## THE SUGAR AGREEMENT SUSPENDED.

The wholesale grocery trade of Ontario has finally cut the painter which held nearly all its members to the sugar combine. The sugar agreement is cancelled for the time being, at all events, and within the limits of this province. The local Guilds of the province of Quebec, however, remain parties to it. The influences which led to this step being taken have been noted from time to time in THE GROCER. Outside the Guild, throughout the whole period of its existence, were wholesalers who sold by direct quotation at lower prices than the agreement would allow its adherents to sell at; inside the Guild, especially since the beginning of 1891, there has been a systematic course of evasion resorted to to nullify the restrictions imposed by that agreement. A rebate in the form of a sacrifice on yellow was the most familiar device for overcoming the difficulty, and yellows came to be very generally sold at a loss. The price of granulated was nominally intact, though it was by adjusting the gain on that to the loss on yellow that equilibrium was preserved. One very guileful way of cutting prices on granulated was that of making a losing bet of $5. Travellers have been known to make this bet with a retailer, that he dare not buy 15 barrels of granulated. Of course the retailer would either not bet or else he would buy and win, thus getting 15 barrels at $5 less than the cost at the list price. In one form or another violations have been common for a long time back. All efforts to correct them proving unavailing, the list was finally abandoned.

Granulated sugar is now sold at 4½c. by Toronto wholesalers, and can be had from some of them at 4 7-16c. In New York it is 4⅛c., or just 5-16c. lower. A year ago granulated sugar was 6⅞ to 7c. on this market, and as small lots can now be bought on as easy terms as 15-barrel lots, the comparison between the price of a single barrel in Toronto now and the price a year ago stands thus: as 4 3 16c is to 7c.; that is, granulated is now more than 2½c. lower than it was a year ago. And the raw market is stiffer now than it was a year ago. The removal of the duty and the abandonment of the list have fretted away the difference. The effect must be to throw increased consumption upon granulated. What would further tend towards the same effect is the advance in the price of yellow, which was quite generally sold below cost to induce business in granulated. The free price of granulated can now be depended upon to do that sufficiently, and more money will have to be paid by retailers for yellow. Already the lowest price very commonly quoted is 3⅝c. With granulated down ½c. and yellow up ⅛c., or ¼c. in many cases, the prices of the two descriptions come about ¾c. more closely to each other than they were before. With this approximation in price, the difference in value in favor of granulated is greatly increased. In the country, however, yellow will no doubt remain in stronger demand than granulated, as there is a senseless idea that it has more strength. Heretofore the yellow sold to the country trade was about three times as much as the granulated sold to the same trade. In this city about 60 per cent. of the consumption of sugar went to granulated. It was the extent of the volume of yellow taken by the country trade that made the cutting upon it so serious a matter. If granulated had been the free-priced sugar and yellow the listed sugar, the agreement might probably have held out longer.

It is reported that the Hamilton wholesale grocers are talking of forming a combine of their own upon sugar, and that they are considering a scheme that shall include both granulated and yellow. Their division of the Cuild is said to have been less disposed to drop the list than were Kingston and Toronto.

There is no saying how long the present arrangement will hold. It cannot but be hardest upon those who made cutting a specialty. The chance is it will last, for once the wholesale traders get apart it will be hard to bring them together again. They will probably be as ready to continue to sell granulated at cost as to resume business in yellow at cost, though the quantity of granulated sold will no doubt be greater than it was before.

## THE RETAILER'S MARGIN IN LIMITED PRICES.

Manufacturers who, owing to monopoly or combined arrangement, are able to dictate prices to the trade, ought to consider the interests of retailers, which they will usually find are closely identical with their own. They sometimes hit upon prices that they would reject if they perceived that such quotations provoked to, rather than restrained from, cutting. And anything that tempts the retailer to cut prices works against the efforts of manufacturers to limit prices. That ought to be thought of, and the motives of self-interest ought to be appealed to to enlist the retail trade as much as possible in the support of a uniform price. It makes it all the more difficult for manufacturers to maintain the parity of prices among themselves if they have constantly to resist the mining of those prices by cutting from below. The retail trade ought to be considered and frequently consulted, therefore, before steps are taken to prescribe or alter any price.

In certain figures there appears a fatal attraction which overcomes quotations that are very close to them. Prices will stop at these figures, or even sag back to them when they ought to be stiffly stayed on the upper side of them. Take 5c. for example. Any goods that are intended to be sold at 5⅛c., or even 5¼c., will be very commonly sold at 5c. The history of the trade in granulated sugar shows this to be the case. When it cost the grocer 4⅞c. at the point of shipment, it was sold very generally at 5c. per lb. Even when it cost 5c., exclusive of freight and cartage, there were not wanting dealers who retailed it at 5c. There are many articles brought too close to the line of danger by the price the manufacturers set on them. Starch, for instance, at 4⅞c. is sure to be sold at 5c. Anything that divides by 5 is an ugly quantity to get very close to and pass. After 4½c. is reached no jump should be taken on the under side of 5c. The next should be 5¼c. If the margin appears too great to be equitable, average up the price by limitations or extensions upon the time it is to stand. After 5¼c. has held for a sufficiently long time to realize as much profit as would be made on a 5c. profit, go back to a 4½c. basis. Or since it is hard to foresee a change in the cost of production, do not move up prices at once when a fundamental cause of advance begins to tell upon cost. Let the low prices last a little longer to offset the big stride that is to be made when the advance does come.

## THE CUT IN STARCH.

The withdrawal of the British America Starch Company from the agreement made with the other manufacturers and the Guild was not followed by any marked demoralization in prices. In fact, the other two concerns—the St. Lawrence Company and the Edwardsburg Company—showed patience and discipline that are seldom exhibited in similar circumstances, the usual accompaniment of a break on the part of any party to a combine being a general collapse in prices. It has not been so in this case, the British America Company being allowed to proceed as it listed until a meeting of the Guild was held on Monday. The issue of that was an arrangement which enabled the wholesale grocery trade to sell at prices that allowed of their competing with those of the British American Starch Co. The reduction to the retail trade on prices of the starches of those two companies lower the values on their former lists ½c. per lb. on all grades as noted below. We understand this arrangment has been arrived at by the factories and wholesale trade, both contributing to the reduction, the former in prices and the latter out of the discount which formerly they had for distributing the goods.

ST. LAWRENCE STARCH CO.

| | |
|---|---|
| Culinary Starches— | |
| St. Lawrence corn starch | 6¾ |
| Durham corn starch | 6 |
| Laundry Starches-- | |
| No. 1, White, 4 lb. Cartons | 4½ |
| " " Bbls | 4⅛ |
| " " Kegs | 4⅛ |
| Canada Laundry | 3¾ |
| Ivory Gloss, six 6 lb. boxes, sliding covers | 6 |
| Ivory Gloss, fancy picture, 1 lb. packs | 6 |
| Patent Starch, fancy picture 1 lb cartons | 6½ |
| Ivorine Starch in cases of 40 pack. | $3 |

EDWARDSBURG STARCH CO., LIMITED, MONTREAL.

| | c. ₱ lb. |
|---|---|
| No. 1 White, 4 lb. cartoons | 4½ |
| Canada Laundry | 3¾ |
| Silver Gloss, crates, 6 lb. boxes | 6 |
| Silver Gloss, 1 lb. chromos | 6 |
| Satin Starch, 1 lb. chromos | 6½ |
| No. 1 White, brls. and halves | 4⅛ |
| Benson's Canada Prepared Corn | 6¾ |
| Canada Corn | 6 |
| Rice Starch, 1 lb | 8¼ |