



**THE CANADIAN GROCER**  
& GENERAL STOREKEEPER

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and General Storekeepers.

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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.

From the body of the Canadian grocery trade, for the time being at all events, the spirit of speculative buying appears to be all but completely exorcised. Dealers are rarely beguiled by the temptation of easy prices to buy far in excess of present requirements or in advance of the present demand, even though prices may be pluming their wings for a bold upward flight. The traders have not the money for effecting these master-strokes of speculation. The calls upon them for payment of the invoices necessary to keep current business going are too urgent and close together. Their business is on a legitimate footing, and unless the profits accumulate sufficiently to make a fund for speculative investment, that mode of making money must be left alone. The capital of creditors will no longer be risked, as the terms allowed by wholesale grocers debar retailers from engaging any of it in such ventures.

The disposition of the trade appears to second the tendency of the terms. Buying, even for current wants, is quite timid, small parcels are the rules and the chances in favor of paying a lot of small freight bills instead of one large one, representing the delivery

of as much stock at a lower aggregate of carriage cost, are risked. The uncertainty of fluctuations is probably as much in favor of holding off as of stocking up, and thus speculative considerations of a negative sort may be at work among the causes of the caution. Also the amount of retail capital yet locked up in book-debts enforces limited buying. Until there is pressure or encouragement for the farmer to sell, the tendency of the pressure on the retailer will be to buy very carefully. The ease with which additions may be made to stock in these days of abundant railway facilities co-operates with the other agencies to make the retailer's purchases frequent rather than large. Few are so remotely situated as to be unable to lay in any needed supplies at three days' notice. Without the carrying facilities we have today, the establishment of the present terms by the wholesale grocery trade must have been an impossibility. Hence available freight accommodation is but an indirect cause of less speculation its direct effect being rather in the determining of the terms than in checking buying in advance of needs. Where a man had to get, in one shipment, all the goods he needed for six months ahead, he could not be expected to furnish payment one or three months after purchase.

As a result of this virtual suppression of speculative buying, the failures in the grocery trade have this year represented a smaller aggregate in amount, though probably the number of failures have not been fewer than the average. But they have been the sort of failures that were expected. The majority who succumbed this year were traders whose capital or experience were inadequate to sustain the business against the severe conditions imposed by the wholesalers on the one hand, and the difficulties of collecting on the other. Those were the sort expected to follow the setting up of rigid

terms, and their failure, though regrettable on their own account, is beneficial to the trade, which undoubtedly was overcrowded. The sum of losses is rarely swollen by the large forfeit of a trader who has staked his solvency upon the issue of some striking move of speculative investment. That cause is gradually disappearing from among the reasons for assignments. Consequently, continuance in business is due now to capital, management, or commercial hardihood.

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This is no sterile change. It must be productive of effects of the utmost value to the trade. The most important outcome of it must be the attendant necessity of getting a profit on goods sold, to compensate the trader for the decline of venturesome buying, and the restriction of credit allowed to his customers. Already there seems to be less cutting than there used to be, while credit is here and there being limited, if not to shorter time, at all events to particular classes of goods and to selected customers. This is not general, but it is occasional, which of itself is hopeful. General merchants are reported to be getting more and more into the habit of insisting upon cash for all groceries, or for such groceries as they are themselves held to short and strict terms of payment for.

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During the current year a conservative course was demanded by the scarcity of money in the country. The latter portion of the year has been especially dull, and the big sugar purchases of midsummer made later drafts upon the finances of the trade that in some cases were hard to meet. With country traders much of the sugar was exchanged for butter, for which the market remained inactive for some time after the payment for sugar was due to the wholesale trade. For the past month, however, good butter has been profitable stock, and even if carried from August was salable at from two to four cents above the prices paid for it. Throughout the fall the trade have bought sparingly, and are biding the period of suspense between harvesting and marketing with assuring tenacity.