

# The Commercial

WINNIPEG, MARCH 26, 1888.

## THE SUGAR COMBINE.

The alleged sugar combination has lately received a great deal of attention from the Eastern Canadian press, since the matter has been undergoing investigation by the committee on trade combinations. The sugar combination is simply an agreement between wholesale grocers and refiners, whereby the latter are pledged not to sell to wholesale grocers who in turn sell at a less price than has been established by the wholesale grocers' guild. The combination is a result of the ruinous custom of selling sugar at or less than cost. Owing to keen competition in the trade, wholesale grocers were practically handling sugar for nothing. This was certainly a very unprofitable and undesirable state of things. In such an important item as sugar, it is only just that dealers, both wholesale and retail, should make a reasonable profit. The custom of selling this commodity often at an actual loss, is simply absurd. In order to remedy this bad state of affairs, the Dominion Wholesale Grocers' Guild took the matter in hand and attempted to regulate prices for sugar so as to supply a small profit. In order to prevent wholesale grocers from selling at a less price than that fixed by the guild, an agreement was made with the refiners, to the effect that the latter were to sell only to members of the grocers' guild, except under certain conditions. The guild undertook to furnish refiners with a list of the wholesale grocers who adhered to the scale of prices fixed by the associated grocers. All grocers who would not be bound by the prices fixed by the guild, were to be charged  $\frac{1}{4}$  cent per pound more for granulated sugar, by refiners. Shortly after the first agreement was made between the Grocers' Guild and the refiners, the grocers asked that  $\frac{1}{2}$  cent extra per pound be charged to grocers outside the guild, as the first arrangement had not had the desired effect in preventing the selling of sugar at a loss. This advance, however, was not adopted. The wholesale grocers made an arrangement with the refiners that they should charge an advance to the retailer of  $\frac{1}{4}$  cent a pound on lots of fifteen barrels or more, and of  $\frac{3}{8}$  cent a pound on

smaller lots of granulated sugar. This it could not be said was an exorbitant profit, amounting to about 4 per cent. over expenses. Yellow sugars were not included in the arrangement. The 4 per cent. advance is the figure estimated by the grocers' guild, on granulated sugar alone. Taking entire sales of yellow and granulated sugars the estimated profit was 2 per cent. Those opposed to the guild estimated the profit on granulated sugar allowed by the agreement at 5 to 6 per cent. It will, therefore, be seen that taking sales of all classes of sugar the wholesalers are only making a profit of from 2 to 3 per cent. as the maximum. The arrangement at present existing between the wholesale grocers and the refiners is to the effect that grocers who are not members of the guild, must pay  $\frac{1}{2}$  cent more per pound for granulated sugar, payment within fourteen days, without the  $2\frac{1}{2}$  per cent. discount for cash. Given the guild grocers.

Whatever objection may be taken to the sugar combination, on principle, it cannot be said that the result of the agreement has been to place an excessive profit on sugar. The price at which the refiner sells is in no wise affected by the combination. The only extra cost to the consumer is the small profit of say four per cent. on granulated sugar, now made by the wholesale grocers, that is providing that previous to the agreement they were selling at cost. The profit is certainly a legitimate one. A wise wholesaler would not sell his goods on time to a dealer whom he knew systematically practised the custom of selling at less than cost. So far the refiners are interested in encouraging the movement to stop the unbusiness-like system of handling sugar at a loss, which was doing so much to demoralize trade. There certainly appears to be a violation of principle in this sugar combination, the idea being that certain wholesale grocers are thereby given an advantage over others. The agreement practically amounts to a partial application of the principle of "boycotting," which cannot but be looked upon as an illegal action. On the other hand no great hardship has been caused to the public, and the result has on the whole been beneficial in establishing greater commercial security.

## COMMERCIAL UNION.

Interest in this important question has been revived by the lecture delivered at Winnipeg lately by Mr. Erastus Wiman,

of New York, under the auspices of the board of trade. The keen interest which is taken in this question was demonstrated by the very large attendance at the lecture, the large hall being packed by the highest type of a Winnipeg audience, previous to the hour at which the lecture was advertised to commence. Marked attention was given the speaker, and the frequent outbursts of most enthusiastic applause seemed to convey the impression that if those present were not in active sympathy with the Commercial Union movement, they at least appreciated the lecture and the importance of the subject. As no resolution was brought forward either for or against Commercial Union, and nothing but a simple vote of thanks to the lecturer was moved, the exact feeling of the meeting as to the merits or demerits of Commercial Union could not be ascertained. If enthusiasm and attention could be taken as an indication, it could be said that the audience were almost unanimously favorable to the subject. This idea does not, however, necessarily follow, and besides, it is known that many who extended such a hearty welcome to the eminent Canadian-American, are undoubtedly opposed to Commercial Union in principle.

However, there is no doubt but that in the present state of affairs in the West, Commercial Union would be welcomed by a considerable portion of our population. Many perhaps who do not believe in Commercial Union in theory, would undoubtedly prefer such an arrangement in preference to the policy of monopoly and isolation forced upon this country by the Dominion. The "trade policy" of the Dominion Government has undoubtedly driven a great many of the people of Manitoba and the West to look favorably upon this Commercial Union question. Anything to break the policy now forced upon the West, is the statement of many, and most undoubtedly Commercial Union would be a thousand times preferable to the continuation of monopoly and isolation. If, therefore, the people of this part of Canada are favorable to Commercial Union, the "trade policy" of the Dominion is largely accountable for it. To the Manitoba farmer the fact that during the past winter wheat has been bringing from four to six cents higher just across the boundary in Minnesota and Dakota, is a stronger argument in favor of Commercial Union, than anything which can be said against it. Railway monopoly has there