

WHOLESALE GROCERS' ASSOCIATIONS.

Willett & Gray, New York, in their weekly "Statistical," say:—These associations for the regulation of the grocery trade have not, in every instance, proved equal to the solution of the sugar problem, which has occupied their attention for a year or more. The New York City and vicinity and New England associations have come the nearest to a satisfactory basis. Their members have been dealing in refined sugar under an arrangement by which they receive from the American Sugar Refining Co. a commission or rebate of $\frac{1}{2}$ ¢. per lb. from their bills, in addition to 1 per cent. cash discount and 1 per cent. trade discount, provided they do not sell, either directly or indirectly, within the boundaries of the Association, any of the sugars specified in the bill, for less than the daily prices conveyed to them by the Wholesale Grocers' Association. As more than 90 per cent. of the wholesale grocers of these districts belong to the Association, the remaining non-members do not greatly interfere, and on the border of the territory where no Association agreement exists, competition of non-members is met by the sale of sugars not entitled to the $\frac{1}{2}$ ¢. rebate. The business of obtaining the 90 per cent. membership, and of competition with non-members devolves entirely on the Associations. No grocer who is not a member of the Association is at any disadvantage in buying sugars of the American Sugar Refining Co. (Association members are billed sugar at $\frac{1}{2}$ ¢. higher than non-members.) These grocers take the $\frac{1}{2}$ ¢. per lb. rebate, and are satisfied to distribute to their customers for that commission, knowing full well that while they can maintain a profit of $\frac{1}{2}$ ¢. per lb., without danger of violation of agreement, any increase of this rebate would be attended with greater risks. The Pennsylvania grocers are working to perfect a similar arrangement. Why is not the movement extended throughout the United States? Simply because wholesale grocers without such associations are unable to agree among themselves on what they want. The American Sugar Refining Co. appear ready and willing to act in conjunction with them for the distribution of their product, if limited to a reasonable profit, believing that by judicious arrangement the consumption of sugar can be largely increased, and the cost of manufacture thereby diminished, to the advantage of the sugar consumers. Selfish motives of a minority have thus far prevented united action of the wholesale grocers in many states, and may continue to defeat the wishes of the majority. While the American Sugar Refining Co. could conform to the trade regulations made by a grocers' association, it is absolutely impossible for any arrangement to be made between the American Sugar Refining Co. and the grocers' direct. Refined sugar is often sold by grocers

without profit, and at less than cost, in order to draw trade in other articles. Almost every grocer has special views of his own on the subject. These were drawn out in detail last year, and show that even the associations have a difficult task to harmonize all interests. The aim of the American Sugar Refining Co. is, first and last and all the time, to cheapen sugar per lb. or barrel, by increasing the consumption to the largest extent, thereby reducing the cost of manufacture. In every effort to this end they are in hearty accord with the wholesale grocers.

CUTTING PRICES.

In our last issue some remarks regarding violations of the one-price system appeared. This week we wish to say a few words about the very common practice of cutting prices, although perhaps it is not in our power to add anything of an original nature to the arguments that have been used pro and con in discussions of this much debated subject. The most common cause of price-cutting, as is well known, is the starting up of new stores in districts already well supplied with them. The new beginners argue that the most effectual inducement they can offer the consumer is low prices, the number of the stores already in existence being a bar, in their opinion, to any hopes of success based upon the usual inducements of good goods, prompt and attentive service, etc. Yet it will usually be found that specially low prices on certain articles are a less tempting bait to the most desirable class of customers, than are superiority of quality or general attractiveness of the store. Sometimes the consequences of a cut in prices are quite peculiar. Recently in a certain city of this State a former grocery clerk bought out the business of a competitor of his employer. The store was situated in a part of the city where the residences of people of fair means closely approached a block of tenements in which a number of quite indigent people found a habitation. The new proprietor started off very prudently with a fine stock of goods and a much better assortment than his predecessor had carried. Especial attention was given to quality, and a finer grade of several kinds of goods, notably green fruits and vegetables, was to be had there than at any of the competing stores. The result was quickly seen in a more extensive patronage of the store, the best people in the neighborhood predominating. But, alas, owing to an unfortunate thirst for a still larger share of the custom of the district, the young grocer began to cut prices, and strange to say, his competitors ignored the new departure and maintained their rates unchanged. Within a month, instead of cutting deeply into the trade of his rivals, the young proprietor had attracted all the poverty-stricken inhabitants of the quarter by his tempting prices, and lost all of the better class of consumers. The spectacle of unkempt women, with shawls over their

heads, poking into the fruits and vegetables displayed in front of the store, and pinching and prying the articles, was too much for the more wealthy portion of the community, and they left the grocer to his new-found patrons. This is an experience that was less disastrous than many "cutters" suffer, but we know of none that more clearly shows the folly of slashing prices. Here is a dealer who discovered an edged tool with which he was about to do wonders—the result was that he merely cut the connecting links between his store and the only desirable custom in the vicinity, and, in fact, played right into the hands of his competitors. This experience we can vouch for, as it came directly under the writer's observation. So much for the foolish beginner who is generally responsible for the most serious form of price-slashing.

As regards the competitors of the "cutters," as a rule our advice would be: Take no notice of the cutting. Our own experience as a close observer of retail trading for a number of years has convinced us that there is more danger of business failure through following some other dealer's lead in cutting prices, than in adhering to previous rates—always provided that said rates are not exorbitant. Indeed, the most disastrous failures that we can recollect as occurring in the retail grocery business have been superinduced by cutting, and we have never heard of a case actually due to a persistent adherence to a reasonable scale of charges in the face of extensive cuts by other dealers.—Merchants' Review.

MATCHES THAT SELL.

H. A. Nelson & Sons report a strong demand for their Railroad and Steamship Matches. Orders speak louder than words, and it is gratifying when they speak in such a chorus as that which has been calling for these matches since they were put on the market. H. A. Nelson & Sons lay the popularity of their matches to their merit and cheapness. The fact that the matches can be retailed at 10¢. a box is a strong point in their favor, and traders who buy the Steamships in 10 case lots can afford to retail them at that price. They have introduced card board boxes instead of the old style wooden ones. This, in itself, is a considerable saving to the dealer, they weighing only 60 pounds against the old style 85 lbs. On the back cover page of this paper, readers can see an illustration showing exactly how they are put up. These card bound boxes are very attractive goods on the shelf. Messrs. H. A. Nelson & Sons will be pleased to receive a sample order from any dealer who has not yet handled their brands.

The Legislative Committee of the Toronto Board of Trade met on Monday morning to continue its labors with the proposed Insolvency Act.