

Proceedings at the conference between the deputation from the London Chemists' Association, etc., etc., and Burroughs Wellcome & Co. : held at the Holborn Viaduct Hotel, London, June 21st and 28th and August 2nd, 1906.

Contributors

London Chemists' Association.
Burroughs Wellcome Company.

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PROCEEDINGS
AT THE
CONFERENCE
BETWEEN THE
DEPUTATION
FROM THE
LONDON CHEMISTS' ASSOCIATION
ETC. ETC.
AND
BURROUGHS WELLCOME & CO.

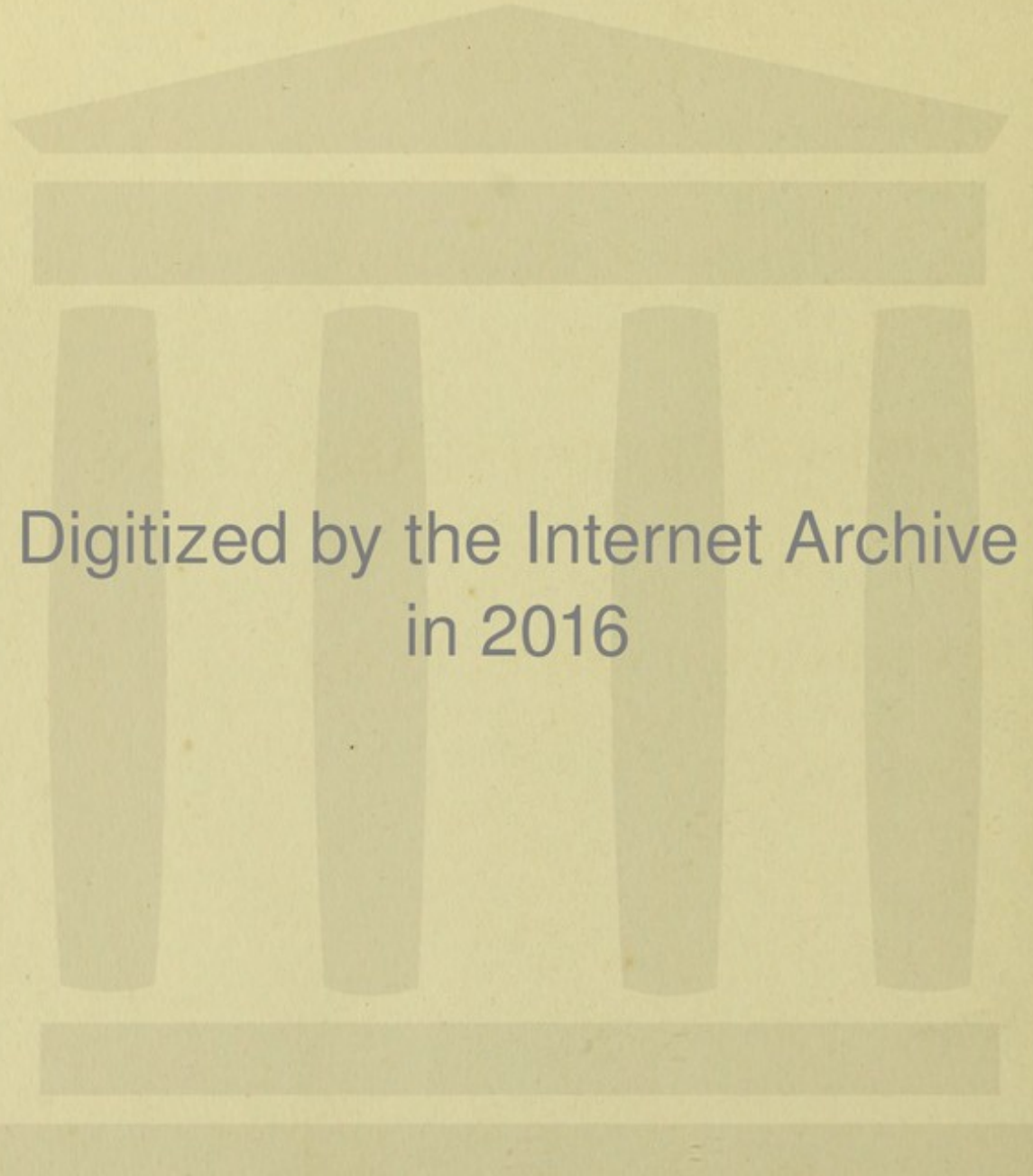
HELD AT THE HOLBORN VIADUCT HOTEL
LONDON
JUNE 21ST AND 28TH AND AUGUST 2ND
1906

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[COPY.]

LONDON CHEMISTS' ASSOCIATION.

1, Park Street,
Glo'ster Gate,
Regent's Park, N.W.
11-6-06.

— WELLCOME, ESQ.

DEAR SIR,

I have been asked by the Association to write you, asking if you would be so kind as to receive a small deputation, so that we could personally lay before you the many advantages that would accrue to us by the better protection of the prices of Tabloids, etc., if you could see your way to their being put on the P. A. T. A. list. Anyway, a little conversation would, we consider, be of great advantage to us.

Yours truly,
(Signed) R. B. BETTY,
Hon. Sec.

[COPY.]

Snow Hill Buildings, E.C.,
June 11th, 1906.

DEAR SIR,

Mr. Wellcome desires me to say that he will be pleased to receive the small deputation from the London Chemists' Association mentioned in your letter of the 11th inst., but he will be unable to fix a date at the present moment, as he has only recently returned from abroad, and has many pressing engagements.

Mr. Wellcome will endeavour in a few days to make an appointment which will be convenient to your deputation.

Yours faithfully,
(Signed) F. J. W. THOMPSON,
Secretary.

R. B. BETTY, ESQ.,
Hon. Sec., London Chemists' Association,
1, Park Street, Gloucester Gate,
Regent's Park, N.W.

THE DEPUTATION.

CHAIRMAN.

F. W. TRUMAN, M.P.S., Chairman of the General Purposes Committee of the London Chemists' Association.

DEPUTY-CHAIRMAN.

J. C. PENTNEY, M.P.S., Member of Committee, London Chemists' Association.

SECRETARY.

R. B. BETTY, Ph.C., Hon. Secretary, London Chemists' Association.

W. PRICE, M.P.S., President, Eastbourne Chemists' Association.

S. GIBBS, Ph.C., Secretary, Eastbourne Chemists' Association.

P. H. BURTON, M.P.S., Member of Committee, London Chemists' Association.

A. G. WATKINS, M.P.S., Member, London Chemists' Association.

The DEPUTATION was received by :—

HENRY S. WELLCOME,

GEORGE E. PEARSON, General Manager,

J. COLLETT SMITH, Manager of the Estates Department,

Representing

BURROUGHS WELLCOME AND CO.

CONFERENCES WERE HELD AT
THE HOLBORN VIADUCT HOTEL, LONDON
On June 21st, 28th, and August 2nd, 1906.

MEETING HELD AT THE HOLBORN VIADUCT HOTEL
ON THURSDAY, 21st JUNE, 1906.

Mr. TRUMAN (CHAIRMAN OF THE DEPUTATION): I wish to say in the first place I am very much obliged to you, Mr. Wellcome, for your courtesy in receiving the deputation. We not only represent the London Chemists' Association, but also the other Associations who have asked us to move in the matter. We thought if we could meet you and talk the matter over in a calm and sensible manner, we might arrive at a satisfactory solution of the situation different to that at present existing, which is not quite satisfactory to the trade.

Mr. WELLCOME: May I ask you, Mr. Chairman, who and what your deputation represents? Is it a deputation from the London Chemists' Association alone? Who the deputation represented.

Mr. TRUMAN: The London Chemists' Association directly, but indirectly most of the Associations in the United Kingdom. They have all passed resolutions more or less to the same effect; more particularly the Eastbourne Association have asked us to take the matter up, feeling that a personal interview would do so much more to clear up any misunderstandings there might be than any mere written communications.

Mr. WELLCOME: But in what way have the other Associations asked you to represent them?

Mr. TRUMAN: They have sent us circular letters in reference to the matter and asked us to take it up?

Mr. WELLCOME: Will you, Sir, as Chairman, make your statement on behalf of the deputation?

Mr. TRUMAN: Will you allow me to say a few words afterwards? Mr. Watkins will introduce the matter.

Mr. WELLCOME: Certainly.

Mr. WATKINS: I am sure we are very pleased indeed that you have allowed us to come this afternoon. I think it is a general fact that the prices here listed [exhibiting a B. W. & Co. price list] are those at which your products are sold retail by the store chemists throughout the country. There is an uncertainty amongst chemists as to the amount of discounts allowed from these prices—different statements are made as to them. Chemists feel that 15 per cent. off an article is hardly sufficient. We have no wish to dictate to you, but we thought a friendly talk over with you on the matter would be the best way to come to terms. Take, for example, Cascara Sagrada. The profit we get on that is only practically $\frac{1}{2}$ d. or $\frac{3}{4}$ d. You see 15 per cent. is practically about $\frac{3}{4}$ d. The time occupied in serving Cascara Sagrada is quite equivalent to that taken in selling "Kepler" Solution, so that we feel particularly the 15 per cent. is not sufficient, especially in the small articles which we sell at 6d. or 1s., which make up the bulk of the articles we have to sell. So that if you could see some way to divide your discount I think it would meet the case, or perhaps you could see some other way out of the difficulty. We feel anyhow that the amount of a £5 order is such that we are unable to avail ourselves of it to obtain 20 per cent. We know 20 per cent. on the outlay is a reasonable one, Opening statement.

Question of Profit.

but it is impossible to make up a £5 order ; that is to say, we have to go to some wholesale house and be satisfied with 15 per cent., or even less.

Eastbourne
and local
protection.

Mr. GIBBS (EASTBOURNE) : I wish to simply make a few remarks on the correspondence my Association had with you about a year ago, which we considered was not altogether satisfactory. The prices in your list may be considered as the retail prices, but yet there is an anomaly. When you send out your Chemists' Diary (which is much appreciated by chemists) you send it with a request to be careful into whose hands the Diary falls, as it contains trade prices, as you there describe them. How retail prices can be called trade prices we fail to see. Your reply we considered most unsatisfactory in a way. You say that your firm was the first to be actively engaged in stopping the extravagant cutting of prices, but to a certain extent I think chemists fail to see that. I do not think they can quite see in what way you have protected prices to any appreciable extent. Then you suggest a mere local protection, which I think the wording of our letter shows was not at all in our minds.

Mr. WELLCOME : Do you mind saying why, in regard to the local protection ?

Mr. GIBBS : I say that our letter did not intend a mere local arrangement, because that is impossible in a visiting place like Eastbourne, where we get customers from all over the country, who are accustomed to pay the lowest prices. If we had an agreement we could not enforce higher prices than they are accustomed to without offending.

Mr. WELLCOME : Do you mind stating what really did transpire in regard to your correspondence with the firm and the offer we made to co-operate with your local Association ?

B. W. & Co.'s
offer.

Mr. GIBBS : Your letter says " If your esteemed Association would increase the minimum rates on our products to be sold in the district under your influence, we should be most happy to assist you in every way practicable. On being assured of your co-operation, our representative will call on you in Eastbourne to aid you in this purpose."

Mr. WELLCOME : What was the result ?

Mr. GIBBS : Our reply to that was, we wished to point out we had no intention of suggesting the protection of Eastbourne alone, but the entire trade.

Mr. WELLCOME : Why not for Eastbourne alone ?

Mr. GIBBS : We were speaking more on behalf of the trade generally.

Mr. WELLCOME : Why not prove the efficacy of it locally ?

Mr. GIBBS : Because it is a difficult question to thoroughly carry out a local matter.

Mr. WELLCOME : It has been done by us many times successfully elsewhere. Why tackle the whole country until you can conquer your own town ?

Mr. GIBBS : If it is uniform all through the country, that at once removes the objection I raised as to why it would not work locally.

Mr. WELLCOME : When our representative went down to co-operate with you, why did you not try it ? A moment ago you criticised our statement that we had co-operated, and so on. You suggested that there was very little foundation for that.

Mr. GIBBS : Yes.

Mr. WELLCOME : I thought we had proved to you our desire to co-operate. I think there are evidences of at least our good intentions.

Mr. GIBBS : Yes.

Mr. WELLCOME : And that we were certainly making efforts ?

Mr. GIBBS : You certainly were trying to meet us as far as we locally were concerned, but our letter did not intend that. We referred to the trade generally, I believe.

Mr. WELLCOME : I think our action answers your suggestion that you could not see wherein we had carried out what we stated as to co-operation.

Mr. GIBBS : As far as that point is concerned, I will tell you. Of course, you were prepared to meet us locally. I am quite prepared to grant that point. I do not think there is anything further I have to say on that.

Mr. BURTON : I unfortunately represent a very poor district. I come from the East End. We have very little dispensing to do in that district, but naturally we are called upon from time to time to supply your particular articles. The sale is not large ; it is so small, in fact, that it does not warrant one in opening an account with your firm direct ; therefore one has to rely upon the ordinary wholesale houses for supplies, which come in with other goods.

In looking over your price list, Sir, I find that you make a special point of your firm's policy. On page 3 you say, " From its foundation the firm's policy has continuously been one of consideration and regard for all with whom it has had business relations, and every reasonable effort has been made for mutual advantage in the handling of the firm's manufactures." Then a little later on it says : " Commercial competition of recent years has greatly reduced profits in all branches of industry for both makers and dealers. When the mad wave of price-cutting swept over the country, affecting manufacturers, wholesalers and retailers alike, Burroughs Wellcome and Co. were, it is believed, the first in the kingdom to actively aid chemists in stopping the cutting of prices which was threatening the trade with serious injury. It was realised that to absolutely stem the tide of price-cutting was not to be expected, but it was well recognized and appreciated by many, that the unceasing efforts of the firm have been remarkably successful, and have proved effectual in cases where others have failed." Then you were good enough to enlarge upon that generally, speaking of sharing the profits, etc. Well, Sir, my experience is this, that when you were the pioneers (if that were so, and I am not in a position to contradict it) of trying to stop price-cutting, other firms also followed suit ; but the benefits to the retailers, I think I may safely say, generally were so small that it was hardly worth considering, because there was no active organization to regulate that price cutting. I see one of your representatives occasionally, but so far as I am concerned, it frequently happens that I absolutely refuse to sell some of your goods because I cannot supply them at the prices at which people are accustomed to get them elsewhere. You mention that you try to avoid this price-cutting. I myself have never come across any example of any effort which you have made to stop this extreme cutting of prices. Some other firms have done so, but I believe with very little success. There is only one way which has proved satisfactory to the retailers, and that is by putting the goods to be protected in the hands of the P. A. T. A. I speak as a retailer with every confidence in that respect. I handle goods which are protected by the P. A. T. A., and I find that there is no question as to price, simply because the cutters know that if they should cut below the minimum price they are so quickly found out and their supplies stopped.

The Firm's policy quoted.

Price-cutting.

I had an example only the other day. I had to get specially a bottle of your compound Bland Pills. I see you list them at 12s. a dozen bottles of 100. I was quite at a loss to know what the actual retail price was, or, rather, what was the minimum price at which that

article was generally sold, and I had to tell my customer that it would be full price—I put myself on the safe side—that is, a shilling. I order it through my wholesale house, and I find it comes in charged at 11s. That is subject to a discount of $2\frac{1}{2}$ per cent. That means I pay $10\frac{3}{4}$ d. for that article. With your business experience you must know that with goods such as we handle it requires at the very least 15 per cent. to pay the necessary trade expenses in handling this class of goods, and then only in that class of goods which has a quicker sale and a quicker turnover. If one were dealing with articles amounting to pounds instead of shillings, necessarily we could do with a very much smaller percentage. I might generalise, and say, in fact, that in the case of all articles which chemists handle, the profit must be relatively larger than 15 per cent. to really pay us for handling them.

I have left out one little point there. I found out afterwards that the particular customer I have mentioned was in the habit of getting them from . . . Stores, and there she paid $10\frac{1}{2}$ d. I do not know how you agree that with your list price at 12s. less 15 per cent. for the ordinary retailer—how that can make the retail price $10\frac{1}{2}$ d. No doubt the . . . Stores are very large customers of yours and get their goods on the very best trade terms, but is not that putting us to rather an unfair disadvantage? You say you sympathise with the smaller retailers, and that you are willing to co-operate with them and do all you can to live and let live, and so on. I venture to say that you are hardly carrying out your precepts, because you allow a big trading Association to come to you and buy on your best terms, and go underneath the price which the smaller retailer would have to pay if he came to you direct.

Mr. WELLCOME : Did you test the statement of that customer as to the $10\frac{1}{2}$ d. and thus find out whether that was really correct ?

Mr. BURTON : No, but I have the utmost confidence in the customer. I do not believe she would in any way say a thing which was not perfectly true, but I did not go so far as testing it.

Mr. WELLCOME : Further than that, did you report the case to us ?

Mr. BURTON : No, because I have never been acquainted with any organization which you have which stops this cutting. In the case of Cascara Sagrada tablets they are ordinarily sold (or were) at $4\frac{1}{2}$ d. small size, but in many cases they are sold for 4d., and in that case they are not worth handling.

Mr. WELLCOME : Not “Tabloids” ?

Mr. BURTON : I may say I am in the habit of saying “tablets,” because naturally I try to push the sale of my own tablets instead of “Tabloids.” It would be infinitely preferable to us as chemists, if a person came in and asked for “Tabloids,” to hand them over without any comment. As it is at present, we have to consider ourselves first, and as self-preservation is the first law, we naturally try to get the customer to take an article which bears something like a reasonable profit, instead of simply, as it were, giving change for a shilling.

Mr. PENTNEY : I hope I shall not be brutal, Sir.

Mr. WELLCOME : I hope you will speak with the very utmost frankness. If you have anything on your heart or chest, I hope you will get it off.

Mr. PENTNEY : That is a liberty I am rather in the habit of taking.

Mr. WELLCOME : I will endeavour to speak just as frankly.

Mr. PENTNEY : Our Chairman spoke of our London Association. We are, if not the largest, one of the largest Associations. We get communications from other Associations, and I think, situated geographically as we are, we are in a unique position to express the feelings of a great many Associations, of all the country generally. The short and the long of it is this, that we feel you are not fair to the chemists. You do not give us so much profit as we ought to have, considering the kind of articles we are handling. Your goods replace prescribing and dispensing. Upon prescribing and dispensing, of course, we get our best profits. Therefore you come with your goods and take away our best profits, and all you give us is a paltry 15 per cent. Considering the turnover of a chemist, you must feel fully aware that 15 per cent. is absolutely useless to the ordinary chemist. If you give 15 per cent. on an ordinary chemist's return of an amount of £600, £800 or £1,000, that poor fellow will not be able to buy his wife a new frock, let alone the children; and it does not seem fair that in a matter of physic—because you cannot exactly call these proprietary medicines—we should have to dispense them at a 15 per cent. return. Then, again, there seems no regularity in the prices. I find in two cases, one of which is quoted in your price list—and mark you, your price list is the list on which sell, and I may say, by-the-bye, that do not list your goods, they list their own. In one case, that of antipyrine, we could buy it from you at 5s. 11½d., and of the wholesale house at 5s. 9d. That seems very inconsistent. Then, another at 4s. 3d. we buy of you, and we buy it at 4s. 6d. from the wholesale house. In other cases they are about equal. That does not seem a proper adjustment of prices. Of course, it may be accidental, but we feel that the profit is not sufficient, and we find that there is no protection in your system. We cannot see that there is any protection whatever in it. Chemists throughout the country look upon the P. A. T. A. as a protection, and do not believe that there is any possibility of protecting prices so adequately in any other way. I myself should have been very pleased indeed to have seen your London representatives here, and I should have liked to ask them what was their knowledge of how your goods were received—not as far as the quality is concerned (that is beyond dispute)—but whether they would not, especially in suburban districts, sell a very great deal more if you stood well with the chemists, and gave them an adequate profit. I think they would tell you when they go to a chemist, such as Mr. Burton, he would say “No, thank you, I cannot do with Burroughs Wellcome and Co.'s goods, I am not getting a living profit. I must buy something where I can,” and he buys something else. I always say this: “If it is on the P. A. T. A., sell it without comment; if it is not on the P. A. T. A., do your level best not to sell it, but sell something that will get more profit;” and yours come within that category. Is it worth while that you should have, as you do have, the ill-will instead of the goodwill of the chemists? I think that is a matter which is well worth consideration. I know you are perhaps in a unique position, but you are stirring up a feeling amongst chemists.

Mr. BETTY (SECRETARY OF THE DEPUTATION) : I feel with the majority of the speakers that the profit on “Tabloids” is really not sufficient, considering the nature of the articles. Of course you do not wish to class them as patent medicines. We are quite prepared to take 15 per cent. for patent medicines, but when you come to handle “Tabloids” like sulphonal and compound phenacetin, and compounds like that—I would not say anything with regard to dispensing, because that is another point—the profit assured is small. I might say that I am an old-fashioned dispensing chemist, and I have been accustomed to go on in the old style. It is not so much a matter of taking £1,800 a year or £800 a year at our business. It is a matter of how much profit one is making out of it.

Customers
mix up prices.

One does not want to sell other preparations instead of your "Tabloids." One does not want to sell tablets, or whatever you like to call them. One does still want to sell your "Tabloids." If you can only assure a profit sufficient so that the P. A. T. A. would agree to it in connection with yourself, it would place chemists in a much stronger position. Customers will come to one and say they can get such and such "Tabloids" at a very low figure. One believes they are honest, but all the same they might be mixing it up, and have got tablets somewhere else, but one cannot dispute it.

Mr. WELLCOME: But would not the same thing apply if they told you they got quinine or other drugs of that kind at lower prices?

Quality affects
prices.

Mr. BETTY: If they said they got quinine at a lower rate than what I am selling it at, I should say: "Yes, but what sort of quinine is it?" I must say there is one little thing to be said against the P. A. T. A., I wish to be fair—their articles are protected, and the limited companies are selling some of the other things at a lower rate. Where you bring out, as you do, a superior article like "Tabloids," it strikes me, as a pharmaceutical chemist, that you are anxious that good chemists should sell them, and that the sales should not be limited to unqualified drug companies.

Suggested
practice of
the Stores.

Mr. TRUMAN: I am afraid I shall take up rather a different attitude from most of the other speakers. I want first of all to show you in what way the protection of the prices of your articles will benefit yourself. I am perfectly well aware that self-preservation is the first law of nature, and can hardly expect you to listen to anything I might have to say, if I could not show you it would be to your own advantage as well as to that of the chemists. I suppose I should be well within the truth if I said that your largest customers are the Stores. I venture to say, that of every six customers that go in to the Stores and ask for your "Tabloids" or your preparations, five out of the six go away with somebody else's. I am not exaggerating one atom. If the chemists do the same you cannot blame them. But I will put it this way. The one that does get your preparation will have it, the other five do not. If your prices were protected, I do not say that the store customer would sell any more of your preparations; he would sell precisely the same; but, on the contrary, the chemists, who are in a larger proportion, would in all cases sell your preparations when asked for, instead of trying to sell others on which they get a better profit. In that way, the gross returns and gross profits to your firm would be greater by far than if you still limit it to 15 per cent. I really do not know because I sell so few of them. I do not feel disposed to sell them, and if a person comes in for them, I say "go and get them elsewhere." You can understand, that if a chemist had 25 per cent. out of a thing, he would prefer to sell an article at a shilling out of which he got the 25 per cent., than to sell another at 9d. out of which he only got the same percentage. It is a matter of reasonable business. If you take that into consideration, you will see I am not speaking without some knowledge of what the conditions are.

Manufacturers'
best interests.

I do not know that I need try to make a long speech of it. I think that is the gist of what I wished to say; that it would be to your own benefit, as well as the benefit of the trade if your prices were protected, and I am sure I see no other way, as there is no other organization except that of the P. A. T. A.

I do not belong to the P. A. T. A. myself, simply because I do not cut at all.

Mr. PENTNEY: May I ask our Eastbourne friend what he says when he is asked for Burroughs Wellcome and Co.'s goods? Do you sell them without demur, or do you try to sell some you get more profit on?

Mr. GIBBS : I may say, personally, when Burroughs Wellcome and Co.'s goods are asked for, I always supply them without any question, and I think that is the correct attitude to take.

Supply what is asked for, without question.

Mr. PENTNEY : You do not try and push others ?

Mr. GIBBS : No, I think that is not a correct attitude to take up. If a distinct make is asked for, I think I must uphold that view on the matter.

Mr. PENTNEY (addressing Mr. Betty) : May I ask our friend whether he pushes his own.

Mr. BETTY : I might say I only keep Burroughs Wellcome and Co.'s "Tabloids." I do not keep any other make of compressed goods at all, except a few cascara tablets. I put to Mr. Wellcome my attitude and my feelings on the matter.

Mr. WATKINS : I think what Mr. Gibbs says is perfectly right. I do not think that any wrong action on my part would be justified by my opinion about the profit. I think the profit has nothing to do with it—if customers ask for Burroughs Wellcome and Co.'s goods I should supply them. It is only right that I should do so.

Mr. BURTON : I think I ought to justify myself after hearing the expression of these gentlemen. I put it rather strongly. I said I tried to push tablets instead of "Tabloids," but I must make it distinctly understood that that is only in an ordinary retail sale. If a prescription comes in with the word "Tabloid" mentioned, then that alters the phase of the question altogether. I think I may justly and rightly say that there is not a chemist—when I say chemist, I mean a fully qualified chemist—who would in any way go from that point. When it is ordered in a prescription it would be supplied ; but, for ordinary retail sale, if you can convince customers they are getting something which is equivalent, and you are getting a larger profit, I think then that you have a perfectly legitimate right to look after your own interest.

An exception.

Mr. WELLCOME : I believe the very large majority of successful pharmacists at home and abroad, hold the view that they injure themselves if they try to turn aside customers, and that customers so treated are driven away to the Stores and to neighbouring competitors, instead of being drawn to themselves. Some think they are doing good business by trying to make a farthing more profit at the moment, regardless of ultimate results.

Results of attempting to turn aside Customers.

Mr. PENTNEY : I think you will find, in practice, that a great majority of medium chemists will do all they can to sell those articles that they get more profit on.

Mr. WELLCOME : Regarding the introduction to our 1906 price list, quoted by Mr. Burton, I would like to say that from the foundation of our business, we have been guided by that homely old maxim, "Do unto others as you would that they should do unto you." We have endeavoured, throughout the career of our firm, to deal with friendliness and consideration towards all with whom we have come in contact. The close relationship which has existed between the trade and the firm of Burroughs Wellcome and Co. during the past 25 years, can have left no doubt in the minds of the trade of the fairness of the firm's methods in all its dealings. It has been a period of great commercial strife, in which manufacturers and wholesalers and retailers have all had to encounter the stress of keen competition, and the more we all work together harmoniously in a spirit of fair play one towards the other, the better for all concerned. I do not think we can have any difference of opinion on that point.

"Do unto others as you would that they should do unto you."

The beginning
of price-
cutting.

Pioneer price
maintenance.

Why
"Chemists'
Diaries"
should not
reach the
public.

Successful
protection.

The worst
cutters.

Mistaken
Reports.

With respect to the question of profit, I think the beginning of the cutting of prices must be within the memory of some of you, although it was a good many years ago when it began. The co-operative stores, and then cash chemists and others, cut the prices of staples, including our products, down to cost and even below cost. We did not do the cutting and did nothing to foster it, and it was at that time that we stepped in and began our anti-cutting arrangement. We were the pioneers, and shortly after came others. Our system, on the basis of our list price as the minimum price, was adopted after consultation with many members of the trade at that time, this being considered the best stay that could then be made. The larger number of chemists throughout the country long continued to get the old prices in dispensing, and still continue it with many of their customers, particularly their credit customers. This is still the case with a very large number of the trade. In some parts of this country, and in some parts of London, prices far beyond the list prices are still obtained for many of our products. This answers the question why our "Chemists' Diaries" should not reach the public. I quite realise that the practice of cutting has now become more general, and that in the East End of London and in some districts in the better parts of London and elsewhere things are grievously affected by cutting, and that our things are widely sold at the list price. I do not know of any cutting below the list price except in some few localities temporarily, and there we have stepped in and not spared effort or expense in stopping it. Our efforts have been more successful than those of any individual firm that I am aware of, and certainly not less successful than those of any association. We have spent many thousands of pounds over this system, by sending our representatives sometimes to the furthest parts of the kingdom, just as we offered to do at Eastbourne, and we have checked such cutting and arranged amongst the trade, so that, by mutual agreement, the list prices or more have been maintained. That, I believe, answers the point as to how and in what way we have served the trade in this direction. A very large number of chemists throughout this country could testify to the success of what we have done. It has not always been the big Stores; sometimes a small cash chemist starts up and is going to set the town on fire, and cuts the goods down to bed rock. With all the faults alleged against the large Stores, they have not been the worst cutters. Sometimes a little man of that sort will get obstinate and keep it up for a long time, especially when somebody tries to coerce him; he will get his back up and get our goods and everybody else's and cut them. We have in such cases been eminently successful.

Mr. PENTNEY: May I ask what you have been successful in; in protecting them as far as they get 15 per cent.?

Mr. WELLCOME: Successful so far as the list price is concerned. We have a department which attends promptly to these matters. When reports reach us that anybody cuts prices below our list prices we take the matter up promptly. Most cases of alleged cutting below list prices prove to be errors or that the customers have not received genuine Burroughs Wellcome and Co.'s products. I think you will find the greater number of such cases are exactly as your Secretary has mentioned in respect to quinine. It could be explained in the same way that they have got tablets and not "Tabloids," or they may have been confused.

Mr. BETTY: I might say, of course, you recognize there is a feeling that your articles might be better protected, by six chemists coming here to this meeting at great inconvenience to themselves.

Mr. WELLCOME: I quite respect your representations in every way. In regard to

what we have done in the past, we have had many expressions of appreciation from representative chemists throughout the kingdom. It is well known to many, and it is not treated lightly or ignored by them. Considering that we pioneered the matter and have always done our best to stem the tide, and to aid in price maintenance, and to serve the trade fairly, it did strike us as a little strange that our firm should have been singled out for the attack which has recently been made upon us.

Attacking
best friends.

I am now going to open to you a confidence in respect to this question. To mark the commencement of our second quarter-century last year we had planned to effect some material modifications in our terms, which should be mutually advantageous; but while we were arranging to put these modifications into effect last winter, a coercive agitation was suddenly started, and led by the London Chemists' Association. This agitation, which was worked up with a great deal of zeal, resulted in the passing of resolutions by various Chemists' Associations in the United Kingdom. Some of these resolutions show that those who supported them had been misled and confused as to the facts. It was perfectly impossible for our firm to yield to such coercion, particularly as it was not justified, and our plan for the modification of terms which we actually had in hand last year was in consequence held in abeyance, and still remains in abeyance.

A confidence.

Coercive
agitation and
its results.

No thinking men would expect the firm of Burroughs Wellcome and Co. to be successfully coerced. Burroughs Wellcome and Co.'s business is still steadily and rapidly progressing, and is yet only in its infancy. It has not been built up by taking away from the chemist, but, by the luxurious character of our products, we have really contributed to an increased consumption of medicines in these last 25 years and to increased prescribing. Numbers of medical men who previously dispensed their own prescriptions have been influenced to write prescriptions because of these products. We know many instances of that.

Firm still in
its infancy.

Addition, not
subtraction.

Many erroneous statements have been made with regard to the profits that are obtained by the trade on our products. Burroughs Wellcome and Co.'s goods already afford better profit than many equally staple articles on the P. A. T. A. list. Statements to the contrary are amongst the errors which have been propagated and have misled many people. We rely upon the trade for courtesy, consideration and fair dealing, and we know that the spirit of fair play and justice is the one that will prevail. We know very well the feeling of the trade throughout this country, and we believe that we know it even better than you do, gentlemen. We have before us evidences of individual irritation, and associative irritation, but we have the other side too. We have received many cordial expressions and also expressions of disagreement with the resolutions which have been passed, and we have been keeping very closely in touch with the trade these many years. We have many thousands of warm friends in the trade, and that you, gentlemen, very well know. We have tried to deserve it and we feel that we have earned it.

Better profits
on B. W. &
Co.'s Products
than on many
equally staple
P. A. T. A.
lines.

Fair Play.

As I have already intimated, we had in hand last year plans for the modification of terms, which would have been advantageous to the trade, but those modified terms are hung up.

We desire to co-operate with all retail chemists and to hold the goodwill of everyone, but there must be mutuality and fair play. Coercion will not do, and, gentlemen, you cannot help recognizing that this agitation has been a distinctly coercive one.

Coercion will
not do.

Mr. TRUMAN: I think not, Mr. Wellcome.

Mr. WELLCOME: When it took the form of threatening a boycott and that sort of thing, what did that mean?

Threatened
boycott.

Mr. BETTY : I think I might speak on behalf of the London Chemists' Association and say we did not use any word such as boycott, or anything of the sort.

Instigation.

Mr. WELLCOME : No, but there were strong expressions, and also some of those Associations who did take up that attitude were instigated or stirred up by you. We have never adopted a coercive policy ourselves.

"Persuasion."

Mr. TRUMAN : If I might say so, you use the word "coercive." We would rather use the word "persuade." We want to persuade you that it would be more to your advantage that all the chemists should sell your goods in preference to substituting others. There is not a shadow of doubt where your goods show anything like a profit of 25 per cent. they are sold.

Only one reply to threats.

Mr. WELLCOME : But, gentlemen, we have had most distinct and definite threatening expressions, and there can only be one reply to anything of that sort. Our business has increased just as much in those places from which threats emanated as it has elsewhere. When this worked-up agitation has passed by we are quite prepared to reconsider the question of modified terms, but we will not by any means be forced. I will now ask Mr. Pearson to say a few words.

B. W. & Co.'s goods sell without cost of time.

Mr. PEARSON (GENERAL MANAGER OF BURROUGHS WELLCOME AND Co.): Mr. Watkins referred to the time spent in selling the goods, and gives that as a reason why he should have a larger margin of profit. The chemist has to spend no time (and I am making a very straight statement here) in selling our goods, except the time occupied in taking them from their shelves and handing them over the counter. The demand is created by us; it is created by our work and at our expense. I would venture to ask: Is the time spent by the chemist in trying to sell other preparations repaid by the profit that he gets on them by a difference perhaps of 5 per cent. in some cases? How often has a chemist to spend any time whatever in selling our goods? Mr. Chairman, I think it is very remarkable that, as stated by you, "five out of six customers who go to the Stores obtain something else when they ask for our goods." Is that right?

Five out of six.

Mr. TRUMAN : Yes.

Mr. PEARSON : May I suggest that you should make a test some time and demonstrate that?

Mr. TRUMAN : May I just state, as a matter of fact, that an old assistant of mine, now a manager of one of the Stores, told me as a matter of fact that his percentage upon selling other goods amounts to from seven to ten shillings a week?

Mr. WELLCOME : But the question is whether those people were turned aside when they went there for our goods. If you make tests and order our goods, and they supply something else, I will pay for the goods.

Mr. TRUMAN : If the thing was written they were supplied.

Mr. WELLCOME : Either written or verbal. I will pay the cost if you will make a dozen tests at responsible Stores.

Mr. TRUMAN : I will bring them to you.

Mr. WELLCOME : We keep pretty close observation on these things, and I shall be very much astonished to learn your information is quite correct, though it is quite possible that it is so at some Stores, or your friend may have been speaking freely.

Mr. TRUMAN : I know the man and he told me his commission.

Mr. PEARSON: That is not my point. I want to ask you, gentlemen, have you ever asked yourselves why these Stores are successful? Why is a man, for instance, like ——— successful? How do they make their business a success? I have asked myself the question many times, and when I have had the opportunity of meeting the men who are at the head of these concerns I have asked them the question, "How is it that you can go on and multiply like this"? What does it all boil down to? It boils down to this—and this is given, I think, by one of the shrewdest store chemists of this country. He says, "It is not worth my while or time, or the time of my assistants, to try and argue the public out of something that they come in and ask for. If a man comes in and asks for an article it is my business to supply it to him."

Why are the Stores successful?

Take it as common-sense men who smoke. If you smoke a certain brand of tobacco, and a tobacconist is going to make $\frac{1}{2}$ d. an ounce more out of another kind, he has to take ten minutes to argue you out of the brand you asked for. You may venture to take it, and if you do not like it you say, "Hang it! I will not go to that man again. I will go to a man who will supply what I want."

That man told me he was successful because he made a point of giving the public what they asked for, and it paid him to do it. Where the other man makes the mistake is in trying to argue a customer out of what he asks for. You say five out of six customers at the Stores who ask for our goods do not get them. I was the representative of the firm in London for several years, and I was assistant in London for six years, and before that with big provincial chemists; and, from my own personal observation and inquiries, I say it pays no man to try and induce a customer to take something other than the article he comes in and asks for. You may induce him, you may flatter yourself that you have got him on to another preparation on which you are getting a shadow more profit. If that man is not exactly pleased with that article when he gets it he will not come back to you, and he will go to the place where he can be supplied with it without question. Just as if you have a brand of tobacco you like, you would not be pestered into buying something else. You would go to the shop where it would be handed to you without question.

They say because they supply what is asked for.

Will not come back.

Mr. TRUMAN: What I say is, that the greatest substitutors are the Stores.

Mr. PEARSON: One gentleman said he instructed his assistant that if articles were asked for, and they were not on the P. A. T. A. list, they were to sell something else. Is that right?

Mr. PENTNEY: That is right. Anything that is not on the P. A. T. A. and does not afford us a living profit, I say sell something that does.

Mr. PEARSON: Supposing you were a customer at the shop where that instruction prevails, and you want a certain article, and the man says "I do not keep it——"

Mr. PENTNEY: If he comes and asks for "Tabloid" products—I will take that as an instance. I will take it as if I did do it, although I do not mean that a bit. If they come in and ask for a "Tabloid," we will say "These tablets are just as good and they are less money." We do not say we get more profit, but of course that is the thing that prompts us—"would you like these." They take them, and then they come back over and over again. These large Stores can go on increasing because they get the public money, and they keep increasing on that, and the public are satisfied with what they are obtaining. But obtaining 12 per cent. to the ordinary chemist is no good at all. It means starvation, because 10 per cent. or 12 per cent. is good enough for the shareholders, but it is not for a chemist handling your goods

"Just as good" policy.

getting 15 per cent., when he supplies medicine which should be prescribed or dispensed. Then, although you may flatter yourself that you have protected them, you have only protected the chemists to the extent of that 15 per cent., and we say we are very sorry for your protection, because your protection does not afford us any lucrative living. It does not afford us a living at all, and, therefore, although your protection may be for your good and never fail, yet, on the other hand, the protection of 15 per cent. is no use to us.

Mr. PEARSON : If you went to an establishment and asked for an article yourself, do you think you would go away pleased because they tried to sell you another thing ?

Mr. PENTNEY : If I got an article quite as good which served my purpose for 4d. and I had to pay 6d. for the other, I should flatter myself that I made 2d. on the transaction, if it was quite as good, and I would go to that man and say " I am very much obliged to you for recommending that article. I find it just as good as so and so, and I shall come again."

Mr. PEARSON : Do you say that is the attitude of the British public ?

Mr. PENTNEY : Most distinctly it is.

Mr. BETTY : It is six of one and half-a-dozen of the other.

Mr. PENTNEY : No.

Mr. PEARSON : I will tell you why I pressed the point. It is this, because the big Store people who have made these big businesses are unanimous in their opinion that they have built their success up by supplying without question to the public what they ask for.

Mr. BETTY : No, you must not say that.

Mr. PENTNEY : You speak of the great success ; tell me the fate of the —— Drug Company. Where are they to-day ? I have had one of their shops offered to me. It is one of their best. What will be the fate of a great many of these ? Where will they be in a few years' time ? They have their moving spirit now, but that moving spirit cannot live for ever, and then what will happen to the public who have invested and are satisfied with their 12 per cent. now ? Will they be satisfied later on ? The question has to be answered.

Mr. TRUMAN : The question is, do they get 12 per cent. ?

Mr. PENTNEY : No. You know where the —— Drug Company is, and what it is. I presume that is one of the Companies which have perhaps made their success in giving the public what they have asked for, and their shareholders have not got what they asked for.

Mr. WELLCOME : It is the policy which has given them the start.

Mr. PENTNEY : It is not the start, it is the finish.

Mr. WELLCOME : The finish is not yet. The policy drew the customers largely to them. If you sent to your grocer and ordered a dozen articles, and he substituted half of them, you would be very careful how you traded with him another time.

Mr. PENTNEY : There would be trouble, but he has no authority to do so unless I write to him directly. If a prescription comes for Burroughs Wellcome and Co.'s goods we dispense them.

Mr. WELLCOME : You may think these questions are novel to us, but we have constantly had them before us ever since we established our business.

Mr. TRUMAN : I think I was one of your first customers.

Mr. WELLCOME : Yes, I am pleased that you were. In the earlier years of our

business we had many more problems to trouble us than we have now ; chemists were not all in clover a quarter of a century ago. Our innovations were very much dreaded by some, and many regretted our progress. We were small and only just beginning then. Strong efforts were made to influence medical men not to prescribe our products—well-meaning deputations called on them. Soon the more progressive chemists stocked and supplied our products, while others were determined to thwart us and refused to handle them. I remember at that time a very eminent medical man told me that a certain well-known chemist had called upon him and endeavoured to persuade him not to prescribe our products. He said : “ I was rather amused and told the chemist I preferred my own judgment as to what I should prescribe ” ; and further, “ If he did not like to dispense my prescriptions as I wrote them, they would be sent to others who would. ” That is the sort of mistake some chemists make to their detriment.

A quarter of a century ago.

A mistaken effort.

There are only a very few chemists in this country who do anything which is not legitimate, and they are just as much your enemies as ours ; and I have never, in the whole of my career, said or done anything to suggest otherwise. I have always maintained that the character of the chemists in this country is of the very highest. I know them to be an honourable and able body of men.

Things are changing and moving on in the world. The medical men of this country are likewise of the very highest order in their profession, and they are constantly advancing in scientific knowledge. They are bound to keep up to date, and they want, and will have, the best and most scientific products. We aim to meet their wishes. Our business is not conducted solely for the pounds, shillings and pence. We have spent the larger part of our income in carrying on research and experimental work, which means advancement in pharmacy.

The changes of time.

Our income.

Unfortunately, we have not the power to stem the tide of all the misfortunes that cross the chemist's way. I regret just as much as anybody possibly can this price-cutting malady. I think it is a mad thing, detrimental to everyone concerned, and certainly to no one more than the manufacturer ; and I shall be delighted when the day comes that they all get over it, and I do not believe it is going to last always.

The price-cutting malady.

Mr. PEARSON : Mr. Burton referred to making more profit on the cheap tablets. Supposing you are carrying a fair number of lines, you have a stock which you may or may not sell. If it does not sell, it is a dead loss to you. I do not think there are makers of the better class tablets who will exchange your stocks if you do not sell them. With us you do get the power of exchange for goods that will sell. Therefore when you stock our goods you know the demand is a constant one and an increasing one. If one line does not sell it is exchanged for another. You cannot, perhaps, have a better investment than in your stock of our goods. It is a gilt-edged investment, in fact, because you cannot lose on them.

Gilt-edged investment.

Mr. PENTNEY : Pardon me, but there is another firm that will. They will let you have this, that, or the other, and they will exchange them for anything else, and cutting pretty freely too. I had an assistant of mine—I would not like to vouch for this, because there may be a little exaggeration—told me that anything we can buy they will meet us with. They will not be cut out by anybody, and of course, certainly after all, although there may be an increased sale of “ Tabloids ” and tablets, yet on the other hand there is a restriction to a certain extent.

You were speaking of coercion. I am pretty well in touch with the London Chemists' Association, and I do not remember a time when the London Chemists' Association has adopted a coercive policy. I feel rather keenly upon that, because you put the onus upon the

Putting onus on London Chemists' Association.

London Chemists' Association as having stopped something that you were going to do for the chemists because of their coercive policy. They have never adopted that.

The small
Retailer.

Mr. BURTON : In the first place you say it is very often the small man who cuts and upsets any mutual co-operation. Is not that rather a plea that you should put your articles on, I will say, the P. A. T. A., because I feel confident you will agree with me when I say that that is so excellently managed that no one can go outside it without being put a stop to. That small man will be absolutely bound by the rules and orders of the Association to sell those preparations at the minimum price, or more if he can get it. But if he go below the minimum price he knows he will be stopped, not only from selling that particular article, but from selling all the articles on the P. A. T. A., which now amount to a very large turnover in the ordinary retail chemist's business.

Irresponsible
individuals.

Then you say that the attack has been made on your firm particularly. Speaking on behalf of the Association, I do not think that that is altogether justified. I think it was mostly through our agitation that Messrs. ——— and ——— put their goods on the P. A. T. A. So that I do not think you are altogether justified in, at any rate, blaming the London Chemists' Association for the attack on your firm particularly. True, there were letters in the journals on your firm particularly. You recognize that many of the correspondents who use the journals for airing their views, if I may put it so, are rather irresponsible individuals.

Pre-arranged
tempests.

Mr. WELLCOME : We recognize that, and that it is often arranged and worked up.

Mr. BURTON : It does not mean it is the voice of the trade generally. Then you say there was an agitation started by the London Chemists' Association? We have certainly passed resolutions that you should be requested to put your articles on the P. A. T. A., or for some equivalent form of protection, but I do not think that that agitation was started by us.

No second
opinion.

Then, Sir, you mentioned about the medical man being a great supporter of your firm by prescribing, and you speak about the goodwill of the medical men towards you. That is so, no doubt. You have the medical men with you, because I believe it goes without gainsaying we, as chemists, and the medical profession, will say that your articles are absolutely the best that can be obtained. I think there is no second opinion about that. Naturally the medical man prescribes, but is it altogether from that point of view that he does prescribe? I take it it is not so, and that there are, especially among the rising generation of medical men, and I think my confrères will bear me out, many who are absolutely incapable of writing a decent prescription, and then they fall back on your goods. I am stating that as a fact. Hence you get the support of medical men. You mentioned a certain eminent physician. Naturally, I do not put him in the category of the men who are not capable of writing a prescription. He would prescribe your goods because he was enamoured of them, but is that any reason why you should deter the chemist from getting a living profit? In the ordinary course he would make up the prescription in the ordinary way, and get, roughly, 25 per cent. on the cost of that prescription, but in your own case he gets 15 per cent.; therefore I think that should be quite outside the question—not study the medical man alone—not study alone the output of your products because you have the goodwill of the medical man, but look to how much greater the output would be if you had the goodwill of the chemist as well.

Why B. W.
& Co.'s
Products are
prescribed.

You mentioned that many of your articles yield the chemist a larger profit than some on the P. A. T. A. list. I have been thinking, and I cannot think of one except, perhaps, some of the soaps which are on the P. A. T. A. list which bear relatively a small profit, and also some foods; but then we turn over a very much larger amount in the year of those articles

than of your products, and necessarily we are quite satisfied with having a smaller profit because the turnover is so much greater.

Sir, you mentioned the subject of coercion and boycotting. I think that in any resolution which this Association may have passed reflecting on your firm, there has not been the slightest symptom of coercion. We have approached your firm simply with the object of getting you to look upon this matter from our point of view. It is utterly impossible for us to look at it from the point of view of coercion, because we are not in a position to do it, and as for boycotting, there is not the co-operation amongst chemists, unfortunately, to allow any sensible man to think of a boycott being put into operation. There may have been speakers at the various meetings of the Association who have used that word, and hinted at such a thing, but as I remarked just now with respect to the correspondence in the journals we must look upon them as irresponsible, and must not reflect on the trade generally. You say rightly you are not to be forced. That is quite correct. We do not wish to force you; we only wish to point out to you the views that are held, so that, if I may use the term, you may think well over them and digest them, and we hope digest them so thoroughly that you will come to our conclusion.

Coercion
repudiated.

You mentioned that your goods are always good stock; that you exchange them, and so on. That is quite true, but then you must give a chemist credit for being a business man. He would not hold stock of a thing that probably would not have a large sale. Naturally the tablets that I sell I do not make myself; I have them made for me. I have my name put on, and so on, and if there is an article that has a small sale, I can get a very small quantity.

B. W. & Co.
system of
exchange.

Mr. WELLCOME: The man who has the smallest sale is the one most benefited by our "exchange system." We pioneered that as well as other things beneficial to the trade. When we first opened business in London, it was almost unheard of that any wholesaler or any manufacturer would ever exchange goods or ease the stock of a chemist when once he had bought the goods. We made it a special point in our policy that our goods should never be a burden, and we protect the trade in that way as we do in others. Everything has been done to promote mutual interests from practical points of view.

Pioneers of
benefits.

We value the goodwill of the chemists as well as the goodwill of the medical profession, and we have always endeavoured to co-operate with the trade and go hand-in-hand with them. I am perfectly conscious that we have their goodwill. I fully recognize the fact that one cannot always judge by the correspondence in the journals nor by some of the little incidents. We have abundant evidence that the pharmacists of this country respect us; they respect the work we have done, and they have shown it to us in a thousand ways. While these various resolutions have been passed we have had communications from some of the most representative chemists in the country, saying they did not participate in any of these coercive expressions, and they thought it was bad taste. They have gone out of their way to express that, and to say they realised that there were two sides to this question. At the same time, many have said they hoped that we would find a way to make things easier for chemists and that they thought such a step would prove of mutual advantage—they have expressed it in the nicest possible way. We have had a large number of messages like that. As I have remarked, we know the sense of the trade throughout the country. The real opinion of a locality is not always fairly represented by half-a-dozen members who get together in an association. A resolution passed by a few people does not as a rule mean the whole of the community. It has not been at all a unanimous representative expression throughout the country in support of your resolution of censure, and we know how zealously this thing has

B. W. & Co.
value the
goodwill of
Chemists.

The wrong
way round.

been worked up. If the London Chemists' Association had first arranged for this deputation to come and meet us, instead of starting the agitation in this way, I think it would have been better and more likely to yield results. I look to the London Chemists' Association as having started it—that is the first intimation we have.

Mr. BETTY: Mr. Wellcome is fairly correct in that.

Mr. PENTNEY: I dispute that.

Mr. BETTY: The London Chemists' Association did start to take it up, and it was put in the hands of the Federation. How it got into the hands of the Federation I do not know. Through the Federation it went into the hands of the local Associations in the country, but why it was started then was that we thought as your 25 years had expired we should like you to start in some way with regard to the price protection.

The plan
upset.

Mr. WELLCOME: At that very moment we were working on a scheme which we had planned and nearly completed. Your deputation might have called upon us and expressed views in the usual way, but, instead, you passed a resolution of condemnation, and had it sent broadcast through the country, propagating the agitation of the last few months—everybody knows how it has been worked up.

Mr. TRUMAN: I think I have been in the Chair every time, and I took particularly good care, as I always do, that no resolution should be passed in an offensive way, as far as I remember.

Mr. BETTY: It is not our Association; it is other Associations.

Mr. WELLCOME: In the first place, your resolution was that you disapproved of Burroughs Wellcome and Co.

Mr. PENTNEY: No, pardon me; we disapproved of the price.

Mr. GIBBS: Was it not this: disapproval of the action in not being on the P. A. T. A.?

Mr. BETTY: I think it was, but I cannot say. It would have been better, as Mr. Wellcome says, not to have passed these resolutions.

Mr. PENTNEY: I do not agree with that, pardon me. It is not my expression.

Mr. BETTY: I might say, at our last meeting, we did not know whether you would be prepared to receive a deputation. If we had thought you were willing, we should most decidedly have asked you to receive us in the first place.

Why?

Mr. WELLCOME: Why did you not?

Mr. BETTY: Because we were doubtful whether you would receive us.

Mr. WELLCOME: Why?

Mr. BETTY: Gentlemen who thought they were in the know gave us to understand you might not receive us.

Mr. BURTON: They evidently looked upon you as such an autocrat.

Mr. WELLCOME: I am afraid they did not want you to come.

Mr. PENTNEY: We were told over and over again, "You will not see Mr. Wellcome, you will see the Manager"; but, on the other hand, I must take exception as regards the resolution that it was anything at all like coercion.

Mr. WELLCOME: The resolution expressed disapproval of Burroughs Wellcome and Co.

Mr. BETTY: That appealed to coercion.

Mr. WELLCOME: Not only that, but it was circulated, and it was worked for all it was worth throughout the country. They instigated the agitation and influenced the Chemists' Associations in the provinces, where resolutions of a coercive nature have been passed.

Mr. PENTNEY: Others might follow suit. That we cannot help.

Mr. WELLCOME: That would be the natural consequence. Every communication we have received from the London Chemists' Association has been treated with courtesy. I would not have had it otherwise. When you come seriously to reflect upon it, I do not think any of you gentlemen could expect a resolution of that kind to make a very pleasant impression.

Every courtesy shown London Chemists' Association.

Mr. GIBBS: As Secretary of our provincial Association, may I, in defence of the London Association, say that the resolution was sent to us by the Federation, not by the London Association.

Mr. WELLCOME: I think we all know how the thing was worked. I do not think you want to evade responsibility in any way.

Mr. GIBBS: If, in reply to our letters, you had even suggested you were considering the matter, we should not have taken the action we did.

Mr. WELLCOME: We had correspondence with you, and offered to do something. We sent a representative down to Eastbourne, and you declined to co-operate with him.

Mr. GIBBS: But if, instead of doing that, you had said you were considering the matter.

Mr. WELLCOME: A firm cannot always give away their hand in advance in things of that kind.

Mr. GIBBS: It was not necessary to give away your hand, but even a suggestion would have been sufficient.

Mr. WELLCOME: We were in the midst of our plan when this thing was suddenly precipitated, and we were denounced. You cannot regard it as anything else when there is a resolution of disapproval, as if we had done something we ought to be ashamed of.

Mr. PENTNEY: Pardon me; other firms have had the same kind of resolution passed with regard to them when they have refused to put their goods on the P. A. T. A., and we have told them we were sorry they could not see their way to do so.

Mr. WELLCOME: As I pointed out to you, we have done much work and spent a great deal of money for the maintenance of prices. I do not know of any other firm that has been singled out and so unjustly attacked as we have been during the last few months, nor anyone who could take such an attack with more composure.

Why singled out?

Mr. BETTY: Perhaps some of the chemists were rather heated on the spur of the moment, and wrote things which perhaps, in a calmer moment, they would not have done. So I think I must ask you to look at some of the resolutions as passed and sent to you perhaps in the heat of the moment, and not after calm consideration.

Heat of the moment.

Mr. WELLCOME: That is exactly my view. I agree with you perfectly over that; most of these resolutions are hastily passed when heated imaginations were ruling. Members

Misinformed, and started wrongly.

have often been misled, and discussions of the profits afforded on our products have brought out most extraordinary variations from the facts. I am sure it has been done through lack of correct information, not through any bad motive.

I think you started wrongly, and that somebody made a mistake in counselling the passing of such a resolution, because everyone has some respect for his honour.

Mr. TRUMAN : I do not think we attacked it.

Mr. WELLCOME : We all have a sense of honour in a matter of this sort, and if any of you gentlemen had had a resolution passed of that kind in disapproval of you, you would take that attitude, would you not ?

Mr. PENTNEY : We have never passed a resolution that anybody could take objection to.

Mr. BURTON : There is one other aspect, which perhaps you have overlooked. You say these resolutions have been passed against your way of conducting business, and other firms have been left out. Of course, that I do not agree with. If that is so, it simply shows the respect which chemists have for your preparations. It shows that your preparations draw such large attention, that the resolutions have been passed simply because your goods have such a large sale.

Mr. WELLCOME : I have not failed to recognize that compliment.

Mr. BETTY : I am very pleased to hear that.

Mr. WELLCOME : I think we have taken it throughout with good nature.

Mr. TRUMAN : I can only say that I hope you will give due consideration to the expression of our views and to every fact which has been put forward, and that it will not only benefit the trade, but benefit yourselves as well, and will increase the great respect in which the firm of Burroughs Wellcome and Co. is held. I think that, when fairly considered as a matter of business, you will see the arguments that have been used : that without losing any of your Store customers you will have a vast increase of business from chemists.

Mr. WELLCOME : To answer that point : the motive which prompted us at the end of our first quarter of a century to plan a modification of our terms, was not entirely governed by what we should make out of it. I have not been blind to the painful facts as to the small profits obtained in this country. I have been a sympathetic and very close student of the situation, and deplore the evils of price-cutting.

The argument you presented to me with the suggestion that five out of six customers asking for our products are being turned aside, and that sort of thing, will really have the least weight with me in considering this question. Mutual consideration with the trade is a principle which will have far more influence on my mind. Our business at the present time is going forward more rapidly than ever in the whole of our career. Every year shows more rapid increase, yet we take no arrogant or presumptuous attitude in respect to it. We want to retain the goodwill and friendship of everyone. I know we have it from the majority, and I believe that in the case of those who do not feel goodwill, it is through misconception and misunderstanding, and there is no reason why that should exist. Some only look on one side and do not realise all the difficulties. Things seem to them perfectly simple and perfectly easy which are not so simple and easy. Then I am aware of the fact that a great deal of the friction has been secretly fostered by some of the people who make cheap substitutes and hope to make gain by creating prejudice.

A high
compliment.

Mutual
benefit.

The Firm's
motives.

Mutual
consideration.

False issues.

Mr. BETTY : No.

Mr. WELLCOME : I am cognizant of the facts. You are not a party to it, but I know it has been gratifying to them to go and carry incorrect statements. In many cases the trade have been deceived regarding these matters by people who have motives in doing it. A great many of the mis-statements and mis-quotations and things of that kind, have arisen in that way. The trade deceived.

I am quite prepared to approach the matter of terms from a thoroughly mutual point of view. I do not treat your representations lightly. I take it you are all serious-minded men, who have practical interests at heart, and that you are just as practical business men as I am, and I feel that your interests should be considered as much as mine. It seems a pity this attack was started upon us just at the time we were putting into effect our desire to mark our new quarter of a century with new measures. It has resulted in simply hanging the thing up. Hung up.

Mr. TRUMAN : I pointed out a fact which does not appeal to you at all, but I pointed out that in assisting us you would not be doing yourself any harm.

Mr. BETTY : Of course, we are very sorry that a resolution of that sort should have been passed. Sorry.

Mr. PENTNEY : I am not.

Mr. BETTY : That should have offended Mr. Wellcome.

Mr. PENTNEY : I am not. Not sorry.

Mr. BETTY : I should not think of passing a resolution like that again.

Mr. PENTNEY : I do not recollect a resolution that I should be sorry for.

Mr. TRUMAN : I think I have always been in the Chair, and I think I would not have allowed a resolution to be passed which was in any way coercive or obnoxious.

Mr. WELLCOME : Your resolution was a vote of censure. That is the position I take ; the resolution was passed with the view of its being circulated through the country, and it was used to instigate these others.

Mr. WATKINS : I have always had a very high opinion, and I still hold that opinion, of your goods. I use them myself. I hope you will not think that any censure has been passed. Undoubtedly, there has been a want of tact on the part of many of the other Associations, but for that I cannot take any responsibility at all. I may say personally I hope I shall still retain the goodwill of your firm. I should be very sorry to lose that. As far as I am personally concerned, I have no feeling antagonistic at all with regard to the firm.

Mr. Pearson has been speaking about the time occupied in selling the goods. Time is not perhaps the chief point. The point is the net profit we obtain upon these articles, because after all it is better to have a number of things—a big order—and get the same amount of discount, than to have a number of little orders and take up a lot of time. In regard to your firm having created the demand, I must say that I frequently recommend your goods, and not only that, but I have one of your very nice showcases on my counter, which frequently sells your goods. I acknowledge that it is your showcase that does it, but it is the place that I am prepared to give it that helps, so that in that respect I think we are entitled to a little credit.

Mr. WELLCOME : We do not fail to recognize that.

Mr. WATKINS : The point is this : there are competitors' articles, I do not think there can be any mistake as to the quality of them, which are sold at larger profits. Your articles are superior, therefore they ought to fetch a higher price from the public than the articles in B. W. & Co.'s
Products
superior, and
should
command
better price.

competition. Do you not think that, seeing your article is so much better than anybody else's, you could see your way to increase chemists' goodwill? You have the goodwill, but it is possible to increase the goodwill. If you could do that by allowing more profit, if it were possible, I think it would be a good thing.

Profoundly
sorry.

I am profoundly sorry that a resolution which has been interpreted in the way it has should ever have been passed. I think we cannot do more than leave the matter in your hands, assuring you that I myself wish to have your goodwill.

I thank you for the courteous way in which you have received us, and for the amount of time and attention you have given, and also Mr. Pearson.

Mr. WELLCOME: Gentlemen, the time is spent. You have said a great many interesting things. Matters of this sort, I think, should be carefully deliberated, and I suggest that we adjourn for a week to further consider the points. I will try and arrange a time that will be as convenient to you as possible when we may meet again. Is that agreeable to you?

Mr. TRUMAN: Yes. I am sure I feel from the way you have received us that good will result from our conference, a great deal more so than from any amount of correspondence. The points we have put before you I hope have been put courteously, and in every sense to show that we will endeavour to do the best for the chemists generally, and endeavour not to do you any harm, but rather on the contrary; and I hope that the courteous feeling which I have towards you will be in the future increased rather than decreased.

SECOND MEETING, HOLBORN VIADUCT HOTEL
ON THURSDAY, 28TH JUNE, 1906.

Mr. WELLCOME : Mr. Chairman, I presume that you, gentlemen, have been considering the matters dealt with at the last interview.

Mr. TRUMAN : Yes. Perhaps I may make a statement in the first place. We have all talked the matter over and thought about it. Our ideas, of course, have differed a little bit as to the best thing to do. We are waiting to hear the plan you are prepared to take up.

At the last meeting I think you rather questioned the statement I made with reference to the way in which your articles were substituted. I think I stated that, at least, if half a dozen customers asked for your preparation, five out of six would not be supplied with it. I have not had time to go to half a dozen, but I have been to four Stores. I distinctly asked for "Tabloids." One, I may say, offered me tablets, but I did not take them. Two gave me "Tabloids," and the other I went to supplied me with tablets instead of "Tabloids."

Substitution
and turning
aside.

Mr. WELLCOME : They handed them out to you in response to your request for "Tabloids?"

Mr. TRUMAN : Yes, without any trouble.

Mr. BETTY : My statement is a little different. I sent out some orders for "Tabloids," and both supplied "Tabloids," but another man in the street—I may say he is not qualified, but he calls himself a chemist—said he had not got the "Tabloids" but he had got tablets, and he sold them at 7½d., whereas the other ones sold yours at 5d.

Mr. TRUMAN : Mr. Betty sent a written order. I did not. I went as an ordinary customer.

Mr. WELLCOME : This is very interesting from two points of views—one the point of view from which you were speaking at our previous meeting, and the other the point that was brought up some years ago as to the existence of substitution. You will remember a resolution which was passed at the P. A. T. A. Conference, when I believe it was claimed that substitution did not exist.

Does
substitution
exist?

Mr. TRUMAN : I do not remember it.

Mr. WELLCOME : When it was intimated that manufacturers must look after themselves.

Mr. BURTON : I think you ought to qualify that. What was said was, substitution does not exist among recognized qualified chemists.

Mr. WELLCOME : I think the resolution was rather broader than that. I was only saying it was rather interesting from that point of view, because you gentlemen are producing evidence to me of something that is occurring right under our eyes that has certainly escaped the vigilance of those who are supposed to be well-informed. I think it rather justifies the steps taken by us for the protection of the trade as well as for ourselves, and everyone who is interested in the honesty of trade is interested in stopping such practices. I do not think any

Justifies the
anti-substitu-
tion steps of
B. W. & Co.

extenuating circumstances can be suggested in a case of deliberate substitution such as the one you report here appears to be, and I am sure you, gentlemen, would be the last to say anything in defence of a practice of that sort. It is interesting to us as well as to you, because it is unfair competition to you whilst it is unfair to us.

ANOTHER MEMBER OF THE DEPUTATION said: Yesterday at —— I went into two Stores. In one I asked for Cascara "Tabloids," Burroughs Wellcome and Co., and I got them. At another shop I went in and said: "I want some Cascara 'Tabloids'—a small bottle," so they said "3½d. or 10½d.?" I said: "I do not know, about 20 or 25 in a bottle," and they gave me the 3½d. one"! I said: "Are those Burroughs Wellcome and Co.'s?" and they said, "Oh no," and the matter finished. Of course I emphasised the word "Tabloids," there is no getting out of it; no one could make a mistake.

What does
"Tabloid"
mean?

Mr. WELLCOME: I do not think there is any doubt in the mind of any of you gentlemen that these people all know what the word "Tabloid" means. I may say that before our great "Tabloid" case in the Courts, we had cases with very definite evidence, and especially of small people. Rather than put them to expense and trouble, or make martyrs of them, we gave them every opportunity to put themselves right, and accepted their "undertakings," but our leniency was not always treated gratefully. We hoped that the "Tabloid" case would go a long way—and we know that it has enormously reduced substitution. We had the most tangible evidence of it in the manner in which our sales went right up, at an acute angle, in places where there were very strong reasons to suspect substitution.

Effects of
the great
"Tabloid"
Case.

Why
substitution
exists.

Mr. PENTNEY: I simply want to say it bears out the reasons for which we are approaching you, to point out to you why there is substitution.

Mr. WELLCOME: With these substituting people, would it make any difference if they got 50 per cent. on ours and 55 per cent. on somebody else's?

Mr. PENTNEY: Emphatically so. Only to-day I was hearing from my son who sees after one of my branches, which is over a chemist's shop, how the chemist slated one of your travellers on account of prices.

Mr. WELLCOME: That does not count for much; slating is cheap.

Mr. PENTNEY: I was saying this, that our complaint is real, and that is evidence of it.

Mr. WELLCOME: The slating does not count. We have been slated for 25 years, and yet we still exist.

Mr. PENTNEY: Well, I will put it that he was complaining about the price. "Hazeline" he gave 5s. 9d. a dozen for, and sells at 6d. That is the point we are pressing, and I say that runs parallel with the substitution.

Even 250 per
cent. will not
make an
honest man
dishonest.

Mr. WELLCOME: When England finds it necessary to formulate laws to make honest people honest, then it will be a very different country; and when you find that a question of 5 per cent. more or 10 per cent. more or 25 per cent. more profit makes men honest or dishonest, then we are getting into very deep water. I do not think 250 per cent. has ever yet tempted an honourable man to do a dishonourable thing. It may have tempted some men, but it has not caused an honest man to deviate from the straight path.

Mr. PENTNEY: I was showing you that the complaint existed. This man was not

substituting ; he was doing that which was honest. He was paying 5s. 9d. and getting 6s.—he was honest !

Mr. WELLCOME : We are discussing the question of fraudulent acts—when one Fraud. thing is ordered and another thing is supplied.

Mr. PENTNEY : I am only saying one is the cause of the other, I think.

Mr. WELLCOME : When you have a malady of that kind you cannot cure it by a percentage of profits. A man who would do that would sell adulterated quinine for pure quinine, if he could make more money by it. Where one thing is definitely asked for, and another supplied, as that article—that is fraud—that is held in the Courts to be fraud. Would sell adulterated quinine as pure quinine.

Mr. PENTNEY : Yes, that is illegal. Illegality takes place on account of the profit on the goods.

Mr. WELLCOME : It is said that men sometimes rob their employers because their wages are small. That is the same principle, but that does not justify the offence. That plea is often put in when the man has ample remuneration ; it is a very popular plea. Robbing employers.

Mr. PENTNEY : No, there is no justification whatever. If a man is asked for Burroughs Wellcome and Co.'s goods he has a right to supply them, or else it is dishonourable. I quite agree with you there. It does not excuse a man's dishonesty, I know that. No justification.

Mr. TRUMAN : When preparations, such as yours, of a high class and well known in the trade, are sold by Stores, they are sold not for the sake of selling them, but simply for the sake of drawing customers—by selling those or practically giving them away at cost price or less, simply and solely as a draw for getting customers for other things on which they get a large profit. It is precisely the same as the Stores selling pickles at a price a little man could not, at practically no profit. In practically the same way your articles are sold. If you were to reduce your prices to the trade, it would be of no use whatever unless you protected them, because these stores would immediately sell them again at precisely the same price as you quoted them, simply making your articles the “ monkey's paw ” to draw in the other trade. Why prices of staples are cut.

The action I have taken the last 20 years with regard to —— Soap is that I simply do not keep it. I have lost nothing by not keeping it. When there is a profit of something like 2s. on £75 worth I decline to keep it. I should be sorry to say the same thing of anybody else's preparations. I think when a thing is so well known as your articles, you will be benefiting the trade by better prices and profits, and you will be doing no harm to the public ; and, as a minor question, you are benefiting yourselves. I am sure the legitimate trade—I am not talking about the outsider, the unqualified glorified oilshops—will support you in every possible way. I have a letter from a chemist in the country. He saw in the journals that we had a meeting, and he wrote to me that he had been loyal to Burroughs Wellcome and Co. for 25 years, but things had come to such a pass that he would be obliged to keep cheap substitutes. He was very sorry to have to do it, but he was obliged to in self-defence.

Mr. WELLCOME : The legitimate chemist is sometimes unfairly competed with ; he supplies the genuine goods, and the cheap competitor may supply the imitation as genuine at a lower price, and then the patient comes to the legitimate chemist, and says, “ I got it from such and such a shop for so much less ”—under the false impression that he obtained the genuine article. Those are the unfair traders who are enemies to you and to us. They are enemies to the medical profession and to all legitimate business. That is the sort of thing that we have done our best to stop, and I know we have very materially reduced it. Unfair traders.

Mr. PENTNEY: They are dishonourable.

Mr. WELLCOME: We have had, as you know, the evidence of the very best people in the trade and medical profession.

A living
profit.

Mr. TRUMAN: All I wish to say is, if you can see your way to leave the chemists a living profit, and protect your prices, the legitimate chemists, I am sure, would feel themselves more bound than ever, not only to keep your goods, but to push them. If tablets are asked for, they would naturally say, "Will you have the tablets or 'Tabloids'?"

I am sure it would be for the benefit of the trade if you could see your way to a means of protection.

No particular
Association.

I do not wish to point out any particular Association for protecting the articles. Provided it is protected I do not mind which way it is. We are none of us asking you to curtail your profits to any considerable degree. We are not asking you to give us an unreasonable trade profit, but we do say 15 per cent. is not sufficient on an article which does not run into shillings. I do not think that a man can ever thoroughly appreciate what another man is trying to say unless he puts himself in the position of the man who is talking.

Mr. WELLCOME: I am certainly endeavouring to look on both sides of the question. I shall approach it in that way.

P. A. T. A.
Conference.

Mr. BURTON: You mentioned just now that there was a resolution passed at a recognized meeting. It was at the P. A. T. A. conference held at the Inns of Court Hotel. It was rather a heated discussion. It was pointed out by some of the manufacturers that substitution took place to a very large extent, and the result of that was that this resolution was put forward and carried unanimously at the conference. It was a resolution that came from the hearts of those delegates that were present, and that was that substitution did not exist among recognized chemists in relation to the P. A. T. A. articles or other articles that were as efficiently protected. I think, Sir, if you will look that up, you will find, if not the exact words, that that was the purport of it.

Mr. PENTNEY: That was the absolute statement, because I remember speaking at the meeting myself.

Mr. WELLCOME: Do you remember the part of it that—if it did exist, the manufacturers had recourse to the Courts?*

Mr. BURTON: I believe that was mentioned.

Mr. WELLCOME: I think that was an important feature of that resolution, and

* Resolutions passed at the P. A. T. A. Conference, Inns of Court Hotel, London, Wednesday, November 26th, 1902:—

No. 28.—That this Conference *strongly recommends proprietors* who complain that retailers *fraudulently pass off imitations of their articles* should avail themselves of the remedy afforded by the law courts against such practices, and that in so doing they would be best serving their own interests and the interests of all honest traders. *That if they take this course they will receive the co-operation of the trade represented by this Conference*, but that this Conference emphatically condemns the misuse of the word "substitution" by proprietors, who appear desirous of combating legitimate competition by retailers, who put up their own proprietary articles under the guise of attacking dishonest practices.

No. 29.—That in the opinion of this Conference when P. A. T. A. articles are asked for no attempt is made by the retailers to discourage the sale of such articles.

I think we did soon after that demonstrate in the Courts that substitution did exist, and then the mover of that resolution figured as one of the principal witnesses in support of the defendants. That was rather an interesting feature of it. Substitution proved.

Mr. BURTON: That resolution was qualified; that is, that they must be P. A. T. A. articles, or articles which were efficiently protected. That is just the point. Your articles were not and are not efficiently protected. I think the first experience that comes into my mind at present is the protection of ———. At first there was some little difficulty for them. But I think I may truthfully say, although that article is not on the P. A. T. A., that ——— is neither substituted, nor is it cut. If it is cut, it is perhaps by a new man, not necessarily a chemist, and it only requires a little intimation to ——— and it is stopped immediately.

Mr. WELLCOME: I think Mr. ——— could give you other information.

Mr. BURTON: I think you will find that now ——— is not cut and it is not substituted, and I venture to say, with all the confidence possible, that if you take any article on the P. A. T. A., there is no substitution. There are some of those articles on there that have been substituted before they were put on the P. A. T. A., and it might be that a chemist here and there might say, "Well, I have so and so; it is very good," and so on; "I should like you to try it." But, of course, that I take it, is not the substitution that we are talking about.

It is dishonest substitution where the thing is simply wrapped up and handed over the counter and the customer goes away and probably finds the "mistake" out when he gets home, and brings it back, and then the seller says: "I am sorry; I made a 'mistake.' I thought you meant this." That, I take it, is dishonest substitution. "Mistakes."

Mr. PENTNEY: Hear, hear!

Mr. BURTON: But where the chemist says: "Here is an article I should like you to try; you will find it is just as effectual as that," and that sort of thing, I take it; that is fair trade competition. Fair trade competition.

Mr. WELLCOME: Endeavouring to persuade them to take something else instead.

Mr. BURTON: Exactly.

Mr. WELLCOME: Pardon me, but can you say why, if that is not the practice with P. A. T. A. articles, there have been such strong remarks recently at the P. A. T. A. meetings, and in the *Anti-Cutting Record*, denouncing members of the P. A. T. A. for attempting to persuade their customers to take something else instead of the P. A. T. A. articles? That has been made a very strong feature of, even to the extent of threatening to penalise them. Why the strong comments in *Anti-Cutting Record*?

Mr. BURTON: I think if you read carefully you will find not a word in that is said about the P. A. T. A. members using the extreme form of substitution as distinct from what I said before, this legitimate trade competition. But even then I do not believe that is pressed to any extent in the case of articles which are properly protected on the P. A. T. A. It only comes into operation I think in a few articles, where a competitive article is put on the market before the original article was put on the P. A. T. A. I will give you an instance, ——— Emulsion. That was put on the market with no form of protection whatever. The price of it was cut to very great extremes, and the consequence was that nearly every chemist put up his own emulsion, and it is quite natural, if you look at it from a legitimate point of view, because the chemist probably had a fair sale for emulsion before ——— came on the market—they did not originate emulsions. Then, by the unfairness of their advertising, they tried to persuade An example.

the public that there was no other emulsion on the market except ———, or none equal to it. That is not legitimate advertising. It is not legitimate competition. Therefore, the trader has a perfect right to do all he can to compete with those unjust advertisements, and they did so to a very large extent, and, I believe, satisfactorily to themselves. The consequence was that ——— ultimately came to the conclusion that it was better for them to put their article on the P. A. T. A. At any rate, they did so. Now, when that was put on the P. A. T. A., I do not think they could legitimately ask chemists, "Now I have protected my article you must drop yours"; and if they are men of business, and if they can uphold their advertisements to the extent they say they can, then they should be quite willing to stand by the merits of their article, and not be afraid of fair competition. If a person came to me and I endeavoured to show that my particular emulsion was equal to ———.

Mr. WELLCOME: Even although it is on the P. A. T. A.?

Mr. BURTON: Even although it is on the P. A. T. A., that, I take it, is fair competition.

Mr. WELLCOME: That is what I understand these articles in the *Anti-Cutting Record* are directed against. There is a very strong expression that if that sort of practice is continued it will be necessary to penalise it.

Mr. BURTON: That depends on the manner in which it is done. They say substitution. I say that is trade competition, not substitution.

Mr. WELLCOME: I think they made it pretty plain that they referred to the practice you describe, because they say that to try to turn aside customers and push your own product against the P. A. T. A. article is not to the best interest of the chemist, and not fair treatment to manufacturers who have joined the P. A. T. A.

Mr. BURTON: Perhaps that is an unfortunate example, because nearly every chemist made an emulsion long before ——— was known. Your own goods were original ideas, so it is not altogether on all fours. ——— Emulsion has robbed the chemists of some legitimate trading of their own. Your "Tabloids" are rather different. They may have robbed us of the sale of some pills, but still it is another form of taking medicine.

Mr. WELLCOME: I am afraid we shall have to go to the dawn of creation for the origin of emulsion. Milk, I believe, is recognized as the first emulsion. I have no purpose in defending ———, but I am bound to very strongly differ on the point of principle; their advertising has been on the lines of a patent medicine—they do not pretend otherwise. I think their advertising has been thoroughly legitimate for a patent medicine. They claim particular merits and qualities, and I think by their advertising they enormously increased the consumption of emulsions. Emulsions of various kinds and of various degrees of perfection had appeared before; you could say that of many other things. This was advertised on its merits—it is not like those things which the makers pretend will cure everything, and make fraudulent claims.

When a man legitimately creates a reputation and demand for a certain brand of products he is entitled to the benefits just as much as to any other property for which he holds the title.

Mr. Chairman, you say you have not handled ——— Soap for many years; do not you think you have done the makers less harm than yourself by not selling it?

Mr. TRUMAN: Have I done myself any harm?

Mr. WELLCOME: I think so. Now, quinine has been notorious in that way. None

Treatment of
P. A. T. A.
manufacturers.

"Tabloids"
are different.

A point of
principle.

Entitled to
benefits.

Who is more
harmful?

of us can afford to refuse to handle a staple line just because it is profitless. It is a leader. You cannot ignore the fact that there are some things which by usage we are obliged to treat in that way. Anyone who wanted —— Soap would, as a rule, get it anyway, and quite rightly, and your neighbour is benefited by your not stocking it. Several have spoken strongly in regard to the efficiency of the P. A. T. A., and denied any efficiency in our systems. You treated ours as inefficient entirely.

Efficiency of
B. W. & Co.'s
and other
protective
systems.

Mr. BURTON : Exactly.

Mr. WELLCOME : As not being worth consideration ?

Mr. BURTON : I meant to say efficiently protected. My point is, that —— 's system was an efficient system after a short time. Yours, Sir, I take it even now, is not an efficient system.

Mr. WELLCOME : You may criticise the margin that is protected by our system, but you cannot rightly deny efficiency in the carrying of it out. You make a point of comparing the efficiency of the P. A. T. A. Now can you tell me about —— ?

Mr. BURTON : No, I cannot.

Mr. WELLCOME : And how about —— ?

Mr. PENTNEY : I cannot tell you. I do not know.

Mr. WELLCOME : I think you will find that it is not always successful.

Mr. PENTNEY : I think it is efficient. I should just like to say one thing as to the P. A. T. A. and the doctrine which it tries to inculcate, and which I think almost all of the members follow, and that is, if the article is on the P. A. T. A. and is asked for, it is handed over to the customer without any demur or remark.

P. A. T. A.
doctrine.

Mr. WELLCOME : I believe Mr. Burton preaches otherwise.

Mr. BURTON : I do personally. That is my view.

Mr. PENTNEY : I did not quite agree with Mr. Burton, any more than I agree with our Chairman about not selling —— Soap. I do not like to, but I am not behind in going and telling those it belongs to I will do all I can not to sell it ; and I do, because I think the profit is not sufficient ; but on the other hand I am not going to be such a fool as to cut my nose off to spite my face. I do sell it, but I make a great grumbling about it.

Will not cut
off his nose.

Mr. WELLCOME : And give it a free advertisement ?

Mr. PENTNEY : No. I do not do that. If a P. A. T. A. article is asked for, they sell it.

Mr. WELLCOME : Then why those very strong comments in the *Record* ?

Mr. PENTNEY : For the sake of impressing it. They say it at the meetings and they say it in the journal, for the simple reason they want to press it home.

Mr. WELLCOME : But evidently it is not observed ?

Mr. PENTNEY : It is generally observed.

Mr. WELLCOME : Then why such strong comments ? I think the *Anti-Cutting Record* says there are many cases.

Mr. PENTNEY : Undoubtedly there are many cases. There are bound to be. The P. A. T. A. does not profess that everything is perfection. They have not been able to institute an association to reform human nature.

Not reforming
human nature.

B. W. & Co.'s
system not
less successful
than
P. A. T. A.
and others.

Mr. WELLCOME : But we were just told we were inefficient in our work. I am not at this moment discussing the question of margin of profit ; that is quite a different question. We are told that we are inefficient in our method of protection, when to the best of my knowledge we have been quite as successful, and I believe more successful, than any other firm who has undertaken anything of the kind, and I believe not less successful than the P. A. T. A.

Mr. PENTNEY : I think that your narrow margin of profit renders your task of protecting it very easy.

Mr. WELLCOME : We have had a great number of cases to deal with, and at very great expense. We sometimes send a man the whole length of the kingdom to deal with cases. Our articles were at one time cut to 5 per cent., and even to cost and under, and taking a staple line of products like ours there are many difficulties in protecting. I do not think you gentlemen fully appreciate all that.

Mr. PENTNEY : But the Stores have got sick of it.

Mr. WELLCOME : I hope so. As to Mr. Burton's remark that ——'s system was efficient and ours was not, let me say his method was somewhat different from ours, and he was exceedingly aggressive in it, and he has had his difficulties. I do not use that as against him in any way, but I prefer our own method. We adopted the system of protection that we believe to be the most reasonable and efficient, and we have taken infinite pains to carry it out.

Mr. BURTON : Have you ever had any complaint with regard to myself ? Because I have sold your " Tabloids," I do not say recently, but some time ago when I first started on my own, at 4d., and I got 4½d. for my own.

Mr. WELLCOME : If we had had any complaints from your neighbours of your cutting—and we are just as likely to get complaints as the P. A. T. A. or anybody else—we should go to the most infinite pains to follow it up. If you had embarrassed anybody else we should have heard about it. One knows that there are chances of error, and we make every reasonable allowance. Before we accuse a man when we receive a complaint, we make perfectly sure of our facts. If need be, we go right across the kingdom to deal with a case. Just as in Eastbourne we were prepared to deal with matters there. Many cases have occurred where one or two men in a town started cutting, and the whole place got afire, but we have stopped it and brought them to an understanding, and they got back to the old prices. There are many places in the kingdom where they get well above the list prices.

Mr. BURTON : May I ask in what form that protection is ? I have never noticed it in your catalogue.

Mr. WELLCOME : We do not publish all the particulars of our discounts and terms in our catalogue, but they are well known throughout the trade.

Mr. BURTON : I am glad that I came up here. I am learning something. I want to know how it is, I never learnt this before.

Mr. WELLCOME : Has our representative never called on you ?

Mr. BURTON : Certainly he has called, but I have not given him an order, unfortunately.

Mr. WELLCOME : If you had allowed him an opportunity he would have given you the information, I am sure.

Cut to cost
and under.

Sure of facts.

Mr. TRUMAN : I do not look so much on the absolute amount of profit that is allowed on the articles on the P. A. T. A., as I look upon the fact that people cannot come to me and say : " I got that at such and such a price somewhere else." I do not mind selling a thing, if it is protected, at 6½d. if I only get a farthing out of it, but I do object to having people come in and argue that they bought it at the next shop to me at 5d., when I have been selling it at 5½d. It is simply that there shall not be a question between the customer and myself as to the amount they did or did not pay. We know a lot of customers falsify the facts as to what they paid. Therefore, I think there should be protection.

Not so much the amount of Profit.

" A lot of customers falsify the facts."

Mr. WELLCOME : I do not think we have hidden our light under a bushel quite so much as is suggested. There has been so much discussion about our protected list prices on the part of those who considered them inadequate, that I should have thought this free advertising, in addition to our publications and travellers' visits, would leave no one in doubt. We have tried to make it widely known that we should deal with any cases of cutting to anything below the list price if notified to us.

" Our light under a bushel."

Mr. TRUMAN : I have no knowledge of it myself.

Mr. WELLCOME : I know we have stopped a very large number of cases. We have taken the greatest pains, and we have given a great deal of satisfaction.

Mr. WATKINS : I think there are two points which we should distinguish one from the other, which, perhaps, we have been inclined to confuse, and they are protecting the prices and the margin of profit. I think, Mr. Wellcome, you have shown us that you have efficiently, from your point of view, protected your prices. It seems to me that the cases that have been brought forward this afternoon you could not possibly protect until they became known to you. I do not see that it has been proved against you that you have failed in protecting the price. A case occurred some time ago in which " Kepler " Solution was sold below the list price. I think you have dealt with that since. That is the only case of which I have personal information.

Not proved that B. W. & Co. have failed in protecting the price.

Mr. BURTON : May I ask what is the list price of " Kepler " Solution ?

A cutter.

Mr. PENTNEY : 20s.

Mr. BURTON : That is a thing I cut, then.

Mr. WATKINS : Of course Mr. Wellcome cannot go round looking out for those things.

Mr. WELLCOME : Why did you cut it, Mr. Burton—for the purpose of competing with your own products ?

Why ?

Mr. BURTON : No, mine does not compete with it exactly, because my price is 1s. and 1s. 9d. for Malt and Oil.

Mr. WELLCOME : What is your motive in doing it ?

Mr. BURTON : I simply look upon it as costing so much, and I put on a certain amount of profit, and I worked it out at 1s. 7½d.

Mr. WELLCOME : You think that is sufficient ?

Mr. BURTON : No, I do not ; that is the reason I sell so much of my own.

Mr. WELLCOME : Then why do you sell it below the price of your neighbours ? That is self-sacrificing.

Mr. BURTON : I do not go round and ask them what they are selling so-and-so at.

Mr. WELLCOME : There is the list price in our catalogue. Do you do the same with other things?

Mr. BURTON : Certainly.

Mr. WELLCOME : Antipyrine, Quinine, and so on ?

Mr. BURTON : I sell at my own prices certainly, and I put on my certain percentage of profit.

Mr. WELLCOME : And you are quite satisfied with that ?

Mr. BURTON : Quite so.

Mr. WELLCOME : I am quite sure I cannot help you in such a system of business.

Mr. BURTON : Allow me to point out that my profit on Quinine or any similar article and a proprietary article somewhat differ. For instance, ————— Salt I sell practically at cost.

Mr. WELLCOME : You do that with all articles of that kind ?

Mr. BURTON : I do not say all of them.

Mr. WELLCOME : You would be satisfied with the——profit referred to?

Mr. BURTON : I sell ——— at a profit of 2d. in the dozen.

Self-sacrifice.

Mr. WELLCOME : It seems to me that there is a good deal of self-sacrifice.

Mr. BETTY : As I understand Mr. Burton, he thinks people in the East End cannot afford more than 1s. 7½d. for a bottle of extract of malt.

Mr. WELLCOME : What would be the need of protection then ?

Mr. WATKINS : I am afraid that it is rather against the point. I do not anyhow agree with it at all.

Mr. BETTY : Of course Mr. Burton means to say that the percentage on a large article like that is sufficient, whereas putting the same percentage on an article under 6d. is not sufficient.

Mr. WELLCOME : Why the voluntary sacrifice ?

Mr. BURTON : Because I had no knowledge of what was the protected price.

Mr. WELLCOME : Would not you then find what the current price was ? Do not you do that with other goods ?

Mr. BURTON : I was acting under the impression that there was no protected price for these particular articles, and I know that "Kepler" Malt is an article of great sale, and I looked upon it as an article of competition—the same, we will say, as ——— Salt.

Mr. WELLCOME : Even if you had looked at the "Stores" price lists, you would have found a minimum price there.

Mr. BURTON : That does not altogether qualify our prices in the East End.

Mr. BETTY : A strong point of chemists is that 15 per cent. is sufficient on the 2s. article, or, for the matter of that, a 1s. 9d. article, but if it comes to a 6d. article it is not sufficient. That is our whole contention.

Mr. WATKINS : I think, perhaps, this deputation took the wrong point. They came to you upon this protection of prices. I do not know whether it is in order to proceed upon the margin of profit, but I do not see that we can find fault with the protection.

Cannot find fault with B. W. & Co.'s protection.

Mr. WELLCOME: You grant that the system is efficient?

Mr. WATKINS: As far as I know. I have no conclusive evidence that you fail to do what your system professes to do. The margin of profit of 15 per cent. may be sufficient for the Stores, but not for chemists. In making your friends it is sometimes a choice between the chemist and the Stores. I do not think, speaking frankly, that the Stores will be your friends, because they will not have the pharmaceutical knowledge of the chemist who prides himself on his business. I should say you would meet the wishes of chemists if you raised your protected list price so that they might sell at the list price, and obtain an increased margin of profit. In the P. A. T. A., of course, various members have their own views in these matters. For my own part, I accept the position in the *Record*, that if the manufacturer has done his part, the least the chemist can do in return is to give a free channel for the sale of that article. With the exception of the towns of ——— and ———, which I think may be treated as exceptions, considering the hundreds of towns in the country, if the system may be somewhat imperfect, it is the nearest thing we have at present to protecting prices. Of course, we acknowledge that your firm is largely able to control its own prices.

Choice of friends.

Mr. WELLCOME: I want to assure you, gentlemen, I was not finding fault with the P. A. T. A. with reference to ——— and ———. It was a question as to our system being inefficient; the P. A. T. A. was put up in contrast, and I was only citing these cases as an offset. I do not hold the P. A. T. A. blameable for ——— and ———; I realise the difficulties they have to encounter.

Mr. WATKINS: The question of protecting the prices must be left with you. As a deputation, all we can ask is that the margin protected may be higher. Some of our business friends look upon 33½ per cent. as the lowest we can pay rates and taxes on at the present day. Fifteen per cent. does not appear to me, considering the article and everything about it, quite enough, and I quite agree it does not interfere with the sale of your articles, but I am confident I should sell more if the prices were better protected, because I should feel disposed to give more room on my counter to your products.

Mr. PRICE (EASTBOURNE): I should think, personally, if we had a profit of 33½ per cent. on small bottles of "Tabloids," and less on your "Kepler" Malt Extract, that would satisfy the bulk of the chemists. When it becomes a matter of selling a 6d. article, I do not consider that 15 per cent. is sufficient, when you have to answer questions, and pack them up in paper, and deliver them and book them. I assure you, as far as Eastbourne is concerned, you will find every chemist quite loyal. When people come to the counter and ask for your goods, they serve them in every case, and I may say they would push them if you would give them a living profit. There is no getting out of it that a doctor has a certain amount of confidence in his chemist, and it is a common thing for the doctors to come and ask different questions about things; what is the best form of administering a certain article? It is your business to manipulate these things in a palatable form; and, in any case, I wish that your "Tabloids" could be recommended more than they are. Personally, I look upon your "Tabloids" in this way—I do not say it because you are here—but I do not think there are any similar preparations to equal them.

Suggested differences in Profits.

No similar preparations equal to "Tabloids."

Mr. WELLCOME: We try to deserve that opinion. Would you mind telling me what you think in Eastbourne, or generally, the profit is on "Tabloid" products when dispensed in doctors' prescriptions for the best patients?

Mr. PRICE : We should get, of course, much less than pills. For a dozen "Tabloids," if only one has to be taken at bedtime, we should get 6d. or 8d.

Mr. WELLCOME : I have had them prescribed for me when I have been at various watering places, and I have usually paid several hundred per cent.

Mr. PENTNEY : Perhaps they knew who you were.

Mr. WELLCOME : I took good care they did not.

Awkward. Mr. WELLCOME : You suggest different discounts, but that is a very awkward and inconvenient thing to carry out. These things have to be taken on an average, and it is extremely difficult to have different discounts, unless the goods are of an entirely different class. There are many objections to having different discounts for small and large articles.

Mr. PRICE : That is so, but take the——people; they have protected their article sensibly, and I believe they have got the bulk of the dealers with them. They have a variety of discounts.

Mr. WELLCOME : It is a difficult thing; the liability to clerical errors is vastly increased. If you take a large business, it is confusing—the more you can simplify things the better.

Mr. BURTON : Could you not state the net price?

Mr. WELLCOME : If we put on the minimum retail price, it would do harm to many chemists who get well beyond the minimum. In many places they now get 40 and 50 per cent. on our goods. They have never had the things cut in some localities.

Mr. BURTON : I do not mean putting the price on the article, but in your price list.

Mr. WELLCOME : My impression is that the question of the list price and discount is a better one. It simplifies matters. I think it amounts to the same thing whether you have one or more different percentages, so far as the final results are concerned to the chemist—or if he get a certain fair average profit.

Mr. PRICE : Personally, in trade I think there should be one discount for large and small orders.

Why? Mr. TRUMAN : I am afraid it is not possible to do it. In my experience the expenses of a small order are practically as great as those of a large one. I could not afford to send down to the docks a parcel that came to £5 at the same rate as a parcel that comes to £500. If I had to deliver to the docks, a small parcel certainly costs me 10s.

Mr. PRICE : The —— will deliver anything post free, or rail free, no matter what the value is. They found it to answer, and their profits are arranged accordingly. I certainly think one system of discount is most desirable.

No competi-
tion. Mr. WELLCOME : You are citing the ——, but you must bear in mind —— goods are all secured absolutely by patents as well as trade marks, and also by registered designs, and many of their things yield a very large margin of profit for the makers. They can command their own price; they practically have no competition.

Mr. PRICE : There are other films on the market.

Mr. WELLCOME : Yes, but the —— people have such unique patented devices that they are able to command their own prices, and that ensures them a very large margin, and one that we could not hope for.

Some think it is all profit with us. The accuracy we secure in our goods, and the quality we secure, is obtained at a very great cost. We could not get that accuracy and perfection without a very large and constant expenditure, and things like ——— are turned out mainly by mechanical methods and afford a very handsome profit. We should be overjoyed to get such a margin without serious responsibility. Take the question of dealing with poisons. It is a tremendously costly thing to get such absolute security with infinitesimal doses of potent substances as we do. You, gentlemen, realise what that means in your dispensing; no one can realise it better than you. That cannot be done without the costly labour of highly qualified men of brains. I am speaking with the utmost respect for the ———, as I hold their photographic goods in the very highest esteem, and consider them perfectly unique.

Accuracy and perfection costly.

Absolute security.

Mr. PRICE : But dealers do not substitute for their goods.

Mr. WELLCOME : You ask their manager ! They are in the happy position of being able to deal with the greatest liberality without feeling it, and I believe it is an extremely wise and proper thing for them to do under the circumstances ; but where goods are manufactured with such a measure of cost as ours we cannot do so much. We do not profess to give our things away, and we do not pretend to produce cheap goods. As your Chairman has pointed out, it is more expensive to sell little items than in large lots. It is a very practical question.

Mr. PEARSON : I will ask you to look at this question of the 15 and 20 per cent. profit in a light which may not have occurred to you. I think you will admit that in every safe and well-secured investment, lower percentages are obtained for your investment than is the case when you make an investment in which you are not so safe, and you have to take greater risks and greater liabilities. Further, you are basing your 15 per cent. profit on the ground that you only get the lowest price for our goods. There are very few chemists in this country who do not frequently get more than the list price for a great many of our articles. I instance one gentleman present who never sells "Kepler" Solution at less than 2s. 6d. It costs him probably about 1s. 4d. Phenacetin, small bottles, he gets 1s. for. He is not an exception by a long, long way, and I think every gentleman present will admit that there are not a few instances, but many instances, where they get more than our list prices—I will not say for a few lines, but for many lines. Let us take the question, first of all, of a £5 order, on which a chemist can get 20 per cent. What would be a fair estimate of the average chemist's business in our goods per annum? Would £20 be a fair estimate?

A practical calculation of Profit on B. W. & Co. Products.

Mr. PRICE : I should think so.

Mr. PEARSON : Suppose he starts off with an original investment of £5 worth of our goods net : he sells at our list prices and realises £6 5s. He secures and puts aside the £1 5s. profit and invests the £5 again—invests his £5 four times over in a year, and obtains a profit of £1 5s. each time.

Mr. PRICE : Are you taking into consideration the labour ?

Mr. PEARSON : Just a moment. That is for twelve months. I am taking it the £5 is turned over four times in the year, and each time it is turned over he makes £1 5s. profit. On his original investment of £5 he has made £5—100 per cent. gross profit in the year. That is selling at our protected prices, the lowest or minimum price.

100 per cent. gross Profit in the year.

Mr. PENTNEY : What would he have got if he had sold his own pills ?

Mr. PEARSON : I do not know what he sells them at or what they cost.

Mr. PENTNEY : We should not tell you, because we should get so much more.

Mr. BETTY : Does he pay at the end of the year, or has he paid four times in the year ?

Mr. PEARSON : He uses his original £5 each time. He puts £5 into a business for lines in constant demand. I will touch upon your question, Mr. Price. We have reduced your labour of dispensing to a minimum, and you have not to take time to induce the customer to buy these goods. We practically send the customer to your shop.

Mr. PRICE : More or less.

Mr. PEARSON : I think you must admit the demand is created by us.

Mr. PRICE : I may say, personally, so far as your preparation of malt and oil is concerned, years ago I introduced that ; I created the demand.

Mr. PEARSON : Take the whole of our goods throughout the United Kingdom. I think you must admit that the demand is created absolutely by Burroughs Wellcome and Co.

Mr. PENTNEY : Pardon me, it is to our detriment in many cases.

Mr. PEARSON : You put down the capital of £5 and you get 100 per cent. gross profit in the year.

Mr. PENTNEY : We want it, and we want it with a vengeance, and a lot more, with our turnover.

Mr. PEARSON : How much do you expect to get on an investment of capital ?

Mr. PENTNEY : Excuse me, but the argument you are now taking cannot be effective. I do not want to use it in an offensive sense, but I was going to say it is sophistry.

Mr. PEARSON : Why ?

Mr. PENTNEY : Because it is absolutely absurd.

Mr. PEARSON : The business pays better the more frequently you turn the capital over.

Mr. PENTNEY : We do not look upon it as an investment of capital. If you labour your line of argument, if you will excuse my saying so, I think it will be labour in vain.

Mr. PEARSON : It is a question of turning over your capital as often as you can. That is what a man in business endeavours to do.

Mr. PENTNEY : That would be all very well for ——— to go and argue that, and it would be very well for the large manufacturer ; but you know very well it is not material alone that we sell, but it is the time as well.

Mr. PEARSON : We meet you there, because we give you a line of goods which sell without your being called upon to do anything except hand the goods over. They are goods which simply turn themselves over. You are not called upon to supply labour.

Mr. PENTNEY : So do other goods which there may be more profit on. What we complain of is, we do not get sufficient profit to pay us for handling your goods.

Mr. WELLCOME : Many chemists turn the goods over at least twelve times in the year. Their entire line is practically bought and sold monthly or weekly. The illustration that Mr. Pearson has given you is based on a turnover four times only in the year.

Mr. PENTNEY : Some get so very much more ; that is an argument for you to increase

Labour of
dispensing
reduced to a
minimum.

Quick returns
multiply
profits.

B. W. & Co.
goods sell
themselves.

B. W. & Co.
Products
turned over
weekly or
monthly.

your price to the public, which would pay you and would pay the chemist. Take —— for instance. I had, to a great extent, the arrangement of that price. We put the price up and gave the chemists more. There is no detriment to the proprietor, and I believe he gains ; and so it is in many cases.

Increase the price and give Chemists more Profit.

Mr. PEARSON: The same argument applies to the 15 per cent. terms from an investment of £4. Take that five times a year, you make £3 on your turnover of £20 in the year—60 per cent. gross profit.

Mr. PENTNEY: Then it is not a reasonable living profit.

Mr. PEARSON: I put these facts to you as a phase of the question which has not perhaps occurred to you. In other words, in all classes of merchandise for an article which is in daily constant demand, you cannot expect to get an extraordinarily high rate of profit, because for those goods the demand is created by the manufacturer at his expense. You turn your capital over and over again as against the article in occasional demand only, and on which you can only turn over your capital perhaps once or twice in the year ; naturally you then want a higher return for your investment. Suppose you invest £5 in our goods and there are certain of those goods you cannot sell. You return them to us, and we exchange them for a line which will sell in the district. There you have a gilt-edged security. You cannot have it much more secure in the way of trade. I do not think I need enlarge on the matter.

Big and rapid turnover of staple goods at moderate percentage of Profits pays better than big percentage of Profit on goods in moderate demand.

Mr. PRICE: I take it you are speaking now from a manufacturer's or a wholesale point of view. You do not seem to take into consideration the amount of trouble and expense in the retailing of your goods. A person would go into a Store and ask for Cascara, pay for it, and take it ; but with the average chemist the customer wants to know a lot about it. They want to know how much they should give a child of a certain age ; whether they can take more than two or three ; if there is anything else better ; and after a lot of argument they take this 6d. bottle, or shall I say 5d. bottle, and it has taken five, ten or fifteen minutes.

Mr. PEARSON: How often does that happen ?

Mr. PRICE: Very frequently in a good class chemist's business.

Mr. PEARSON: May I mention that I was twelve years in the retail trade and six years in a very good class retail and dispensing business, but I cannot follow your line of argument. It is occasionally, but very occasionally, that it happens in such an establishment.

Mr. BETTY: How long ago, may I ask ?

Mr. PEARSON: Eleven years ago.

Mr. BETTY: Things are altering, you know.

Mr. PENTNEY: Assuming we are dealing with ——'s tablets, and we get for them very much less than yours, your argument would work out very much better. The capital we laid out would be very much better than the gilt-edged security, because we can exchange them with —— just the same.

Mr. PEARSON: Do the public come in and ask for ——'s tablets? What is asked for?

What is asked for?

Mr. PENTNEY: I should say that a customer comes in and orders tablets. He would see what is on the counter. We have got ——, and he sees some of those, and he says : " Those are Cascara ; I will have some of those."

Mr. PEARSON : I put it the demand is created for goods asked for under the word "Tabloid."

Mr. PENTNEY : Then you hand over as they are asked for and grumble about the prices.

15 per cent.
inadequate.

Mr. BURTON : May I say this while we are on this point of profit ; you speak about 15 per cent. profit and the average chemist turning over £20 worth of your goods in the year. On the face of it, as an economic question, it seems very feasible, but if you take into consideration a small chemist—a chemist who is situated perhaps in a poor neighbourhood—he probably would not turn over more than £5 worth of your trade during the year. That means that he gets 15 per cent. on that £5, roughly, of course, 15s. No matter what the amount is, is it possible to run your business on a 15 per cent. profit without turning that capital over several times ? I am looking at it from the point of view of the man who cannot turn it over several times a year. Take a butcher, for instance. He turns his capital over practically three or four times a week, and he can run his business on a 5 per cent. profit. But then all your articles are not articles of every-day consumption. They are, I might almost say, a luxury in poorer districts. Therefore, 15 per cent. is not enough to run your business on. As I said before, from an economic point of view, the point of view almost of ethics, if it is possible to turn that over five or six times, that is well and good, but then there are many chemists who cannot turn it over so many times, and therefore they only get the bare 15 per cent., and that is not a working profit.

Resolution of
January 5th.

Mr. WELLCOME : Gentlemen, you have doubtless been thinking over the question that arose the other day at the Meeting, namely, the character of the resolution of the London Chemists' Association, which led to various resolutions at provincial association meetings, to which I particularly directed your attention.

Mr. TRUMAN : I have not looked up the resolution, but I am under the same impression, that there was nothing offensive in it ; there was nothing offensive intended.

Mr. WELLCOME : This is the original letter and resolution we received from the Secretary of your Association, dated January 5th, 1906 :—

" I have been asked by a largely attended meeting of the London Chemists to convey to you the following resolution, which was passed unanimously, namely :—

" This Meeting of the London Chemists' Association expresses its disapproval of Messrs. Burroughs Wellcome and Co. in refusing to join the P. A. T. A., and considers their system of protection ineffectual.

" (Signed) R. B. BETTY, *Hon. Secretary.*"

Gentlemen, I pointed out to you that that resolution was regarded by us, as I think it could only be regarded by anyone to whom it was directed, as a vote of censure.

Mr. PENTNEY : Oh, no !

Mr. WELLCOME : Such a resolution expressing disapproval of a firm can only mean one thing, and that is a vote of censure.

Mr. PENTNEY : No, disapproval is not a vote of censure. I could soon frame a vote of censure with a vengeance.

Mr. PRICE : I think the letter reads differently from what the intention was. You can read that letter many ways.

Censure or
not censure.

Mr. WELLCOME : What was the purpose of this resolution ?

Mr. PENTNEY : To express our disapproval of your refusing to join the P. A. T. A., and to give us, as we think, a living profit.

Mr. WELLCOME : Do you recall any vote of disapproval that has ever been passed on any firm or any public man that has not been regarded as a vote of censure ? The London Chemists' Association are looked to as a responsible body of gentlemen.

Mr. PENTNEY : I am pleased to hear you say so. I think that is generally felt so.

Mr. WELLCOME : And an expression of that kind is intended to convey a reflection.

Mr. TRUMAN : I do not think it is intended as a vote of censure at all. I say it is "Persuasion." simply intended as something which would induce you to reconsider the question from the point of view of the chemist. It is only persuasion.

Mr. WELLCOME : You think we should regard it as persuasive ?

Mr. TRUMAN : That is what I think it is intended as—as a persuasive motion. Perhaps the wording may be open to another construction.

Mr. WELLCOME : What do you say was the impression throughout the country ? Many chemists would read that. Do not you think it was regarded as intending to be reflective on Burroughs Wellcome and Co. ?

Mr. BETTY : I think there is another way of looking at it ; that is, your firm was approached several times before that resolution was sent to you, asking you to further protect your articles or give us a bigger percentage of profit than you were doing, and I think that was only as a climax, and that was passed as a last resource.

Mr. BURTON : I take it, it was an expression, not of disapproval as it is worded, even although that word is used ; it is an expression of sorrow. Not disapproval, but sorrow.

Mr. PENTNEY : And discontent.

Mr. WELLCOME : Mr. Secretary, I think you will find that the previous communication, and I remember only one previous communication from the London Chemists' Association upon the matter, received from us a perfectly courteous reply.

Mr. BETTY : Yes, but there was nothing further done in the matter ; you did not protect your prices.

Mr. WELLCOME : I am bound to say your communication received our most respectful consideration. Communications have always been very carefully and sympathetically considered and answered with politeness and with respect, especially where they had to do with the interests of chemists ; and while we were engaged upon a plan which would be of mutual benefit, we get this slap in the face. Answered with politeness and respect.

Mr. PENTNEY : The sympathy did not take a practical form.

Mr. WELLCOME : I think it has for many years. I think you forget a great many things, or you would not say that. This thing came to us, as I pointed out to you, while we were engaged upon a matter which required a great deal of care and thought, and you cannot always with such work go and show your hand. You are all gentlemen of such minds and comprehension, that you cannot fail to realise what an expression of that kind means to any firm or individual who has any sense of self-respect and honour, especially when, to say the least in our case, a vote of censure is not deserved. Forgetting many things.

The value of words.

Mr. PENTNEY : We thought it was an expression of discontent. That is what was meant, and that is certainly our position to-day.

Mr. WELLCOME : You know the value of words.

Mr. PENTNEY : Yes, I do, and that is how I take it.

Mr. WELLCOME : That word "disapproval" is, in diplomacy and in polite correspondence, a strong word.

Mr. PENTNEY : Perhaps ; we felt strongly no doubt about it, and we do now, just in the same way.

Objects.

Mr. WELLCOME : But it is a word that is reflective. I have asked you your object in passing it. Now I ask you, what was your object in causing that resolution to be circulated among the provincial Associations ?

Mr. PENTNEY : That was not so. We did not cause it. It was in the natural machinery of the organization.

Mr. WELLCOME : But this resolution was passed with the intention of its circulation.

Mr. BETTY : As I am the Secretary, I may say I had no connection with the Federation on the matter.

The responsibility.

Mr. WELLCOME : You, gentlemen, do not want to evade the responsibility of this or of the circular, or of your intentions ?

Mr. BETTY : Not at all. If the Federation likes to take it up, or if the local associations like to take it up, well and good.

Mr. WELLCOME : The intention of those who were parties to that resolution was for its circulation.

Mr. PENTNEY : Not necessarily.

"Spur of the moment."

Mr. BURTON : There probably may have been an expression at that meeting that that resolution might be forwarded to other associations, or to the Federation of Associations, but so far as my knowledge or recollection goes, I do not think that it was put into any active form. You have taken it in its aggravated meaning, but it was a resolution which was drawn up on the spur of the moment, and, as you know, at a business meeting where there is other business to be carried out, one perhaps is not too careful in the words one uses. Certainly I should say, on reflection, the word "discontent" probably would be better, or, as I said before the word "sorrow" would be better. It is meant in that way, and not that it was a reflection on your manner of conducting business. It meant that we were sorry that our communications which had been sent to you were not productive of some immediate benefit.

"Not too careful."

Still stronger.

Mr. WELLCOME : The provincial Associations appear to have taken it in the same sense that we did, and some of them went one better and put their expressions into still stronger form.

Mr. PENTNEY : It shows how mild we were.

To force B. W. & Co.'s hands.

Mr. WELLCOME : But a greater number of them adopted your resolution, and I look to the London Chemists' Association as having incited them. The view taken by chemists throughout the country and the provincial associations appears to have been, to the best of my information, that the purpose of this was to force our hands.

Mr. BETTY : Yes, it was. I must candidly say that was the idea.

Mr. TRUMAN : I do not think there was any idea of coercion.

Mr. WELLCOME : Chemists generally, and the provincial Associations where it was discussed, understood the purpose of it was to force our hands. That, gentlemen, is my great difficulty. This resolution came at the time when we were engaged on something which we felt would be gratifying to the trade, and certainly to ourselves, and then the extremely aggressive and coercive agitation was worked up throughout the country, incited by your Association. We were surprised at the London Chemists' Association passing such a resolution. Those who agreed with the view that a vote of censure ought to be passed upon us were delighted. This was launched against a firm which has tried, throughout its existence, to serve the trade with fairness and justice. What I have to ask you now is this : How do you, gentlemen, propose to undo this vote of censure and the results of it ?

B. W. & Co.'s
great
difficulty.

Mr. TRUMAN : I can only say that the resolution when it was passed through my hands, did not convey to me anything approaching a vote of censure. It was, in my opinion, only a persuasive one, and I do hope that you will not allow any feeling of irritation caused you by the wording—which might possibly have been better—to influence you, but that you will take it from me, and I am sure the other members will quite agree, that it was not intended as a vote of censure. The idea was to obtain some real good, not only to ourselves individually, but for the trade, literally speaking, and I think also to your own benefit, although that does not come in. I do hope you will take it from me, that if the words convey to you a vote of censure, I am sure we can clear it up at any other meeting, but that it was intended as a vote of censure I certainly do not think personally.

Only
persuasive.

Mr. WELLCOME : You realise that for some time it was thought it would be successful in forcing our hands. It was only later on it was found that that was hopeless.

Found to be
hopeless.

Mr. TRUMAN : I do not think so ; we were very pleased to hear, and everyone expressed a feeling of satisfaction when we received your reply, that you were prepared to meet a deputation.

Satisfaction at
deputation
being received.

Mr. WELLCOME : How much better it would have been if your Association had asked us to receive a deputation before passing a vote of censure, instead of waiting until now.

Mr. TRUMAN : Please do not take it as a vote of censure.

Mr. WELLCOME : It cannot be read as anything else.

Mr. TRUMAN : Well, it was not intended as such.

Mr. WELLCOME : I quite believe that many of the members of the London Chemists' Association who took an active part in that resolution were entirely misinformed and misled by false reports. One often finds there are some people who are very busy making mischief and trouble, and our policy has always been to give just as little heed as possible to such, but when it takes the form of a body like the London Chemists' Association, whom we look to as a body with responsibility, passing a resolution of that kind, it is supposed to mean something.

Misinformed
and misled.

Mr. TRUMAN : It was intended to mean something, certainly ; that we might induce you to look at the question again.

Mr. WELLCOME : I should not be able to convince a provincial chemist that that was

not intended as a vote of censure. I do not think our representatives could do it; they would be laughed at if they tried.

Mr. TRUMAN : It certainly did not occur to my mind that it was a vote of censure until you spoke of it as such.

An impossible position.

Mr. WELLCOME : That is the interpretation we know to have been put upon it throughout the country. Therefore, with the resolution standing in that way, it places us in an exceedingly difficult position in the matter of answering your deputation at the present time. We have before us certain questions, and if we were to yield to the idea that we could be coerced into making any reconstruction of our terms, it would be an impossible position for us. You realise that, I am sure.

Mr. TRUMAN : Certainly, but I do not think it is at all unreasonable that they should think that the arguments which we have been able to bring forward have enabled you to look at the matter from our point of view, and enabled you to meet us in that way.

Disposition entirely friendly.

Mr. WELLCOME : If you will excuse me for saying so, we did not really require your representations, but I have, with the very greatest sympathy and interest, listened to all you have said, and I have found instruction in many points brought forward, and my disposition is entirely friendly and favourable to your representations, but in listening to them, and in weighing them up, and considering them fully, I am faced with a dilemma which you have created yourselves.

Dilemma.

Mr. TRUMAN : The deputation is distinct from the resolution.

Mr. WELLCOME : You do not wish to avoid the responsibility ?

Mr. PENTNEY : Do I understand that the answer to the deputation is that you can give us no favourable answer ?

Mr. WELLCOME : I have not said that.

" Can remove that impression."

Mr. BURTON : As you have taken it in the light in which you have—I do not know, of course, I am only speaking for myself—I have no doubt that the London Chemists' Association can remove that impression by a resolution to be put before the meeting that there is no intention of it being a vote of censure.

To be " made straight."

Mr. TRUMAN : I quite agree with that. I have said that all along, that you have unfortunately misunderstood the resolution ; but whatever the result of this conference may be, whether it is beneficial or not, I am quite sure we shall take care that the opinion of what was the real intention of our resolution shall be made straight with the general body of chemists ; but let me say it was intended merely as a persuasive resolution, and I call to your attention the vast number of chemists who feel the amount of profit is really not enough on that class of article so extensively used.

The right thing to do.

Mr. WELLCOME : When, through erroneous information or otherwise, one has given vent to expressions to the injury of another, is it usual to adjust that by simply saying that the intentions were good ? It is not necessary to suggest to men of the world what is the right thing to do. Of course I know what I do when I find that I have made a mistake.

Mr. TRUMAN : If you have made an error you acknowledge it.

Mr. WELLCOME : I find it is the best and happiest thing to make the frankest acknowledgment I can. It is a thing in which I think you, gentlemen, should act spontaneously, and I think, from what most of you said the other day, you regret that the thing was passed,

and that it is now in your minds and in your feelings to set it right, and I certainly do not wish to embarrass you in any way by putting forward suggestions or ideas, or exactions, or anything of that kind, but what would relieve me would be to put in *statu quo ante*, so that I could take up again where I left off the question of interest to us all.

No exactions.

Mr. WATKINS: I can quite see it has been understood, as you say, throughout the country. As far as I am concerned, I trust you in every respect, and I hope sincerely you may see your way to do something in the question before you. Certainly I think that Mr. Wellcome is quite right in saying it has been taken as a vote of censure. Yet I do not see how they could have expressed it. They could hardly have approved of the attitude of the firm. As far as I remember, the impression given was this, that the P. A. T. A. approached your firm, and possibly some others, and that nothing had come of it in any way, and it seemed the only natural thing to express disapproval; but a vote of censure, I think, is what it has resolved itself into. It was not intended so by those responsible for the matter.

Understood as a vote of censure throughout the country.

Personally, I am very sorry. I have always looked on your firm with very great sympathy, and I am very sorry that you should have been the subject of such malign treatment—I can say it in no other way. Certainly there have been some very nasty expressions about your firm in the country—expressions that no self-respecting chemist would have given utterance to, and I should think certainly the London Chemists' Association, in starting the motion, have, in a sense, to father the result. What I think we should do is to try and undo what has been done as the result of the action.

Malign treatment.

Mr. GIBBS: May I ask whether you are equally strong with regard to the correspondence from the Eastbourne Chemists' Association?

Mr. WELLCOME: I look upon the London Association as having fostered the whole thing. They started it and they incited it, and while the Eastbourne Association has taken an active part, it is the London Association that is looked upon throughout the country as the representative body in this matter, and the effect of it was to cause the passing of that resolution at a large number of provincial Associations.

London Chemists' Association responsible.

Mr. PENTNEY: I think it would be better to come as a spontaneous resolution from the Association.

Mr. WELLCOME: I think it is far better to have anything come spontaneously.

Mr. PENTNEY: Your reply is in abeyance?

Mr. WELLCOME: My reply is in abeyance.

Mr. BURTON: I take it that that would satisfy you, if a resolution was passed by the London Chemists' Association, and they took means to show the expression of opinion to other associations. It does not necessarily follow to answer your idea that provincial Associations also should pass resolutions, because that would take a very long time.

Mr. WELLCOME: Oh, no! that would be the effect of it. It is practically incited by you—you fathered it. If set right by the London Chemists' Association, that would be ample.

[COPY.]

LONDON CHEMISTS' ASSOCIATION.

1, Park Street,
Glo'ster Gate,
Regent's Park, N.W.

H. S. WELLCOME, ESQ.

DEAR SIR,

11-7-06.

I have much pleasure in forwarding the enclosed statement made by the Chairman (Mr. F. W. Truman) at our meeting to-day, and also the following resolution :—

“ That the Association regrets that Mr. Wellcome regards the resolution passed by this Association on Jan. 3rd, 1906, as a vote of censure ; that it was, as it purported to be, an intimation that the members were not satisfied with the present trade terms of Messrs. Burroughs and Wellcome.”

Both statement and resolution were unanimously adopted by the meeting.

Yours very truly,

(Signed) R. B. BETTY,
Hon. Sec.

[COPY.]

STATEMENT MADE BY MR. F. W. TRUMAN (CHAIRMAN) AT A GENERAL MEETING OF THE LONDON CHEMISTS' ASSOCIATION, HELD AT ST. BRIDE'S INSTITUTE ON JULY 11TH, 1906.

You will, doubtless, remember that on January 3rd, a resolution was carried unanimously by this Association, and subsequently endorsed by almost all the Chemists' Associations in this country, to the following effect :—

“ This Meeting of the London Chemists' Association expresses its disapproval of Messrs. Burroughs and Wellcome in refusing to join the P. A. T. A., and considers their system of protection ineffectual.”

As you are aware, a deputation from this Association, assisted by some members of the Eastbourne Association, has, on two occasions lately, met Mr. H. S. Wellcome, by whom they have been most courteously and cordially received, and the question of price maintenance for their articles has been thoroughly discussed from all points of view—including a practical illustration of the evil results of insufficient profit and ineffectual protection in dealing with their goods.

I hope that the conference we have had will be productive of some good results, both to the trade and the manufacturers. As chemists we are asking no unreasonable concessions—nor do we attempt to coerce in any shape or form any firm or firms. But I regret to say, that Mr. Wellcome intimated that he regards the resolution which I have read to you as being a vote of censure upon his firm.

I am sure that this Association would not presume to pass a vote of censure upon any firm who were conducting their business upon honourable lines, even though that particular firm's methods did not meet with the approval of the members of the Association. I feel equally sure that Mr. Wellcome cannot mean to object to any body of his customers expressing their views upon conditions applicable to his business—provided those views are expressed without any discourtesy—as I maintain the resolution so does express them.

It is for you, gentlemen, to say how and by what means that erroneous impression on the part of Mr. Wellcome is to be removed.

THIRD MEETING HELD AT THE HOLBORN VIADUCT HOTEL,
ON THURSDAY, 2ND AUGUST, 1906.

Mr. PRICE : Mr. Pentney will act as our Deputy-Chairman to-day in the absence of Mr. Truman, who is unavoidably prevented from attending.

Mr. WELLCOME : Then we shall look upon Mr. Pentney as your Acting-Chairman to-day. I am sure we all regret Mr. Truman's absence.

I have received from your Secretary a copy of the resolution passed on the 11th July. Of course, one recognizes that there are always two ways of doing things, and with regard to this matter you have done it in your way. I take it that the London Chemists' Association, by this resolution, practically repudiates the meaning my firm placed upon the resolution passed January 3rd, and the interpretation which I mentioned as being placed upon it by the trade generally throughout the country. I understand that the London Chemists' Association mean, by their resolution of July 11th, to clear the air, and to put me back in the position I was in before the resolution of January 3rd was passed ; that is what I understand. I could not reconsider the situation until so replaced. The Resolution of July 11th.

Mr. PENTNEY (DEPUTY-CHAIRMAN) : And I think you feel that that is so now, Sir ?

Mr. WELLCOME : Yes, I accept the action of the London Chemists' Association in that light. I should feel that for me to split hairs over the terms of the resolution which was passed on July 11th, would be narrow, and not quite fair to the chemists of the country who were not responsible for the wording of it. No hair-splitting.

Mr. PENTNEY : That is perfectly satisfactory, Sir.

Mr. WELLCOME : Have you, gentlemen, any further points ?

Mr. PENTNEY : No, I think not. I think we have had our say. We thought it better that we should simply hear the reply.

Mr. WELLCOME : We now feel that we may reasonably consider ourselves placed in the position we occupied before the resolution was passed by the London Chemists' Association on January 3rd, and we are, therefore, proceeding to work out the plans we had in hand last autumn and winter, dealing with a modification of our terms, which we consider will prove mutually advantageous ; and we will endeavour to complete those plans by the beginning of the New Year. It is rather a large undertaking, as there is much involved in it. I may say that the incidents which have occurred have put the clock back about a year, but I shall now approach the matter afresh, with every endeavour to consider the trade whilst conserving the firm's interests, acting on the principle of " live and let live." In statu quo ante.
"Clock put back about a year."

Mr. PENTNEY : That is exactly the position which we have come here to express. Might I ask you if you can in any way foreshadow what the alterations will be ?

Mr. WELLCOME : I do not think it would be a wise thing to do that. I do not think any business firm having an undertaking of this extent to carry out would deem it wise to foreshadow or announce what their plans would be. There is, as no doubt you are aware, a very great deal to consider in connection with it, and to do as you suggest might be to play into our competitors' hands. Much to consider.

Mr. PENTNEY : We may, I presume, take it for granted that it will substantially benefit chemists.

Mr. WELLCOME : It will be, I hope, for our mutual benefit.

Mr. PENTNEY : Yes, I was going to say it would be for our mutual benefit, because, of course, no one would expect you to make a sacrifice unless you reaped some advantage yourself.

Mr. WELLCOME : Well, of course, we are all practical business men.

Mr. PENTNEY : Of course we are. May I also suggest, and I am not saying this in a fishing way at all, that I hope the new arrangements will be of such a nature that the chemists will be able to see 25 per cent. I just make that statement as representing the feelings, I believe, of the Committee, after being here ; and I may say, that before we came here, they thought that really ought to be the minimum. Of course, we are not in any position to dictate to anyone, and we said : We are not going to dictate anything, but that that must be a matter for your own judgment.

Mr. WELLCOME : Do you think that minimum would satisfy every chemist in the Kingdom ?

Mr. PENTNEY : Well, it would be a difficult matter to undertake to satisfy every man in the Kingdom, because there are so many discontented people in the world, and the probability is, that some would be discontented with 75 per cent. ; but still I think what I suggested would be approaching the zone in which chemists feel there is a little happiness.

Mr. WATKINS : I think we can safely leave that to Mr. Wellcome.

Mr. WELLCOME : It is the penalty of success with every manufacturer when his goods become staple, and in constant demand, so that people insist upon obtaining his products, that the prices are cut by dealers in order to make " leaders " of them. Now, that in itself is a very bad thing for the manufacturer. No manufacturer who is a good business man, has ever, to my knowledge, been responsible for instituting or encouraging cutting. He feels that his own best interests are served by the maintenance of a fair and equitable price. I am sure we have never done anything to facilitate it or to encourage it, in fact we have done everything in our power to discourage and prevent it. It was in the " eighties " that this practice of cutting began acutely. The large Stores did it, and so did the small man, who wanted to get all the trade to himself. Our goods had gained a strong footing in the market, and were, amongst other staples, cut right down to bed rock, and below it.

Mr. PRICE : You mean, just as a leading line ?

Mr. WELLCOME : Yes ; they made " leaders " of them. It was in that situation that we consulted with representative members of the trade, and decided on the plan of our present anti-cutting agreements, of which there are many all over the country, and by which we got the traders in a town where prices were broken to agree to a minimum price, and not to cut below list prices. Now, that was to a very great extent the saving of the situation, and that is a position which we have maintained ever since, and we have spent many thousands of pounds upon carrying out this plan. No one has more deeply regretted this cutting than ourselves, and we have done everything possible to stem the tide. One has wished that that margin could be increased, but during the thick of this fight, which has long been going on, it has been extremely difficult. I have been constantly studying the question, and have had reports from my representatives, and constantly considering when one could consistently take another step ; and just at the moment when we had really decided upon something, and were about to put it into operation, you know what occurred. However, I will not hark back to that.

A suggestion.

Will every
Chemist be
satisfied ?

Penalty of
success.

How
B. W. & Co.'s
price mainten-
ance system
began and
continued.

With staple lines like ours, on which we create the demand, 15 per cent. means far more than 50 per cent. does on lines that are not staple, and for which no demand is created by the maker. You will all realise that a departure in terms means a very great risk to us. Any steps which we may take in reference to this matter I can assure you will be taken in as liberal a spirit as it is possible to bring to bear upon it; but one has to consider that any very radical measure in regard to staple lines like ours may prove exceedingly harmful. Great risk.

Mr. PENTNEY: Hear, hear!

Mr. WELLCOME: I take it, gentlemen, from the assurances which you have already given me, that as a response to whatever I do in this way you feel that I should have very liberal support from the trade?

Mr. PENTNEY: Yes, Sir.

Mr. WATKINS: Perhaps I may mention, incidentally, that the increase of the price does give a club to those who are not disposed to act fairly, and who are disposed to adopt cutting practices, to hit with. I agree that when an article has a good name, in spite of anything those Stores can do, it is bound to survive. I do not suggest that it will benefit by it—it is an ordeal, and some proprietors have felt very much aggrieved; some consider that they have not really derived any material benefit, whilst others think they have. Some of them have expressed themselves very strongly to me about it, and I am only referring to it in this way because the question of any advance in price is always a disadvantage, and any disturbance of existing prices must always be so. Bound to survive.

Mr. PENTNEY: Will you allow me to point out another fact which I find wants to be impressed on proprietors? It is this. They say: The Stores are our best customers, and so on; but they overlook the fact that although the chemists, taken individually, are only units, the aggregate of them makes them a very much larger customer than even the Stores. They overlook the fact that the chemists all over the country represent a very large number. We know, of course, that the chemists do not buy largely.

Mr. WELLCOME: I think you will find that we have always considered and co-operated with the chemists.

Mr. PENTNEY: Oh, yes, I accept that.

Mr. WELLCOME: And also that we have never discouraged the chemist because of the extent of his business. The one has received just as much courtesy and consideration as the other.

One of the things I have been looking forward to for years, gentlemen, is that the trade would some time get tired of this devastating practice of price-cutting, and that even the cutting Stores would realise that it is perfect madness, because it does no one any good. A hope.

Mr. PENTNEY: Speaking for the Chairman of our Association, and for the Association generally, we would like to say that we thank you very heartily for your courtesy and kindness in the way in which you have received us, and we only trust that the result of this conference will be mutually for the benefit of the chemists and yourself.

Of course I do not know whether what I have said about the mutual benefit by the raising of prices may meet with your approval. I do know that in more than one case dissatisfaction has resulted to the manufacturer, and also dissatisfaction to the customer and the public generally. They may say: "Oh, no; we can get it at so-and-so's, we will go there," and they go; but the result is they come back, and I think you will lose none of their respect because you have stuck to the price; because they find that they cannot get it any cheaper, and then they are perfectly satisfied.

Mr. BURTON : Yes, that is so. Of course, the initiation of a new movement is always the most difficult part of it, but I think if this scheme is brought forward, the mere fact of its even having arisen at this conference, and the fact of your having kindly met the chemists in conference over the matter, will go a very great way in obtaining the goodwill of the retailers in seeing that the article, in the initiation period, shall have fair play.

Mr. PRICE : I should just like to mention that if this proposal of yours meets with the views of all chemists, I think it will almost certainly mean the death-blow to other makers of tablets ; I certainly think it will put all others on one side. Speaking personally, I fancy that if the terms were agreeable to them they would not push any others ; the outcome of the mutual benefit would be to discard all other makers.

Mr. WELLCOME : I think we have earned consideration, and I perfectly realise that every self-respecting chemist is desirous of dispensing drugs of the very highest quality, and it is well recognized by the profession and trade that we are original workers and stand at the top in our own particular branch.

Mr. PENTNEY : There is no doubt about that.

Mr. WELLCOME : Gentlemen, I assure you it has been a very great pleasure for me to meet you all face to face in regard to these matters, and to exchange views with you across the table. I may say that I have learned a great many interesting and instructive things from you, all of which I have carefully noted and will bear in mind. I want to make quite clear to you that I am conscious that my firm has long held the goodwill and friendship of the greater number of the responsible chemists throughout the country. I am quite aware that there are a great many who are discontented, and who have blamed us simply because they misunderstood or have been misled with regard to some things, and could not see our side of the difficulties. The most gratifying thing to my mind as the possible outcome of this conference, and the outcome of the terms which we are now inaugurating, will be a recognition by all chemists of our disposition to offer them fair play. I have always tried to do that, and we desire to be friends with every member of the trade. I want to approach this matter from a perfectly equitable point of view, and, on the other hand, I hope an equitable spirit will be exercised by those who judge of what I am doing.

Approved and signed on September 14th, 1906, by—

Frank Truman Chairman.

H. Pentney Deputy-Chairman.

A. B. Betty Secretary.

Henry B. Wellcome
(FOR BURROUGHS WELLCOME AND CO.)

14th September, 1906.

(FOR THE DEPUTATION.)

NOTE.—The marginal index added
by B. W. & Co.



