

Will It Pay?

It has recently been brought to our attention that a number of Toronto druggists have organized a purchasing league with the intention of buying special goods direct, so that the jobbers' profits might be intercepted. What the result of such an example upon the retail drug trade may be we find it difficult to anticipate, but a consideration of past history along similar lines does not warrant us in expecting united action for a very lengthy period, even though the executive officer may be a marvel of good nature. We recall to mind an instance of a similar character, where one of Toronto's most prominent druggists undertook to purchase a quantity of special goods for distribution amongst his surrounding, *confreres*, and who, because he included postage and incidental expenses which he incurred in the transaction in his statement to each, brought upon himself very adverse criticism rather than thanks.

We can readily understand that two druggists can deal together in perfect faith, but when the number increases the confidence diminishes and trouble begins.

There is no law to prevent the existence of organizations of this kind, nor yet any claim to advance why they should not exist except that of expediency, and, of course, the latter is a matter of opinion. We feel, however, that the principle is scarcely fair to the regular jobber, as the warmest advocate of associate buying will admit that the jobber and not the manufacturer is entitled to first consideration. Toronto jobbers, as well as the jobbers of Canada generally, have always loyally stood by the retail druggist even when temptations to secure large accounts from outside sources were put in their way. The jobber has to carry a very large stock, to deliver in very small quantities, to grant extended time for payments, or to give large discounts, to do practically what the retail trade demands of him, and after loyally doing his duty finds he is cut off by those who should be his friends.

If the retailers club together to practically cut out the jobber, he certainly cannot be blamed if he disposes of his goods by any means that come in his reach, so long as he can conserve the interests of his own pocket.

The condition which would be apt to ensue if the good understanding which has so long existed between wholesalers and retailers should be broken up, would, we think, generate a condition much

worse than now exists, and demonstrate the fact that organized buying by retailers did not pay.

Does Your Business Pay?

The above query is one of very great importance to every druggist, yet it is one which is rarely determined upon a calculation basis. The majority drift along paying rent, help, taxes, insurance, ordinary incidentals and frequently interest on debt, without sitting down to sum up where the expenses are likely to lead them to. Very many who seem to be doing a large business are in reality more than exhausting the profits by maintaining a chance system of come easy, go easy. The druggist who conducts his business upon hit or miss methods is not a business man and does not deserve to succeed. The expenses to be incurred and the profits to be derived can be so accurately estimated and calculated upon that no one can be excused for being able to tell from day to day whether his business is paying or not. Taking an average business as an example we will endeavor to exhibit a method of determining expenses and profits.

Taking for granted that the business is free from debt and worth three thousand dollars we will make an approximate estimate as follows:

	PER ANNUM.
Rent	\$240 00
Help	300 00
Taxes	30 00
Insurance	40 00
Light	35 00
Fuel	40 00
Repairs, changes, and incidentals...	50 00
Loss by bad debts.....	50 00
Neglected entry of credit sales	20 00
Advertising.....	25 00
Total.....	\$830 00

Considering that the average sales of such a business will reach annually \$4,000, and that 35 per cent. may be calculated upon for gross profit, the sum to be realized will be \$1,400. Deducting from this the sum of \$830 expenses, a net profit remains of \$570; deducting from this again the sum of \$150, the value of the money invested at 5 per cent. per annum, we have the handsome sum of \$420 remaining as salary for the investor.

Does the business pay? We think not if our calculations are anywhere nearly correct, and we think our expense account is within rather than over the mark.

As an illustration at any rate, it may be used for comparative purposes, and if a better or more accurate method of determining the value of a business can be

adduced we shall be happy to publish it. The question to each reader is a practical one. Try and solve it.

The Shorter Hours Bill.

This bill, which recently passed the Legislature of the State of New York, and was subsequently signed by the mayor, has been killed by the action of the governor of the State, who refused to sign it.

The intention of the bill was to regulate the hours of service of the drug clerks of the city of New York, and was promoted by an ex-drug clerk, but one whom the opponents of the bill claimed was not a registered clerk and not a responsible party.

The bill was strongly opposed by nearly all the leading druggists and pharmaceutical organizations, and seems to have found favor principally amongst trades-unionists. The following are Governor Roosevelt's reasons for not signing the bill, and it will be observed he warns the drug proprietors as to what might happen:

"After carefully investigating this matter and getting reports from a large number of disinterested outsiders who have sought to find out on the ground not only the equity of the case, but the feeling of the clerks interested, I have come to the conclusion that on the whole less injustice will result from waiting another year for the proper method of relief than would result from signing the bill in its present shape. The drug clerks are hopelessly divided on this bill, and a very large number of them feel that if signed it would probably work a serious hardship to them by the way of interfering with their days off and even with their vacations. There is no question that there should be shorter hours for drug clerks, and that in some cases at present hardship results from the length of hours. There is further no question that many of the proprietors have behaved with extreme short-sightedness in opposing any proper measure, and should they continue in the attitude of mere obstruction it will probably result in the necessity of accepting any measure, no matter what conditions it may contain, rather than to submit to total lack of relief; but it is certainly wise to give one more chance for the passage of a proper measure, and it is to be hoped that the advocates of the relief will realize that the passage of a measure too drastic in form simply jeop-