

PUBLISHED
WEEKLY
\$200 PER YEAR

THE CANADIAN GROCER

& GENERAL STOREKEEPER

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

Vol. VI. TORONTO, JANUARY 22, 1892. No. 4

J. B. McLEAN, President. HUGH C. McLEAN, Sec.-Treas.
THE J. B. McLEAN PUBLISHING COMPANY,
 FINE MAGAZINE PRINTERS
 AND
 TRADE JOURNAL PUBLISHERS.
 HEAD OFFICE: 8 Wellington West, Toronto.
 MONTREAL OFFICE: 115 St. Francois Xavier St.
 G. Hector Clemes, 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 Patrons want cheap goods. Are they proceeding in the right way to get them? Here is their argument: There are too many retailers; if we cut off the consumptive demand from one-half or three-fourths of them we shall drive one-half or three-fourths of them out of the trade; prices will be lightened by the reduction in the cost of distribution which will ensue. They reason that the public will get much cheaper goods, prices easing under the removal of the extra profits formerly levied for the support of the people unnecessarily engaged in trade. That is, the fewer the traders are the cheaper the prices will be, an inversion of the law of competition. Monopoly then must be a nursery of cheapness. Of course the Patrons can say that their position is not reducible to the last proposition. Though the number of traders is cut down, yet the profits of those traders are prescribed by the consumers, and thus they point out, is held in check the tendency of relaxed competition to advance prices. But this provision amounts to nothing, and it is childish to put any faith in it. The one thing that the Patrons can control is the

margin of profit that the subservient trader shall be allowed. They cannot control the price, and the more they thin out the ranks of the retailers the more unmanageable will prices become. Have these Patrons so slight an acquaintance with the trade question as not to see that the body of the retail trade exerts, by the very force of its numbers, a powerful downward pressure upon prices? Lighten or remove that pressure and prices will shoot up. The Patrons are constantly crying out against wholesale combines. They would cry out more against them if the retailers' influence did not intervene to modify the prices that combines might be pleased to place on goods.

* * *

As was remarked in a former article, the retailer is regarded by the patrons solely as a seller, and in this character is obnoxious to them. But he is also a buyer and in this relation is beneficial to the consumer. For the retailer in the present circumstances of trade must lose a large share of his profit in the friction of competition. He cannot get what he feels is a reasonable compensation for his services, his outlay and his risk. He knows it is useless to try to force selling prices up to the point he considers profitable. His resource is therefore to force buying prices down. And when an army of retailers are all operating for the same object, and have a wide field of wholesale ground to work on, they cannot help but depress prices considerably below the ideas that wholesalers wish to realize. The buying competition of the retailers benefits consumers as much as the selling competition of the retailers does. The more traders there are in a place the more will they vie with each other to get bargains in the wholesale market, and the more they will prevail, to the great advantage of consumers. Take the Wholesale Grocers' Guild. If there is any body of men in this country that might be credited with the

power to dictate prices, surely it should be. It is strongly organized, its members are pledged and bound to uphold prices and terms, yet that association is very powerfully affected by the retail grocery trade. Would it be, if that trade were extinguished and its place taken by one-fourth or one-fifth the number of agents of consumers? It certainly would not. The disappearance of free local competition would make the Guild the arbiter of prices in a degree that its members never hoped for.

* * *

The Patrons take a very shallow view of the price question. They forget that the retail trade is but one layer, and that the forces that make for large profits do not reside in that layer but in ones below it. The retail trade is really the conservator of easy prices. If it should be abolished—which of course it will not be—there will be an era of high prices for the infatuated people who destroy it. No quicker means could be taken to hasten the reign of unrestricted monopoly. The Patrons' storekeepers will not be on the side of low prices as the free storekeepers are. The former want to get as many dollars out of their 12½ per cent. margin as it will yield them, and the higher the prices the larger sum will that 12½ per cent. amount to. The Patron trader can eke out a little on high cost prices, as the independent retailer can on low cost prices. He will be in the service of Monopoly, which will then have both the wholesale and the so-called retail trade enlisted in its cause. The farmers have now a big advantage, and too many of them are aware of it for the Patron movement to come to much. They perceive that goods are sold at low prices, that ready money is not necessary to get possession of them, and that the war of traders is altogether a great benefit to consumers. They will not surrender this for the mirage that is to be seen through Patron glasses.