

# 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.

The Patrons of Industry are not incorporated. They are only a set of individuals in the eye of the law, and the closest voluntary organization cannot make them a collection having the rights and responsibilities that legally attach to one person. No special legislation is needed to make an individual eligible for his part in anything he puts his name to. The name is his, and it binds him if he signs it, but a name that a group of persons adopt as a common term must be legalized and its scope defined, before its stamp can hold the group answerable for anything they contract. Legal incorporation fuses them as it were into one body, to which all the constituent members then owe legal duties. Incorporation makes an association of persons an individual in the eye of the law. But the Patrons of Industry are yet only a loose assemblage of persons, as destitute of any bond of legal unity as the particles of limestone from which the carbonic oxide gas is expelled are destitute of chemical unity. The Patrons of one lodge are not knit together into anything that it would be safe to make a contract with. One lodge is not

more legally bound to a neighboring lodge than if they did not profess the same thing.

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A shrewd business man will weigh this fact before he goes into any agreement with the Patrons. The officers may give what verbal guarantees they will, that all the members will deal only with the merchant who signs their contract, but what power have the officers to enforce that agreement? It rests only upon the honor of individuals, and in such agreement honor seems to be little more than a name for the resultant effect of the whims of the members. Also, what legal redress has the merchant if the Patrons carry out their contract but partially? And if his trade ebbs away until he does about one-tenth of what he did before he capitulated to the Patrons, can he obtain damages from the Patrons? Oh no. In the absence of this legal competence, can he persuade the officers to put to the agreement their names instead of the name of the order and the lodge? Let him once try. These wary managers of a co-operative buying club are not so optimistic upon the question of the honor of their fellows as to take upon themselves responsibility for what their fellows have promised. The foolish trader who makes terms with the Patrons has no guarantee that is worth a straw in business, that he will get all the trade which is pledged him. He may assure himself, however, that there is a very great deal of it that will filter through the agreement by way of many sieve-like consciences which are associated together nominally to uphold it.

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Patron merchants are evidently seldom prepared to stand or fall by the support which the local lodge enters into a covenant to give. Those merchants want to get all the trade they can from non-Patron customers, and they will certainly find that they need all such outside business as they can

lay hold of, if they make due allowance for the restrictions upon their profits and for the escaping custom that goes by one course or another to other stores. Hence, with a modesty that does credit to their cupidity, they very generally make a secret of their connection with the Patrons. The favored customers kindly engage to preserve the secret but it always leaks out. The necessity of making the contract a covert transaction is apparent to both parties. The Patrons see that the fact of their connection with any given merchant is likely to prejudice his standing with wholesalers, who are apt to regulate their confidence in proportion as the retailer looks after his profits. If the retailer's facilities for getting goods are likely to be limited by a contract with the Patrons, the latter are likely to perceive the wisdom of shielding the secret of such connection as much as possible. The merchant himself, on the other hand, aims to catch what non-Patron trade he can, and it is discreet to keep a close mouth about his being in league with neighbors of non-Patron customers to give the former always better bargains than the latter.

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The need of incorporation may not be so seriously felt just now, as farmers have more money, or more money's worth in grain, than they have had for many years. They can therefore make a better attempt to carry out the cash requirement on their side of the contract than they usually can. But when money begins to get scarce, where will the retailer be who has tied his fortunes to a few consumers, a cash basis and 12½ per cent. profit? He will be in a very precarious position. Wholesalers want the cash always from a man who does a professedly cash business; if such a man cannot pay the money down for his goods, they are apt to reason that he never can pay, for he is not supposed to have any assets in book ac-