

# THE CANADIAN GROCER

& GENERAL STOREKEEPER

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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.

Sugar sells from retail counters these days at varying prices, but nearly everywhere without profit. The situation would seem to be the reverse of what it actually is; it would seem that the advantage were for the time on the side of the demand, whereas it is on the side of the supply. Sugar has been comparatively scarce since the duty was removed, while the demand has kept strong and active and has helped to give tone and firmness to the price of raw. In such circumstances it might be expected that a reasonable profit would be added to prices by retailers, but as a rule they have been as eager to sell as their customers have been to buy, and in their desire to outdo one another have been as self-sacrificing as in days when the price did appear to be somewhat of a hindrance to trade. The sole cause of profitless prices is simply the desire to get the bulk of the trade. It is not necessary, as the people want sugar, and the country is not overstocked with it.

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The reputation which many of the trade cherish is that of being the lowest local man on sugar. That appears to be regarded as the test by which consumers try rival dealers

and according to which the placing of their trade is determined. Consequently local competitors emulate each other in selling sugar cheap. It is miserably unsatisfactory, but it seems impossible to get the sugar trade on any better basis. There is a senseless cry of "combination" as soon as the proposal is made that the traders of any locality shall agree to stop cutting prices. What is there reproachful about such a cry? What does it attribute to a body of men that in such circumstances they need be ashamed of? In what respect is union to thwart customers' designs upon your profits less moral than union to prevent the contracting of bad accounts that deadbeats run up? The playing of trader against trader for the dissipation of profits is just as much conspiracy on the part of the public as the union of trader with trader to protect profits is on the part of the trade. A name or a word should frighten nobody unless it truly imputes what is discreditable. The word "combine" is taken for granted to be an epithet of reproach, but it is one, only if it implies unions of greedy men to levy exorbitant profits on the public. The sort of union whose purpose is to stay the progress of business debility is not a 'combine' in any objectionable sense.

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The grocery trade is encountered by opposition on the part of other traders in small lines that are distinctly grocery stock. Pedlars and big dry-goods houses sell tea, while pedlars and druggists sell extracts; butchers sell butter, eggs and vegetables; dry-goods houses sell soap. Sugar is a commodity that the grocery trade has the exclusive distribution of, it makes up about 40 per cent. of the entire grocery trade, the handling of it is the most expensive item of the freight and cartage account, and the time allowed on it is the shortest that grocery jobbers will consent to on any line. All these are reasons why sugar should pay a fair profit. What are the reasons that it does not? There is simply one, and that is foolish waywardness on the part of a majority of the retail trade.

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The circumstances which prevail in the sugar trade that is done now, as they are in-

dicated above, make the business of selling it not only profitless but precarious. Add to these circumstances the facts that an unyielding wholesale price is kept up on granulated sugar, and that butter and other produce have to be recognized as cash by the country merchant, and the wonder is that the evil of selling sugar minus a profit has not worked its own cure by the number of failures it has brought about. The greater number of sales that will be made under the prices that free sugar has inaugurated will no doubt hedge in the grocery trade more closely, and either cause more thinning out or lead to the establishment of a rational basis for the retail trade in sugar.

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The more stringent terms that now obtain in the sugar trade will do good, as they will tend to have an effect similar to that of the fence which the Irishman built round a sterile tract of sand, to keep the cows out for fear they would starve upon it. If the short terms will keep newcomers out for a while, and the foregoing of profits of sugar be continued a little longer, a sifting out will take place that may be followed by reform, as the survivors will generally be men of judgment and strength who may be expected to come to an understanding among themselves to wage competition on a sound basis. They will be brought to common consent the earlier the sooner the weak traders succumb to the effects of their own reckless price-cutting.

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The cheapness of granulated sugar will increase very greatly the consumption of it. As prices have declined during the past fifteen years, the proportion of granulated consumed has grown very greatly, while the proportion of yellow in demand has shrunk. In the United States now, yellow sugar is being neglected, and the position of it is causing considerable interest. Here, the expansion in the consumption consequent upon the removal of the duty will go almost altogether to the benefit of granulated. That means that the sugar trade will be, more than ever, one on which the market will present few inequalities for the retailer to take advantage of, by way of offsetting the close prices he sells at.