

The Rights of the Manufacturer.

One of the most common means that is now used for the purpose of attracting customers to the larger stores is the advertising certain lines of standard goods at lower prices than usually charged, thus throwing out "a bait" in order to bring purchasers into the store with the expectation that these customers will at the same time buy other goods which yield a good margin of profit.

While to the general public this may appear quite right, and they may term the dealer a "public benefactor," inasmuch as he provides some goods without profit and frequently at a loss to himself, yet to the manufacturer of standard goods which have a certain recognized value, and to those who have hitherto handled those goods at a profit, and that perhaps none too large, there is a feature that suggests itself not only as to whether the transaction of business on these lines is to be considered commendable, but whether it is strictly legal.

When a manufacturer places a special article on the market he generally advertises in some way in order to attract public attention. It stands to reason that the sale of his specialty depends on the quantity as well as the adaptability of the advertising done. He has a certain price at which this article is to be sold to the public, or, as is generally termed, the consumer. He establishes a name for his preparation, places a certain price on it, and either directly or indirectly gets it into the hands of the retail dealer. We take it for granted that he has spent considerable money in giving publicity to the name and merits of the goods.

When he has the sale thoroughly established, and its fame and worth so indelibly imprinted on the minds of the public, that in the words of some well-known advertisers "they cannot do without it," someone conceives the idea of selling the article at retail, not only at exactly what it cost him; but, as is done in many instances, at less than he can actually buy it for.

It must be apparent to all that in thus lowering the price of the goods he not only depreciates its value, but also robs both the manufacturer and general retailer of their interests in the goods; the manufacturer, because it is he who has spent money establishing a name and creating a demand, while the "cutter" by his action cuts off the demand from

the retailer who wishes a profit, and who also naturally loses interest in the goods; the demand is thereby curtailed, the sale of the article practically confined to the one who will sell at less than cost, and in a short space of time the article itself will fall into more or less disrepute, and this not only from the fact that many retailers will, quite naturally, suggest the use of some other article to take its place, but also through the business method of the "cutting" merchant himself, who invariably "turns down" any article as soon as the demand begins to lessen, and pushes vigorously some other line.

Now the question arises, Is there no legal redress for the manufacturer who has spent money and ability in making a success of what he has undertaken, who has created a demand for an article, and sees that demand lessened if not almost wholly done away with, by the action of the "price cutter?" Is there no law to protect an industry legitimately fostered and carried on, and in which the proprietor has spent, it may be, and very frequently, too, his thousands of dollars? If there is not, we think our readers will agree with us that there should be, and that the maker of any standard article which has a regular fixed value, be that article a proprietary medicine, an article of household use, or wearing apparel, should be protected from the action of any business concern which, through its "peculiar ways," will cause loss to the maker, or the party who has caused the demand.

The daily press, not only in Canada but the United States, have been very active in their support of manufacturing concerns who feared injury to their business through the placing on the market goods which might displace theirs; let them now turn their attention to the grievance we speak of and make themselves felt in the interest of legitimate business, and the prevention of what appears to be legalized robbery.

O. C. P. Examinations.

The fifty-sixth semi annual examination of the Ontario College of Pharmacy will be held at the college building, St. James' Square, Toronto, on Monday, Dec. 12th, and following days. Intending candidates must send their names, accompanied by the fee of ten dollars, not later than Monday, Nov. 28th; also enclosing the necessary certificate of apprenticeship to the Registrar.

Selling a Drug Business.

No basis has ever yet been established whereby an equitable calculation can be made of the value of a business about to be transferred from one druggist to another. The arbitrary rule of a demand price most frequently prevails. Next to it is adjustment by stock-taking, and lastly, how much will you give? and, how much will you take? decides the matter. There are few business transactions take place which have less business calculations about them than deals of this kind. The fact that the seller is usually an older and more experienced man than the buyer does not justify the continued existence of methods of sale which, in the majority of cases, are anything but equitable. The basis upon which transfers should be effected should be the earning power of the business. Any business which can be shown to have netted an annual profit of 6% upon the amount of invested money, together with one and a half times the amount which the owner could fairly command in salary, should bring one hundred cents on the dollar without question. Better showings than this, which can be shown to be reasonably permanent, are fairly entitled to rank for a premium on a basis of additional interest-earning power; for instance—taking the first feature of the case where we are allowing the buyer 50% in advance of the sum he might command as salary, solely as recompense for his assumption of direct responsibility, and placing him in contact with the seller, whose business on a stock-taking basis totals \$3000, we are to find what it is worth to the prospective purchaser. Taking \$60 per month as being a reasonable salary, adding to this \$30 per month for responsibility, we find that for his labor alone \$1080 must be made annually. Add to this \$180 for interest at 6% on the outlay, and we find that by our reasoning a stock of \$3000 should yield a net profit of \$1260 per annum in order to make it worth one hundred cents on the dollar to the buyer. Again, considering the value of a business which shows a profit in excess of this estimate, it is only reasonable that it should command a premium on sale. The amount of the premium could not in all cases be determined by the dividend-earning power as though it were a stock company's business, but at the very least it should command a premium sum at least equal to the amount annually earned in excess of what is needed to