

APPENDIX No. 3

for the purpose of helping each other. You are speaking as a merchant who has a pecuniary interest in the operation of the business. In this case, everybody has the same interest. It is a mutual institution consisting of members who have voluntarily united with each other to purchase goods to supply their own wants. Where is the injustice?—

A. The argument you are putting forth is in favour of inducing a man who knows nothing about the scheme to go and put his money into it. We want to save that man. We want to save the public from being swindled. Because they are all friends, and they are going to be partners together is no reason or justification why they should be swindled.

Q. Do you not think the public whom you are trying to defend have some intelligence? Is there any principle operating under this Bill which will interfere with the liberty of these people to make inquiries?—A. You have here an offer to give 15 or 20 cents on the dollar.

Q. That is the very best reason why a poor man should join with another poor man, if he can get 15 or 20 cents on the dollar?—A. It is a deceptive thing. We do not make 15 or 20 cents on the dollar in the retail business.

Mr. VERVILLE.—You had better form a co-operative society then, if you don't make that much.

The WITNESS.—We are a co-operative society in the real sense of the word. All retail merchants are really a co-operative society.

Q. You offer an inducement to people to buy in your store by advertising through the paper or otherwise, goods that are sometimes lower than the market prices?—A. Yes, that is done.

Q. You want to induce people to go into your store and buy goods that may be lower, with the expectation of selling other goods at higher prices. That is a business proposition, and that is done every day. It so happens that poor people who have read your advertisement will go to the store to buy the advertised goods, and be told when they reach there: 'You are about fifteen minutes too late, there are no more of those goods to be sold this morning.' I suppose there were probably a dozen or half a dozen, as the case may be. There, you see, was the inducement. This is a business proposition, and it is done in Toronto or Montreal?—A. It is done by the large concerns.

The CHAIRMAN.—The more they advertise the more they get the people.

Mr. VERVILLE.—They draw people there by a certain inducement in order to try and sell them as much as possible, and not goods at reduced prices, but at high prices. This Bill would not operate like that. It would give a chance to the people interested to buy not at one man's prices, but at any prices they saw fit.

The WITNESS.—It looks that way on the surface, but it won't work out that way. The experience of consumers who have been in these co-operative societies, working exactly on the lines you have laid out, has been that they have not had the same assortment of goods, and not the same attention. Even though a dividend was given back to them, their experience has been that they could do better by taking advantage of the market price wherever it was offered in competition. Suppose I belong to a co-operative store and have my money sunk there and get a dividend back at the end of a certain time, if I did not have my money invested in that store I could go around and buy wherever I liked on the open market. I could go around and take advantage of all these advertisements you speak of; I would not be confined to a co-operative store. If you close out all the other stores the people will only have one place to go to, and the co-operative societies can put on any price they like.

Mr. VERVILLE.—I can trade through that association wherever I please.

The WITNESS.—If everybody who had money invested would draw their shares out, the society would simply go to pieces.

By Mr. Verville:

Q. Well, what then?—A. That wants to be safe-guarded against. You say you