give to Lennon & Co.

Port Elizabeth. Gardner & Co. and Lennons are the wholesalers here. Gardners are cutting into Lennons very much. The attitude of Gardners is very good - the most friendly firm Mr Pearson came across. They are at daggers drawn with Lennons.

East London. Lennons and McJannet & Co. - the latter firm are very friendly, but do not do a large trade - it is a local wholesale trade.

Kimberley. Ruffel is a retailer having five shops, but does a little wholesale business with adjoining towns. Lennon is there, and Heynes, Mathew & Co. with two branches; Cooper & others.

Mr Pearson says that chemists as a rule throughout South Africa hate Lennon, and buy just as little as they can from them.

Heynes, Mathew & Co. and Petersens have practically the same list prices as Lennons, and adopt the same dodgy discount system.

Retail prices. Prices obtained by chemists from the public range from 100% to 150% profit, and even in some cases higher, the exceptions being leading lines such as Toilet, "Lanoline", "Fabloid" Cassara, Phenacetin, Sulphonal (say about a dozen lines). In Cape Town "Hazeline" Snow is charged at 1/8, which is described as cheap.

Mr Pearson says we shall require to have a permanent representative in South Africa constantly moving around watching the stocks &c. or establish a branch, and that we should establish a branch there in the feeling amongst the chemists and medical men. They feel there is a necessity for it, and wonder we have not done it before. If we do not open a branch, Mr Pearson thinks we shall be compelled to keep a resident representative there, as the business is bound to grow.

Mr Pearson was asked if he had formed an idea as to which of the two courses would be the wiser. He would not take any responsibility in replying. From his experience he thinks it would be very much better to have a branch, on the same lines as in Australia.

We stand exceedingly well with doctors as a body at the Cape; they are extremely friendly towards us and like our goods. The doctors outside Cape Town and Durban do their own dispensing; our goods suit them and they are inexpensive as compared with what chemists supply. Both prescribing and dispensing doctors like our goods - we have no competitors amongst doctors at present in South Africa, and the good will of the doctors towards us embraces all our things, such as "Fabloid", "Soloid", "Kepler", Hygodermica, "Hazeline", etc. etc.

Lennons at the present time put up imitation goods of "Kepler", and all our lines that are in any sense popular.

Parke, Davis & Co. have been throwing out feelers in the way of circulars, and Mr Pearson understands a representative is on the way.

Americans are equally popular with the English at the Cape, as a nation. Freight would be against the Americans.

If we have a branch, it should be established at Cape Town. The majority of chemists who have mentioned the matter have referred to Cape Town, because Mr Pearson has said to them - "Well, I have no reason to believe my firm contemplate having a branch at the Cape". Some chemists have mentioned Johannesburg, because, they say that between Johannesburg and Pretoria will be the principal white population of South Africa, but all the principal houses at the present time are in Cape Town. As a seaport, Cape Town is the only place in South Africa.

Rent for business premises is, however, very high. There would be a certain amount of difficulty in finding a suitable place. The sanitation of the town is bad, ground very expensive, building extremely expensive. Rentals are by the month, not by the year. All houses, without exception, are let this way. In a street like George Street, Mr Pearson thinks it would cost £120. to £180. per month for an office on the ground floor with a basement, about the size of the basements of 86 & 87 Holborn Viaduct. This would include taxes, as rent always includes all charges in Cape Town.

27 March 1901.

License for resident agent is about £5. per annum. There is no income tax in South Africa. No other employees except the resident agent (i.e. Manager) and Travellers have to pay tax.

Mr Pearson very strongly recommends an office staff from England. The colonial clerk has been accustomed to peculiar liberties, and his office training is so bad that he would hardly conform to ordinary business habits - he expects to smoke all day, to go out and have a drink when he thinks he will, etc. etc. The type of man which one would get over there could not be compared with the ordinary English Clerk - great temptations to drink &c. Scotchmen are the best type of clerks in South Africa, and are more reliable than the Colonials, but their great aim is to better themselves and to be on the look out for more remunerative positions in the towns up country. Lennons' assistants, and the principal members of the staff of Heynes, Watson & Co. are English, and were sent out from here. Lennons' wholesale department in Cape Town - book-keepers and clerks, three Scotchmen and six Englishmen were all engaged in England and sent out.

In Cape Town a good clerk would get about £1. a day, and in Johannesburg, say 25/- . Junior 8/- to 10/- a day, etc.

For warehouse duties black labour would be employed, with a white man to superintend, whose wages would probably be 10/- to 15/- a day; Kaffir labour say 4d. per hour.

Cartage in Cape Town is very high; customs charges and dock handling is not high - quite moderate.

Although rent is high now, Mr Pearson thinks it will be still higher after the war, when the expected boom sets in.

Interest upon stock must be considered.

The attitude of wholesalers and retailers if we were to start a branch. Mr Pearson says he carefully sounded the firms out there without showing his hand. With the exception of Lennons they would all welcome a branch. Heynes, Mathew & Co. and others recognise that chemists' orders through them for our goods are becoming less, because the chemists buy direct or through London agents, and therefore it would pay H.M. & Co. and the other wholesale houses for us to have our stock there and hold it for them. Generally speaking, we should be greatly welcomed by wholesalers and retailers, excepting only one firm. All the retailers press for it.

With regard to Lennons' attitude, Mr Fairclough went for Mr Pearson for taking orders from their Managers, and said they never allowed goods to be purchased from representatives - goods must be purchased from their London House. The Managers themselves would welcome our branch.

Mr Fairclough is the man of all others to endeavour to convert, and the argument to be used with him, Mr Pearson thinks, is that the firm of Lennons would, by the establishment of our branch, be saved interest on stock. The reason why Mr Pearson suggests this argument is that Mr Fairclough and Mr Walsh have held that the reason they have got an extra 5% rebate is because of the enormous stock they have to hold.

Mr Pearson ~~xxxxxxx~~ expressed the opinion that it would not matter much if Lennons took up a very antagonistic attitude - in fact, he fully expected that they would. All the retailers hate Lennons, who are losing customers all the time. Mr Pearson says most decidedly that they could not do more against us than they do now - if they did their worst it would not affect us adversely.

Advantages secured by having a branch in South Africa. From a Military and Government point of view, the establishment of a branch is of paramount importance. Our goods would be used much more if there were a stock on the spot; then Lennons and the other people could not say - "we have not these things but we have so and so" - as they do now. The Military and Government Authorities would come straight to our branch, and thus save a very large intermediate profit. It must be remembered that there will be a large up-keep of the Military for many years.

A larger variety of our goods will come into use, as only leading lines are stocked now. There would be no excuse for a chemist selling imitations if he ran out of stock of our leading lines, such as Cascara. We should do a very much larger business with medical men if we had a stock always out there.

There will be a largely increased medical population and a general development of the country.

The restriction that a branch would necessarily have upon the business of competitors.

The alternative to a branch is a resident representative, in the same way that Evans Lescher & Co. have Mr. Richardson. He has been out there 18 or 20 years. He moves about - has a regular journey - Cape Town, Kimberley, Port Elizabeth, East London, Durban, Maritzburg, Johannesburg, Pretoria, Bloemfontein, Bulawayo, etc. His business is to take orders from the chemists, and send them on to London for his people here to execute.

Londoners have some idea that Evans, Lescher are going to start a branch in South Africa, and it has very much alarmed them. They asked Pearson if he knew anything about it.

Mr. Richardson told Pearson that he had been pressing his firm in London for the last ten years to start a branch. Evans, Lescher's business in South Africa is, however, practically a buying business, that is to say, Mr. Richardson takes orders for all chemists goods, ours included, to be executed by Evans, Lescher & Webb in London.

10 April 1901.

We shall probably be able to invoice our branch in South Africa at lower rates than wholesale houses are able to obtain our goods for, and thus we should save something in duty. If it were only 2% it would amount to a considerable item.

The resident representative could not send out samples - that is to say, he could not be in Cape Town to attend to such matters; they would have to be sent from London. To go to all the chief towns and work them thoroughly, it would take one representative something like seven or eight months.

Mr. Pearson thinks one representative would be sufficient in South Africa for the present; it would not pay to go into the small towns - you have to take a cart in, and a cart back, and then perhaps only see two doctors. Here is where the advantage of a branch comes in, because from a branch you can communicate with these doctors, send them samples to, and they can send their orders. The results are so much quicker. In Mr. Pearson's mind there is no comparison between the business advantages of a branch, as compared with a resident representative.

Substitution is not looked upon as dishonest in South

Africa - it is regarded as smart - it is purely a question of S.S.I. The bulk of chemists, however, would rather stock our goods than imitations, but they often run out of stock. Sauter goes over to South Africa himself, and takes stocks with him. His great advantage is that he has the stocks with him, as otherwise he would not do any business.

Mr Pearson could have sold, three times over, the "Kepler" which he gave away to the Red Cross Society.

We lose a great deal of business in medicine chests by not being able to fit them on the spot. Our medicine chests should have a very large demand there, but they want them fitted in their own way instead of sent out by us for stock. The cost of girl labour is not expensive in South Africa - it is cheap. The experienced hands come from England, but the ordinary work girls are all local.

*

Advertisements of "Tabloid" Tea, "Tabloid" Photographics, Medicine Chests etc. might be put in the public press with the address of the branch, if we have one.

Mining Companies etc. think that chemists only stock our leading lines and this tends to the restriction of our business. This would be avoided by a branch.

There is a good future for "Tabloid" Tea in the country, including the Kaffir Stores. If it is invoiced as Compressed Tea it will go into Cape Colony at sixpence per pound.

Lennons send out their compressed goods in bulk, and bottle them there; there is no doubt that they get a big pool in this way. They go in as pills. All pills pay 30% duty in bulk.

Limited Liability Companies pay 3% on their capital.

The "Kepler" is the only malt extract which appears to stand the climate; Allen & Manburys' solidify, as well as others. Lennons put up a Malt Extract but no one ever buys it.

There is a big field for "Hazeline" and "Hazeline" Snow and the "Lanoline" preparations. Hypodermic products especially should go well there.

Pros and Cons re the establishment of
a Branch in South Africa, by Mr Pearson.

11 April 1931.

The very considerable foothold our products have now secured in South Africa demands the adoption of a better system than that at present in vogue, to not only maintain this foothold, but to seize the opportunity of this advantage to turn what is at present a comparatively small business into a large and influential concern.

Mem. We are pre-eminent in South Africa.

When affairs in South Africa are settled, and present prospects are very bright in this respect, an important requisite for an increased business will be supplied, i.e. a considerably larger white population than has hitherto existed in South Africa. Moreover, a population which will of necessity (climate etc.) be proportionately a larger consumer of drugs than if living under the advantages of sanitation, climate, etc. prevailing in the United Kingdom and large European towns etc. The question naturally arises "How can we best direct the attention and secure the custom of this largely increased white population for our products, already well known in the country?"

(Mem. Mr Pearson explains that this will be of a general description, including not only medical men who will prescribe our products, but also a large number of people who will use them, that is to say, beyond the ordinary labouring population.)

The method adopted at home is undoubtedly the most efficient i.e. advertisements and thorough sampling of the medical men, and in these matters the requirements of the country should be borne in mind.

(Mem. Mr Pearson thinks that it is necessary to have someone acquainted with the various districts in the whole country to initiate the samples desirable for each particular district, for instance, the Fort Beaufort district is where consumptives go, etc. etc.)

Fort Beaufort West

To reap the full benefit of this work and expense, it is absolutely essential that the goods should be at hand for prompt supply when the demand arises. Past experience in South Africa amply proves that we cannot depend upon the wholesale or retail firms, under the present system, stocking a sufficient variety or quantity of our products to meet this expected demand. In fact some firms have taken advantage of the sampling we have done in the past to supply goods of similar title, but inferior manufacture. It is, therefore, of the utmost importance that we should hold stocks

in the country under our own control.

There is considerable scope in South Africa for "Tabloid" Medicine Cases etc. Under the present system a considerable number of sales are lost, due to the fact that the customer has to take the cases as already fitted, and cannot make his own selection of contents and secure the case within reasonable time. We should develop a considerable business in this line if in a position to fit cases to desire of customer, and supply within reasonable period.

The holding of stock in the country would prove a serious barrier to competitors; would enable us to cope more easily with substitution, and should be of great assistance in developing business with the many mining and exploration companies already in existence, and those which will be formed hereafter. We should, further, be in a much better position to enter into contracts for Government and military supplies.

On the other hand, the establishment of a branch will entail considerable expense and responsibility. Its success will depend almost entirely upon the ability and integrity of the Manager appointed. Goods will have to be supplied at the existing landed cost to importers, though it is possible an extra percentage of profit may be gained by invoicing the branch at lower rates than wholesale houses are able to buy, thus saving something in duty. Yet, in the main, we shall have to look to a considerably increased business to make the branch a successful venture.

The establishment of a branch will mortally offend our present best buyers in South Africa, Lennon Ltd. and induce them to introduce competing lines with the utmost vigour, by means of their many branches in South Africa. In this respect, however, we have little to fear. This firm is continuing to show signs of antagonism due to their realisation of the foothold we have gained. They are experiencing, and will experience still more, very severe competition in their wholesale business. Retail chemists are buying direct much more than hitherto, and wherever Lennon Ltd. have a retail branch they have opponents. Consequently any antagonism they may display to our goods will be to their opponents benefit.

If I had to bear the responsibility of deciding whether a branch should, or should not, be established in South Africa, the point which would present the greatest difficulty to me in arriving at a decision would be the question of Management. Taking everything I can think of into consideration, for and against, I am firmly convinced that a branch is a necessity, and would eventually pay handsomely, provided the right man could be found to take charge. So much depends upon his energy, originality, integrity, administrative ability, and aptitude in following and catching the true spirit

of instructions from head-quarters. Satisfied in this respect, I should make the venture.

The alternative to a branch would be a resident representative. If he worked hard he might succeed in maintaining the present foothold our products have secured in South Africa, but this is very questionable, when the certainty of keener competition in the future is taken into consideration. He would have to labour under the disadvantages of the present system - inability to reap such benefit of sampling etc. - inability to promptly meet desires of customers re fittings of medicine cases etc - and loss of business by delays in correspondence. When competition commenced he might possibly maintain the present business, but he has practically no chance of increasing it. On the other hand, the firm is not involved in the heavy preliminary expenses necessitated by the formation of a branch, and if South Africa cannot be regarded as a stable country, or if its development is likely to be retarded for some years, the continuance of the present system would seem desirable, but everything points to a large and speedy development of the country. Owing to the past unsettled state of affairs, men have naturally hesitated to put money into the country, but many have made preparations long ago to strike out as soon as the Transvaal and Orange River Colony came under British administration.

Taking these points into consideration, I am inclined to the opinion that a resident representative would not be able to further an increased sale of our goods, or enable the firm to reap the full benefit of the coming trade boom. It would take him all his time to maintain the present amount of business done in the country.

(signed) J.E.P.

Rough notes of further Conference with Mr Pearson.

15 April 1901.

The Manager of a branch would be regarded as the representative of the firm in that country, and would be applied to by firms and doctors throughout the country as the principal man, whereas when there is a travelling representative only, he is considered a man to whom and through whom all enquiries are made.

The Manager must know all the Representative knows, and a little more, that is to say, the ablest and best of managers will not do away with the necessity of having also a good man as representative - both positions are of great importance. The success of the branch would depend upon these two positions.

The English medical journals circulate in South Africa, so that we lose some of the benefit of our advertising because the goods are not on the spot.

Mr Pearson considers that at least four-fifths of our lines of goods ought to be in stock at the depot, and would be used by the doctors. At the present time they are not so used as there is no stock.

You can have either your own bonded warehouse in Cape Town, or you can keep the goods in one of the Government bonded warehouses. Mr Pearson suggests that we should have goods so packed in the cases that they can be re-shipped in bond from Cape Town to Delagoa Bay etc. "Kepler", "Hazeline", "Pabloid" Cassara etc. etc.

It might be possible to make an arrangement with some wholesale firm who have a bonded warehouse to use a portion of their warehouse, and also use their facilities. This would be similar to the arrangement we made in Sydney when we started our branch there.

It would be possible to have an office on a main street, and have the warehouse in a back street.

For our business, being a unique one, it would not be a great disadvantage if we had our office and warehouse in a street which was not so good as St. George Street, or Alderley Street. We must get somewhere within the circle of which Green Market Square is the centre. Mr Pearson thinks there is no need necessarily to go into the leading street for our business; we do not want to make a very big show.

The figures given by Mr Pearson for rent were for first class streets, and outside figures.

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26 Mch 1901

The attitude of wholesale houses generally towards us and our goods in South Africa.

LENNONS stock our goods very well so long as you are on the spot. If you allow them to drift they seem to lose interest. Sauter of Geneva has got goods into South Africa, but Pearson has not found Allen & Hanturys. Their tendency is not to stock largely, only to stock what they are absolutely compelled to to meet the requirements of their own customers. To get our goods, people must insist upon getting them. In all of Lennons' shops a very handsome commission is given to the assistants on sales of goods in which Lennons are personally interested- that is to say if they take up a line of compressed goods which they make their own, these assistants will get this commission, and are therefore directly encouraged to substitute wherever possible. B.W. & Co. goods being, so to speak foreign, bear no commission whatever to the assistant.

This same system obtains with Heynes, Mathew & Co. and Petersens, and indeed, throughout South African wholesale houses.

Mr Sudlow says this also leads on to another point which Mr Pearson lays great stress upon, that so far from substitution, direct and bare-faced substitution, being looked upon as wrong, it is directly encouraged by the Principals and commended. - in fact, generally speaking, what would be considered here in England as shady and/or sharp practice, is in South Africa looked upon as clever and smart.

Salaries of assistants range about £18. to £20. a month in Cape Town - up country £25. to £30. per month, but as will be seen from the foregoing this salary is supplemented by the commissions authorized.

An example which came under Mr Pearson's own cognizance is an arrangement made with an assistant by Heynes, Mathew, which was salary £17.10.0. per month, 1 1/2% commission upon gross returns, and 5% additional commission upon proprietaries belonging to H.W. & Co.

In one case also within Mr Pearson's knowledge, where an assistant did not care to accept the 5% proprietary commission, the deal was as follows :- £25. per month for the first year with a room, and 2% upon total returns; the salary to be increased to £30. per month during the first three years.

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Without a single exception every one that Mr Pearson has come in contact with, who has spoken at all about the future of South Africa, is firmly of opinion that it is to be a very big thing. There are large garrison towns to be formed, a large ~~and~~ ^{military} population, the large well-known mineral wealth of Pretoria which has never been touched and which is supposed to be really in excess of Johannesburg, and Pretoria is within 40 miles of Johannesburg. Johannesburg has only just been tapped. It forms the subject of lectures in America by Colonel Stow, who was sent out by the American Government to report upon the wealth of the country.

Lennons are increasing the size of their establishments where such are already in existence, and starting establishments where none at present exist.

HEYNES, MATHEW & Co. second in importance to Lennon, seem to be a firm of impulses. Mr Pearson found that their stocks had been ~~xxxx~~ bad, but their accounts have been very much increased during the past nine months. They are friendly disposed provided that they get the man ~~xx~~ representing us that meets with their approval; our representative must meet their methods.

The same rules as to commission to managers obtains with this firm as with Lennons - the assistants get no commission upon our goods. They also are making provision for largely increased business - they are also opening a homeopathic pharmacy in Cape Town, in addition to their regular pharmacies.

The relations between Lennons and Heynes, Mathew & Co. have

been very bad in the past and are likely to remain so in view of the quarrel being virtually a personal one on the part of Mr Walsh (Private).

Petersen & Co. come next. They are a very slow firm - they want a good deal of pushing. Petersen is an old-fashioned German, but Evans is a young man who has not the power to push. A second-rate firm as compared with the others, both in methods and goods. They are somewhat apathetic in attitude - they have talked about starting their own compressing plant etc.

Mr Thomas, retail chemist, Claremont. Had an actual offer of £15,000 for his business - he refused the offer and is now building a much larger place on his own account, although there are two other chemists there now, and perhaps Lennons and Heynes Mathew will start branches.

DURBAN. Lennons have the whole run of the town, and really of Natal, as a wholesale house.

Heynes, Mathew & Co. are meditating starting a wholesale establishment in Durban for this reason.

PIETERMARITZBURG. Turner & Co. supply our goods when they are asked for - they feel badly over our terms to Lennons, and everybody in South Africa knows the terms we give B.G. Lennons & Co.

PORT ELIZABETH. Gardner & Co. and Lennons are the wholesalers here. Gardner's are cutting into Lennons very much. The attitude of Gardner's is very good - the most friendly firm Mr Pearson came across. They are at daggers drawn *with Lennons*.

EAST LONDON. Lennons and MacJanet & Co. - the latter firm are very friendly, but they do not do a large trade - it is a local wholesale trade.

KIMBERLEY. Riffel is a retailer having five shops, but does a little wholesale business with adjoining towns. Lennons is there ~~with~~ and Heynes, Mathew with two branches; Cooper and others.

Mr Pearson says that chemists as a rule throughout South Africa hate Lennons and buy just as little as they can from them.

Heynes, Mathew and Petersens have practically the same list prices as Lennons, and adopt the same dodgy discount system.

RETAIL PRICES. Prices obtained by chemists from the public range from 100% to 150% profit, and even in some cases higher, the exceptions being leading lines such as Toilet "Lanoline", "Tabloid" Cascara, Phenacetin, Sulphonal, ¹⁹⁴ (about a ~~dozen~~ ^{line} dozen), In Cape Town, "Hazeline" Snow is charged at 1/6 ~~in Cape Town~~, which is described as cheap.

Mr Pearson says we shall require to have a permanent representative in South Africa constantly moving around watching the stocks &c. or establish a branch, and that we should establish a branch ~~there~~ is the feeling ~~there~~ amongst the chemists and the medical men ~~there~~. They feel there is a necessity for it and ~~they~~ wonder we have not done it before. If we do not open a branch ~~there~~ Mr Pearson thinks we shall be compelled to keep a resident representative there, as the business is bound to grow.

Mr Pearson was asked if he had formed an idea as to which of the two courses would be the wiser, ~~that is to say~~, He would not take any responsibility in replying. From his experience he thinks it would be very much better to have ~~our~~ ^{an} branch ~~there~~ ~~xx~~ on the same lines as in Australia.

We stand exceedingly well ~~as a body~~ ^{as a body} with doctors at the Cape; they are extremely friendly towards us ~~and~~ ^{as they} like our goods. The doctors outside Cape Town and Durban ~~dispense themselves~~ ^{do their own}; our goods suit them, ~~and~~ they are inexpensive as compared with what chemists supply. ~~Prescribing and dispensing doctors~~ ^{do their own} ~~both~~ ^{they} like our goods. We have no competitors amongst doctors at present in South Africa, and the good will of the doctors towards us embraces all our things such as "Tabloid", "Soloid", "Kepler", Hypodermics, "Hazeline" etc. etc.

Lennons at the present time put up imitation goods of Kepler, and all our lines that are in any sense popular.

Parke, Davis & Co. have been throwing out feelers in the way of circulars, and Mr Pearson understands a representative is on the way.

The Americans are equally popular with the English at the Cape as a nation. Freights would be against the Americans.

If we have a branch, it should be established at Cape Town. The majority of chemists who have mentioned the matter have referred to Cape Town because Mr Pearson has said to them - "Well, I have no reason to believe my firm contemplate having a branch at the Cape," ~~the~~ ^{some} chemists have mentioned Johannesburg, because, they say between Johannesburg and Pretoria will be the principal white population of South Africa, but all the principal houses at the present time are in Cape Town. As a seaport, Cape Town is the only place in South Africa.

Rent for business premises is, however, very high. There would be a certain amount of difficulty in finding a suitable place. The sanitation of the town is bad, ground very expensive, building extremely expensive. Rentals are by the month, not by the year. All houses, without exception, are let this way. In a street like George Street, Mr Pearson thinks it would cost £120. to £180. per month; this would include taxes as rent always includes all charges.

*For an office
on the ground floor
with a basement about
the size of the basement
of 66 + 67 Nelson Street.*

26 March 1901

The attitude of wholesale houses generally towards us and our goods in South Africa.

LENNONS stock our goods very well so long as you are on the spot. If you allow them to drift they seem to lose interest. Sauter of Geneva has got goods into South Africa, but Pearson has not found Allen & Hambury's. Their tendency is not to stock largely, only to stock what they are absolutely compelled to to meet the requirements of their own customers. To get our goods, people must insist upon getting them. In all of Lennons' shops a very handsome commission is given to the assistants on sales of goods in which Lennons are personally interested - that is to say if they take up a line of compressed goods which they make their own, these assistants will get this commission, and are therefore directly encouraged to substitute wherever possible. B.W. & Co. goods being, so to speak foreign, bear no commission whatever to the assistant.

This same system obtains with Heydon, Voths & Co. and Petersens, and indeed, throughout South African wholesale houses.

Mr Sullow says this also leads on to another point which Mr Pearson lays great stress upon, that as far from substitution, direct and bare-faced substitution, being looked upon as wrong, it is directly encouraged by the Principals and connived at - in fact, generally speaking, what would be considered here in England as shady and/or sharp practice, is in South Africa looked upon as clever and smart.

Salaries of assistants range about £15. to £20. a month in Cape Town - up country £25. to £30. per month, but as will be seen from the foregoing this salary is supplemented by the commissions authorized.

An example which came under Mr Pearson's own cognizance is an arrangement made with an assistant by Heydon, Voths, which was salary £17.10.0. per month, 1½% commission upon gross returns, and 5% additional commission upon proprietaries belonging to B.W. & Co.

In one case also within Mr Pearson's knowledge, where an assistant did not care to accept the 5% proprietary commission, the deal was as follows :- £25. per month for the first year with a room, and 2% upon total returns; the salary to be increased to £30. per month during the first three years.

Mr Pearson's opinion is that Lennons' feel that we are getting greater hold not only on the chemists and the trade generally, but also on the Government Departments. There is a strong disposition on the part of the authorities that if we are on the spot with our goods to make great use of them. The Government authorities do not like ordering from local chemists because first they are not sure of securing our goods, and secondly because of the very greatly enhanced price; for instance, Petersens have the *railway* contract for the present year at 33½% off Lennons' list (including our goods) for all goods except surgical instruments.

Lennons' prices for leading lines are 33½% added to our London list. These are the modified prices agreed upon when the duty was 12½%, but now the duty is 20% ad valorem. Lennons are supposed to give 10% and 5% from list.

to chemists, but they give some chemists 5%, some 5% and 5%, some 5% 5% and 5%, some 10%, and some 10% and 5%.

Mr Pearson says that from his observation of Lennons' attitude and from the instructions to their managers, we can take it that in the future, Lennons will do all they can to damn our goods. Mr Pearson has no evidence, but he believes they have something on the move to put compressed goods on the market there with their own name on. He says they are reducing stocks by keeping only one month's supply etc. and the instructions to their managers are that stocks must be most carefully regulated.

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Q6 doz. lge malt wort delivered free Cape Town.

Packing c/s (16 c/s each 6 doz) @ $3\frac{1}{2}$ each 2 10 8
 Cartage to London Docks. 12 6

Shipping expenses

Freight

Barrels of $\frac{26}{4} \times \frac{20}{4} \times 21 = 6$ cwt 4 in.

16 @ 101 cwt 4 in

101 cwt 4 in @ $47\frac{1}{6}$ 100% 6 - 4 =

10% = 12 6 12 4 $\frac{7}{8}$

1 6 $\frac{7}{8}$

Customs Entry

Dock Charges.

1 @ weephe 2 0 10

16 @ 33 1 20 @ $11\frac{1}{3}$ per ton

18 5

Agency Expenses.

8 6

Q12

2 -

Insurance £140

10 6 8 13 3

C. Town Expenses

2 17 6

14 13 11

Value = £172 16 less 20% = 138 4 10

less 11% = 2 12 3
 136 3 7

Expenses on £ 136 3 7 = 14 13 11

£ 100

$14 \times 13.11 \times 100 \div 136.37 \times 100$

100 % 136 3 7

= 10.78%

96 doz Pine in 10.

Parking Ps	8 cars each 12 day @ 3.8	19.4
------------	--------------------------	------

Carriage to London Depot

7 night.

$$16 = 2.7 \times 17 \times 110 = 7416$$

50

= 6000 ft.

@ 47/6 = 3' 11.3

1030' — 7' 3 18 4

Customs Entry

Lock Charges

1 lb weights

 $\delta \phi$

2. 1. 4
4 3 2 1

10 2

By the

Insurance \$80 @ 7/6

6

Agency Expenses

L

2

C. Town Expenses

9. 1. 10

Impatiens

Value of Goods = Gross £96 less 20% 76.16 -

less 12% 1. 2. 6

75 13 6

216-100

 9.1×10^5

75.13.6

909 . 3 . 4

75 13, 6

$$= 12.03\%$$

96 and Malt-oil.

74

16 @ 3/4

2 0.0

Cartage to London Works

10.6

Shipping Expenses.

Very light.

$$10 = 1.10 \times 1.5 \times 1.7 = 4.1$$

16 @

$$= 65.4$$

$$@ 47/6 = 3.17.8$$

$$100\% = 7.8 \quad 45.8$$

1.6

Customs Entry

Dock Charges

$$1\frac{1}{2} = 1 + 1\frac{1}{2}$$

$$16 @ = 22.0$$

11.6

Agency

8.6

Port

2.0

Insurance £50 @ 7/6

6.0

514.10

C Town Expenses.

2.10.0

£ 3 15.4

Value 75.13.6

$$\text{Expenses on } £75.13.6 = 10.15.4$$

$$\text{" " } £100 =$$

$$10.15.4 \times 100$$

$$75.13.6$$

$$= 1076.13.4$$

$$75.13.6$$

$$= 14.25.$$

1000 dry 25 Feb Cascadia.

Parking of 8 @ 2.9 1.20

Cartage 7.6

Shipping Expenses.

Freight 40 cu ft @ 47.6 2.7.6
10% 4.9

2.12.3 2.12.3

Customs Entry 1.6

Ware Charges 10 0 20 @ 1/3 5.9.

Agency 4.6

B/L's 2.0

Insurance £180 @ 7.6 13.6

5.19.6

C Town Expenses 1.5.0

6.14.6

Value of goods = £225 less 20% = £180
less 1% = 177 6.0.

Expenses on £ 177 6.0 = 6.14.0

£ 100 = $\frac{6.14.0 \times 100}{177.60} = 3.77\%$

Estimated expenses on 96 doz large bottles
Malt & Oil delivered free Cape Town. 14 FEB 1902

Packing cases (16 cases each 6 doz) at 3/2 each	2. 10. 8	
Cartage to London docks	✓ 12. 6	
Shipping expenses		
Freights 101 cubic feet 4 ins at 4 7/6 + 10%	£ 6. 12. 4	}
Customs entry	1. 6	
Dock charges 33. 1. 20	18. 5	
Agency & Expenses	8. 6	
B/Lading forms	2. 0	
Insurance £ 140 at 7/6%	10. 6	8. 13. 3
Cape Town expenses		
Cartage clearing Customs etc Approl.	2. 17. 6	
		14. 13. 11

Expenses on £136. 3. 7 are £14. 13. 11 on £100 value (goods)
= 10.78%

Estimated expenses on 1,000 doz "Sattoid"
 Cascara Sagrada of 2 $\frac{1}{2}$ % delivered
free Cape Town

	L.	s.	d.
Packing cases	1.	2.	0
Cartage to London docks	5/-	7.	6
Shipping Expenses			
Freight 1 ton (40 cubic feet) at $4\frac{7}{6} + 10\%$	2.	12.	3
Customs entry	1.	6	
Dock charges 10. 5. 20 at $11\frac{1}{3}$ per ton	5.	9	
Agency & Expenses	4.	6	
B/Lading forms	2.	0	
Insurance (£180 at $7\frac{1}{6}\%$)	13.	6	
	3.	19.	6

Cape Town expenses

Cartage Clearing customs etc approximate 1. 5. 0

£6. 14. 0

Value of above goods. Gross £225. less 20% £180. on 20% $7\frac{1}{6}\%$
£177. 6. 0

= Expenses £6. 14. 0 on £177. 6. 0 would be 3.778%.

Estimated expenses on 96 doz small bottles
 Malt & Oil delivered free Cape Town L.S.)

Packing cases (16 cases each 6 doz) at 2/4 each 2.0.0

Cartage to London docks 10/- 10.6

Shipping expenses 65 cubic ft 4" at 47/6 + 10% L 4.5.4

Freight

Customs entry 1.6

Dock charges 20.2.8 11.6

Agency & Expenses 8.6

By Lading forms 2.0

Insurance L 50 at 4/6 % 6.0

5.14.10

Cape Town expenses

Cartage, Clearing customs etc approx. 2.10.0

L 10.15.4

Expenses on $\begin{array}{r} 96.0.0 \\ 2\frac{1}{2}\% 19.4.0 \\ 11\frac{1}{2}\% 10.9.0 \\ \hline 125.3.0 \end{array}$ are L 10.15.4 on L 100 value (goods) = 14.25%

Estimated expenses on 96 doz small bottles
Malt & Oil delivered free Cape Town

£. s. d.

Packing cases. 8 each containing 12 doz at $3/8$ ea 1. 9. 4

Cartage to London Docks $7/6$ 10. 0

Shipping Expenses

Freight $1\frac{1}{2}$ tons (60 cubic feet) at $47/6 + 10\%$ £ 3. 15. 4

Customs Entry 1. 6

Docks charges $18. 1. 4$ at $11/3$ 10. 2

Agency & Expenses 4. 6

B/Lading forms 2. 0

Insurance (£80 at $7/6\%$) 6. 0

5. 2. 6

Cape Town expenses.

Cartage Clearing customs etc approximate

2. 0. 0

£ 9. 1. 10

Value of above goods Gross £96 less 20% £ 76. 16. 0 less $20\% \frac{1}{2}\%$ £ 75. 13. 6

= Expenses £ 9. 1. 10 on £ 75. 13. 6 or 12.03% .

Miss^{rs}

Burroughs Welcome

	Cost	Net London Cost	Customs Duty	Sight London Agents	Total	London Cost	Insurance	Overseas	Suggested Retail Price
3 doz Oval Tablets Rheo & pills $\frac{1}{2}$ doz	. 13.6								
Less 20% & 1 1/2%	. 2.11	. 10.7	. 2.2	. 1.4	. 14.1	4/8 doz	4. doz	10 + 5%	6 9.
6 " Tablets Saline 100. 48. 3/4	. 2.11								
Less 20% & 1 1/2%	. 10.10	. 2.2	. 8.	. 4.7	2.12.9 8/9	"	13/6		12 9.
12 " " Cascara - 2 gr plain 4/6	. 2.14.								
Less 20% & 1 1/2%	. 11.4	. 2.2.8	. 8.8	. 11.11	2.16.3 4/8	"	6/.		6 9.
2 " " Catamel 1/2 gr	. 12.								
Less 20% & 1 1/2%	. 2.7	. 9.5	. 1.11	. 1.2	. 12.6 4/5	"	8/.		9.
6 " " Merc & Chalk - 1 gr	. 1.16.								
Less 20% & 1 1/2%	. 7.8	. 1.8.4	. 5.9	. 3.3	1.17.4 4/5	"	9/6		9.
6 " " Dapsin - small	. 2.11.								
Less 20% & 1 1/2%	. 10.10	. 2.2	. 8.1	. 14.8	2.12.11 9/10	"	11/6		12 9.
12 " Malt & Cit - Small	. 12.								
Less 20% & 1 1/2%	. 2.10.11						28/.		30 18.
Cass	. 9.9.1								
Less	. 6.6	. 9.15.7	. 17.10	. 1.6.4	12.19.9 21/8	"			

or
a mutual
arrangement
amongst
wholesalers
to reduce
discount
given on bulk
preparation

$$\begin{array}{r} 6- \\ \underline{7} \\ 5-5 \\ \underline{3} \\ 5\frac{1}{2} \end{array}$$

$$\begin{array}{r} 6- \\ \underline{10\frac{1}{2}} \\ 4-1\frac{1}{2} \end{array}$$

$$\begin{array}{r} 11-6 \\ \underline{1-1\frac{1}{2}} \\ 10-4\frac{1}{2} \\ \underline{-6} \\ 9-10\frac{1}{2} \end{array}$$

$$\begin{array}{r} 11-6 \\ \underline{9-10\frac{1}{2}} \\ 1-7\frac{1}{2} \end{array}$$

$$\begin{array}{r} 9-10\frac{1}{2} \\ \underline{8-10} \\ 1-\frac{1}{2} \end{array}$$

$$\begin{array}{r} 28 \\ \underline{2-9} \\ 25-3 \\ \underline{1-3} \\ 24- \end{array}$$

12 FEB 1902

Wellcome, Grand Hotel, Tamaris, Near Toulon.

We recommend South African emergency depot stock ~~up to a certain~~
~~less~~ two thousand net after deducting twenty and twentyfive from
list. This would be divided up into medicine cases 500;
staples 750; sundries 750.

Tabloid

13 Feb 1902. Mr. W. writes: —
Approve emergency stock - Wellcome —

Cable to M.W. 12/12/02

We recommend

~~value~~ of South

African Emergency
including Medicine Cases

depot stock $\wedge$ ~~Two~~ ^{two} thousand

net after deducting

20 & 25 from list

This would be
divided up
into Medicine
Cases 500 Staples
750 & Sundries 750

Med Cases	500
Staples	500
Od agents	1000

$$\begin{array}{r} 2000 \\ 666 \\ \hline \end{array}$$

$$\begin{array}{r} 2666 \\ 644 \\ \hline \end{array}$$

$$\sqrt{3310}$$

Hector suggests:-

Hector -	} Manager.
Scott -	} Accountant.
Bacon -	} Op. & Counter.
* Pearce -	} Foreman Whse.
Rowe -	} Med Chest.
Raven -	Draveller

* ? LeMay -

A/c 250.

O/c^{te} 175.

F/w 150.

I/c 150.

Copy.

H.S.W. - En

Tamariis s/Mer (Var), France.

1 March 1902.

Dear Sirs,

Yours of Feb:27th N°1636 re South African prices is just received. I have considered this question very carefully since I wrote you on Feb:22nd and I will carefully think over the points you now put before me. While I am not yet prepared to make a final decision, I may say my inclinations are still towards 5% cash discounts, but modified and restricted to quantity orders as you have advised. I recognise fully the desirability of simplifying our terms as much as possible. I expect a higher - considerably higher - profit in South Africa to help pay South African expenses, and our customers will expect us to charge more in any case. Our expenses there would easily eat up all our profits if we did not get us a good advance. I fall

- in with your views about doctors' net list, but with discretion Cape Town Management to give extra 5% cash discount on 85. net orders one delivery ^{with} cash sent with order.
- B. { Doctors' shops (virtually chemists) and Chemists - 10%. 810. net orders taken in one delivery cash sent with order, special extra cash disc: 5%.
- A. { Large important Retail, and Wholesale, and Depositories - 15%. 820. net orders taken in one delivery, cash sent with order, special extra cash discount 5%.

(Please send me two type-written copies of these terms).

This simplifies the matter to three sets of terms, which may be called A. B. & C. These terms mean that (as you have stated) cash with order is the rule with customers for all purchases except only the few large or responsible firms whom we know to be reliable.

The above are not to be taken as final decisions, only as my latest thoughts, which I thought it best to send as early as possible.

I am somewhat behind with several matters, especially my correspondence with Mr. Suilew, to whom I hope to write soon.

I have not been very well for some days - hence this delay.

Yours truly,

(signed) H.S.W.

Messrs Burroughs Wellcome & Co.

S./S.M.

27 February 1902.

Dear Sir,

Replying to your favour of the 1686, 22nd inst. re South African prices, and also referring to your comments upon our N°1644 (20 Feb:) we beg to say that no provision regarding discounts for wholesalers purchasing from the emergency depot was made by us purposely, because from the point of view of the stock being simply an emergency stock, an order for anything beyond emergency quantities - i.e. say of the value of a few pounds - could not be entertained.

With regard to your suggestion N°1, it appears to us that you have taken in the one case the terms suggested for £20. orders from London, and compared these with the figures for £100. orders in Cape Town - in other words, you have compared £92. against £102.8.9. instead of £97. against £102.8.9. For your guidance we have made out a new calculation for £20. orders from London and from Cape Town, showing that if bought in London the laid down cost in Cape Town would be £19¹/₂ as against a laid down cost of £21.0.3. if bought in Cape Town - i.e. a difference of nearly 8%, which agrees with the percentage difference on £100. orders.

Respecting your N°2, we should see no objection to granting medical men 5% discount whenever cash was sent with order, but we fear it will be impossible to adhere to

to the cash condition, and in a very short time the granting of a 5% discount cash with order would simply mean that the discount would be claimed generally by the medical profession upon their orders whether cash was sent or not. This liability, based upon experience, was our main reason for recommending that probably the best plan would be to make the list prices net to doctors, giving the Manager of our depot the option of granting a 5% discount where such a concession seems to him to be distinctly advantageous. When once a 5% discount is allowed to medical men it will be exceedingly difficult to withdraw it without causing considerable offence.

With reference to the discounts suggested for retailers and doctors' shops, we suggest that it is inadvisable to multiply discounts, and in framing the table of terms we placed before you we endeavoured not only to avoid this, but at the same time to bring the Cape Town terms somewhat into line as far as was practicable with our London terms. We have experience of the great expense in clerical labour, and of the confusion caused by multiplicity of terms.

With regard to large retailers, we are of opinion that they will not be tempted to place orders with the emergency depot for a 10% discount, and further, as they and the wholesalers will probably be well known to us there is not the same necessity for offering a cash discount for small purchases. We therefore hope that you will agree with us to give the large retailers a straight discount of 15% and on orders of £50. cash with order

20% as originally suggested.

The same remarks apply respecting the terms to wholesalers and depositories, as ^{to} the large retailers, except that we purposely left out all reference to quantity orders, because such do not belong to an emergency depot but should be sent to London for execution. We would, of course, give the 1½% discount upon £20. orders for cash with order, the same as in London.

We are fully agreed as to the absolute necessity of cash with order, and this principle would be insisted upon with everyone, whether doctor or trader, who was not already, as we have said, not only known but favourably known to us. The extra discount ~~for~~ cash with order is offered with the view of inducing the various classes of customers to place with us larger orders than perhaps in the ordinary course of business they would give.

It would appear to us, that generally speaking, you have reduced the ordinary discounts we proposed by 5%, and then given back the 5% as a cash discount. You will see by the foregoing that we do another way, and we submit a better way to work, that is to say, unless we absolutely know the people we shall require cash with order always. In addition to that we offer an inducement to place with us orders for £10. or £50. as the case may be, cash with order.

Replying to your enquiry, it seems to us that general stores come in on the same basis as large retailers.

Upon the question of invoicing in hand we may say that the Transvaal is the only important territory in South Africa not

comprised in the Customs Union, and there is no doubt that this colony will be included in the Union within a very short space of time. It would probably simplify matters if we held a small stock in bond for trans-shipment to the Transvaal, and then pay the duty levied upon delivery, charging Cape Town prices.

Replying to your enquiry at the end of 1897. of your letter of the 22nd inst, and to your comments at the side of clause N° 1625 (19 Feb:) we beg to say that the figures given in our records are the total sales made in Africa - not South Africa only. We now enclose these figures for the last thirteen months divided up into :-

- (1) Sales to Cape Colony, Natal, Transvaal, and Orange River Colony.
- (2) Value of Government orders to South Af:
- (3) Sales made to other parts of Africa, except Egypt.
- (4) Kwak Sales to Africa - parts unknown.
- (5) Total sales in Africa.

When you return your record sheets we will modify the African figures in accordance with your wishes.

Yours very respectfully,
Burroughs Wellcome & Co.
per

Henry S. Wellcome Esq.

P.S. 6.15.

We regret that we ^{Tamariis} must hold this return over until tomorrow as upon examination there are certain discrepancies in the figures.

27th February 1903.

5.

P.S. We are sending you under separate cover :-

New Literature.

Hypodermic Medication pamphlet (84).

1891. Re Diary Covers. In response to the queries contained in your memorandum of Feb. 23 and to your remarks of Feb. 23 in reply to clause N° 1640, Mr. Einstead makes the accompanying report.

Clause N° 1684 is being held over.

Extract from Mr Pearson's letter of 14th January 1901,
written from Cape Town.

"I called upon Heynes Mathew & Co this afternoon relative to the matter of the compressed tablets of Chlorate of Potash supplied to the medical depot at Pretoria. H.M. & Co in defence state that they always supply "Tabloid" products to the order of the Army Medical Department. It occasionally happens, however, that there is not sufficient stock to meet the demand; in such instances they make up the amount required with whatever compressed goods are obtainable - in this particular instance they state they were quite out of stock of "Tabloid" Potass Chlor, neither was any stock obtainable in Cape Town. They therefore sent some compressed tablets of German manufacture they happened to have on hand. They have since ordered a good stock of "Tabloid" Potass Chlorat. They also mention that they received an order for 15,000 "Tabloid" Phenacetin. They were short of the amount required, and bought up the stocks of the other chemists in Cape Town and were still short. They were therefore obliged to make up the quantity with compressed goods of other manufacture. At the same time they cabled us an order for a supply of "Tabloid" Phenacetin.

I represented very firmly that this practice of making up orders for "Tabloid" products with compressed goods of another manufacture was not the right thing to do, and if they meant to act fairly and squarely in the matter there was more than one way of getting over the difficulty. To this they replied that unless the quantities ordered were made up somehow the military authorities would very soon apply elsewhere and they would lose the orders."

15 February, 1902

Enclosure.

H.

11th February 1902.

Dear Sirs,

Per SS. "Pintagel Castle" we are shipping goods as per enclosed invoice to our Mr Raven. Should this gentleman not be in Cape Town at the time of the arrival of the goods, we shall be glad if you will arrange to have them stored in bond to await the arrival of Mr Raven.

Yours very respectfully,

Barroughs Welles & Co.,

per

Messrs Divine Gates & Co.,

Castle Street,

Cape Town,

S. Africa.

H.

11th February 1902.

Dear Sir,

With further reference to our letter of the 10th February in regard to the goods which are being forwarded to you for the South African Branch, you will notice the discounts are 20% (twenty per cent) and 25% (twenty-five per cent). Now, as this is the first shipment we are sending and will create a precedent for further shipments, we wish you to do everything in your power to get the Customs authorities to accept these discounts for Customs purposes, and should they dispute the matter in any way, we herewith lay before you an important argument which may be of assistance to you in inducing the Customs officer to accept our figures.

You will be able to show that an ordinary wholesale purchaser is allowed a discount of 20% (twenty per cent) and a further cash discount of 1½% (one and a half per cent). It is therefore readily conceivable that the other discount of 25% (twenty-five per cent) may be considered as a fair margin for running the expenses of the Branch in South Africa. We may mention that similar discounts are deducted from goods sent to Sydney, and the Customs authorities accept them quite readily.

We feel confident that you will be able to deal with this matter vigorously and well, and should any unforeseen difficulty arise with the Customs authorities, arguments will occur to you to meet those that may be put forward, and we trust to your best judgment and vigorous action should such be needed.

Should the goods arrive in Cape Town before you are there to receive them, we are writing Messrs Divine Gates & Co asking them to clear same and store and bond until your arrival.

Yours very truly,

Barroughs Wellcome & Co.,

per

Mr E. W. Raven,

O/o Messrs Divine, Gates & Co.,

Castle Street,

Cape Town,

S. Africa.

BURROUGHS WELLCOME & CO

SNOW HILL BUILDINGS,

LONDON, E.C.

CABLE ADDRESS: "TABLOID, LONDON."
A.B.C. & LIEBER'S TELEGRAPHIC CODES USED

TELEPHONE N° 601 HOLBORN.

Enclosure.

WHEN REPLYING PLEASE REFER TO **W.E.**

February 11th, 1902.

Private.

Dear Sir,

We enclose list of goods being shipped on the 20th inst per SS. "Tintagel Castle", and as we anticipate that you will be in Cape Town when these goods arrive, we should like you to arrange for them being stored, if possible, in bond, pending the obtaining of suitable premises for our South African branch.

Should you find that the bonded warehouses are so crowded that no room can be found for the storage of these goods therein, it will be necessary for you to pay the duty, passing them through the Customs and storing them in a duty paid warehouse, probably Messrs Divine Gates & Co., will be able to give you considerable assistance in connection with this matter.

In regard to the prices at which these goods are invoiced, we will write you by this mail in a separate letter.

We may add that this is simply a preliminary shipment consisting mostly of staple products; further advice will be sent you from time to time as stocks are got ready.

Yours truly,
Burroughs Wellcome & Co.
per

Mr E. W. Raven,
c/o Messrs Divine Gates & Co.,
Castle Street,
Cape Town.
S. Africa.

8 FEB 1902

Rowers
sure want
NE ship
date necessary
GM - value found
" expenses

1 Enclosure.

THE WELLCOME PHYSIOLOGICAL RESEARCH LABORATORIES,

BROCKWELL HALL,

Telegrams, "Burcome," London.

HERNE HILL, S.E.

6 February, 1902

Dear Mr. Sudlow,

Thank you very much for your book of gramophone records received this morning. I was very glad to get it as the catalogue did not help me very much. I understand that I must keep 50 percent and I must return those which I do not want on Monday.

Herewith is list of records which

February 11th, 1902.

Mr Weld.

Have you the list of goods being
shipped?

B.E.

Duplicate.

Enclosure.

W.E.

February 11th, 1902.

Private.

Dear Sir,

We enclose list of goods being shipped on the 20th inst per SS. "Tintagel Castle", and as we anticipate that you will be in Cape Town when these goods arrive, we should like you to arrange for them being stored, if possible, in bond, pending the obtaining of suitable premises for our South African branch.

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We may add that this is simply a preliminary shipment consisting mostly of staple products; further advice will be sent you from time to time as stocks are got ready.

Yours truly,
Burroughs Wellcome & Co.
per

Mr E. W. Raven,
c/o Messrs Divine Gates & Co.,
Castle Street,
Cape Town.
S.Africa.

BURROUGHS WELLCOME & CO
SNOW HILL BUILDINGS,
LONDON E.C.

CABLE ADDRESS: TABLOID, LONDON.
A.B.C. & LIEBER'S TELEGRAPHIC CODES USED
TELEPHONE NO 601 HOLBORN.

Enclosure.

WHEN REPLYING PLEASE REFER TO H.

11th February 1902.

Dear Sirs,

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Yours very respectfully,

Burroughs Wellcome & Co.,

per

Messrs Divine Gates & Co.,

Castle Street,

Cape Town,

S. Africa.

BURROUGHS WELLCOME & CO.

SNOW HILL BUILDINGS,

LONDON, E.C.

CABLE ADDRESS: TABLOID, LONDON.
A.B.C. & LIEBER'S TELEGRAPHIC CODES USED

TELEPHONE NO. 601 HOLBORN.

H.

WHEN REPLYING PLEASE REFER TO

11th February 1902.

Dear Sir,

With further reference to our letter of the 10th February in regard to the goods which are being forwarded to you for the South African Branch, you will notice the discounts are 20% (twenty per cent) and 25% (twenty-five per cent). Now, as this is the first shipment we are sending and will create a precedent for further shipments, we wish you to do everything in your power to get the Customs authorities to accept these discounts for Customs purposes, and should they dispute the matter in any way, we herewith lay before you an important argument which may be of assistance to you in inducing the Customs officer to accept our figures.

You will be able to show that an ordinary wholesale purchaser is allowed a discount of 20% (twenty per cent) and a further cash discount of 1½% (one and a half per cent). It is therefore readily conceivable that the other discount of 25% (twenty-five per cent) may be considered as a fair margin for running the expenses of the Branch in South Africa. We may mention that similar discounts are deducted from goods sent to Sydney, and the Customs authorities accept them quite readily.

We feel confident that you will be able to deal with this matter vigorously and well, and should any unforeseen difficulty arise with the Customs authorities, arguments will occur to you to meet those that may be put forward, and we trust to your best judgment and vigorous action should such be needed.

Should the goods arrive in Cape Town before you are there to receive them, we are writing Messrs Divine Gates & Co asking them to clear same and store and bond until your arrival.

Yours very truly,

Burroughs Wellcome & Co.,

per

Mr E.W. Raven,

C/o Messrs Divine, Gates & Co.,

Castle Street,

Cape Town,

S. Africa.

Private
S. African
Papers.

10 FEB 1902

SM

Have a
separate
file for
these

Put in the
other private
S.A. papers.



SRS. BURROUGHS, WELLCOMB

Manufacturing Chemists,

Snow Hill Bu

London

*Agg. i
Mr. Weld.*

24 Jan: 1902.

1347. Replying to your recommendation to let you know what we thought of the plan of sending Mr Hector out to South Africa to take charge temporarily there of the office, until Mr Raven is competent to run alone, we cannot recommend the adoption of this scheme for the simple reason that in the course of different conversations with Mr Weld, Mr Hector has very clearly intimated that his interests are now absolutely bound up in Sydney and in the Australian business. We know that he has bought a house in Sydney, his wife's relations are located there, and he looks upon the place as his permanent home. He further stated that he felt himself so thoroughly identified now with Sydney and the Australian business, that his former liking for South Africa had entirely disappeared and that nothing would induce him to return there. We gather from what Mr Hector has said to Mr Weld an invitation from us to take up work in South Africa even as a temporary thing, would be looked upon by him as an indication of want of confidence and probably it would be very badly received.

If, however, after the foregoing you still are of opinion that the question should be put to him as to his willingness to proceed to South Africa to carry out the work you have indicated, we will of course do so, but as we have stated, we do not recommend such a course.

In a separate letter I have replied to this, and I enclose a letter for Mr Hector.

Handwritten in red ink:
12 Oct 1902

Handwritten in black ink:
St. James 1902

Handwritten in black ink:
In a separate
letter I have
replied to this, and
I enclose a letter
from the station.

Recd.
27 JAN 1902



10 FEB 1902

ABK.
has their
matter
increased

Yours very r
Burrough

Messrs Herbert Davies & Co.,
Chemists,
Sinla,

10 FEB 1905

Feb. 10th 02

7 Raven

=

2 Mo 2 Mo 2 Mo
Swamp & Hill

Gale V.D.

=

Re shipment
to Africa

10 FEB 1902

Friday
Mail
Done

10 FEB 1902

M. Audlow.

Re African Shipment

I would remind you that
in accordance with my
present instructions from
the M.

The special barge leaves wharf
at 3pm today to Landivick etc

Complete loading at works
Wednesday & eve.

Ship on Thursday next

Tintagel Castle

E. J. Dicks

Boat sails Friday week
22nd inst.

C. J. Parker

BURROUGHS WELLCOME & CO.
Importers Exporters &
Manufacturing Chemists.
SNOW HILL BUILDINGS,
LONDON E.C.

P. 36.

108, Pitt Street.

Sydney

September 17th 1901

Private

Dear Sirs;-

I beg to acknowledge with thanks receipt of your letter
Ref 'W.E.', of 12th ult., enclosing copy of letter received from Mr
Rogers, in connection with South African matters. I certainly heard nothing
of the opening of an establishment of the character mentioned by Mr A. Morris
Several of his remarks, however, confirm sundry statements I made in my reports to you
from South Africa.

Yours respectfully,

Geo. S. Pearson

Messrs Burroughs Wellcome & Co.,

Snow Hill Buildings,

London E.C.

26 JUL 1901

Please return to 84
25 " 1901.
S. W.

Dear Sirs.

Dr A Morris just returned from
Africa & now acting as Locum Tenens
for Dr A Smith of Knatchbull Rd &
Camberwell New Rd SE, said that he
wished we had a Depot in Africa,
he & many of his medical friends out
there found it costly to buy our goods
through Messrs Lennon & Dr Morris hopes
to return to Africa shortly & said
that a number of Medical Men out there
were considering the opening of a central
establishment for obtaining Drugs & direct
from the Manufacturers for distribution
amongst themselves, owing to the high
prices charged by the leading firms of Chemists.
in Africa.

Yrs faithfully

F A Rogers

Requet. Memo

Messrs Burroughs Wellcome & Co.

Stow Hill. E.C.

50

ORDER NO	
RECOR	26 JUL 1901
ANSWR	

a Pearson 12 Aug 1901 Wg.

Enclosure.

Duplicate.

W.E.

Private.

12 August, 1901

S. A. papers

Dear Sir,

For your private information we send you herewith
copy of a letter recently received from Mr Rogers, in connection
with South African matters.

Yours truly,

Burroughs Wellcome & Co,

per

Mr G.E. Pearson,
Messrs Burroughs Wellcome & Co,
108 Pitt Street,
Sydney, N.S.W.

C O P Y.

Grand Hotel, Tamaris.

February 4th 1901. 22 ✓

Messrs B.W. & Co.

Dear Sirs,

I have just found amongst my papers a typewritten Table of Sales to the principal Wholesale, and a few large retail firms in Australasia. I enclose it herewith for your consideration. I do not quite comprehend the asterisked (*) items - sd to include sales in 1901. It will be desirable for your reference to have this table brought up to end of 1901 - and you may send copy to me when received. You may find this useful in deliberating on the question of £100 orders. In considering these figures you may estimate about 20% increase in 1901 over those of 1900 a.e. our total sales in Sydney in 1900 was £20,953: in 1901 was £26,067. Kempthorne Prosser & Co and Sharlands could easily take £100 lots, cash with order. If we do it for New Zealand we need not necessarily do it for the other Colonies. The same questions will arise for consideration re Durban, Johannesburg etc in So. Africa See Raven's report. It is a great advantage to get them to hold and carry stocks and to order in good lump quantities original cases as far as possible to save re-packing. For So. Africa it will reduce our expenses to have some plan that will secure this. It will also be an advantage if feasible to ship direct from London to Durban etc but invoicing from Cape Town. I have no definite idea how this could be arranged, but if any practicable plan can be devised so that we pay freight direct from London to Durban, Port Elizabeth, New (? East) London, etc, and make up substantial shipments in London, it would save us trouble and expense of re-handling re-packing etc, and an advantage to the firms in having the freight paid to their Port if the plan included that.

I am inclined to think that the policy of making our terms to New Zealanders so that by **buying** in £100 lots in original cases they get the goods delivered in their Port

*We could plan our original cases to suit the requirements in ~~such~~ cases as Kepler, "Lanoline", "Hazeline" etc, and perhaps with Cascara etc.

at Sydney prices, (2)

at Sydney prices, will be an advantage to us, I mean supplying the goods from Sydney. If the plan for £100 lots to all wholesalers in Australasia is adopted this would be different of course.

There are many features in common in So. Africa and Australia, distant towns taking from 2 or 3 days to a fortnight to reach from our Depot. We want the houses large and small to carry full large stocks, and in those countries they plan and are willing to carry much larger stocks than in Europe. The saving in labour by executing orders in original packages, except in Cape Town and Sydney, and in lots of say £100 is great. Again we want cash with order as far as possible in So. Africa. I have serious anxiety about credits, especially new houses. If we offer a fair inducement to take £100 lots orig. packages, many firms will stretch a point and take larger stocks and pay us the cash in hand, and push their sales. I suggest for your consideration for So. Africa, special cash in hand discount say £100 original packages, Cash with order 5% beyond the regular wholesale discount.

For retailers I would suggest a £10 or £20 cash with order rate, with 5% better than the ordinary rate which retailers would receive if they buy any quantity on usual terms. Somewhat like our 20% on £5 orders.

I am aware that this is a complete departure in a degree from our usual custom, but we want in both So. Africa and Australasia to get quick cash, 1st to be safe, and 2nd because to our heavy outlays in stocks plant etc may be added large sums locked up in current a/cs, if we don't do something very strong as inducement, and we must get quick returns. You will of course arrange full cable system from the first for cable remittances as well as orders for goods from So. Af, the same as in Australia. A 5% cash in hand discount seems large but it is of great importance to us with our large turnover to have ready cash, and especially in these new territories where risks are great. In America 5% cash discount is usual.

This will perhaps also solve in a measure for Sydney and Capetown the question of such a plan as we have wanted for London i.e. monthly or fortnightly orders from wholesalers. Original packages would perhaps only properly apply to orders from towns other than Capetown or Sydney, as goods in Capetown and Sydney would no doubt be delivered in trolleys. This system ought to be used by our So. Af. and Australian managers as a leverage to secure large orders. I have never known such a system to do harm. The great question is can we afford the

This means cash for some time before delivery of goods

20% on £20 order

discount.

We must make our prices in S. Africa fair but we do not want to cut rates. We need all the profit we can get. It will be an actual advantage to us for a time if Lennon & Heynes Mathew & Co etc still order in London and pay us cash for the bulk of their purchases. We shall be perhaps two months longer out of our money when they buy from us in Capetown but what they do buy from us there might be largely by £100 orders if we make it a 5% margin to do so and pay cash.

We are now doing upwards of £30,000 p/a in So. Af = £2500 per month. Two months would be the least, rather more like three, would be our quickest returns: this would mean not less than £5000 to £8000 locked up at once if we divert London purchases all at once to So. Africa, especially if we don't guard ourselves by some very strong cash in hand discount.

The main purpose of our establishment in So. Africa is to ensure complete stocks of all our products on the spot. It is provable that as a result the big Capetown Wholesalers will rely upon us for all the odd and new lines and if they continue to purchase in London will order mainly or only staples in London, but as in Australia they only carry fair stocks even now, and they will not be likely to do much less, **the** great question is in either case ae. whether we try to get Capetown Wholesalers to draw all supplies from us in Capetown or if we keep it worth their while to buy in London for a time. What shall the discount be ?, say based on London list plus freight duty and charges - or in bond.

This wants wise and deep thinking, and I don't feel at all clear in my own mind what it should be. I'm only clear on the fact that we must get cash in hand.

Yours truly,

(initialled) H.S.W.

C O P Y.

Grand Hotel, Tamaris,
France.

February 9th 1901.

Messrs B.W. & Co.

Re So. Af. Branch - Mr Hector's report

February 7th.

I have cabled you to-day "Stop African shipment until Hicks arrives, limit rent £500." This I have sent because I interpret the wording of Mr Hector's report to indicate that you are preparing a large stock (you give no idea of extent), with the view of making our So. African branch a general supply depot for the So. African trade. Mr Hicks has notes of my views and instructions for the guidance of the Management in respect to the scope and limitations of this branch.

I foresee many serious objections to the opening of a full supply depot at the present time and I have decided that it shall be a strictly emergency depot with emergency stocks and a show room with medicine chests and cases etc. The stocks of most importance for emergency being the lines which are demanded by Drs and chemists and not properly stocked by wholesalers. Staple stocks should be held but only in moderate quantities to cover emergencies.

Our policy is to make the large dealers who now buy in London and pay us cash to continue to do so and to make our lowest net cash price in Capetown branch five or ten per cent more than it would cost So. African houses to import from London. I propose that we should announce our depot as for emergency supplies only, and letters to this effect should be sent to each of our large So. African customers who buy from us in London, pointing out with emphasis that they can buy to better advantage etc direct, and to the large wholesalers we might find it an advantage to supply a cable code for ordering our products, especially staples, as soon as the censorship is removed. I suggest this but it may be too much trouble or too expensive.

Continued:-

It is important that we instruct our Management in So. Africa to encourage at least one wholesale firm in each Colony, and if feasible in each town or district, to hold full stocks so that we can refer to them orders from medicos and small chemists.

Some of the prices of the wholesale trade for unusual lines are now extravagant and our new list prices in Capetown will compel the moderation of the wholesalers but for staples I judge the prices are now reasonable, and when a war or boom is on high prices prevail and there is no advantage in cutting prices that are moderate and reasonable. If we make our prices to the retail trade and to medicos higher and our terms of payment stricter than So. African Wholesalers, the Wholesalers if not actually friendly will certainly be less hostile, and our travellers should aim to carry out our turn over order system as completely as possible. The large Wholesalers, fearing that we may convert our emergency depot into a full supply one will be more likely to "go straight" and charge fair prices etc, and by turning over orders to them as in the past or more so, we may gain armed neutrality or actual co-operation in some cases. If we try to do the trade with **chemists** and Drs direct and take this business away from wholesalers they will feel sore and try to fight us with imitation products. In the course of time if and when need be we can develop and change the character of our branch.

With regard to Medicine Chests and Cases, I would aim to make our prices to Drs and public etc as nearly as possible the same as Lennon and Heynes Mathew & Co but for spot cash only at those prices. I have already said much about the great risks of all credits in such a country as So. Africa and especially after a war. Many adventurers, bottomless and characterless, flock to So. Africa, and a big red danger signal must be ever before the eyes of the Management against credits, and against employing in our depot, particularly in any position of trust, any man who has not good clean credentials, and even after these make sure that he is worthy of them. Many men who have "fallen" are sent to So. Af. to start a new life, some do and some do not. I have known of some of these who have robbed their Chiefs and been allowed to refund, and their employers whom they have robbed as well as their parson and other friends, knowing all, have given them good strong testimonials that would almost flatter a saint, and then are sent to So. Africa to reform. Beware!!! and be wise and careful and **not** too credulous. In such countries stock robberies are usually

Continued:-

much more frequent than in England, especially with small goods like ours, and this matter will require keen vigilance.

I approve of the idea of columns in price list for Capetown and London prices, but I await your revision of prices after you have Mr Hicks' reports of my views, and I would like your ideas about discounts after you have my suggestions. I now limit rent Capetown £500 subject of course to further consideration, this on the ground of change of plan to emergency instead of full supply depot. If Mr Raven can get for £300 or £400, so much the better.

I am sorry to make so many changes in details but the changed character of the depot has to my mind great importance.

As an emergency depot, if information leaks out and Lennons and other S. Af. Houses in London show that they know it, we can frankly admit it, but explain the character and non-competitive nature, and that we will co-operate as in the past etc. What I said in a previous letter about firm fearless yet friendly attitude toward Lennons and other So. Af. wholesalers holds good. Our business is so large and important that if we act wisely and show that we are willing to co-operate but prepared for anything, and have the grip of things, we stand a fair chance of getting better support from these wholesalers for the future.

I note with great satisfaction the quick and vigorous manner in which you have dealt with this So. Af. matter. I anticipate you will have no trouble in handling in London any surplus Af. stocks not required for emergency depot.

I will try to get you off a good budget to-morrow.

Yours truly,
(initialled) H.S.W.

WHOLESALE.

CAPE COLONY.—Wanted, a first-class man, aged about 28, unmarried, with all-round Wet and Dry experience; passage paid out; salary £12 per month 1st year; £13 per month 2nd year; £14 per month 3rd year. Apply, by letter only, to "L. L.," 75 Leadenhall Street, London, E.C.

CAPE TOWN.—Good Assistant required, to manage Wholesale Department large business; sober, steady, unmarried; abstainer preferred; 3 years' agreement; second-class passage paid; salary first year £180, rising each year. Address, with photo, copies testimonials, and full particulars, 174/4, Office of this Paper.

CAPE TOWN.—Assistant wanted, for a firm of Wholesale Druggists, for the Wet counter; one who has had experience in good provincial house preferred; 3 years' agreement; passage paid; salary £11, £12, and £13, for first, second, and third years respectively. Apply, stating full particulars, to "W. E. T." (196/1), Office of this Paper.

LOCUM; disengaged; qualified. R. S., 197 St. James Road, Croydon.

LOCUM or Branch; disengaged; qualified. "Chemist," 32 Laurel Grove
Penge.

QUALIFIED; 21; 5½ years' experience. Whittingstall, Crigglestone,
Wakefield.

LOCUM-TENENS; qualified; good experience. Purse, 137 Sloane
Street, S.W.

LOCUM-TENENS.—Charlesworth, M.P.S., Ardilaun, Frizinghall.
Disengaged.

LOCUM-TENENS; 18th to July 2. Provost, 46 Conyers Road,
Streatham, S.W.

ASSISTANT: aged 24; height 5 ft. 5 in.; outdoors. "Beta," 14 St.
Aldate's, Oxford.

LOCUM; qualified; abstainer; disengaged. H. Boden, 102 Pilton

(2)

With regard to payment for direct orders 28th August, 1901.

draw against documents at sight.

Conversation with Mr Raven.

Mr Raven in order to avoid friction and misunderstanding must

Arranged with Mr Raven that no direct orders can be accepted

by him for less value than twenty pounds gross.

Where Mr Raven finds it distinctly to our
This applies to firms and/or individuals who have
interests to make an exception to the rule of drawing
not done direct business with us before.
at sight and also when he has assured himself that

Mr Raven is to follow the principle ^{not} of turning orders from to

doctors and chemists over to the wholesale houses

for execution. the firm fully that we may understand

the position.

Such direct orders from new people to be taken conditionally

upon business references in England being furnished
Mr Wellcome has laid down for Mr Raven's government
and such references being satisfactory. Where it
the principle that whenever Mr Raven thinks it would
is not possible to obtain English references Mr Raven
be to our interest and advantageous to present a case
must then himself obtain local references and follow
to any medical man or other person in authority or
same up sending the firm the result.
with influence he should do so. Great care must be

(2)

With regard to payment for direct orders we shall invariably draw against documents at sight.

Mr Raven in order to avoid friction and misunderstanding must make these terms perfectly clear when accepting the order.

Where Mr Raven finds it distinctly to our interests to make an exception to the rule of drawing at sight and also when he has assured himself that we run no risk in drawing ^{not} against documents he is to use his own best judgment. In such cases Mr Raven should advise the firm fully that we may understand the position.

Re the giving away of Cases.

Mr Wellcome has laid down for Mr Raven's government the principle that whenever Mr Raven thinks it would be to our interest and advantageous to present a Case to any medical man or other person in authority or with influence he should do so. Great care must be

(3)

taken in this connection in dealing with Government officials; that is to say in the manner in which the Case is presented or left.

Mr Raven should visit all military depôts, hospitals, camps, block houses (if any medical men there) that is to say wherever a medical man can be seen or interviewed.

Mr Raven was spoken to on the subject of the temptations incident to South Africa, giving him the benefit of the experience we have gathered. It is shown to be quite possible to go through all the temptations absolutely unscathed.

Expenses Account.

Do everything thoroughly and well. At the same time spend the firm's money just as if it was your own. Keep expenses at a reasonable figure.

Mr Raven to be constantly on the qui vive for information as to date of the ending of the war and to send home

(4)

to us such information as this will guide us in connection with the preparation of stock for prompt sending out.

Mr Raven to try his hardest to get the various wholesale houses in South Africa to stock freely of our goods so that our goods may be there on the spot in large quantities to meet the demand which will immediately spring up. If as Mr Wellcome thinks a cable code for Mr Raven's use will be of advantage in securing prompt delivery of stock of leading lines to meet the boom at the end of the war Mr Raven should draw up such a code, that is to say a code which will be accepted under existing conditions by the Government.

S.M.

✓
✓
African papers 61

JUL 15 1901

Dear Sir,

The above Cutting from the
"Western Indiling News" of July 11th
(Plymouth paper) I thought would be
interesting to you.

Yours truly,

E. W. Roper

31. Olando Rd.

Clapham Common Str.

Revere P. & Co

London E.C.

May 15th 1901

African Sales
From January 1900

Year	Month	Value		
1900	January	1242	13	3
	February	1461	9	3
	March	1402	8	11
	April	2138	4	9
	May	5855	4	6
	June	3381	12	1
	July	2922	15	6
	August	2435	4	9
	September	1902	3	4
	October	1668	2	4
	November	1343	9	9
	December	1531	15	4
<u>Total Sales 1900</u>		<u>£ 28,185</u>	<u>4</u>	<u>3</u>
1901	January	2955	18	4
	February	2051	8	10
	March	5033	3	5

E.H.

International Hotel
Cape Town
26 Feb 1901

Dear Sir,

I called to day upon
Mr F.W.C. Thomas - Chf. - Claremont
& induced him to increase his
stock of our goods - order herewith
enclosed, with special
instructions attached.

I was afterwards engaged
with Heynes Mathew & Co - Petersen
& Co - Lennon Ltd. & Wentzel
& Schleswig in connection with
the orders I took at Worcester
& Paarl.

Wentzel & Schleswig were very
indignant - because I had
induced D. Wolff of Worcester
to order Anti-Diphth Serum
(Wallcome) - & intimated that
I had no business to interfere

CFL

26 Feb 1901

with their particular customers - it appears they stock Behring's serum for Dr. Wolff & other Dutch medical men in the Paarl district - I induced several of these men to make use of the A.D.S. (Wellcome) in future.

Petersen & Co were not at all pleased that Dr Ford of Worcester had ordered several "Tabloid" products in bottles of 500, & requested a stock to be kept in future - Mr Petersen remarked that he couldn't go on increasing his stock in this manner & intimated that he should write Dr Ford in the matter. I pointed out that it was surely to his interest to meet the wishes of his customers - Dr F had particularly

G.P.

26 Feb 1907

made this request. & if he felt that Messrs Petersen & Co were reluctant to carry it out, it was highly probable he would make other arrangements. Mr Petersen replied that he would reconsider his intention of writing W. Ford. Petersen & Co are very difficult people to deal with in the matter of holding sufficient stock - the managers of the branch establishments complain very much on this point & state that they frequently miss business in consequence - but Mr Petersen simply hates moving out of a groove, he was openly annoyed when I induced his partner Mr Evans to purchase some Tabloid Medicine Cases recently.

Yours faithfully
Geo. E. Pearson

egg
W
19 MAR 1901

International Hotel 62

Phase note return
Cape Town.
20 Feb 1901
100

I beg to acknowledge your
letter - 1 Sheet Private "Wi" Jan 30th -
3 Sheets "Wi" Jan 31st - 1 Sheet "Wi"
Feb 1st - with enclosures - Contents
are duly noted.

I called upon several Chambers
today & despatched per outgoing
mail orders from Heynes Mathew
& Co. & J. P. Petersen & Co.

Letters from Kimberley today state
that business is absolutely at a
standstill - Ruffel the principal
Chamberlain, has in consequence re-
duced his staff - a similar state
of affairs exists at Bloemfontein.
Wholesale houses here report that
up Country trade is very bad - very
few orders are coming through -

Fil.

20 Feb 1907

Then Customs report that Martial Law is now very strictly enforced - no permits being granted to people to leave or come in to the towns.

I visited the Permit Office today & made application for permission to proceed to Worcester & Paarl, and return - after much trouble I was successful - & start in the morning - my permit only allows me to be away four days.

When I called at Leunow - the Managing Director, Mr Rivett. Enquired if I had heard whether Evans Rescher & Witt intended opening in Cape Town - Leunow appears to have the impression that such is S.T.W.'s intention, and are somewhat disturbed at the idea. Mr Rivett however expressed the opinion that the bird-houses

E.F.L.

20 Feb 1907

would considerably hamper E.F.W.
 You are doubtless aware of the
 tied house system that exists in
 this country - in case you are not,
 the following explanation may be
 of service.

Erasmus - H.M. Co - Peterson Co - &
 Gardner Co, in common with other
 commercial houses - offer from time
 to time, to select assistants in business
 in up country towns showing promise
 of development.

Supposing for instance that Erasmus
 are starting a man - the principal
 conditions are - that he shall purchase
 all his goods from Erasmus at their
 current list rates for a period of
 five or seven years - at the end
 of that time he has the option of
 purchasing the business - in the
 meantime he pays an agreed

C.F.L.

20 Feb 1907

percentage upon the Capital advanced. In a few instances, assistants have been successful in obtaining agreements enabling them to purchase the business as soon as they have acquired the necessary Capital - the buying restriction being withdrawn when the assistant has purchased the business.

Assistants going into business under these conditions find themselves very much handicapped in competition - & not infrequently throw up the business at the end of two or three years - the business then passes into the hands of the firm supplying the Capital, & if a fair connection has been established, is retained & conducted as a branch. Assistants however are now becoming shy of starting business under these

E. G. L.

25 Feb 1907

Conditions - I prefer to wait - until
they can acquire or borrow on favor-
-able terms the Capital they require,
I be free from any restrictions in
buying.

Yours faithfully,
Geo. E. Pearson

W. S. S. S. S.

March 19/01.

Total Sales to Africa
Excluding Egypt, Madeira
 & Northern States.

110 289.

	£.	s.	d.
Octob ^r /00	1435.	14.	5
Nov ^r /00	1329.	19.	9
Dec ^r /00	1491.	10.	4
Jan ^{ry} /01	1464.	13.	7
Feb ^{ry} /01	1324.	9.	6

W. S. S. S.

9 MAR 1901

Mr. Sudlow.Nov, 1st/00.Your No 86 dates Oct 23/00.

My previous paper ended
at June 30th/00 & below
please find figures to
Sept 30/00.

Total sales to Africa (excluding
Egypt, Madeira & Northern States)

July/00	£. s. d. 1960 - 9 - 0
August/00	2569. 15. 7
Sept/00	1650. 15. 3

Arch

G.L.

28 Jan 1907

at the rate of 35-3%.

These items are interesting in view of some recent remarks by Colonel J. G. Stowe, a former Consul-General at Cape Town for the U.S.A.

Colonel Stowe has recently visited S. Africa & remarks: "We (Americans) are certainly making headway all over S. Africa, which I attribute in a large measure to the fact that our manufacturers are alive to their opportunities..... and apply themselves without danger to satisfying the requirements of their customers, in the respect Germany is even more accommodating." Colonel Stowe further hinted at fresh departures - now in the port of realization - which will considerably benefit the Export and

DER NG

RECOR 16 FEB 1901

ANSWR

Copy addressed to H.S. Wellcome Esq.

1

C. L. B. S. W. — International M^o
Cape Town

28 Jan^y 1901

Dear Sir

It came to me that a
few local notes may be interesting to you.

The total exports of the 31 principal
articles of British manufacture to
S. Africa during Nov. 1900. Compar-
ed with those of the same month
in 1899, show an increase at the
rate of 64.5%. — Compared with
any previous Nov. this was only
slightly exceeded in Nov. 1896.

Germany with 21 principal articles
shows a decline at the rate of 37.2%.
Compared with the corresponding
month in 1899.

The American returns for Aug. 1900
show an increase compared with
the corresponding month in 1899.

ORDER N^o
RECD 16 FEB 1901
ANSWD

9 MAR 1901

Mr. Snelow.

July 25/2

Re No 807.

The total sales to
Africa (excluding Egypt
Nadeira & Northern
States) during last six
months have been as
follows.

1900	L. s. d.	
Jan ^{ry}	1242. 10. 11	} From our Cact ^{rs} ref. Africa No.
Feb ^y	1725. 1. 0	
March	1476. 17. 6	
April	1940. 8. 8	
May	2433. 13. 5	
June	3079. 11. 2	

July so far seems very
small & will I think
show a decrease

Q. J.

28 Jan 1907

import-trade of the U.S.A. with S. Africa. The formation of American banks in large S. African Centers to render U.S. trade partially independent of import Commission houses, these institutions undertaking the duties of collecting drafts & furnishing information of the standing of buyers in S. Africa - & will also save two months interest on drafts, besides all exchange.

The formation of an American direct steamer service with S. Africa independent of existing lines, and the projected lowering of the American import duties is also mentioned.

Colonel Storr apparently had a moving commission to study the possibilities of the country and

ORDER N9

RECR 16 FEB 1901

1 N8WD

C.R.L.

28 Jan 1907

The formation of one or two large Towns - prospecting to the north of Pretoria has also proved the existence of considerable mineral wealth - And it is not impossible that in a short period Pretoria will rival Johannesburg in every respect.

In Natal the coalfields are already commencing to boom - Natal is exceedingly fertile and only needs a thorough system of irrigation to make it an ideal country for farming operations. By reason of the experience I have gained of wholesale firms in S. Africa, I am decidedly of opinion that we shall not gain anything approaching our full share of the coming

ORDER NO

RECD

ANSWD

16 FEB 1901

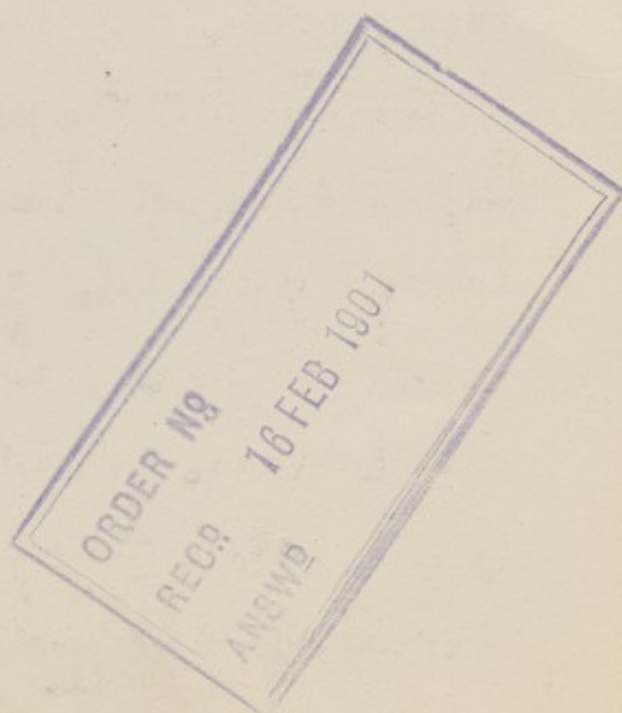
Col

28 Jan 1907

report upon the best means of
taking advantage of the boom
it is expected will follow, when
the present guerrilla warfare is
ended.

When I visited Pretoria I had reliable
information to the effect that mining
known & hitherto untapped mineral
resources besides gold fields - in
the Transvaal, will be opened up -
which was not possible under
the Boer Government - and numerous
syndicates are now preparing to
start operations when peace is
declared.

Pretoria is distant about 20 miles
from Johannesburg. This large
area of country is known to
abound in mineral wealth
& when opened up will mean



ORDER No

REC'D

ANSW'D

16 FEB 1901

Col

28 Jan 1917

Trade born in this Country, by
depending upon these firms to
keep suitable stocks of our products,
and to act fairly and squarely
in our interests.

I venture to suggest it will
be absolutely necessary that our
 interests are permanently rep-
 resented, and large stocks of
our trading lines are maintained
under our own control in this
Country - The military authorities,
 medical men, merchants and
 chemists have on several
 occasions expressed a similar
 opinion.

Our goods are steadily increasing
 in popularity, and in a short-
 period we shall most assuredly
 have to meet keen German and

ORDER NO
RECOR 16 FEB 1951
NSWD

Gr. L.

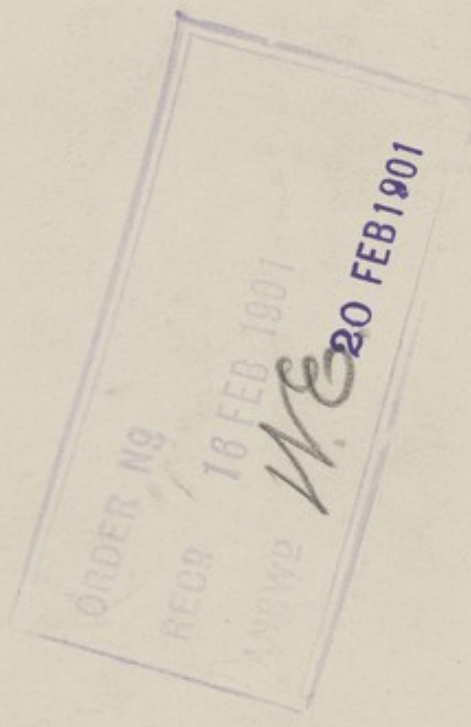
28 Jan 1907

and American Competition.

Property in Cape Town has largely increased in value during the past year - on Friday afternoon the 25th inst, I was with Mr Mathew Sen. of Messrs Mathew & Co and Mr Fairclough of Lunn & Co. These gentlemen had in the morning attended a sale of some property in Cape Town, and told me the prices realised displayed a remarkable increase in value.

Mr Fairclough is visiting S. Africa in connection with the preparations Lunn & Co are at present engaged upon, to meet the expected large increase in the volume of trade in this country.

Yours faithfully,
Geo. L. Pearson



15 April 1901.

1. We are pre-eminent in South Africa.
 2. Mr Pearson explains that this will be of a general description, including not only medical men who will prescribe our products, but also a large number of people who will use them, that is to say, beyond the ordinary labouring population.
 3. Mr Pearson thinks that it is necessary to have someone acquainted with the various districts in the whole country to indicate the samples desirable for each particular district, for instance, the Port Beaufort district is where consumptives go etc. etc.
- 

Cascara 2 grs 2/3c ovals.

List Price in London pence
54 per doz.
less 20% discount. 10.8
43.2

less 1 1/2% disc^t for cash .648
42.552

less 2 1/2% Rebate 1.063

Net List Price in London 41.489

add 20% for Duty 8.298
49.787

add 10% for Fg^{ht} 4.978

Net landed cost 54.765

@ Cape Town = 14/6 3/4 doz

To be reckoned as 4.8.

1.8 1/2

Profit 2.11 1/2

Cape Town

pence
B.W. & Co cost in London 15 per doz
plus 20% Duty 3
18

plus 10% for Fg^{ht} 1.5
on B.W. & Co cost 19.5

Packing 1.

B.W. & Co cost includ^d } 20.5
Duty, Fg^{ht}, etc @ Cape } = 1/8 1/2 doz.
Town

per doz
3 + 5 1/2

1.3

Profit 2.2 1/2

London

10/April '01

Extract from The British and Colonial
Druggist dated 16th July 1915 page 37.

It will be remembered that at the beginning of the war the services of the Wellcome Bureau of Scientific Research were placed at the disposal of the Government. Dr. Andrew Balfour, C.M.G., Director-in-Chief of the Bureau, has now been appointed by the War Office to a consultant position abroad in connection with questions relating to sanitation, epidemic diseases and tropical diseases generally. Dr. Balfour has been given a commission in the R.A.M.C., with the rank of Lieutenant-Colonel. He leaves England this week.

23rd July 1915

W.A.R.

Duplicate.

Cape Town.

Private.

April 30th 1907.

W.A.R.

R.C. 318.

8th April 1907.

Re History of the Firm,- South African Branch.

Your letter as above reference is duly received, and the contents noted.

CAPE TOWN

duplicate

3rd September 1912

W.A.R.

PRIVATE

J.P. 959

13th August, 1912.

History of Firm 1907 - 1911.

We are in receipt of your memo as above, contents of which are noted and for which we thank you.

WW

MEMORANDUM

FROM BURROUGHS WELLCOME & CO.

Private

CAPE TOWN

TO BURROUGHS WELLCOME & CO.

RECEIVED,
2 SEP 1912

LONDON

Date 13th August, 1912.

Reference J.P. 959

Your Memo. Reference W.A.R.

Dated 25th March 1912.

Re History of Firm 1907 - 1911.

Feb. 1908. Misuse of Trade Mark by Walker Pole brought to a satisfactory termination by representative personally destroying all labels bearing the Trade Mark 'Tabloid.'

This infringement commenced ~~from~~ October 1903.

March 1st 1908. Change of management, Mr. R.H. Cole succeeded by Mr. J. Patterson.

March 14th, 1908. Certain alterations of top floor to provide suitable accommodation for manufacturing on a small scale.

31st August, 1908. Medical Congress opened at East London, lasted one week. Small exhibit of Firm's products attended by representative.

1st October 1908. Stamp Tax imposed upon all our products in Cape Colony. The Authorities decided that the Trade Mark classifies them as patent and proprietary medicines.

1st June, 1909. Engagement of third representative.

1st week of August 1909. Medical Congress, Durban, lasted one week. Small exhibit of Firm's products attended by representative.

August 27th 1909. Improved telephone system throughout premises to expedite the work of the House.

Oct. 31st, 1910. Opening of the South African Medical Congress at Cape Town. Small exhibit attended by Firm's representative, lasted one week.

Oct. 31st, 1910. Opening of Cape Town Pageant. Supplied on loan 'Tabloid' Medical Equipment and 'Tabloid' Outfit free of charge.

1st July, 1911. Abolition of Stamp Tax.

1st Dec. 1911. Alteration of offices and showroom ground floor.

7th Feb. 1912. Commissioner of Customs endeavoured to make us pay 20/- per lb. Duty on 'Tabloid' products in 100 containers. This, we successfully resisted without resorting to legal measures.

19th March, 1912. Commissioner of Customs instructed his officers to allow Duty on 'Tabloid' products to be paid as formerly.

We attach a chart showing the rise of sales from 1904 to 1912. Each step upwards represents £1,000.

5 Loop Street,
Capetown,
S. Africa.
14th February 1905.

Dear Sir,

We, the undersigned members of the staff of your South African Depot, in acknowledging the receipt of "The Life of the Bee", desire to thank you for your kindness in presenting us with such a valuable book. We feel deeply indebted to you for placing into our possession a work which would enrich any library.

Although we are not professed students of apiculture, the subject is made an intensely interesting one, and the magnificence of the literature commands our highest admiration. The beauty of diction, the clearness of expression and the purity of the English, are altogether incomparable, and the keenness of observation displayed by the author in his study of the bee is worthy of emulation in our application to the work which directly concerns each one of us.

Again thanking you for your valuable gift,

We are, dear Sir,

Yours respectfully,

Frank R. Ollif

H. E. Dunsdon.

G. W. Dunsdon

Peter Gair

Ada. S. Brown.

J. G. Gillis

[Faint, mostly illegible handwritten text, likely bleed-through from the reverse side of the page.]

[Faint handwritten signature and address:]
Frank J. Kelly
1210 Madison
Chicago, Ill.

RECR 6-MAR1905
ANSWR

