

Retailers and Prices

Price Deflation Is Well Under Way, and It Is to the Interest of the Retailers to Govern themselves Accordingly, as many, though Very Far from All, of Them, Are Doing.

By A STAFF CORRESPONDENT.

The process of price deflation, now nearly two years overdue, has at last set in and in earnest. In the view of the man in the street everybody is now cognisant of the fact—except the man who wants to sell you something. For there can be no doubt that the retailer, these days, is coming in for a good deal of criticism from a large body of the consuming public, by reason of his alleged unwillingness to "take his medicine", or, in other words, to accept his share of the sacrifice inseparable from the process of price deflation. Nor can there be much doubt, either, but that such criticism is taking on a very practical form in the way of abstention from buying.

Is criticism of this kind justified—in Montreal, for instance? I put this question, the other day, to a Montreal man in a large way of business and singularly well placed for having his finger on the pulse of retail trade conditions. His answer was, substantially, to the effect that "it all depends"—depends very largely on the individual retailer, on his capacity to read the signs of the times aright, and on his willingness, and, perhaps, in some cases, his ability, to govern himself accordingly.

Adequate Reductions Are Far From Universal.

"Certain staple lines", he said, "have been the subject of drastic wholesale price readjustment. In many such lines, there has been an undeniable and strongly-marked tendency to accommodate retail prices thereto. But, at the same time, nobody who keeps his eyes open in Montreal—and I do not suppose that conditions of this sort differ very much, either in kind or in degree, from conditions in other cities in this country—can fail to be aware that not all the rank and file of retailers, not all by a very long way, have had the vision to perceive the good sense of price tag revision.

"One reads a good deal about special bargain sales and so forth, and a good deal also of what purport to be frank declarations of new price policy. But much of this has to be taken with a grain of salt. I do not mean that one cannot find evidences that many firms are offering what would have been 'bargains' a year, or even six months, ago, or that many firms are not really adopting a new policy of price adjustment. But all the same, it is apparent that a large number of retailers are still waiting to see their shelves cleared at the usual retail-wholesale spread, however high the initial costs.

"Take the case of clothing. It is possible to buy a suit of clothes or an overcoat at certain stores in the city at two thirds of the price demanded at certain other stores for a suit or an overcoat no better in quality or in any other respect. One big store in

Toronto is actually advertising certain lines of clothing at half the price at least at which you could buy the same lines at any store in Montreal. Or again, look at boots and shoes. In some stores in this city, one will find a considerably higher price being asked for a pair of boots than that at which one can buy identically the same make and style at other stores. Such things show that there are still quite a number of store-keepers who are, in these days of price deflation, pinning their faith to moth-eaten tags."

The Partial Abstainers.

At any rate, a large body of the general public are partially abstaining from purchasing on the normal scale because they believe that retailers are not participating, as generally as they should, in deflation sacrifice. The fact of this partial abstention is notorious. The public have been suddenly converted from extravagance to thrift. Moreover, they are today informed, to quite a surprising extent, on the career of wholesale prices. No doubt, in many cases, they expect of the retailer something not far removed from the impossible. But they are pretty resolutely determined not to take a chance on being victimized. And, when in that mood, they can be quite as obdurate as any store-keeper. For, when they are put to it, or when they think they are put to it, they can display—in fact, many of them are, at this moment, displaying—a capacity for eking out things which is little short of amazing and which, multiplied by many thousands, may ultimately be portentous.

An Example From Boston.

"The new declarations of price policy," a retailer, who has himself adopted a policy of drastic price revision, said to me, "are uncovering a certain number of price-buying opportunities, notably in clothing. But, even in clothing, while the manufacturer and the wholesaler have both done pretty well as regards price readjustment, the retailers have only gone in for thorough price deflation in certain instances and in certain line. In very many cases, they have not yet sufficiently realized that the artificial boom that affected trade during the war has subsided and that the price or cost of an article has once more assumed the prime place in the consideration of the buying public. The artificial, unhealthy extravagances of war-time has disappeared. No longer is the dollar being thrown to the birds as a thing of no account. The public will not stand any longer for profits on the basis to which many retailers, as well as manufacturers and wholesalers, have grown accustomed in the last three or four years. Profits will have to be very much narrower—and the retailer who does not like

this idea will have to learn (in homely phrase) to lump it.

"In this country we have had no semi-organized 'buyers' strike," as they have had in many cities in the United States. But the public are holding off from buying and the effect is much the same. At Boston, the "buyers' strike" is said to be broken, so far as men's clothing is concerned. The very through-going reduction sales of men's clothing have given, according to the information which reaches me, a phenomenal impetus to buying on the part of the general public. A more general and more thorough reduction of prices of commodities here—and not alone, or even chiefly, of clothing, as to which some considerable reductions have been made, as said, in certain instances and in certain lines—would elicit a similar general response from the buying public."

The "Smithereens" Cry.

In spite of all the talk of the "smithereens" into which prices are alleged to have been smashed, the ordinary householder knows that a good many articles cost as much as ever. The bountiful apple crop has not sufficed to take apples out of the luxury class. Despite an almost phenomenal corn crop, canned corn is no cheaper. Tea, it is true, has gone down in price. So has sugar. With regard to the last mentioned article, sugar refiners took their loss and are selling at \$11 per 100 lb. bag less 5 per cent for cash, sugar which many of them bought at \$15 and \$20 a 100 lb. bag. But in many lines of groceries very little decrease in prices is apparent. One wholesaler told me that he had observed a tendency on the part of some retailers to hold off from buying in proper quantities and just buy from hand to mouth while not adequately reducing prices to the consumer.

Another wholesaler gave it as his emphatic opinion that a very large number of retailers were acting foolishly in not doing everything that was humanly possible to them in the way of price deflation. Those who are doing their utmost along this line, he said, are doing what all must inevitably do sooner or later—making the best of it.

The Way of Prudence.

"After all," he went on to say, "all along the line people have to take their medicine. The retailer can't avoid taking his. He may hold on, for a time, thinking to get another wheeze out of that High Cost of Living at Christmas, because in the genial atmosphere of Yuletide buyers are not wont to cavil much at prices. But I fancy Christmas shoppers are scrutinizing prices more closely now than they have ever done. Those who have banked on Christmas shopping to get rid of their stocks at inflated prices are trusting to a broken reed. It is not pleasant for the retailer to think of selling his stock at a very narrow margin or even some slight loss. Admittedly, too, in many cases, he cannot make a sacrifice on quite the scale of large corporate interests, by reason of lack of capital. But, still,

the retailer ought to have accumulated reserves, while the trade boom was on, to enable him to deal with the situation in the way prudence dictates.

"Unquestionably that way is to get rid of his stock at prices that the public will find attractive, even if they are unremunerative to him. Time is money. The longer goods are kept on shelves, the larger the loss of income. The man who is hanging on to his old stock because he refuses to accept his share of price deflation will probably find himself forced to sacrifice it in competition with cheaper new stock—and to sacrifice it at a price which will be all the lower because it is old stock.

The Human Element.

"Then, too, it must be remembered that the human element enters into the case. The retailer is an entity to the consumer in a way that neither the manufacturer nor the wholesaler is at all. Those store-keepers who are making prices attractive are getting the goodwill of the public in a way which will stand them in good stead another day. Further than that, their action will enable them to restock at what may turn out, in many lines, to be very low prices."

But whatever reasons there may be for the retailer adopting a slash-pricing policy in something more than name, it is obvious that the fact that he has not hitherto done so in sufficiently large numbers has but reacted very detrimentally on trade generally. People are refusing to buy as they normally would buy. Goods are not flowing from factory to store as they should normally flow. Consequently large numbers of factory and other workers are either "laid off" or are working half time only. These and their families are not in a pecuniary position to spend much in stores. Look at it what way one may, the good sense and sound wisdom of a drastic policy of tag revision should be apparent to the retailer.

THE NATIONAL WAY TO QUEBEC VIA QUEBEC BRIDGE.

Canadian National Railways night train to Quebec City via Quebec Bridge "The National Way" leaves Montreal (Bonaventure Station) 11.15 P.M. daily arrives Quebec (Palais Station) 6.15 A.M. Returning leaves Quebec (Palais Station) 11.55 P.M. and arrives Montreal (Bonaventure Station) 7.10 A.M.

Electric lighted sleeping cars of most modern design are operated in each direction.

For further particulars, apply to Ticket Agents, Canadian National—Grand Trunk Railways.

MONTREAL — SHERBROOKE Via Grand Trunk Railway Service.

The Montreal-Sherbrooke Service of the Grand Trunk Railway System provides a choice of convenient trains for Christmas travellers. You may leave Montreal 8.30 a.m. and 8.20 p.m. daily and 4.16 p.m. daily, except Sunday. There is a parlor car on the 4.16 p.m. train. Returning, the traveller may leave Sherbrooke 3.16 a.m. and 3.00 p.m. daily and 8.05 a.m. daily except Sunday. The 3.15 a.m. train has a sleeping car for Montreal which is ready for occupancy at Sherbrooke at 10.00 p.m. the previous evening. The 3.00 p.m. train has cafe parlor car.