

THE CANADIAN GROCER

& GENERAL STOREKEEPER

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and General Storekeepers.

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We beg to advise readers of a change in our premises. Our office and place of publication is now at No. 10 Front St. East, next door to the Board of Trade building. This removal, itself an improvement, enables us to add many other features that former limitations of space would not allow. Correspondents or visitors will please remember the change.

SPECIAL TO OUR READERS.

As the design of THE CANADIAN GROCER is to benefit mutually all interested in the business, we would request all parties ordering goods or making purchases of any description from houses advertising with us to mention in their letter that such advertisement was noticed in THE CANADIAN GROCER.

THIS WEEK'S MOTTO:

Work but don't be worked to death—this for the clerk and salesman.

Cutting is rife among the west end Toronto grocers. One leader may have many followers, and nearly any one is influential enough to be a leader in a cutting tournament. In the west end the mischief is widespread, both in the number of stores and in the number of lines it comprehends. It is not uncommon to see many stores cutting on one line, but to see many stores cutting on many lines is rather out of the ordinary. Since disaster usually has to come in the train of such wild work, it is a pity that it frequently hits the victims rather than the authors of the evil. Members of the trade complain that they are being forced into this losing game by aggressive competitors. They either have to take part in it or else allow the inaugurator of the cutting to realize his purpose of making up for small profits by

very large sales. Every competitor who strikes his flag helps along the success of an unprincipled rival. The natural feeling is, therefore, that it is better to be a dog in the manger in such a case than a sheep in the hands of its shearers.

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The medium-sized grocery business is the one that pays. The law of profits, that the larger the business the larger are the returns holds good only up to a certain limit. Experience controverts it after that limit is reached. Several years ago it might have been true "for any value of x ," as the algebraic formula has it, but it is not to-day. The more you go above the maximum paying point, the more your profits shrink and the more your expenses grow. Hence a \$25,000 business is a more paying one than a \$100,000 business in the retail grocery trade of to-day. For a trade of the latter dimensions a man must have costly equipment, he must pay a rent of a couple of thousand a year, he must have a large staff of employees. His expenses are four times those of his neighbor who does a \$25,000 business yearly, but his gross profits are not four times as great. Therefore his net profits will not be four times as great. The less money a man has in the retail grocery trade the better, perhaps, but it is certain that a reasonable amount of capital will do more to earn profits for the retailer than a very large capital will. The law of expenses in this case is very much like the physical law in the cooling of water. The more that water is chilled the more it shrinks in volume down to a certain point, when it begins to expand as it gets into ice. Expenses in the same way shrink in comparison to the volume of the business until that volume reaches a certain magnitude. Then they begin to swell. Of course, if a man can do a \$50,000 business on a \$25,000 scale of equipment he can double his returns, if cutting

plays no part in the increase of volume, but landlords begin to think their property is worth a higher rent when it becomes the seat of such a business, a man must get more hands to attend to it, he naturally cherishes such a result of his enterprise, and is led to lay out money on it to keep up its growth, so that a \$50,000 business on a \$25,000 equipment is probably an impossibility. There is a point, therefore, at which a retailer should be content to stop, so far as volume is concerned, as, beyond that point, loss rather than gain awaits him.

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The Toronto Retail Grocers' Association could not possibly have a better recruiting sergeant than its present secretary. The membership list has increased by leaps and bounds since he took hold of it. On Monday night he brought in thirty more new members. This is not the result of merely dropping a word here and there, but is the fruit of active canvassing. Often the same man has to be visited several times before he is persuaded to permit his name to be proposed. The secretary has to represent the Association most favorably, and has to convince each grocer he brings in that it is a genuine benefit to all its members. So active a worker ought to be well supported by the Association itself. When the new members attend a meeting they should find a good full delegation, therefore, of the old stand-bys, and should be enthused by the heartiness and point of the proceedings. It will not do for old members to remain at home or stray in at nine o'clock and be present in so limited number that new members will wonder what constituted the Association before they joined. Such a lukewarm attendance is the stiffest opposition the secretary has to work against. In fact the secretary is working harder for the extension of the Association than the Association itself is.