

**C. E. I. 11.** ✓

**LEAGUE OF NATIONS — INTERNATIONAL LABOUR OFFICE**

**INTERNATIONAL ECONOMIC  
CONFERENCE**

**Geneva, May 4th, 1927.**

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**DOCUMENTATION**  
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**RESULTS OF CERTAIN OF THE ENQUIRIES FOR  
INSTITUTING A COMPARISON BETWEEN THE  
RETAIL PRICES IN PRIVATE TRADE AND THOSE  
OF DISTRIBUTIVE CO-OPERATIVE SOCIETIES**

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**GENEVA, 1926**

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## RESULTS OF CERTAIN OF THE ENQUIRIES FOR INSTITUTING A COMPARISON BETWEEN THE RETAIL PRICES IN PRIVATE TRADE AND THOSE OF DISTRIBUTIVE CO-OPERATIVE SOCIETIES

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In comparing the prices of articles distributed by co-operative societies among their members with the prices charged for the same articles by private traders it is important to keep constantly in mind at least the two following considerations:

(1) While the object of distributive co-operative societies is to render the best service to their members at the lowest cost, the method which they have chosen for attaining this object does not consist in systematically charging lower prices than those of private trade. For reasons of convenience (calculation of general expenses, depreciation, etc.) and also from provident motives (necessity of constituting reserves for further development or for meeting, if necessary, economic crises), they have adopted from the commencement, and have generally continued to adopt in principle, the practice of selling at prices approaching those prevailing on the market in which they operate. They endeavour, however, by all means, some of which are peculiar to themselves, continually to reduce the expenses of distribution and, as they do not aim at profit, they return to their members, in proportion to the purchases made by them, the amounts received in excess of their working expenses after deducting the amounts placed to reserve.

Accordingly comparisons limited to contrasting the prices actually charged, as is the case in the majority of the enquiries which have been made, produce results which always need to be corrected by the amount of the dividend distributed at the end of the financial year, an amount which varies according to the society and other circumstances. It should be understood that all the comparisons of prices given hereafter are subject to this observation, which will as a rule not be repeated.

(2) The distributive co-operative societies, however, do not hesitate to adopt prices very appreciably lower than those of private trade whenever and wherever it appears to them to be necessary in order to restrain an excessive or too rapid rise. Where, however, a co-operative society, in fixing a price, departs from the price charged by the private trader, the latter is generally compelled to follow the example and so to some extent to re-establish a certain approximation in the level of price.

Besides the benefit of the dividend and the generally lower prices which the members of co-operative societies enjoy, regard must therefore also be had to the effect of the existence of a co-operative society as a regulator of prices.

The examples given hereafter, purposely chosen from different countries, illustrate the results of:

- (a) some of the enquiries conducted by co-operative societies themselves;
- (b) certain enquiries conducted by public authorities or under their supervision.

## I. ENQUIRIES CONDUCTED BY CO-OPERATIVE SOCIETIES

In carrying out a large number of comparisons of prices, co-operative societies have had for their object not only that of informing their members but at the same time, and sometimes in the beginning principally, that of informing themselves as to their efficacy and the degree of organisation of their various services. These enquiries have therefore been carried out under conditions which are a guarantee of impartiality.

The methods are very various. Some of these will be examined and examples given of each of them together with their results.

There is, first of all, the simple noting of prices in the same conditions of time and place. There are further the comparative studies relating to the effects of the existence or non-existence of co-operative societies at different dates and in different places.

To the first of these methods belong the soundings taken by co-operative societies for the purpose of informing themselves of their own situation. Such soundings are of course not confined to a comparison of prices; considerations of quality and quantity are necessarily bound up with considerations of price.

As regards comparisons of quality, these frequently take one of the following forms: The qualities are, before the comparison of prices takes place, estimated and classified by an impartial jury, which is not informed as to the origin or prices or prices of the articles examined; or else, in cases where this is technically possible, an expert examination is made (a chemical analysis for example) under the same conditions for guaranteeing impartiality. See in Appendix I the results of an expert examination of one of the products produced by the German Co-operative Wholesale Society and of a similar product purchased from a trader dealing in such commodities.

As regards the consideration of differences of weight in comparisons of prices, the following example shows the results of an enquiry made in Cologne in reference to bread <sup>1</sup>.

Eight loaves were purchased in bakers' shops and industrial bakeries of the first class. Loaves of the same kind, baked on the preceding day (as with the other loaves purchased), were taken indiscriminately from the batches of the "Hoffnung" Co-operative Society. The price was the same in all cases, namely 55 pfg. per loaf. A careful weighing showed that one of the loaves purchased weighed 1,215 grm., three others 1,200 grm. each, three others 1,170 grm. and the eighth 1,150 grm., which makes the price per pound respectively 23.91, 23.50, and 22.91 pfg., or an average of 23.22 pfg. Half the loaves of the "Hoffnung" Co-operative Society weighed 1,330 grm., three loaves were slightly lighter (in no case by more than 10 grm.) and the eighth was heavier (1,340 grm.). These weights, when brought into relation to the price, make the average price per pound 20.68 pfg. The difference between the two real average prices was therefore 2.54 pfg. per pound, that is to say, the price of the loaf was 12.19 per cent. higher in the case of the private bakers than in the case of the co-operative society.

After precautions similar to those just mentioned have been taken in regard to the comparison of qualities and weights, the sounding consists in causing to be purchased from private traders a certain number of articles of current consumption comparable in quantity and quality with articles sold by the co-operative societies, totalling the purchases so effected and comparing the total with the corresponding expenditure in the co-operative society.

The subjoined table (p. 8) relates to comparisons made by the regional co-operative society of Lower Normandy on 22 February 1923 <sup>2</sup>.

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<sup>1</sup> *Konsumvereinboten für Rheinland und Westfalen*, No. 2, 1926.

<sup>2</sup> *L'Action Coopérative*, of 24 March 1924.

COMPARISONS MADE BY THE REGIONAL CO-OPERATIVE SOCIETY OF LOWER NORMANDY, 22 FEBRUARY 1923

Articles (1)	"Economic" Multiple Stores						Large groceries (8)	Price of Co-operative Society (9)	Groceries with good turnover (10)	Price of Co-operative Society (11)	Small groceries (12)	Price of Co-operative Society (13)
	First establishment (2)	Price of Co-op. Soc. (3)	Second establishment (4)	Price of Co-op. Soc. (5)	Third establishment (6)	Price of Co-op. Soc. (7)						
Methylated spirits . . per litre .	Fr. 1.95	Fr. 1.95	Fr. 1.90	Fr. 1.95	Fr. 1.95	Fr. 1.95	Fr. 1.95	Fr. 1.95	Fr. 2.00	Fr. 1.95	Fr. 2.05	Fr. 1.95
Ordinary chocolate . . per 250 grm.	1.30	1.25	1.25	1.25	1.20	1.25	1.45	1.25	1.30	1.25	1.45	1.25
Soda crystals . . . . per kilo . .	0.40	0.35	0.40	0.35	0.35	0.35	0.45	0.35	0.45	0.35	0.50	0.35
Nut oil, fine quality . per litre .	3.90	3.95	4.75	3.95	4.00	3.95	4.90	3.95	4.50	3.95	4.95	3.95
Olive oil . . . . . " "	7.00	6.25	6.15	6.25	6.25	6.25	6.75	6.25	7.50	6.25	7.25	6.25
Haricot beans . . . . per 1/4 kilo.	1.00	0.80	0.95	0.80	0.80	0.80	0.95	0.80	0.95	0.80	1.00	0.80
Petroleum . . . . . per litre .	1.15	1.15	1.15	1.15	1.15	1.15	1.15	1.15	1.20	1.15	1.35	1.15
Macaroni, ordinary . . per 250 grm.	0.75	0.70	0.75	0.70	0.75	0.70	0.80	0.70	0.90	0.70	1.00	0.70
Sugar . . . . . per kg. . .	3.90	3.85	4.20	3.85	4.00	3.85	4.10	3.85	4.10	3.85	4.25	3.85
Soap 72% . . . . . piece of 400 grm.	Missing	—	1.15	1.10	1.10	1.10	1.20	1.10	Missing	—	1.25	1.10
Salmon . . . . . large tin .	2.80	2.20	2.40	2.20	2.20	2.20	2.50	2.20	2.75	2.20	2.95	2.20
Benedictine . . . . . per bottle.	23.80	24.00	25.00	24.00	24.00	24.00	24.00	24.00	27.50	24.00	Missing	—
Dubonnet . . . . . per litre .	11.40	10.50	11.50	10.50	11.50	10.50	11.20	10.50	12.50	10.50	Missing	—
Rum (Negrita) . . . . .	12.00	11.20	17.25	15.95	16.00	15.95	15.00	14.00	Missing	—	Missing	—
Red wine, ordinary . per litre .	1.20	1.15	1.15	1.15	1.20	1.15	1.30	1.15	1.50	1.15	1.50	1.15
Red wine, superior . " "	1.75	1.60	1.90	1.60	1.75	1.60	1.80	1.60	2.10	1.60	2.00	1.60
White wine, ordinary . " "	2.00	1.75	1.65	1.75	2.00	1.75	2.00	1.75	2.00	1.75	2.00	1.75
White wine, superior . " "	2.50	2.10	2.75	2.10	Missing	—	2.30	2.10	2.50	2.10	Missing	—
Vinegar . . . . . " "	1.00	0.85	1.00	0.85	0.90	0.85	1.20	0.85	1.50	0.85	Missing	—
Triple sec Cointreau . per bottle.	Missing	—	22.60	21.50	25.50	21.50	22.80	21.50	22.00	21.50	Missing	—
	<b>79.80</b>	<b>75.60</b>	<b>109.85</b>	<b>102.95</b>	<b>107.60</b>	<b>100.85</b>	<b>107.80</b>	<b>101.00</b>	<b>97.25</b>	<b>85.90</b>	<b>33.50</b>	<b>28.05</b>
<i>These various establishments therefore sell on an average at prices HIGHER by . . . . .</i>	5.55 %		6.70 %		6.69 %		6.73 %		13.21 %		19.42 %	

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The comparisons presented in the above table show the care taken by the enquirers to obtain the most complete information possible. They refer to six establishments of various types, three at least of which (multiple stores) closely approximate to the commercial type of the co-operative society.

Further, the comparisons relate to a sufficiently large number of articles (20), 16 of which are clearly of current consumption.

The introduction of four articles of high price and relatively exceptional consumption (Benedictine, Dubonnet, Rum, and Cointreau) may appear open to discussion. It should, however, be remarked that, except in one case, the effect is not to increase, but to narrow the differences of price. The absence of these articles in the 12th column partly — but only partly — explains the difference of 19.42 per cent. between the prices in the co-operative society and the opposing prices. Leaving out these articles, the differences would be respectively: 9 per cent. between the 2nd and 3rd columns, 8 per cent. between the 4th and 5th columns, 2.42 per cent. between the 6th and 7th columns, 8.78 per cent. between the 8th and 9th columns, and 17.89 per cent. between the 10th and 11th columns. (See in Appendix III other examples of soundings carried out under similar conditions.)

The results of another enquiry of the same kind, but possessing certain special characteristics, are summarised hereafter. This enquiry was in the first place made not on a local or regional scale, but on a national scale. In the second place, the particulars on which the comparisons are based were not collected for the purposes of comparison. Finally, these particulars were not, as in the previous case, obtained by the co-operative organisation alone, but were collected independently by a central organisation of private retailers as regards its own members and by a central co-operative organ as regards its affiliated societies.

Since 1912 the Swiss Union of Consumers' Co-operative Societies (U.S.C.) has prepared every three months, on 1 March, 1 June, 1 September, and 1 December, a return of the retail prices of a series of food commodities and articles of common consumption. It has further, since 1 June 1919, addressed a similar enquiry to the co-operative societies in 25 Swiss towns of more than 10,000 inhabitants. The figures so obtained are used for establishing the index number of the cost of living. Until recently the index number calculated by the statistical section of the U.S.C. was the only index number established in Switzerland, and it is worthy of mention that the care with which it is calculated has been unanimously recognised and has caused it to be regarded as the official index number of the country, the number used, for example, in fixing wages.

On the other hand, the Swiss Grocers' Association (A.E.S.) has recently undertaken the compilation of statistics of prices. This suggested to the Swiss

Union of Consumers' Co-operative Societies that it might compare, so far as possible, its own published figures with the table of prices which the A.E.S. published in the *Journal des épiciers suisses* of 18 November 1925.

Owing to their heterogeneous character in certain aspects, the tables of the U.S.C. and the A.E.S. only admit of comparison subject to certain reservations and with certain precautions, which have, in fact, been taken. In the first place, the prices in the table of the A.E.S. were noted on 20 October 1925, while the returns of the U.S.C. are made on the first of each month. In its comparison the U.S.C. has chosen the two dates between which the 20 October lies, namely, 1 October and 1 November. In the next place, the tables of the U.S.C. give the prices for each of the localities under consideration and an average price for all these localities, while the table of the A.E.S. gives three distinct average prices: those of the large towns, those of the mountainous districts, and those of other localities. The prices for large towns are on the whole slightly higher than those of other localities, but usually lower than those of the mountainous districts, so that they may be considered as average prices. They have therefore been taken by the U.S.C. as most comparable with its own average which is based on prices in the 23 largest Swiss towns. Finally, the table of the A.E.S. contains 58 articles and that of the U.S.C. 47. The comparison only covers the prices of the articles susceptible of comparison, which number 29.

The elements and results of the comparisons so made are given in the following table.

This table shows that the prices of the A.E.S. compared with those of the societies affiliated to the U.S.C. were on 1 October lower for 8 articles, identical for 3 articles and higher for 18, and on 1 November lower for 1 article only, identical for 3 and higher for 25.



PARTIAL COMPARISON OF STATISTICS OF PRICES COMPILED BY THE SWISS UNION  
OF CONSUMERS' CO-OPERATIVE SOCIETIES AND BY THE SWISS GROCERS' ASSOCIATION

Articles	Societies affiliated to the U.S.C. 1 Oct. 1925	A.E.S. 20 Oct. 1925	Societies affiliated to the U.S.C. 1 Nov. 1925	Difference plus (+) or minus (—) in comparison with the societies affi- liated to the U. S. C.	
	Fr.	Fr.	Fr.	1 Oct. per cent.	1 Nov. per cent.
Macaroni (loose) . . . .	1.05	1.05	1.03	—	+ 1.9
Wholemeal flour . . . .	.64	.74	.64	+ 15.6	+ 15.6
Barley . . . . .	.80	.79	.77	— 1.2	+ 2.6
Semolina (wheat) . . . .	.77	.77	.75	—	+ 2.7
„ (maize) . . . . .	.50	.52	.49	+ 4.0	+ 6.1
Coarse oatmeal. . . . .	.79	.81	.77	+ 2.5	+ 5.2
Fine „ . . . . .	.74	.75	.71	+ 1.4	+ 5.6
Haricot beans . . . . .	.73	.72	.63	— 1.4	+ 14.3
Whole dried peas . . . .	1.19	1.10	1.09	— 7.6	+ 0.9
Lentils . . . . .	1.34	1.46	1.32	+ 9.0	+ 10.6
Vegetable fat (cocose) .	2.23	2.30	2.22	+ 3.1	+ 3.6
Lard (home-produced) .	3.20	3.24	3.21	+ 1.3	+ 0.9
Lard (imported) . . . .	3.09	3.11	3.09	+ 0.6	+ 0.6
Olive oil . . . . .	3.40	3.48	3.40	+ 2.4	+ 2.4
Nut oil . . . . .	2.06	2.17	2.02	+ 5.3	+ 7.4
Honey (home-produced).	5.38	5.20	5.38	— 3.3	— 3.3
Eggs (imported) . . . .	.21	.21	.21	—	—
Crystallised sugar . . . .	.62	.61	.57	— 1.6	+ 7.0
Prunes . . . . .	1.33	1.31	1.24	— 1.5	+ 5.6
Sauerkraut . . . . .	.58	.54	.54	— 6.9	—
Chocolate (household) . .	3.35	3.42	3.35	+ 2.1	+ 2.1
„ (milk) . . . . .	5.82	6.00	5.82	+ 3.1	+ 3.1
Wine vinegar . . . . .	.69	.71	.69	+ 2.9	+ 2.9
Tea. . . . .	7.61	8.83	7.61	+ 16.0	+ 16.0
Chicory (home-grown) .	1.48	1.58	1.48	+ 6.8	+ 6.8
Cocoa. . . . .	2.45	2.51	2.45	+ 2.4	+ 2.4
Green coffee. . . . .	3.55	3.62	3.53	+ 2.0	+ 2.5
Methylated spirits . . . .	.88	.90	.88	+ 2.3	+ 2.3
Petroleum. . . . .	.41	.40	.40	— 2.4	—

Some enquiries, by the manner in which their results are published, make it possible to combine the differences of prices and the differences of weights ascertained. An example of these is the sounding carried out on 19 May 1926 by the "Volkskraft" Co-operative Society of Erfurt<sup>1</sup>. The comparisons related to 25 articles of current consumption taken from two retailers and from the Co-operative Society. The total weight of these articles was 8 kg. 210 grm. at the Co-operative Society, 7 kg. 906 grm. in the case of retailer A and 8 kg. 062 grm. in the case of retailer B. The amount of the purchases was 9.38 marks at the Co-operative Society and 11.39 marks and 9.69 marks from retailers A and B respectively. In other words, after deducting the dividend of 3 per cent. on the prices paid to the Co-operative Society, the cost of the purchases from retailer A was 25 per cent. and from retailer B 6.5 per cent. higher than at the Co-operative Society. These differences in price would be considerably increased by taking into consideration the differences in weight of certain articles.

The examples above given are all, subject to different modes of application, concerned with the methods of sounding by means of purchases. Another method fairly often employed consists in taking as the term of comparison with the prices of the co-operative society the average prices of the town or district as ascertained by a public statistical office. This method avoids all suspicion of arbitrariness in the selection of the retailers whose prices are considered, and the average price is calculated by combining a number of individual prices greater than the number of prices generally noted in practice by a private enquirer. Moreover, the articles entering into the comparison are not selected by the organisation making the enquiry. They are the articles actually figuring in the official statistics for reasons based on a long methodical experience. Finally these articles are mostly taken in weights which take account of the proportion in which each of them enters into the normal food supply of a typical household. It should also be remembered that the prices charged by the co-operative society of the locality or district under consideration are usually included among the retail prices forming the basis of calculation of the average price.

It is on this basis that the great Distributive Co-operative Society "Produktion" <sup>2</sup> of Hamburg checks its prices every month. As regards the quality of the articles dealt with, this is determined after consultation with the Statistical Office. As the Co-operative Society "Produktion" does not supply fresh vegetables to its members, it inserts in its column of prices the average prices registered for these articles by the Statistical Office.

The following table gives the results of the comparison made in June and July 1926.

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<sup>1</sup> See *Die Genossenschaft*, No. 11, 1926.

<sup>2</sup> This Society had a turnover of 40,000,000 marks in 1925.

COST OF LIVING IN HAMBURG IN JUNE AND JULY 1926 ACCORDING TO THE PRICES OF "PRODUKTION" AND ACCORDING TO THE PRICES ASCERTAINED BY THE STATISTICAL OFFICE

Articles figuring in the general statistics of Germany		Average of prices of "Produktion"		Average of prices ascertained by the Statistical Office	
		1926		1926	
		June	July	June	July
		marks	marks	marks	marks
Rye-bread. . . . .	40 kg.	13.80	14.60	15.20	15.20
White bread . . . . .	5 „	3.75	3.75	3.85	3.85
Wheat-flour . . . . .	4 „	2.24	2.24	2.36	2.32
Macaroni, semolina etc.. (Nährmittel). . . . .	11 „	6.38	5.69	6.86	6.87
Potatoes. . . . .	50 „	5.—	5.50	6.—	7.10
Fresh vegetables . . . .	15 „	8.25	5.60	8.25	5.60
Beef . . . . .	3.5 „	5.81	5.60	7.53	7.18
Pork . . . . .	1.5 „	3.93	3.90	3.60	3.81
Mutton . . . . .	1 „	2.62	2.36	2.80	2.55
Bacon. . . . .	0.5 „	1.30	1.28	1.60	1.60
Liver sausages . . . . .	2 „	6.24	6.24	6.40	6.40
Butter . . . . .	2 „	7.48	7.60	7.70	7.90
Margarine . . . . .	2 „	3.60	3.60	3.60	3.60
Fat. . . . .	2 <sup>1</sup> / <sub>4</sub> „	4.32	4.32	4.68	4.73
Cheese, thin . . . . .	1 „	1.20	1.20	1.60	1.60
„ semi-rich. . . . .	<sup>3</sup> / <sub>4</sub> „	-.60	-.60	1.31	1.20
Herrings. . . . .	1.5 „	1.26	-.84	1.20	1.20
Sugar. . . . .	3.5 „	2.23	2.31	2.24	2.24
Eggs . . . . .	28	3.08	3.08	3.36	3.36
Milk . . . . .	35 litres	9.10	9.45	9.10	9.45
Coffee. . . . .	<sup>1</sup> / <sub>4</sub> kg.	1.60	1.60	1.50	1.61
Coffee substitute . . . .	1 <sup>1</sup> / <sub>4</sub> „	-.60	-.60	-.70	- 70
Cocoa. . . . .	1 „	3.—	3.—	3.20	3.20
Table salt . . . . .	2 „	-.24	-.24	-.31	-.28
Totals of prices . . . . .		97.63	95.20	104.95	103.55
Index numbers. . . . .		140.35	136.86	150.88	148.86

From this table it will be seen that the aggregate of the same articles weighed in the same manner represented an expenditure of 104.95 marks in June and 103.55 marks in July, according to the average prices of the Statistical Office, and an expenditure of 97.63 marks in June and 95.20 marks in July at the Co-operative Society. In other words, while the index number of the cost of living in Hamburg, as ascertained by the Statistical Office, was 150.88 in June and 148.86 in July, it was 140.35 and 136.86 respectively for the members of the Co-operative Society.

It should be further noted that, during the period under consideration, which was a period of falling prices, prices fell further at the Co-operative Society (2.85 per cent.) than according to the general index number (1.33 per cent.). These differences do not take into account the dividend paid to the members of "Produktion". This was 5 per cent. in 1925.

Studies of the type of the preceding have the advantage of being carried out under conditions excluding, as far as possible, the disturbing influence of differences in time and place. They show a lower level of price in co-operative societies than in private trade. It may, however, legitimately be asked whether such studies, by the very fact of the elimination of circumstances of time and place, do not neglect an important element. The differences in price, in fact, give plausibility to the hypothesis of a pressure exercised by the lower prices on the higher prices. This hypothesis can only be verified by investigations in which the conditions of place or time vary.

Investigations of this character have the further advantage of showing not only the benefits which co-operative societies furnish to their members, but also those which their mere existence furnishes to the public in general (regulating action on prices).

A summary of certain investigations of this character is given hereafter in which, all other conditions being susceptible of comparison, prices have been noted on the one hand in a place in which a co-operative society existed and, on the other hand, in a place or at a time in which the action of a co-operative society was not felt.

A series of observations<sup>1</sup> was made on the same date in several distinct localities by the Union of Co-operators of the Adour (U.C.A.)<sup>2</sup>. If the prices had only been noted in the chief town of the Department and a small locality obtaining its provisions with difficulty, the comparison would not have been demonstrative. They were, however, taken in six localities, namely, the chief town in which the co-operative society had its headquarters, two localities in which

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<sup>1</sup> See *L'Action Coopérative*, 10 December 1921.

<sup>2</sup> See in Appendix IV other examples from Canada.

PRICES NOTED BY THE UNION OF CO-OPERATORS OF THE ADOUR (U. C. A.)

Articles	Price charged by Co-operative Society	Bayonne Headquarters of the U. C. A.		Anglet No Co-operative Society; only one grocer	Puyoo Branch of U. C. A.		Cambo Branch of U. C. A.		St-Jean-Pied-de-Port, Co-operative Society being established			Hasparren No Co-operative Society			
		Multiple stores	Small grocery		Large grocery	Small grocery	Multiple stores	Large grocery	Multiple stores	Large grocery	Small grocery	Multiple stores	Large grocery	Small grocery	
															Fr.
Methylated spirits . . . per litre	2.35	2.35	2.60	—	2.50	3.75	3.50	2.35	2.75	2.50	—	2.75	2.35	2.75	3.—
Cocoa, 1st quality . . . per kg.	7.60	—	10.—	—	—	—	—	—	—	—	—	—	—	—	—
Roasted coffee, superior. „	10.—	8.—	12.—	8.80	12.—	11.—	12.80	—	9.60	8.40	9.—	9.—	9.60	10.—	9.—
Chocolate Menier . . . „	6.60	6.80	6.80	—	6.80	—	8.—	—	—	6.80	—	6.80	6.80	—	—
Haricot beans . . . . . „	1.60	2.20	1.60	3.—	2.40	—	—	2.—	—	—	—	—	—	—	—
Cheese, Dutch . . . . . „	9.—	11.—	12.—	13.50	13.75	—	12.—	10.—	—	12.—	—	14.—	—	12.—	—
„ Gruyère . . . . . „	13.50	15.50	16.—	—	16.40	—	—	16.—	16.—	16.—	—	20.—	16.—	—	—
„ Roquefort . . . . . „	15.—	15.50	17.75	16.—	16.—	16.—	—	15.50	—	—	—	18.—	16.—	—	15.—
Nut Oil, ordinary . . . per litre.	3.60	4.—	3.90	4.—	4.50	4.40	4.50	3.45	3.80	4.—	4.25	4.—	4.—	4.—	4.50
„ extra . . . . . „	4.10	—	4.50	—	—	—	—	4.25	4.50	—	—	—	—	—	—
Olive oil, 1st quality . . „	7.50	—	10.50	—	8.50	—	—	—	—	—	—	—	—	—	—
Vermicelli, etc. . . . per 250 gm.	2.20	2.50	2.60	2.80	2.10	3.50	—	2.25	2.80	2.50	3.—	3.—	2.50	2.60	2.80
Cod . . . . .	0.95	—	1.—	—	1.—	—	—	—	—	—	—	—	—	—	—
Rice, fancy . . . . . per kg.	2.50	2.80	4.—	4.—	3.—	4.—	—	2.80	4.—	2.80	3.—	3.—	—	—	—
„ saigon No. 1. . . . . „	1.30	1.70	2.—	—	1.60	—	—	1.60	2.80	—	—	—	3.—	3.—	3.—
Lard, pure pork. . . . . „	5.20	—	6.—	6.50	6.50	—	—	5.50	—	—	—	—	—	—	—
Sardines, 22 mm. . . . .	1.40	—	2.25	—	—	—	—	2.60	1.80	—	—	—	—	—	—
„ 30 mm. . . . .	1.55	—	—	—	—	—	—	—	2.60	—	—	—	—	—	—
„ imp., 22mm. . . . .	1.—	1.40	1.40	—	—	—	—	—	—	1.40	—	—	—	1.15	—
„ imp., 30mm. . . . .	1.10	—	1.65	—	1.15	2.—	1.40	1.50	1.50	1.50	1.50	1.50	1.40	1.40	1.40
Sugar, lump in packets . . of 1 kg.	3.—	3.10	3.10	—	—	—	3.75	3.—	3.15	3.10	3.25	3.25	3.10	3.40	3.20
Castor sugar . . . . . per kg.	2.70	2.90	2.90	3.—	2.75	3.75	—	2.70	2.70	3.—	3.15	3.15	2.90	2.90	3.—
Petroleum . . . . . per litre.	1.40	—	1.50	—	—	1.60	—	1.40	1.60	1.60	1.70	1.70	1.50	1.60	—
Soap 72% . . . . . per 500 gm.	1.05	1.20	1.20	—	1.20	2.—	1.85	1.—	1.15	1.20	1.25	1.25	1.20	1.30	1.20
Lentils (Spain) . . . . . per kg.	2.50	2.80	3.—	—	3.20	3.—	—	2.80	2.80	2.80	—	3.—	2.80	—	3.—
Salt, fine . . . . . „	0.40	0.50	0.50	0.50	0.50	0.55	0.60	0.40	0.50	0.50	0.50	0.50	0.50	0.60	0.60
Red Wine, Midi, 10° . . per litre.	1.20	1.30	1.30	—	1.35	1.40	—	1.20	1.30	1.35	—	—	1.25	1.35	1.35
„ Gironde, 10° . . . . . „	1.30	—	—	—	—	—	—	—	—	—	—	—	—	—	1.40

the co-operative society had branches, one locality in which a branch was in process of establishment, and two localities possessing no co-operative society. In principle, and certainly at the period under consideration, the U.C.A. was in the habit of charging the same prices at all its branches. It is interesting to observe in the preceding table that, generally speaking, so far as it is possible to compare them with each other, the prices charged by retail traders increase from one locality to another in the order in which the localities are named above, that is to say, in inverse proportion to the activity of the co-operative societies. This remark can, however, hardly be applied to Anglet, which, possessing a single large grocery store, constitutes a peculiar case. In all the localities and for the majority of the articles dealt with, the prices in private trade are higher than those in the co-operative societies. It should be pointed out that, contrary to the general remark at the beginning of this note, the U.C.A., which had only recently been founded (1917) at the date of the enquiry in question, had from the beginning applied the whole of its surplus to the constitution of reserve funds, or in other words, has not distributed any dividend.

The other test, applied not in space but in time, that is to say, the ascertainment of the differences of prices prevailing in private trade before and after the intervention of a co-operative society, has also been made in all countries. The following example is taken from Hungary<sup>1</sup>. It gives, besides comparisons of prices of meat in the butchers' shops and in the co-operative society of Kiskunhalas in 1925, the prices charged by the butchers at the time when the local co-operative society first opened its shops, and their prices some months later.

PRICE OF A KILO OF MEAT IN THOUSANDS OF HUNGARIAN CROWNS

	February 1925		August 1925	
	Price charged by butchers	Price charged by Co-op. Soc.	Price charged by Co-op. Soc.	Price charged by butchers
Beef . . . . .	28	20	18	20
Veal . . . . .	32	20	22	26
Mutton . . . . .	28	20	18	20
Pork . . . . .	32	24	26	30

<sup>1</sup> From a communication received from the distributing and producing co-operative society "Hangya".

It will be seen that the co-operative society from the first charged prices considerably lower than those of the butchers, and that the latter were obliged to reduce their prices by 20 per cent. on an average. Even after this reduction, the prices of the co-operative society were still lower than those of the butchers.

It must, however, be admitted that statistical tables of prices in the presence or absence of a co-operative society do not constitute a sufficient demonstration so long as they are open to the reproach of possibly only recording coincidence. From this point of view the experiment summarised hereafter<sup>1</sup> is undoubtedly peculiarly demonstrative inasmuch as, while combining figures taken at different times and places, it contains a corrective which eliminates the disturbing elements which the modified conditions of date and place might produce.

The experiment in question was carried out by the Departmental Co-operative Society of the Orne (Normandy) in 1919-1920. The prices of 25 or 30 articles of current consumption were noted on the same day in two localities at small grocers' shops, at multiple stores, and at a large grocery establishment belonging to a Parisian firm. The operation was carried out for the first time on 28 August 1919, that is to say, the day on which the Co-operative Society opened. It was renewed on two other occasions at intervals of several months.

On 28 August 1919, that is to say, before the Co-operative Society could exercise any influence, the difference between the prices charged by the Co-operative Society and those charged by the traders in question was 31 per cent. On 2 January 1920 it was 22 per cent. and on 7 July 1920 it was only 11 per cent., still in favour of the Co-operative Society.

At the same date the Departmental Co-operative Society decided to make the crucial experiment. It purchased the same articles in two chief towns of the arrondissement in which it had no branches, and it noted that the difference between its prices and the prices of private traders in these localities was 30 per cent., that is to say, nearly the same as the difference observed ten months earlier in the localities in which it had just established branches.

Another procedure for showing the regulating action of co-operative societies on prices consists in choosing a period during which the price of a certain article followed a sufficiently continuous movement, and to observe the relative rapidity with which the prices in co-operative societies and those in private trade corresponding to or depending on the prices in movement adapt themselves to such movement.

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<sup>1</sup> See *Le Peuple*, 30 January 1921. Paris.

An experiment of this kind was recently carried out (beginning of 1925) in Switzerland on the occasion of a rise in the price of wheat <sup>1</sup>. The enquiry was conducted by the Swiss Union of Consumers' Co-operative Societies <sup>2</sup>. 227 societies took part in it, that is to say, almost all the co-operative societies engaged in the sale of bread. The last increase in the price of wheat by the monopoly took place at the end of January 1925. As every bakery keeps a certain stock of flour, and as, moreover, bread is not taxed anywhere, every holder of any such stock was free to raise the price of bread after a longer or shorter interval. The following table shows the order in which this increase took place (later in the co-operative society than in private bakeries):

During the week from	Number of localities in which increase took place	
	in Co-op. Societies	in private bakeries
1 to 7 February . . . . .	24	35
8 to 14 „ . . . . .	76	95
15 to 21 „ . . . . .	70	65
22 to 28 „ . . . . .	22	6
1 to 7 March . . . . .	12	11
8 to 14 „ . . . . .	2	1
15 to 22 „ . . . . .	1	0
No increase . . . . .	8	4

It should be added that before and after the rise the prices of bread in co-operative societies were lower than those in private bakeries as will be seen from the following table:

<sup>1</sup> The example of the German co-operative societies, especially during the period of inflation and rising prices, is well known. For an example taken during a period of falling prices see below page 21 (evidence of the Swedish commission of enquiry on the organisation of intermediary trade).

<sup>2</sup> *Coopérateur suisse*, 15 April 1925.



Prices in centimes per kg. of bread	Before the increase in the price of wheat		After the increase in the price of wheat	
	In co-operative societies	In private bakeries	In co-operative bakeries	In private bakeries
47	1	1	—	—
48	1	1	—	—
50	5	2	1	1
52	4	2	—	—
53	4	1	—	—
54	4	—	—	—
55	48	46	5	1
56	13	9	1	—
57	26	21	2	1
58	33	42	4	3
59	2	2	2	—
60	37	45	55	53
61	1	—	5	1
62	29	33	21	19
63	8	7	33	40
64	1	1	7	6
65	3	6	29	40
66	—	1	3	2
67	1	—	31	32
68	—	1	9	7
69	—	—	—	1
70	—	—	4	8
72	—	—	1	—
73	—	—	—	1
No increase	—	—	8	4
	221	221	221	220

Before the increase the co-operative societies in 115 localities (or 52 per cent.) charged more than 57 cts. per kg. for bread, whereas this price was exceeded by private bakers in 138 localities (or 62 per cent.). After the rise a similar difference is to be noted with reference to a higher price, i.e. 62 cts. This price was exceeded in co-operative societies in 117 localities (or 53 per cent.) and by private bakers in 137 localities (or 62 per cent.).

## II. ENQUIRIES UNDERTAKEN BY PUBLIC AUTHORITIES OR UNDER THEIR SUPERVISION

Information is supplied in various official enquiries enabling comparisons to be made between the prices charged by private traders and by consumers' co-operative societies. To supply information of this kind was in some cases the principal and in others merely an accessory object of the enquiry.

### ESSEN STATISTICAL OFFICE

The Essen Statistical Office, as a result of 95 enquiries made on five arbitrarily chosen days in October and November 1924, showed that the prices charged by the Consumers' Co-operative Society "Wohlfahrt" were in 74 cases lower, in 10 cases equal, and in 11 cases lightly higher than those charged by private traders. *Der Deutsche*, in commenting on these results (5 December 1924) points out that a refund of 5 per cent. is equivalent to 10.90 marks, or approximately 13 per cent. on a total expenditure of 81.77 marks.

### THE SWEDISH GOVERNMENT'S ENQUIRY RESPECTING THE PROFITS OF MIDDLEMEN IN THE FOOD TRADE

A commission was appointed by the Swedish Government in June 1920 to enquire into the operations of middlemen in the food trades, which presented a report during the summer of 1922.

The enquiries of this commission dealt normally with the nature and quantity of the articles consumed, and the organisation of the wholesale and retail trade, and with wholesale and retail prices; but a comparison is also made in the Commission's report<sup>1</sup> between the prices charged by co-operative and private traders, which is to the advantage of the former; and this fact led the Commission in its conclusions, and even in its recommendations, to pay a tribute to the value of the co-operative movement.

The comparisons in the following table<sup>2</sup> deal with the price of bread in co-operative societies and among private traders at Stockholm and Gothenburg.

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<sup>1</sup> STATENS OFFENTLIGA UTREDNINGAR 1922: 20 (JORDBRUKSDEPARTEMENTET). *Mellanhandssakkunniges betänkande angående olägenheterna vid mellanhandssystemet inom livsmedels-handeln*. Stockholm, 1922.

<sup>2</sup> *Op. cit.*, p. 64.

	Stockholm		Gothenburg	
	Co-operative bakeries	Others	Co-operative bakeries	Others
	öre per kg.	öre per kg.	öre per kg.	öre per kg.
White bread (Frankst bröd) . .	99	108	118	129
Brown bread leavened with sweet leaven (Sötlimpa) . . . . .	90	105	88	110
Brown bread leavened with yeast (Surlimpa). . . . .	64	82	42	55

In the chapter dealing with the proposed measures for remedying the difficulties inherent in the operations of middlemen in the food trades, the commission expresses itself as follows<sup>1</sup>:

“It is clear that consumers’ co-operation offers a vigorous defence against the tendencies of private trade to combine in order to keep up prices artificially. Many examples could be mentioned where large organisations of shopkeepers have been forced by the co-operative society to pull down their prices — an act which the association between them otherwise would have prevented. The great importance of the co-operative movement in this respect has been proved in a remarkable degree, particularly during the period of depreciation, when the co-operative societies, as a rule, have been the first to cut down prices.”

Two out of the four resolutions submitted to the Crown at the conclusion of the report<sup>2</sup> are favourable to the development of the co-operative movement, one suggesting that instruction on the movement should be introduced in certain convenient schools, while the other invites Parliament to vote 10,000 crowns towards organising a central board for the whole of the co-operative movement. The functions of this board would be to advise the public authorities, and also to carry our propaganda in favour of the co-operative movement, and to give instruction in the organising of that movement, one of the essential objects in view being the establishment of economic relations between producers’ co-operative and consumers’ co-operative societies.

#### ENQUIRY ON REGULATIVE ACTION OF CO-OPERATIVE SOCIETIES IN SWEDEN

As regards the regulative action of co-operative societies on prices in Sweden, a special enquiry has been carried out for the period 1924-1926 by Mr. Hugo Heymann, chief of section of the Department of Labour and Social Welfare in Sweden. The results have been published in the report of which the following is an extract:

<sup>1</sup> *Op. cit.*, p. 81.

<sup>2</sup> *Op. cit.*, pp. 91-92.

“The position of many co-operative societies is now so strong that, if it is true that they can give their members considerable advantages, it ought to be possible to trace the influence of these societies on the development of the price-level during the years that have passed since the movement first began to make more rapid progress. In other words, it ought to be worth while to compare those localities in which an active co-operative society now exists with places where the contrary is the case, i.e. places in which co-operative progress has been slow or lacking altogether. We should then have to ask ourselves the question: Do these two groups of localities now bear the same relation to each other as regards the level of retail prices as they did before the co-operative movement commenced to flourish, or have they on the contrary developed along different lines ?

“It has been possible to carry out an investigation of this kind embracing the forty different districts, towns, and boroughs from which information regarding prices has been collected for the period 1914-1926 for the official statistics of Swedish retail prices. . . .

“The list of prices concerned contains the monthly average prices prevailing in each of the places included for the chief articles of home-consumption. . . .

“Particulars of prices have been obtained both from private dealers and from retail societies. The data have been collected by agents of the Social Board and great care has been taken in the collecting and checking of the price-figures and in the necessary calculations. It can therefore be safely asserted that these figures are highly reliable, both as regards the different dates and the different places concerned.

“For the purposes of this investigations the percentaged price-fluctuations have been calculated for each article and place from July 1914 to July 1926. The various commodities have then been collected into groups and the average percentage calculated for each group: agricultural products (8 articles); groceries, etc. (11); bread (6); meat (8), and fresh fish (5 articles). Then the places have been grouped according to their geographical situation in the East, South, West, and North of Sweden, with respectively 16, 10, 6, and 8 places in the four divisions, of the country. The total membership of the retail societies in these places at the end of 1925 and their sales during that year have been ascertained and these figures brought into relation to the population of the places concerned. Where there exist in the same locality both a distributive society and one or more productive societies of a co-operative character, the sales of all these societies have been added together, but in order to avoid duplication only the number of members of the distributive society has been included in the total membership. When the information thus acquired regarding the average price development and the extent of the co-operative movement is totalised for each division of the country, the following results are obtained.

“In this table Stockholm is recorded separately, but it is also included in its own division of the country — East Sweden.

	Co-operative societies				Rise in prices (per cent.) July 1914-July 1926				
	Number of members 31 Dec. 1925 (in thousands)	Sales in 1925 in millions of Sw. Kr.	Members per 1000 inhabitants	Sales per inhabitant in Sw. Kr.	Farm products	Groceries, etc.	Bread	Meat	Fresh fish
Stockholm. . . .	30.9	27.2	69.9	61.4	34.9	31.6	67.3	78.1	65.9
East Sweden (16 places). . .	71.1	59.4	88.0	73.6	38.8	36.1	77.1	87.9	79.0
South Sweden (10 places). . .	24.2	20.2	78.2	65.1	42.6	32.8	75.4	91.7	63.8
West Sweden (6 places). . . .	13.4	11.0	44.4	36.6	43.6	41.0	103.9	96.5	80.9
North Sweden (8 places). . . .	12.1	14.2	103.2	120.9	55.7	42.1	88.7	87.1	72.5
TOTAL (40 places)	120.8	104.8	78.6	68.2	43.8	37.2	83.0	90.0	74.4

“The table shows that in the three southern divisions of the country the great progress made by the co-operative movement and the development of the level of retail prices in a direction favourable to the consumer are inter-related.

“With regard to North Sweden, it might have been supposed that its immense co-operative activity would have checked the rise in prices. A closer study of the local conditions, however, reveals the fact that the economic development of this part of the country has generally proceeded on lines differing from those followed in other parts of Sweden. Many places have experienced increasing difficulties with regard to the supply of food, owing to the rapid growth of the local population and to the fact that in the whole of North Sweden freights, which were considerably increased during the general economic crisis, have created difficulties there which have not been so severely felt in the southern parts, with their shorter transport lines of communication.

“It is therefore quite justifiable to limit the actual comparison to East, South, and West Sweden. It is quite obvious that the West is very belated in the development of the co-operative movement, and it is also worthy of remark that in that part of the country the people are at a great disadvantage as regards the price level. Of the three southern sections of the country the West shows,

in the case of each group of articles, the greatest increase in the figures. There does not seem to be any reason for this attributable to differences in economic development. These three sections of Sweden may be considered to be quite uniform and can be regarded as parts of an economic whole. With regard to quantity of food and the distances to be covered in its supply, the eastern part of Sweden must, perhaps, be regarded as somewhat at a disadvantage as compared with the two other southern parts. The conclusion therefore seems inevitable that the reason for the unfavourable development of the price level in the West is to be sought in the weaker distributive organisation, which appears clearly from a study of the co-operative figures given in the table. A detailed enquiry into the situation in each of the localities in the three divisions of the country would merely establish the correctness of this conclusion.

“The figures for Stockholm are particularly interesting. The rapid progress of the Co-operative Society in that City has apparently had a very favourable influence on food prices. A comparison not only with the totals for that part of the country (East Sweden) in which Stockholm is situated, but also with the average figures for all places combined, justifies this view.”

#### ROYAL COMMISSION ON FOOD PRICES IN GREAT BRITAIN

A certain number of enquiries have been undertaken in Great Britain for the purpose of finding remedies or solutions for the present crisis; and these reports contain information which either directly or indirectly throw some light on the comparative cost of the services rendered by private traders and by consumers' co-operative societies. The appendix of the report of the Royal Commission on Food Prices<sup>1</sup> gives tables showing the comparative prices charged by the Royal Arsenal Co-operative Society, Ltd., and the average selling prices recorded in the *Labour Gazette*<sup>2</sup> for the years 1920-1924.

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<sup>1</sup> *First Report of the Royal Commission on Food Prices*. Vol. III, Appendices, p. 97.

<sup>2</sup> Named *Ministry of Labour Gazette* since June 1922.

Date	Royal Arsenal Co-operative Society's price per Qtrn.	Labour Gazette average price per Qtrn.	Difference per Qtrn.
	s. d.	s. d.	d.
1920: April 12			
(b) Shops . . . . .	0 11 1/2	1 0 1/2	1/2
(a) Vans . . . . .	1 0	—	—
October 16 . . . . .	1 3	1 4	1
December 29 . . . . .	1 2	1 3 3/4	1 3/4
1921: January 3 . . . . .	1 2	1 3 1/4	1 1/4
February 14 . . . . .	1 1	1 1 3/4	3/4
August 29 . . . . .	1 0	1 1 1/4	1 1/4
October 14 . . . . .	0 11	0 11 1/2	1/2
December 3 . . . . .	0 9	0 10	1
1922: March 6 . . . . .	0 10	0 10 1/4	1/4
June 24 . . . . .	0 9	0 10	1
September 18 . . . . .	0 8	0 9 1/4	1 1/4
November 6 . . . . .	0 8 1/2	0 9 1/4	3/4
1923: May 17 . . . . .	0 8	0 9	1
July 1 . . . . .	0 8	0 9	1
August 1 . . . . .	0 8	0 8 3/4	3/4
November 1 . . . . .	0 8	0 8 1/2	1/2
1924: July 1 . . . . .	0 8	0 8 1/2	1/2
August 21 . . . . .	0 9	0 9 1/2	1/2
October 1 . . . . .	0 9	0 9 3/4	3/4
November 1 . . . . .	0 9	0 10	1
December 15 . . . . .	0 9 1/2	0 10 1/4	3/4

ROYAL COMMISSION ON THE COAL INDUSTRY

The Royal Commission appointed in Great Britain "to enquire into and report upon the economic position of the coal industry and the conditions affecting it and to make any recommendations for the improvement thereof" has, in its report, furnished interesting information regarding the comparative cost of distribution in consumers' co-operative societies and in private undertakings. These data are more complete than those supplied with respect to bread, as they include a comparison of the selling price per unit.

As regards costs and profits in the retail coal trade, a special enquiry was made. This covered the business of six coal merchants doing, between them, not less than 25 per cent. of the retail coal trade in London. It showed that, as compared with the pre-war period, the increase in the total margin required by retail merchants on their expenses for the years 1922, 1923, 1924, and 1925 had become "disquieting". Evidence as to corresponding margins and expenses relating to the business of retail co-operative societies was provided by Mr. A. V. Alexander, M.P., and was carefully sifted <sup>1</sup>.

The following table, taken from the Commission's report <sup>2</sup>, summarises the comparison between the costs and profits of private coal merchants and those of a typical co-operative society <sup>3</sup>.

EXPENSES AND PROFITS OF RETAIL COAL TRADING  
(Financial Year ended in 1925)

Per ton	Six London merchants		Co-operative society			
	s.	d.	s.	d.		
Cost and depôt . . . . .		35	3		33	1 1/4
Expenses:						
Cartage . . . . .	5	7 1/2			7	11 1/3
Establishment and clerical salaries	3	6 1/4			1	10 1/2
Other . . . . .	1	0 1/4			1	7
Total . . . . .	10	2	10	2	11	5
Net profit . . . . .			0	6 1/2		0 11 1/2
Selling price . . . . .			45	11 1/2		45 5 3/4

It will immediately be noticed that coal was sold at a lower price per ton by co-operative societies than in the other cases. It may also be interesting to quote an extract from the Commission's Report comparing the general costs and the profits of co-operative societies and private traders:

"The expenses of the co-operative society taken together are 1s. 3d. per ton more than those of the merchants. The nature of these expenses differ, however,

<sup>1</sup> The amount of coal supplied by the central co-operative organisations during 1925 was estimated at approximately 1,200,000 tons for the English Wholesale Society; and at 326,573 tons for the Scottish Wholesale Society. *Report of the Royal Commission on the Coal Industry*, Vol. I, Part B, p. 922.

<sup>2</sup> *Op. cit.*, p. 87.

<sup>3</sup> This memorandum, supplied by Mr. A. V. Alexander (*Report*, Vol. II, Part B, pp. 919-922), furnishes very conclusive data, applying to several other co-operative societies and, as far as it was possible to supply statistics, to British co-operative societies as a whole.



greatly in the two cases. The expenses of the co-operative society for cartage are 7s. 11<sup>1</sup>/<sub>2</sub>d. per ton as compared with 5s. 7<sup>1</sup>/<sub>2</sub>d. for the merchants. The co-operative society deals almost wholly with domestic consumers and, in general, with smaller domestic consumers than the merchants do; it has also a larger proportion of trolley work, for which wages and other expenses are higher<sup>1</sup>. A certain proportion, moreover, of the merchants' sales consists of sales, not to domestic consumers at all, but either to small retailers or to industrial concerns. The proportion supplied to small retailers, on which, therefore, a further profit and expenses would fall, is probably about 7 per cent. of the whole; as to the proportion going to industrial undertakings we have no information.

"The charges for establishment and for clerical salaries of the merchants are 3s. 6<sup>1</sup>/<sub>2</sub>d. as compared with 1s. 10<sup>1</sup>/<sub>2</sub>d. for the co-operative society; a difference of more than 1s. 7d. a ton in favour of the latter. . . .

"Finally, the co-operative society shows a profit of 11<sup>1</sup>/<sub>2</sub>d. per ton, the bulk of which is returned to customers, and is thus equivalent to a reduction of prices, as against the profit of 6<sup>1</sup>/<sub>2</sub>d. retained by the retail merchants.

"The general result of this comparison is to suggest that the expenditure of the retail merchants on establishment and clerical salaries is excessive; if all the retail trade in London could in these respects be conducted as economically as that of the co-operative society whose accounts have been examined, a very substantial margin would be available, either for reducing prices to the consumer or for increasing prices to the colliery, and so increasing wages to the miner."

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## Appendix I

### COMPARISON OF QUALITIES

The following table reproduces, from the *Sächsische Konsumgenossenschaftszeitung* (No. 11, 1926), the results of an examination made by a chemist of two samples of a product, one of which was manufactured by the German Co-operative Wholesale Society, while the other was sold by a retailer dealing in such products. Both articles were offered to consumers as of good quality. One, that of the private firm, was sold at 55 pfennig per lb., the other, that of the Co-operative Society, at 48 pfennig. The examination was made under conditions guarantee-

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<sup>1</sup> This fact was established by the result of the much more detailed information contained in the report which was submitted to the Commission by one of its members who had been requested to make a special enquiry (*Report*, Vol. III, p. 345).

ing complete impartiality, the two products being indicated by simple consecutive numbers.

Designation of product	<i>Noodles I</i>	<i>Noodles II</i>
		Purchased from a firm dealing in such articles.
Packing	Weighed loose, without original packing.	Weighed loose without original packing.
Appearance	Short ribbons, 6 mm. wide of yellowish brown colour.	Short ribbons, 4 mm. wide, yellow.
Taste of sample when cooked	Rather floury, of feeble consistency.	Eggy flavour, consistency supple.
Water after boiling	Distinctly turbid, yellow coloration.	Slightly turbid, containing only comparatively small quantities of the product cooked.
Artificial colouring	Fairly considerable quantities.	None.
Analysis	per cent.	per cent.
	Water . . . . . 12.51	Water . . . . . 10.82
	Albumen . . . . . 10.01	Albumen . . . . . 11.38
	Albumen in the dry residue 14.45	Albumen in the dry residue 12.76
	Fat . . . . . 0.95	Fat . . . . . 2.94
	Fat in the dry residue. . . 1.09	Fat in the dry residue. . . 3.30
	Refractive index of the fat at 25° Celsius . . . . . 84.8	Refractive index of the fat at 25° Celsius . . . . . 71.40
	Phosphoric acid yielded by the lecithins . . . . . 0.0011	Phosphoric acid yielded by the lecithins . . . . . 0.067
	Phosphoric acid yielded by the lecithins in the dry residue . . . . . 0.0013	Phosphoric acid yielded by the lecithins in the dry residue . . . . . 0.075
Conclusions	Contain no eggs. A watery product, not made with hard grains (refractive index too high for a small proportion of fat) but with flour comparatively poor in gluten and rich in starch.	Contain about 3¾ eggs. Good noodles made with eggs.

## Appendix II

### SOUNDING BY THE UNION OF CO-OPERATORS OF CHARLEROI

To take an example in Belgium, the Union of Co-operators of Charleroi in October 1924 compared the prices charged in each of its 17 branches with the prices of private retailers of the neighbourhood. The comparisons covered 406 purchases, or an average of 24 purchases for each branch.

The total cost of the 406 purchases was 1,900.21 francs from the private retailers, and 1,826.35 frs. at the branches of the co-operative society, or after deducting the dividend, 1,742.48 francs. The final difference in prices in favour of the co-operative society was, therefore, 157.73 francs, or 8.6 per cent.

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## Appendix III

### SOUNDINGS BY THE UNION OF CO-OPERATORS OF THE NORTHERN AISNE

The following table gives the results of an enquiry conducted by the above-named Union. The enquiry dealt with a large number of articles (38), all of current consumption and carefully ascertained quality. The comparisons were made with the shops of big private companies with many branches (multiple stores), that is to say, with undertakings operating in conditions comparable with those of a co-operative society.

According to the figures in this table the shops of the private companies sold at prices respectively 5.36, 10.58, and 8.60 per cent. higher than the co-operative societies.

Articles	One	Another	Another	Union of
	multiple	multiple	multiple	Co-operators
	store	store	store	of
				the Aisne
	Fr.	Fr.	Fr.	Fr.
Red wine (9°) . . . . . per litre	1.30	1.30	1.30	1.20
Red wine (10°) . . . . . „	1.50	1.50	1.50	1.35
White wine (8.5°) . . . . . „	1.40	1.40	1.50	1.40
Oil, extra . . . . . „	5.50	5.80	4.75	4.95
Malt vinegar . . . . . „	1.30	1.20	1.20	0.90
Wine vinegar . . . . . „	1.70	1.70	1.70	1.50
Extract of bleaching liquid (8°) . . . . . „	0.45	0.60	0.60	0.40
Petroleum, ordinary . . . . . „	1.20	1.20	1.20	1.20
Petrol . . . . . „	1.60	1.60	1.60	1.60
Soap (72%) . . . . . per kg.	3.50	3.75	3.50	3.—
Soda crystals . . . . . „	0.35	0.35	0.35	0.30
Washing powder (La Croix) . . . . . „	0.85	0.85	0.85	0.80
Washing powder (Saponite) . . . . . „	1.40	1.40	1.30	1.35
Brooms, No. 24 . . . . . each	2.60	2.60	2.50	2.55
„ (American) each . . . . . „	3.90	4.—	4.25	3.75
Coffee, No. 1 . . . . . 250 grm.	2.50	2.80	2.50	2.50
„ No. 2 . . . . . „	2.90	3.—	2.90	2.80
„ No. 3 . . . . . „	3.20	3.20	3.—	3.—
Chicory, current quality . . . . . „	0.85	0.95	0.90	0.70
Taploca, „ „ . . . . . „	1.10	1.—	1.20	1.05
Chocolate, fine . . . . . 250 grm.	1.60	1.55	1.70	1.60
„ superfine . . . . . „	1.80	1.70	1.80	1.75
„ extra . . . . . „	—	—	—	—
Candles . . . . . 500 grm.	3.20	3.30	3.—	2.90
Sardines, 1/4 22 mm. . . . . per tin	1.80	2.10	1.80	1.60
Peas, 1/4 . . . . . „	4.80	5.50	5.80	4.75
Haricot beans . . . . . per kg.	4.40	5.60	6.40	3.80
Lentils, 1st quality . . . . . „	3.90	4.—	4.—	3.60
Macaroni, extra . . . . . 250 grm.	0.75	0.75	0.75	0.75
Ground rice . . . . . per kg.	1.20	1.20	1.30	1.10
Polished rice . . . . . „	0.75	0.60	0.60	0.65
Salmon, (pink) 1/4 . . . . . „	2.60	2.80	2.60	2.60
Salmon, (pink) 1/3 . . . . . „	1.75	1.85	1.75	1.70
Langoustes . . . . . „	4.25	5.10	4.50	4.45
Coarse salt . . . . . per kg.	0.40	0.40	0.50	0.35
Lard . . . . . „	8.—	8.—	8.—	8.—
Sugar . . . . . „	3.90	3.80	3.80	3.80
Crystallised sugar . . . . . „	3.50	3.50	3.45	3.45
<b>Total amounts of purchases . . . . .</b>	<b>87.60</b>	<b>91.95</b>	<b>90.35</b>	<b>83.15</b>

#### Appendix IV

#### ACTION EXERCISED ON PRICES BY THE PRESENCE OF A CO-OPERATIVE ORGANISATION

The *Canadian Co-operator* of April 1924 states that during the winter of 1923 a ton of coal cost \$17 at Brantford and only \$16 at Guelph, where the coal department of the Guelph Co-operative Association determined the local price, notwithstanding additional freight charges of 30 cents per ton.

Similar observations have been made as regards the sale of agricultural produce. The same number of the same periodical quotes the following statement from the *Toronto Globe* of 21 March: "Evidence before the Royal Grain Enquiry Commission showed the grain dealers issued two price lists in Saskatchewan, one to meet the competition of the Co-operative Elevator Company, and the other where there was no such competition."

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