

# 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.

## OUR MONTREAL OFFICE.

Our Montreal Office is located at 115 St. Francois Xavier St. Our representative, Mr. G. Hector Clemes, will be pleased to have subscribers and advertisers call upon him there. He will also pay special attention to gathering business items and attending generally to the interests of this paper.

## TRADE HOTHOUSES

There are many dealers who feel that the local demand does not turn auspiciously toward their stores, and that if they trust to its uninfluenced action their trade will vegetate too slowly. They are right, the demand has to be wooed. The gentle dew from heaven does not deposit its distilled drops indiscriminately, and neither does the demand which creates trade go blindly hither and thither. True it is, often capricious, but there is method in its caprice. There are certain definite conditions necessary to give the demand a steady drift towards any one point. There must be people to buy, the store must be inviting, the stock must be all it is claimed to be, weight and measure must be full, the service must be efficient and courteous, and the business must be advertised.

But traders dissatisfied with their business do not always look into their situation to see if all these conditions are to be found in it. If trade is dull, or if custom steadily holds its face towards other shops, there is a very general proneness on the part of the neglected traders to use a little artificial stimulus. They will let down prices in some one or more leading lines, and either take away custom from their competitors, or make

the latter forego a portion of their profits. They will make trade by the hothouse method, and the trade they thus develop will be as delicate and sickly a product as the plant reared within the high temperature of its glazed environment. The only way to keep such a trade in existence is to keep it in the hot-house. Prices must be kept unnaturally low or the trade will dwindle away.

There are traders doing business of whom it might be said that the hot-house principle is the first law of their commercial being. Their profits are in inverse proportion to their custom. The greater the custom the smaller the profits necessary to run business, is their motto. If this is true, then it ought also to be true, that the less the custom the larger the profits required to run a business. The hothouse men, then having a body of custom that makes low profits suffice, their opponents must have a body of custom so much the smaller that proportionately higher prices must be asked, and thus the competition becomes a one-sided affair. And when the trade of a locality thus loses its equilibrium, when the heavy part of it gets concentrated on the weak point, there is nothing to be looked for but loss, and perhaps a general collapse. One big establishment run on the principle of diminishing profits with increasing trade has been known to make a financial wreck of its locality. It will run its rivals into failure, and when a few of these go to pieces, they pull into the vortex other traders in the same town who are their creditors, and thus wide ruin ensues. The strife for trade ought to be regulated for the good of trade, otherwise the mere disturbers of trade will be the rulers of it. There are two regulating agencies at work: association and wholesale combination. Which will ultimately quench the hothouse furnace?

## CAUSES OF FAILURE.

In a young country, so vast as this in its resources, the extent of which are almost unknown, and are only at the beginning of their development, there is room and to spare for every class of men who are willing to work for a living. There is no need for any business or profession to be overcrowded, if in making their choice the young men would select the occupation best suited for them. Unfortunately our youths have to make a start in life at such an early age that they are not properly qualified to judge for themselves, and their parents in many cases through not having the advantage of as good an education as their children, do not understand how to choose for them, so that too many drift into a path of life they are not fit to travel in. We see no remedy at present for this evil, in so far as the business prosperity of the country is concerned, unless our leading merchants, more especially our wholesale merchants, take the matter in hand and use their influence, in the form of combinations or otherwise to stop the overcrowding of commercial centres, small and large, with ambitious, but incompetent young men, and put out of business all who have had a fair chance and failed to prove a success.

The various schemes that have been suggested for the distribution of bankrupt stocks in such a way that they will not hurt the legitimate trader are impracticable. Combinations seem to be the order of the day, and no doubt have worked a certain amount of good to some of our manufacturers, by preventing their goods from being sold at unremunerative prices. Would it not be possible to organize and work a combination that would insure to the legitimate retail merchants a living profit? The retail merchants cannot form one that will work successfully,