

DO NOT
XEROX

THE CANADIAN GROCER

& GENERAL STOREKEEPER

PUBLISHED WEEKLY
\$2.00 PER YEAR

Published in the interest of Grocers, Packers, Produce and Provision Dealers
and General Storekeepers.

Vol. VI.

TORONTO, JANUARY 29, 1892.

No. 5

J. B. McLEAN,
President.

HUGH C. McLEAN,
Sec.-Treas.

THE J. B. McLEAN PUBLISHING COMPANY,
FINE MAGAZINE PRINTERS

AND
TRADE JOURNAL PUBLISHERS.

HEAD OFFICE: 6 Wellington West, Toronto.

MONTREAL OFFICE: 115 St. Francois Xavier St.
A. J. Ritchie, Manager.

NEW YORK OFFICE: Room 105, Times Building,
Roy V. Somerville, Manager.

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 independent retail traders of the country have a right to object to their wholesalers doing business with Patron store-keepers. Their objection is not based on any tolerance they expect from wholesalers; it is based on a rule of trade that the wholesalers profess to be bound by. That rule is, that they do not sell to consumers. In selling to Patron merchants they violate the principle of this rule, for the Patron merchant is nothing but a consumers' broker, bound to buy for an association of consumers on a commission of 12½ per cent. upon the money invested. He is simply the agent of the people who ultimately get the goods, and as such, does not put the consumers on any different footing of eligibility to buy directly from wholesalers than they are on as unorganized purchasers. Unorganized consumers are supposed to have no privileges at wholesale warehouses, and their orders it would be a breach of a covenant with the retailers to accept. Why should their orders be more acceptable through the medium of

a broker than through the medium of themselves? There is no difference corresponding to the distinction.

* * *

The retailer who preserves his independence does not ask the wholesalers to back him up in a commendable course. As a man of backbone he deserves such support, even if he had no claim to it as a matter of right. It is doubtful, however, if either sentiment or principle will be very heavily taxed in his behalf; the man who brings the order and appears likely to pay for the goods will get them somewhere, whether his neck wears the yoke of the Patrons or not. There are Patron merchants already, and they find no difficulty in getting stock; it is doubtful indeed if they ever were refused on the ground of their connection with the association. This is something the retail trade should bring home at once to the mind of the wholesalers. The latter are making themselves the competitors of their own deserving customers when they forward supplies to any Patron store that does business within range of any free store. This ought to be discontinued, first, because the wholesalers are committed to the principle of not opposing their retail customers by selling to consumers; second, because it is in the interest of wholesalers to uphold retail profits; and third, because such a consumers' association as the Patrons is a business anomaly. The retailers should not be left alone to fight the Patrons. The wholesalers not only withhold their support from the steadfast men of the retail trade, but they lend their cooperation to the other side by selling to the Patron merchants.

* * *

The short-sightedness of such a course as that of supplying Patron stores ought to be apparent to the wholesalers and dissuade them from pursuing it. Cash is a good thing, but in the present circumstances of Canadian economy it presents too narrow a basis

for trade. If the wholesaler were asked to choose between the results of trade upon an exclusively cash basis on a margin of 12½ per cent. retail profit, and trade upon a basis that would accommodate itself to the circumstances and eligibility of the purchasers for credit, with perfect freedom among retailers, there is little doubt that they would unhesitatingly choose the latter. If trade were tied to the one motive-power of ready money, it would shrink to much smaller proportions than those of to-day; it would also be slower. The effect of the Patron movement would thus react upon the wholesalers, who are making themselves parties to a big contraction in the volume of trade, as well as a shrinkage of profits, when they supply Patron merchants.

* * *

The matter may be brought before the Guild by the self-interest of wholesalers, if the right conjunction of circumstances is brought about in a few cases. If a wholesale house that has long had a good customer in a particular place, finds that his orders fall away to a mere shadow of their former volume, and discovers the reason to be that his competitor—the customer of a rival house—has gone over to the Patrons and got all the local trade, there will naturally be enough chagrin felt over the loss of a good customer to call forth a protest against the cause of this loss. Thus the new form of the old evil—the selling directly to consumers through Patron agents—will be likely to come up for another outburst of righteous denunciation, and some check may be given to the evil. Happily the evil is not likely to obtain a strong foothold. The Patrons cannot get themselves established permanently or generally, and as they cripple every man who takes them up, it is probably the best plan to let the merchants who tamper with them run their course. If these merchants who are so ready to sell their commercial liberty, are permitted to get goods the same as usual, they will get through the measure of their humiliation, but it would be merciful of the wholesalers to save them this experience by firmly refusing to sell goods to them.