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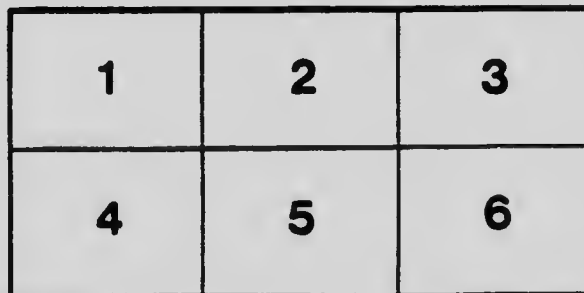
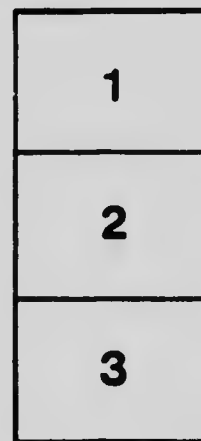
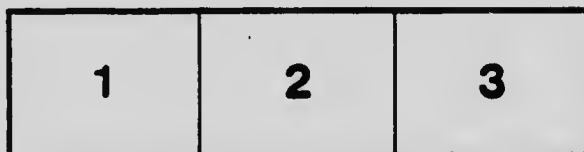
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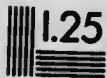
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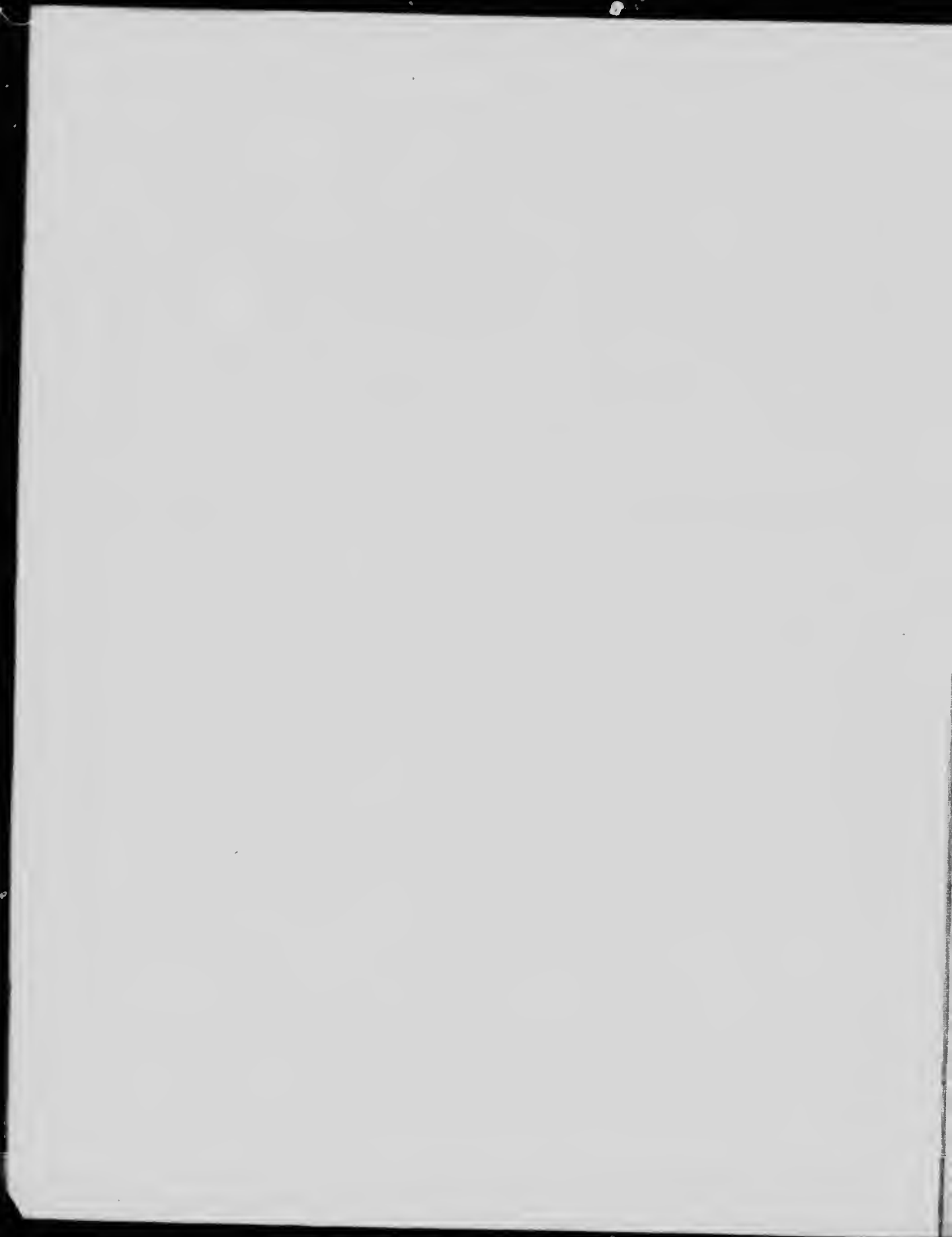
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MINUTES OF THE CONVENTION

**ONTARIO
WHOLESALE GROCERS'
GUILD**

HELD AT THE KING EDWARD HOTEL,
TORONTO

APRIL 25th, 26th, 27th and 28th, 1910

IN THE REIGN OF KING EDWARD VII.

"The Canadian Grocer" says:
"The most unique Grocery Trade
Convention in Canadian history."

IN YOUR OWN
INTERESTS KINDLY
READ CAREFULLY FROM
COVER TO COVER

Every Traveller
should read
the Minutes

THE RIGHTS OF
MANUFACTURERS,
WHOLESALE
AND RETAILERS.
See Page 81



ONTARIO
WHOLESALE GROCERS' GUILD

MINUTES
OF THE
CONVENTION

HELD AT TORONTO, ONT.
KING EDWARD HOTEL

ON APRIL TWENTY-FIFTH, TWENTY-SIXTH,
TWENTY-SEVENTH AND TWENTY-EIGHTH

1910

FOR PARTICULARS OF CONTENTS
SEE INDEX ON LAST PAGE.

000695

INVITATIONS

WERE EXTENDED TO THE FOLLOWING

- His Honor, the Lieut.-Governor for the Province of Ontario. The Hon. J. M. Gibson.
The Premier for the Province of Ontario, The Hon. Sir James P. Whitney.
The Hon. Sir Richard Carlwright, G. C. M. G., P. C., Minister of Trade and Commerce for Canada.
The Hon. W. Lyon Mackenzie King, G. M. G., Minister of Labor for Canada.
Wm. N. McNaught, Member of the Legislature for Ontario.
The Officers of the National Wholesale Grocers' Association of the United States.
The President of the Canada Wholesale Grocers Exchange.
The Officers of the Provincial Guilds and Exchanges for British Columbia, Alberta, Manitoba, Quebec, New Brunswick, Nova Scotia, Prince Edward Island, and Cape Breton.
The Manufacturers of Canada with whom the Ontario Wholesale Grocers do business (71 invitations).
The Representatives of the Retail Merchants' Association throughout the Province of Ontario (125 invitations).
The Wholesale Grocers (members of the Guild and otherwise) in the Province of Ontario - and their salesmen.
"The Canadian Grocer" and Toronto Press Representatives.

PROGRAMME COMMITTEE

- Hugh Blain, Thos Kinnear, A. H. Paffard, Toronto.
F. T. Smye, H. C. Beckett, Hamilton.
J. M. Dillon, London.

INVITATION COMMITTEE

- F. T. Smye, Geo. E. Bristol, H. C. Beckett.

OFFICERS

- W. G. Craig, President.
F. T. Smye Vice-President.
Acting Secretary for Convention, H. C. Beckett.

THE FOLLOWING WHOLESALERS WERE PRESENT :

BELLEVILLE

Geo. M. Bennett }
 A. J. McLaren } Representing The J. E. Walmsley Co., Ltd
 John Sloan }
 Frank Sloan } Representing John Sloan & Co.

BRANTFORD

A. G. Olive }
 O. E. Truesdale } Representing Geo. Foster & Sons, Limited.
 Geo. Wall } Representing Geo. Wall & Sons.

BROCKVILLE

J. H. Gilmour Representing Gilmour & Co.

COLLINGWOOD

M. P. Byrnes Representing T. Long & Bro., Limited.
 F. F. Telfer Representing Telfer Brothers, Limited.

GUELPH

J. Howard Simpson Representing The Simpson Co.

HAMILTON

F. T. Smye Representing Balfour, Smye & Co.
 Geo. E. Bristol Representing Geo. E. Bristol & Co.
 H. C. Beckelt }
 H. N. Kittson } Representing W. H. Gillard & Co.
 A. D. Lumsden Representing Lumsden Bros.
 J. N. Gow Representing Macpherson, Glasco & Co.
 Samuel Vila Representing James Turner & Co., Limited.

KINGSTON

R. J. Carson Representing R. J. Carson.
 W. G. Craig Representing W. G. Craig & Co.
 M. S. Sutherland Representing Fenwick, Hendry & Co.

LINDSAY

W. B. Sparling Representing W. B. Sparling & Co.

LONDON

Wm. Turnbull	Representing	Edward Adams & Co.
John Marr	Representing	Elliott Marr & Co.
T. B. Escoll	Representing	T. B. Escoll & Co.
John Garvey	Representing	John Garvey & Sons.
M. Masuret	Representing	M. Masuret & Co.
A. M. Smith	Representing	A. M. Smith & Co.

NORTH BAY

A. Foster, Jr.	Representing	A. J. Young, Limited
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NEW SOUND

W. G. McLauchlan	Representing	McLauchlan & Sons Co., Ltd.
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PETERBOROUGH

William Ince	Representing	Perkins, Ince & Co
Thos Kinnear	Representing	Thos. Kinnear & Co

PORT ARTHUR

W. P. Riley	Representing	The Riley-Ramsey Co., Ltd.
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ST. CATHARINES

Frank Bentham	Representing	The W. H. Merriman Co.
Fred. R. Parnell	Representing	John Ross.
John Ross	Representing	

STRATFORD

C. McIlhargy	Representing	The Stratford Wholesale Grocery Co., Ltd.
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TORONTO

A. H. Paffard	}	Representing	The Davidson & Hay, Limited.
Wm. Logan			
J. F. Eby	}	Representing	Eby-Blain, Limited.
W. P. Eby			
H. D. Eby			
J. W. Borsbery			
Hugh Blain			
H. T. Wilson		Representing	Groceries, Limited.

J. G. Humphrey	}	.	.	Representing	F. W. Humphrey.
D. H. Ward					
F. W. Humphrey					
Thomas Kinnear	}	.	.	Representing	Thos. Kinnear & Co.
J. Medland					
Charles Parsons	}	.	.	Representing	Medland Bros.
P. H. Brown					
W. Ince					
Jas. Ince	}	.	.	Representing	Parsons, Brown & Co.
John Sloan					
Frank Sloan	}	.	.	Representing	Perkins, Ince & Co.
F. C. Armstrong					
				Representing	John Sloan & Co.
				Representing	Warren Bros. & Co., Ltd.

THE REPRESENTATIVES OF THE MANUFACTURERS PRESENT
WERE AS FOLLOWS:

	REPRESENTING	PLACE
Wallace Anderson,	Acadia Sugar Refining Co.	Halifax
H. S. Burke,	American Tobacco Co.	Montreal
R. L. Innes,	Aylmer Condensed Milk Co.	Aylmer
Robt. Wallace,	Battle Creek Toasted Corn Flake Co., Ltd.	London
J. Ruddy	Brantford Starch Works, Ltd.	Brantford
W. H. S. Cane,	The Wm. Cane & Sons Co., Ltd.	Newmarket
J. Hewitt,	Canadian Shredded Wheat Co., Ltd.	Niagara Falls
E. G. Henderson,	Canadian Salt Co.	Windsor
A. E. Thomson,	Canada Sugar Refining Co.	Montreal
Harry Clark, }	William Clark, Meat Packer	Montreal
Bert Clark, }		
N. Cowan,	Cowan Cocoa Co.	Toronto
H. C. Scully,	Christie Brown & Co.	Toronto
W. W. Barrett,	The Wm. Davies Co., Ltd.	Toronto
W. Keeble, Manager, }	C. David & Co., Agents Oxo	Toronto
W. G. Dixon,		
R. Matley,		

R. L. Innes, } David Marshall, }	Dominion Cannery, Limited	Hamilton
C. H. Rogers,	Dominion Salt Co.	Sarnia
H. S. Bourke,	Empire Tobacco Co.	Montreal
G. H. Benson,	Edwardsburg Starch Co., Ltd.	Montreal
J. P. Atkinson,	N. K. Fairbank Co.	Montreal
Wm. Dobie, } G. H. McFarlane, }	E. W. Gillett Co.	Toronto
Robt. Henry,	British Columbia Packers' Association	Vancouver, B. C.
Geo. Bird,	B. Houde & Sons	Quebec
G. H. Ramsay,	Imperial Tobacco Co.	Montreal
H. S. Bourke,	Imperial Tobacco Co.	Montreal
C. Knight,	Lever Brothers, Limited	Toronto
T. W. Dodds,	Walter M. Lowney Co.	Toronto
Frank Magor,	Magor & Co.	Montreal
Wm. Carroll,	Malla Vita Pure Food Co.	Toronto
Henry Wright,	McLaren Imperial Cheese Co.	Toronto
John Miller,	Pugsley, Dingman & Co., Ltd.	Toronto
B. B. Hardwick, } A. B. Hardwick, }	James Pyle & Sons	New York
W. S. Greening,	Pure Gold Mfg. Co.	Toronto
R. J. Macdonald,	Quaker Oats Company	Peterborough & Chicago
H. W. Smyth, } J. C. Rose, }	Rose & LaFlamme,	Montreal
F. Dane,	St. Charles Condensing Co.	St. Charles
J. S. Wallace, } Henry Wright, }	St. Croix Soap Mfg. Co.	St. Stephen, N. B.
Arch. Hutchison,	St. Lawrence Starch Co., Ltd.	Port Credit
W. G. A. Lambe,	St. Lawrence Sugar Refining Co.	Montreal
Geo. Stanway,	Geo. Stanway & Co. (Rep. J. H. Todd & Sons, Vancouver, B. C.)	Toronto
A. P. Tippet,	Arthur P. Tippet & Co.	Montreal
R. S. McIndoe,	Truro Condensed Milk Co.	Truro, N. S.
W. J. Brigger,	The T. Upton Co.	Hamilton
Jas. Wagstaffe,	Wagstaffe, Limited	Hamilton

RETAILERS PRESENT

There were 98 retailers representing the Province of Ontario present, but unfortunately the clerk in charge of the registration of the retailers did not get a complete record, and it regretted by the Ontario Guild that through this oversight it is impossible to print the names of all those present. Among those at the meeting were the following :

F. W. Forde, Ottawa.	J. A. McInloch, Hamilton.
R. S. Adams, Millbrook.	James Main, Hamilton.
Joseph Staples, Lindsay.	J. O. Carpenter, Hamilton.
T. A. Fisher, Lindsay.	C. E. Stone, Cannington.
E. T. Marsh, Trenton.	M. Moyer, Toronto.
Wm. Cameron, Hepworth.	D. McLean, Toronto.
D. A. Hill, Waterford.	S. W. Hall, Toronto.
James Vair, Barrie.	J. H. Walker, Toronto.
John A. Fraser, Barrie.	J. S. Bond, Toronto.
William York, Ottawa.	E. Chapman, Toronto.
Duncan Bell, Ottawa.	A. White, Toronto.
Arthur G. Johnson, Ottawa.	D. W. Clark, Toronto.
William Potter, Chatham.	J. W. Nettleton, Toronto.
William A. Casselman, Wyebriidge.	J. F. Holloway, Toronto.
Beverley McDonald, Picton.	T. E. Robson, Toronto.
W. I. Hogarth, Ingersoll.	F. C. Hignins, Toronto.
John P. McLeod, Ingersoll.	E. M. Trowern, Toronto.
Albert Powers, Picton.	C. W. Summers, London.

FIRST DAY

MONDAY, APRIL 25th

MORNING SESSION.

Meeting was called to order by the President, W. G. Craig.

ROLL CALL.—This was attended to by the Acting Secretary, all delegates subscribing their names, a list of which will be found on pages 4, 5 and 6.

The President then called upon Thomas Kinnear to address the meeting.

ADDRESS OF WELCOME

MR. THOS. KINNEAR said: It gives me great pleasure, on behalf of the local Exchange of Wholesale Grocers, to welcome to Toronto the members of the Wholesale Grocers' Guild of Ontario.

This is the age of conventions and conferences. Fifty years ago men went on from year to year, doing business in their leisurely way without much thought or care about what their neighbors were doing. "To-day," owing to the pressure of competition, it is found necessary to meet and discuss the best methods of doing business. Everyone will, I think, recognize the legitimacy as well as the necessity of such conferences, and the advantage to all who are engaged in the trade, whether wholesale or retail, because the better and more modern the methods the better for all concerned.

These meetings have not been held for two years owing to the unfortunate litigation into which we were forced and the delay in getting judgment. That judgment was entirely in favor of the Wholesale Grocers' Guild and stated in plainest terms that we had done nothing contrary to law. I would like to say here, that it seems unjust that one or two men should be able to bring about such a litigation and force into heavy costs men who are carrying on business in a legitimate way. I need not say anything about the merits of our case beyond this, that so far from "unduly restricting and hurting trade," what we aim at in the Guild is to act only in the best interests of the wholesale merchants and of the retail as well. So long as the wholesaler is a necessity as a distributing agent—and he is a necessity—so long will it be to the advantage of the retail trade that he remains strictly a wholesaler. I believe that the intelligent retail merchant will recognize this too.

We are not an army of powerful autocrats, who meet to make laws in an arbitrary fashion for our own enrichment, regardless of any interests outside our own: we are a very important and very necessary factor in the commercial life of the country, and we desire to live and let live.

I venture to say there is no class of men engaged in the pursuit of commerce that has a more meagre return for the amount of capital invested, the amount of risk undertaken, and the amount of energy expended, and were it not for the strictest attention to business and the employment of the most economical methods, the wholesale grocery business at the present time would not be worth while.

The present condition of trade is very encouraging. In the existing prosperity we will naturally have a share—but to have a share is not enough—we hope also to do our share as commercial men in helping to promote the welfare of this great and growing country. How long present conditions will last it is impossible to forecast. It looks as if the tide had turned towards the Dominion and we were just at the beginning of a period of unprecedented activity and prosperity.

We welcome you again to our city, the Queen City of the West, and we hope that your deliberations will be for the benefit of the trade generally and that you may have a very pleasant and profitable time."

PRESIDENT (W. G. Craig) : On behalf of the members present and those to come, I have great pleasure in accepting the address of welcome which has been so nicely put by our good friend, Mr. Kinnear.

REGRETS OF THOSE UNABLE TO ATTEND

Mr. Smye, Chairman of the Invitation Committee, read a number of telegrams and letters from a number who were unable to be present ; among others, the following :

The Lieut.-Governor for Ontario, The Hon. J. M. Gibson.

The Hon. W. L. Mackenzie King, Minister of Labor for Canada.

W. H. Rowley, President The E. B. Eddy Company, Limited. He regretted not being able to be present on account of having to leave for England.

Sir William C. Macdonald, Montreal.

Theo. Labatt, Vice-President St. Lawrence Sugar Refining Co., Ltd., Montreal.

L. E. Geoffrion, President Canada Wholesale Grocers' Exchange, Montreal.

Albert Hebert, Montreal.

Also telegrams and letters from the Ottawa trade regretting their inability to be present, but stating they were in hearty accord with the objects of the Guild.

Letter from H. B. Gordon, of the Codville Company, Limited, Winnipeg, stating that there never was a time in the history of the grocery business when a convention was so necessary as now, and that there was room for great improvement in the trade in his district.

Alfred H. Beckmann, Secretary National Wholesale Grocers' Association of the United States.

Fred. R. Drake, First Vice-President National Wholesale Grocers, Association of the United States, and many others.

THE PRESIDENT, MR. CRAIG, then introduced the subject of the minutes of the last meeting, held at Hamilton on May 5th and 6th, 1908. It was suggested by members present that it would be in the interests of the trade to briefly review the minutes of the last meeting, which was done. The minutes of the last meeting were then unanimously adopted.

PRESIDENT'S ADDRESS

MR. W. G. CRAIG said: Gentlemen: The Committee in arranging the programme for the proceedings of this Convention, I find, have honored me with the privilege of addressing you as President of the Ontario Wholesale Grocers' Guild.

I feel that this is a fitting opportunity to express my appreciation of the Guild for the honor extended to me in electing me to the important position of the President of the Wholesale Grocery Trade of Ontario, the premier Province of the Dominion so far at least as this very important branch of commerce is concerned. I appreciate the honor all the more because I was not at the meeting which presented my name for your approval, being prevented from being present through illness.

Gentlemen, I thank you most heartily for the honor.

The honor, I realized, brought with it responsibilities. There was much to be done and also much, on account of the suit pending against the Guild, that had to be left undone. Whether my two years in office has satisfied you that my appointment to the Presidency of your influential Association was or was not a wise choice, you must be the judges. Of one thing, however, I much desire to impress you with, and that is that so long as this Exchange has an influence and an energy such as are represented in the person of our good friend, Mr. H. C. Beckett, no official, be his responsibility what it may, need fear results so long as he has Mr. Beckett's ever ready, cheerful help and guidance.

To Mr. Beckett I beg to tender my most hearty thanks.

During the two years of my term of office, the Grocers' Exchange has been, if I may be permitted to use the term, "under a cloud," for the suit against the Guild had been commenced on the 6th February, 1906, and was not terminated till the 7th of last month. On that day, 7th March, 1910, after four years of worry, doubt, discouragement and uncertainty, the "cloud lifted," and the judgment rendered by Hon. Sir Glenholme Falconbridge, C. J., after declaring the facts, was, "I therefore say that the defendants are not, nor is any of them, guilty as charged."

This announcement was indeed glad news and there was, and has been since, a cordial exchange of congratulations, between not only the members of the Guild, but by the trade generally, retail as well as wholesale. It would have been most unfortunate if it had been declared otherwise, not so much from the standpoint of dissolving the Guild and its usefulness, but because the finding of the facts, as declared by the Judge, were:

1. That the defendants have not, nor has any of them, intended to violate the law.
2. Nor have they, nor has any of them, intended maliciously to injure any persons, firms or corporations, nor to compass any restraint of trade unconnected with their own business relations.
3. They have been actuated by a bona fide desire to protect their own interests and that of the Wholesale Grocery Trade in general.

And as far as intention and good faith or want of it are elements in the offence with which they are charged, the evidence is entirely in their favor.'

These being the facts, I say an adverse verdict would have been deplorable. Honesty, integrity and faith in one another would have gone to the winds, and demoralization in the Wholesale Grocery Trade would have reigned supreme.

Happily the gloom has lifted, and we should be better men, more honest merchants and more considerate for each others' interests because of the experience through which we have passed.

With the wearisome and discouraging suit settled, and settled in favor of the Guild, I predict a New Era and much success, progress and profitable advancement for the Wholesale Grocery Trade of Canada, henceforth.

The first move, therefore, of this Ontario Guild, was to arrange for the Annual Meeting. This meeting, as you will see by the programme in your hands, and which has been sent to you in advance, is the result. It is no narrow, selfish proposal; it is arranged on a broad basis so as to admit of every feature and branch of the Grocery Trade being considered and discussed. This, we feel, is our day of opportunity.

I hope every one of you will be able to attend every day's deliberations, and take an interest in the discussions and enjoy every moment of the proceedings. You will profit by them.

I suppose, gentlemen, it is quite in order that the Wholesale Grocers of Ontario should, at this their first meeting since its adoption, refer to the recent New Tariff arrangements with the United States.

The Grocery lines affected by it are few and the reduction in duty, though small, is just so much in favor of the consuming public of Canada.

These slight concessions have averted what otherwise might have resulted in a demoralizing tariff war, and peace and good-will, so much desired, is maintained with our nearest and much esteemed commercial neighbor, and this, while the United States gets nothing which Canada may not give, if she chooses, to anybody else.

But there is a prospect of a larger measure of Reciprocity. The agitation for reciprocal trade arrangement with Canada is spreading in the Northern States. Statesmen on both sides of the line hint at it. In the United States the aim is to promote discussion of the subject everywhere, in view of the general election of the new House of Representatives next Fall. There seems to be a growing conviction that high customs duties encourage trusts and mergers, and this lends strength to the reciprocity propaganda. In the

meantime, I think Canadians could afford to let our friends over the border fight it out among themselves.

Another important question to which I might refer, is the Bill recently introduced at Ottawa entitled the Investigation Combine Bill. The Hon. Mackenzie King, in introducing his bill against combines, reviewing the legislation dealing with combines, already on the statute book, pointed out some of the deficiencies which experience had revealed, and showed how these deficiencies would be met by the present bill. He cited the case of the Grocers' Guild as an example of injustice which had been done under the present law. For three or four years that body, composed of prominent men, had been forced to stand before the country in the light of so many criminals, a position in which the verdict showed they should never have been put, and which would not have been possible if a board of investigation had first conducted an inquiry into the facts. No business which was being carried on in a legitimate and honorable way would have any reason to fear such an investigation as was proposed by the bill. Many concerns that were being unfairly criticized to-day by the public would be protected by the legislation, the real purpose of which was to PREVENT the MEAN man from PROFITING by VIRTUE of his MEANNESS.

Hon. Mr. King also called attention to the increased cost of living that had helped to make the question of combines, monopolies and trusts, with their possible effect upon prices, such an important question. In the popular mind there had been a gradual association between these two phenomena, but his view was that while combines and trusts in some cases might have had the effect of enhancing prices, they had not always had that effect. He said the increase in the price of commodities was not entirely a bad indication. It indicated in the case of Canada that the country and its consuming capacity were developing. Improved transportation and cold storage facilities have enabled the surplus of the harvest season to be saved from waste for the remainder of the year, and to be taken also more easily from the place of production to the place of demand. They had increased the price of commodities. These were for the benefit of the farmer, but against them he had to meet the increase in the cost of labor. There had been a startling movement from the country to the cities, which had not only diminished the productive capacity of the country, but increased the demand by the cities on the country for food. There had been an increase in the standard of living, and many economists, noting that the supply of gold had doubled in the last ten years, and again in the ten years before, had said this increase had reduced the purchasing power of gold, and they thereby increased the prices of commodities. It was estimated that two hundred millions of foreign capital had come into Canada for industrial development, and during the process of development the men engaged in the work were not producing, but had to be fed.

The question of the tariffs bearing upon prices was dealt with.

Regarding the question of the "high cost of living" which has been so much alluded to recently in parliamentary discussions and in the public prints, I think it should not be overlooked. I have prepared a tabulated statement which clearly shows that the prices of staple Groceries are really about seven per cent. cheaper now than they were forty-five years ago—during the often referred to old reciprocity days and lower duties. This

statement plainly indicates that neither the present tariff nor the Grocers' Combine, so called, has been taken advantage of, to increase prices to the consumer. This statement indicates too that the Wholesale Grocer is not responsible for any portion of the "high cost of living," so far as the necessaries handled by the Grocery Trade are concerned. The fact is, gentlemen, that the remuneration received by the Grocery Trade has grown altogether too small of late years. Profits, because of the enormous expenses which continue to increase year by year, have reached almost the vanishing point. This should not be. We should secure a legitimate profit at least, and an effort on the part of the whole trade to reach this minimum is worthy of earnest consideration by this meeting. One writes puts it this way: "We should fully realize the ability and skill required in the grocery business, and should, therefore, endeavor to obtain better results and avoid, if possible, the dwindling profits experienced in recent years."

	1865		1910	
25 lbs. Green Tea	\$.70	17.50	\$.18	\$4.50
25 lbs. Black Tea .....	.65	16.25	.14½	3.63
40 lbs. Currants .....	.06½	.65	.06½	.65
40 lbs. Yellow Sugar .....	.09½	.95	.04½	.45
100 lbs. White Sugar .....	.13½	13.25	.05	5.00
80 lbs. Broken Loaf Sugar .....	.13½	11.00	.05½	4.60
5 lbs. Sal Soda .....	.02½	.11	.01	.05
5 lbs. Bi. Carb. Soda .....	.04	.20	.02	.10
100 lbs. Soap, Laundry .....	.03	3.00	.04	4.00
24 lbs. Tobacco .....	.26	6.24	.75	18.00
10 lbs. Barley .....	.03½	.35	.02½	.25
10 lbs. Rice .....	.03½	.38	.03½	.33
300 lbs. Oatmeal	2.60	7.80	.02½	6.75
5 lbs. Split Peas .....	.01½	.08	.03	.15
35 doz. Eggs .....	.16	5.60	.50	17.50
30 lbs. Ham .....	.07	2.10	.15	4.50
4 gal. Syrup .....	.52	2.08	.30	1.20
100 lbs. Butter .....	.17	17.00	.26	26.00
5 lbs. Cheese .....	.08	.40	.13	.65
½ doz. Olive Oil	4.50	2.25	4.25	2.13
1 jar Mustard (4 lbs.) .....	.84	.84	.75	.75
1 gross Matches .....	.17	.17	.47	.47
½ doz. tins Lobsters	2.00	1.00	2.10	1.05
20 lbs. Pudding Starch .....	.08½	1.70	.06½	1.30
1 lb. Cream Tartar .....	.25	.25	.25	.25
½ lb. Carraway Seed .....	.12½	.07	.12½	.08
2 lbs. Whole Pepper12½	.25	.18	.36
1 lb. Ground Cloves25	.25	.25	.25
1 lb. Ground Ginger27	.27	.20	.20

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½ lb. Mixed Peel..	.28	.14	.14	.07
24 lbs. Laundry Starch	.07	1.68	.06½	1.56
5 lbs. Salt..	.04	.20	.00½	.03
1 lb. Sulphur	.08	.08	.02	.02
½ lb. Ground Allspice	.12½	.03	.18	.05
10 lbs. Sago	.08½	.85	.05	.50
½ lb. Whole Allspice..	.10	.03	.18	.04
½ lb. Cassia	.37½	.09	.25	.07
5 lbs. Raisins..	.08½	.42	.06	.30
		<u>\$115.51</u>		<u>\$107.77</u>

Perhaps one of the most demoralizing practices of the trade is that of a traveller who, having called on a prospective buyer, and failing to get business, leaves behind him ruinous prices for those who follow, to meet.

This frequently results in causing some traveller to take orders at these fake quotations, in his desire to roll up a big volume, making little or no margin (I won't say profit), and perhaps a loss, if the order is executed.

This contemptible practice should be stamped out in the most emphatic manner, and to assist in doing this travellers should endeavor to get at the facts and report the prices rather than add to the demoralization by accepting the quotations as being correct.

The buyer, too, I fear, is sometimes to blame, and in certain instances does not scruple to infer that lower prices than those offered prevail, even when he has no actual quotations to work on, so that the true facts in this case should likewise be obtained to avoid disaster.

Of course, an attempt at correcting this abominable misleading price-cutting can only be effected by the different firms, members of the Exchange, having implicit confidence in each other, and insisting that it must be discontinued. On the other hand, much can be accomplished by principals impressing upon their representatives a higher standard of salesmanship and educating them to urge and talk quality rather than price.

This is, perhaps, aiming at a high ideal, but the recent decision of the Court should enable the Exchange members to get closer together and have a perfect understanding with each other on all important questions requiring their attention, and surely this is one that may be so classed.

It has been said, and said truly, that there is no department of Commerce, and I think the professions may be included, that demands more skill and ability than that of the Wholesale Grocery Trade, to say nothing of the capital involved: nor is there any calling that requires more watchfulness and constant and close attention, and yet no line of business shows such inadequate remuneration.

This unfortunate condition of affairs I feel sure can be remedied, and I am satisfied a loyal joint effort of the Exchange would go a long way to accomplish it.

There are other questions that might be noted, but I fear I have already imposed

upon your valuable time, and will not mention them now. Many important subjects will come to the surface and be introduced by you, as the business of the Convention proceeds. They will no doubt be treated advantageously.

The prime object of these meetings is educational throughout. I ask you all to enter into the spirit and object of this gathering with much enthusiasm.

The programme is yours to make the very most of. I am sure you will find it full of meat, good, wholesome food for thought, which I hope you will inwardly digest, and thus obey the first injunction printed conspicuously on the first page.

"Spend your time profitably."

For this interest and what I feel sure will prove to be an educational programme, we are much indebted to the following gentlemen who prepared it, viz.: Messrs. Kinnear, Blain, Pafford, Beckett, Smye and Dillon. These gentlemen are entitled to a hearty vote of thanks for their care and thoughtfulness of and their fidelity to the good cause in this matter.

In conclusion, gentlemen, I beg to tender, on behalf of the invited, through the worthy chairman, Mr. Thomas Kinnear, cordial appreciation of the kind invitation extended by the Toronto Wholesale Grocery Trade to luncheon at the King Edward Hotel to-day at one o'clock. In this connection I am quite sure it is unnecessary to remind you of the second injunction given on the first page of the programme viz.:

"Kindly be in attendance promptly."

In conclusion, I have in a general way endeavored to refer to the present outstanding features of the Wholesale Grocery Trade and particularly to the splendid opportunities opened to us by the deliverance from the decision of the Guild suit.

I have stated that this is our day of opportunity. Do we fully realize this in the best meaning of the term? If so, we will most assuredly do our utmost, by honesty of purpose, by integrity of character, by sound judgment, to live up to the opportunities and privileges that are ours. We should be all these things, not only for our own prosperity and success, but because of the influence we have upon those with whom we associate in social and commercial life, and especially because of the influence we may have upon those who follow us in the years to come.

This great Canada of ours, of which we are all so proud, with its bright and huge commercial future and with possibilities unlimited, will require men of sterling character to guide its commerce safely and successfully in the future. Let us by our actions and dealings with one another do our utmost to promote such a character.

Moved by F. T. Smye,

Seconded by Samuel Vila, Hamilton:

That the President's very comprehensive address be adopted, and that the meeting hereby tenders its appreciation of his faithful care in the interests of the trade.

Carried unanimously.

PRESS COMMITTEE

The members of the Press Committee (Mr. Hugh Blain, Mr. A. H. Paffard and Mr. H. C. Beckett) then reported to the meeting that invitations had been extended to all the Toronto Press, together with the "Canadian Grocer," most of the representatives being present, viz.:

Colonel J. B. McLean, Canadian Grocer.
B. T. Huston, Canadian Grocer.
H. Theobald, Canadian Grocer.
H. M. Boland, Toronto Star.
L. D. Nesbitt, Toronto News.
J. McLaren, Toronto Telegram.

And representatives from the Toronto Globe and the Mail and Empire.

Moved by F. T. Smye,

Seconded by Wm. Logan :

That if any member be asked for information for the press, they kindly refer them to the Press Committee.

Carried unanimously.

THE PRESIDENT (W. G. Craig): We will now have much pleasure in listening to an address from Mr. Smye, Vice-President of the Ontario Guild, his subject being "Conditions of Trade, the Educational Advantages of Trade Meetings, and the Sound Justice of the Trade Supporting Manufacturers who are Loyal."

THE CONDITIONS OF TRADE AND THE EDUCATIONAL ADVANTAGES OF TRADE MEETINGS

MR. F. T. SMYE said : Mr. President and Members of the Trade : While appreciating to the limit the honor of being permitted to address this Convention, I feel that a subject of such vast importance at this particular time cannot be much more than introduced by any one member of the Trade, and hope that the subjects and conditions brought out in this paper will be fully discussed by all the Trade, and that some good will result.

We have just emerged from a period of doubts and uncertainties, and are now entering upon the dawn of a new era. The trade has been in such disorder, and so much out of sympathy with each other that the wonder is that conditions are not much worse than they are, but we are thankful that our course is now clear to start over again and build our houses on the solid rocks by honest and profitable co-operation—by eliminating all personal animosity and grievances—and by banding together with a determination to raise, by educational and social methods, the moral tone of the great grocery business, and

In righting the illegal practices and long-standing abuses, under which we have suffered so long and so patiently.

We can correct all these evils if we stand together, and they never would have existed had we been united, as the manufacturer has taken advantage of our being at sixes and sevens, and has permitted and allowed certain classes of trade to carry on their businesses by these questionable methods, and it is for this Convention to adopt ways and means of putting an end to these Commercial Pirates and Secret Rebaters.

We have a straight course to pursue—the Court says we are right, and have always been so. That the modern way of conducting a business is by fair and honorable methods; let us put into action the machinery to raise our business out of the mire. Let our Motto be from this Convention "CO-OPERATION," and let everyone make up his mind to do his share.

There has been a lot of hard work done by the faithful few to preserve the profits on numerous lines, which you are now enjoying, and some of you have stood aside and silently accepted these profits without paying your share of the expense of Association work, or even a word of appreciation.

We will have many papers and addresses at this meeting, all of which will be on educational lines, and pointing us to the higher plane of business morals. Let us take heed and profit by them for our own sake—for our children's sake—and for the sake of our Country, and let us hand down to history a period of high ideals in business.

The Grocery Trade is an important factor in the business community, and it has often been said—there is no class of business where so much capital is invested, and where so much hard work and thought is required, that has such a small reward—and the question is—How long are we going to allow ourselves to be the slaves of the Manufacturer and the Producer? The answer is—just as long as we remain divided on the subject of united effort.

We have it within ourselves to demand a fair compensation for services rendered, and you all know you are handling 50% of your turnover below the cost of doing business, and have been doing so for thirty years or more. Is it right that this state of affairs should continue, and what are you going to do about it with your expense account increasing annually? You seem to forget that trade conditions have changed in the last twenty years. We are now confronted with innumerable Specialty houses, who have extracted the Cream and left us to do the banking for the trade of the country with the Skim Milk of profit to do it with, and you find that the accounts you are financing are the ones who generally give you the trade on which there is the least profit, and you will find that these evils will grow if not attended to, and we will eventually find ourselves in the rut; but we can cure these evils, and thereby benefit the Retailer, Manufacturer and ourselves—by association and co-operation.

It would pay every firm represented here to-day to resolve to appoint one member of his firm, or the brightest man in his employ, to do nothing else but attend Trade Meetings and to co-operate to remedy trade evils, and I know the result of his efforts would be more

money for his firm than he could make in any other capacity, and is the only way that large results can be obtained. The man who stays at home and gloats or mopes over his own troubles—who regards his competitor and neighbor with suspicion—will never get far out of his rut. If he is content to absorb benefits others have paid for, or take everything and give nothing, and never lend a hand in the work, he will never be counted as a part of the Army of Progress. Co-operation is the theme of the advancing—march and individuality its key-note. Let us do it now, and a year hence we will see the magic result. Fancy what a change of $\frac{1}{2}$ of 1% would mean on your turnovers, and it does not look impossible to accomplish that ... standing together and positively refusing to handle any Manufacturer's line that does not pay us a fair profit.

In opening subjects for discussion we hope that every member will state his views, and that our consolidated views will result in resolutions that will not be merely ideals of our thoughts and ideas, but practical resolutions, which will be put into action, and for the sake of opening up discussion would suggest the following subjects :

1st. **ELIMINATION OF ILLEGAL PRACTICES AND LONG STANDING TRADE ABUSES.**

A. Secret rebating on Tobacco, Sugar, Cereals, Starch, Soap.

B. The abuse of giving discounts on lines where Selling Contract says "30 days net." Also general discount abuses.

2nd. **JUSTICE OF SUPPORTING MANUFACTURERS WHO ARE LOYAL.**

Manufacturers complain that the Trade insist on their profits and terms, but that the Trade do not in return help them to create a demand. We suggest a Manufacturing Committee—one or two members of the Trade in each section—who would advise their district of the Manufacturers who were loyal or disloyal, and would be of great service to the Retailer as well by insisting on the jobber as the only source of distribution, thereby treating all Retailers alike.

Another grievance that this Committee could remedy is that Manufacturers adopting the Contract selling plan have not in the past carried out their part of the agreement, and have not treated all Jobbers alike.

3rd. **UNIFORM PLAN OF MAKING UP COSTS.**

Would suggest a Committee taking up this matter, as I feel it is very important, and if followed out would, to a certain extent, curtail price cutting.

4th. **BROKERS WHO SELL THE RETAILER DIRECT.**

A great annoyance to the trade, and also to the legitimate broker, and steps should be taken towards co-operation. The legitimate broker is to the jobber what the traveller is to the retailer.

5th.

PREPAYMENT OF FREIGHT TO NON-COMPETING POINTS.

This evil is growing rapidly and should be dealt with.

Gentlemen, I thank you for your patient hearing to these few thoughts which are contained in this paper, and hope sincerely that much good shall come out of this Convention and hope also at no distant date to see a Convention of not only ourselves, but travellers, who act and carry out our ideas. The honest traveller has had a hard road hoe for some years past, and many have laid down their sample cases completely discouraged by their inability to earn their living in an honorable way, and that important body of men look to us now to put things right, as they also have been long-sufferers and full of patience.

In conclusion I will give you a newspaper clipping from Walt. Mason, which seems appropriate :

When the Sun of your life's going down in the West,
You'll try to recall all your deeds that were best,
For soon at the seat of your Judge you'll appear
To give account of your stewardship here.

Each day you are doing something that may seem
As smart and as brilliant as any man's scheme ;
Perhaps it will gain the applause of the town,
But how will it look when the Sun's going down ?

Each day you are striving to build up your pile,
And may be resorting to systems of guile,
And when you are asked if you think it is straight,
You have your defense and begin to orate.

There's fierce competition, and men who would win
Must not be afraid of the shadow of sin ;
That logic may do in the loud bustling town,
But how will it do when the Sun's going down ?

You'd like to be good if you only had time,
But you are so busy pursuing the dime,
That helping your brother or trying to cheer
The grief-stricken pilgrims now journeying there

Is merely an impulse that comes but to fade ;
There's only one temple whose idol is " Trade,"
And there you may grovel for wealth and renown,
" But how will it seem when the Sun's going down ? "

THE PRESIDENT (W. G. Craig) : These subjects, gentlemen, as you are aware, are presented to you for your consideration and discussion. We won't accomplish much unless the discussion bears on some resolution that may be presented to the chair. Our object is to make the most of our time, and if we arrange matters in this way I think we

will save our time and accomplish something. The meeting is now open for the discussion of the subject which has been so ably and so instructively presented by Mr. Smye.

Considerable discussion took place, the meeting being unanimously in favor of the ideas suggested to the trade in Mr. Smye's address, and the following resolution was put to the meeting and carried unanimously :

Moved by Wm. Logan,

Seconded by W. Ince :

That this meeting recognises the conditions of trade so clearly expressed in the splendid paper by Mr. Smye, and agrees that sound justice should be done by all the trade to the manufacturer who is loyal to both the wholesaler and retailer. It is also the opinion of this meeting that every effort should be put forth by the members of this trade to stop the injurious and dishonest methods all too common in the sale of proprietary lines.

MR. SMYE : In touching on these points I think really that the trade abuses are primarily the cause of this Convention. It is also the intention of the Convention that we shall not bring out any personal grievances. Personal grievances are not to be aired here, but I think it is uppermost in every man's mind around this table that we either have to play fair or get off the ball ground. We have got to have a new regime, and it should start now. I think it is high time that the law should be put into operation and that we should find ways and means to request the Government to carry out their legislation and make their laws active. The grocery trade is of enough importance, and represents a tremendous amount of capital. We are not making money, and I think it is high time that a body of such importance as we are should compel the Government to put into action the laws that have been put on the statute books to protect our legal and honorable way of doing business.

I don't think there is any use pointing to high ideals unless we do something. I think we, as a body of men, are not acting sensibly if we don't stand up for our rights and insist upon the manufacturers giving us a reasonable profit, and compel those who pursue dishonest practices to live up to their obligations and contracts.

In the 4th Annual Report of the Pennsylvania, New Jersey and Delaware Wholesale Grocers' Convention, which was held in Philadelphia in March last, the secretary and general manager made use of these words :

" There has been great progress in the last year or two in eliminating and minimising the evils and abuses in the trade, and we appreciate the good work that is being done along this line by the national, state and local committees, and we hope they will continue this work. We believe limited prices, especially on proprietary and well-advertised brands, ought to be encouraged, but when a manufacturer adopts such a stand he should enforce it without deviation.

for the selling provision of any manufacturer that binds the honest dealer and does not control the dishonest one is unfair and discriminatory.

"The cutting of prices or rebating on the part of any jobber or his salesman is not only discouraging to the manufacturer who desires to protect you, but it is demoralizing, and to our mind is a sin which will cause him who persists in its practice to eventually miss the mark.

"There has been a good deal of discussion pro and con printed in the papers of late on the subject of manufacturers placing a limited price on their products, and it is amusing to note the complaint of some large manufacturers, who complain that such a practice on the part of the manufacturer hurts their large interests."

Evidence of what they are doing on the other side should be convincing evidence that we should be active on this side of the line in bettering trade conditions. While they have made progress in the United States they have not got the laws on their statute that we have, and we are therefore in a much better position to protect ourselves against dishonest practices than they are in the United States. I have no doubt, gentlemen, you have come here with a full knowledge that trade conditions are not satisfactory, and that the efforts of this Convention will be along the line of great and needed improvement.

MR. RILEY (Port Arthur) : I am heartily in favor of better trade conditions. I think we ought to be doers as well as sayers. Prices are being cut ; on some lines we are not getting the cost of cartage, and those lines are some of our heaviest sellers. We have a great many of these cases. I am heartily in favor of backing up any action on the part of the trade, and I will say that we will decline to handle goods of any manufacturer the margin upon which is not sufficient to cover selling expenses. I think such a course is the only one that will lead us to something better than at present exists. The manufacturer is not in a position to deal direct with the retail trade as economically as he can do it through us ; he has not got the necessary machinery for the collection and careful watching of accounts ; neither has he the means of distribution, to readily, quickly, and conveniently serve the retail merchant.

MR. CARSON (Kingston) : I thoroughly agree with everything that was mentioned in Mr. Smye's paper. I think that we unfortunate wholesale grocers are a very poorly paid lot of men. When you take into consideration the number of travellers we have, and the amount of expenses and costs, very little is made after deducting the expenses of the year. Many of the manufacturers now do business with large retail men, offering them the same discounts as are allowed the strictly wholesale house. This is most unfair to the majority of the retail trade as well as the wholesaler.

MR. BLAIN (Toronto) : The question is so large it is hard to know how to begin. I have no doubt there are very serious abuses in trade. I hope it will be clearly understood by the gentlemen who are representing the press here to-day that in all these remarks

there is no disposition to increase the price of articles to the consumer. We have no fault to find with the consumer, or with the retail merchant. We feel that the manufacturing interests of this country are becoming wealthy at the expense of the distributor. While they are making enormous sums of money we are distributing their goods for practically nothing, and in some cases for a great deal less than nothing.

The manufacturer has the undoubted right to handle his goods as he chooses, and if he does not wish to employ us as his distributors he is not obliged to do so. We ought to have something to say, and if he does not choose to place the distribution of his goods upon a fair and honest basis then I think it is our right to refuse to handle them; and in order to refuse to handle them properly we must have co-operation. It is not possible for one firm alone to stand out and refuse to handle a staple article that may be required by its customers. The manufacturer has the right undoubtedly to say what shall be done. When he makes an article he properly considers how much the article will bring when bought by the consumer, and it is important that it should be of such a quality as to ensure the permanent consumption of his goods. Then, I think it is equally important, if he wishes to keep that article permanently on the market, that he should interest the retail trade in the disposition and distribution of these goods. So that if he wants to have his goods properly distributed he must give the retail man a reasonable profit for selling them. If not, he cannot hope to have the interest of the retail trade in the distribution of the article; and, further, if he wants to have his goods properly handled it is necessary that he should give the wholesale man a reasonable profit for handling them also. If not, he cannot hope to have the interest of the wholesale man. So that it seems to me quite clear that when a manufacturer puts his goods on the market he has to create an interest in them in the consumer who will buy his goods, and to create an interest in the sale of his goods by the retail man, and also by the wholesale man. Now, it is quite clear to all those who are familiar with the conditions of trade that the manufacturer has not given the subject of the distribution of his goods that careful attention we think he ought to give it; and even when he lays down his conditions and makes his price, as has been stated here to-day, he does not take that determined and decided position that the distributors of his goods think he is entitled to take in the interests of himself and of those connected with the handling of the product.

If he lays down a price to the wholesale man, he should insist upon that price being adhered to.

I take it one of the greatest objects of this meeting is to devise some means by which the manufacturer will be able to feel that he can confidently enforce the terms and conditions that he lays down for the distribution of his goods. There are supposed to be conditions to-day that will achieve this object, but they do not. We have heard it said time and again this morning that there is secret rebating, and it is demoralising, and it is not in the interests of the wholesale trade; and that is quite true.

The wholesale house may be an honorable house, and may instruct its travellers to adhere absolutely and positively to the terms of the contract, but on account of loose methods, for which the manufacturer is to some extent responsible, the selling prices have not

been observed. I know there are many wholesale houses who neither themselves their travellers deviate one single iota from the conditions laid down by the manufacturer. I don't think any house would deliberately send their travellers out with instructions to do secret rebating.

I may, perhaps, be asked how are the wholesalers injured by these practices. This way: those who give the secret rebates take their business from them, and thus there is a loss on account of the secret rebating. Then, on the other hand, there is the loss to those who give the secret rebates. If a wholesaler gives permission, or in any way lends countenance to secret rebating, it must be to his injury, and the result is at the end of the year his profits are probably nil.

These are the serious conditions that we have to grapple with to-day, and they will have to be thoroughly gone into and discussed, and some way will have to be adopted by which we can be able to enforce the honest conduct of business affairs. I am sure we are all very glad indeed that Mr. Smye has brought the question before the meeting in the direct and forcible manner he has, and I know there will be a great many who will after the meeting warm up and get to business, be able to give their views in such an emphatic manner as will result in some plan being adopted that will be greatly in the interests of the trade. We ought to try and do our business honestly and fairly, and if we cannot do it honestly and fairly I think we ought to get out of business.

We are greatly indebted to Mr. Smye for the splendid manner in which he has laid the matter before us. We have four days in which to discuss and consider the different subjects he has mentioned, and we ought to be able to arrive at some satisfactory plan which will ensure better conditions for the future.

MR. BECKETT: In connection with Mr. Smye's paper, it was felt by the Programme Committee that unless we had some resolutions dealing with the various matters we would not make much progress, and with that object in view I have prepared a number of resolutions for the trade to consider: one on the contract selling plan, one on discrimination in favor of certain retailers, and another re quantity prices and their evil effects. All these are set down on the programme for discussion with the manufacturers to-morrow, and it is necessary that we should be a unit. If there is to be any difference of opinion we should have it here and not before the manufacturers.

Unfortunately, as you will notice, I am suffering from a severe cold which has affected my throat, and Mr. Smye has been good enough to promise to read a paper which I have prepared for the purpose of directing your special attention to the matters for discussion with the manufacturers to-morrow morning.

THE PRESIDENT (W. G. Craig): Gentlemen, it is now nearly one o'clock, and we have accepted the very kind invitation extended to us by the Toronto trade to lunch with them to-day. I will therefore adjourn the meeting until 2:30.

The Toronto trade entertained the visiting delegates to luncheon at the King Edward, Mr. Kinnear and Mr. Blain presiding. After a most enjoyable hour spent in this way the meeting convened again at 2:30.

AFTERNOON SESSION

MONDAY, APRIL 25th

THE PRESIDENT (W. G. Craig) : We will now take up the further discussion of Mr. Smye's paper, and pass the resolutions bearing upon the business of to-morrow with the manufacturers.

MR. BECKETT : Mr. Chairman, in connection with Mr. Smye's paper and the business of to-morrow with the manufacturers, it will be necessary to pass some strong, clear, decisive resolutions with no uncertain sound about them, so that the ideas of the trade may be clearly set forth to the manufacturers, and so that we will be a unit in our ideas. As the paper which I prepared fits in very well with the views advanced by Mr. Smye in his able address, I hope after you have listened to same (Mr. Smye has kindly consented to read it) that you will pass strong resolutions covering the matters in which we are so vitally interested.

THE PRESIDENT (W. G. Craig) : We will now call upon Mr. Smye to read Mr. Beckett's paper, which is addressed to the manufacturers. The contents of the paper will be dealt with by resolutions later on, as will all the papers that are to be submitted to you this afternoon.

Mr. Smye read paper referred to, as follows :

TO THE MANUFACTURERS

This Convention has been promoted and is being conducted for improving the conditions of trade.

First, by making, if possible, the retail and wholesale grocers and the manufacturers think logically for the correction of trade evils which exist, and intelligently negotiate for better trade arrangements.

The jobbers and retailers are beginning to think there is something more for them to do than treat their rivals in business as enemies. There never was a time when organization had higher ideals or a stronger desire to elevate business ethics.

You sometimes hear the argument that the fixed price or contract selling plan is bad because it reduces the retailer and wholesaler to dead level—but do not be deceived ; people who talk that way are animated by a desire to get the best of somebody. We want to study the situation with a view to benefitting the great majority, not pandering to the selfishness of a few. Good horse sense is what is needed—no use catering to the selfish side of business, but let us get down to a foundation that is solid and lasting.

We are making the first attempt when we promote a convention of the three classes of trade—manufacturers, wholesalers, and retailers. This kind of a meeting and kind of educational work suggests possibilities for eliminating trade evils that has never before been presented.

There has come an awakening. Trade inconsistency—irregular channels—double dealing—unstable prices on proprietary lines—individual loose dealing—are too common and nothing more than conferences, publicity, and a frank heart to heart show down work the correction of these growing evils and ensure a cleaner slate.

There are some who have a yellow streak. Such men have little sense of honor in their make up: they always look with pride at any little advantage they think they can gain over their competitors. These men are the ones who delight in breaking away from the legitimate rules of business—these men are price-cutters—they bribe the buyer—they have a degree of dishonesty that does not appeal to right thinking people. This policy of deception practiced in trade has undoubtedly made money for some who have followed it, but they would not have had such license very long if we had years ago such a gathering of manufacturers and merchants as is taking place at this Convention.

Subjects of vital importance, subjects that have received all too little consideration in the hands of the three classes of trade, are on the programme for to-day, and it is to be hoped that careful consideration and study will be given these matters.

THE CONTRACT SELLING PLAN.

To-day this is a live issue in all lines of trade. Some of the most profitable special lines in recent years have been built up by the contract price protective plan, and this plan is engaging the serious attention of many up-to-date manufacturers who have hitherto let the wholesalers' and retailers' prices take care of themselves.

Price protection, if wisely carried out and scrupulously adhered to, is a means of safeguarding the manufacturer's goods and his reputation against the evil effects of price-cutters.

There is far more danger to the manufacturer in catering to a class of price-cutters who depend for their success upon gutting and deceiving consumers, than there is in the contract selling plan.

The contract selling plan ensures the wages justly due to the merchants (both wholesale and retail) for the part they play in keeping the manufacturer's goods prominently before the consumer.

The price protective plan is an evolution in trade made necessary by changed conditions and because of so many food products being put up in a package and extensively advertised by the makers.

A manufacturer who spends thousands and some times millions of dollars to attract the attention of the consumer has no means of reaching the consumer except through the recognized channels of trade. The manufacturer who intends that his distributing agents

shall make a fair margin for the service they render cannot be sure of this unless he adopts measures that will safeguard against price-cutting and dishonest practices.

Success in marketing any desirable commodity through the trade must be based on knowledge of mercantile conditions with reference to that particular article.

We are here to-day to tell you that the contract selling plan is the only one that in the opinion of the trade will ensure the honest dealer the margin he is justly entitled to.

The law gives the manufacturer the right to fix a price at which his goods shall be sold to the consumer, the retailer, and the wholesaler. A regulation fixing a fair profit is not in restraint of trade, and price-cutters are liable if they do not maintain the prices fixed by the maker of the goods. Public welfare is first considered, and if it be not involved, and the restraint upon one party is not greater than protection to the other party requires, the contract may be sustained.

Next we come to

DISCRIMINATION IN FAVOR OF CERTAIN RETAILERS AND THE HARMFUL RESULTS THEREOF.

It must be clear that if a manufacturer places a small percentage of, say, five per cent. of retailers in a position to buy on a more favorable basis than the other ninety-five per cent., the five per cent. are in a position to do, and will do, and have done, untold damage to the ninety-five per cent. We go on record on this subject, and say that if a manufacturer wants to sell five per cent. of the retail trade at the same price as he sells the wholesaler, then he should frankly state his position to the trade and sell all retailers on as favorable a basis as he would the five per cent. It is unfair for a manufacturer to supply a small percentage of retailers with ammunition to blow the heads off the big percentage of retailers. Such a policy is suicidal; it is not a policy that will ensure loyal support and interest in the sale of the manufacturer's goods on the part of the great majority of the retail merchants throughout the country. It is a policy that will ultimately react upon the manufacturer in a manner very serious and detrimental to his business.

Next we come to the consideration of

QUANTITY PRICES AND THEIR EVIL EFFECTS.

Theoretically a lower price for a greater quantity looks reasonable, but in practice this has worked out to the disadvantage of the trade. It has put a premium on dishonesty—it has encouraged salesmen to devise secret ways and means to sell small quantities at the large quantity price—it has overloaded the trade much beyond the requirements of their business—it has involved the retailers in financial difficulties—it has resulted in deterioration of many lines of food products because of the length of time they are carried in stock, and in this manner has reacted upon the reputation of the goods, the quality of which when it reaches the consumer is of great importance to the manufacturer.

Theories look well and sound well, but we have got to deal with conditions as we find

them, and conditions to-day do not warrant quantity prices beyond any arrangements will place retailers located in the smaller business centres on as favorable a basis as those in the larger centres.

The same reasons and conditions that make the quantity price on proprietary line merchandise a menace to the trade are the very reasons that necessitated the appointment of our Railway Board of Canada. Experience proved that it was an evil hurtful to the best interests of the trade of this country to permit a shipper with five cars of freight to get a better rate than a shipper with one car of freight. The same reason against quantity price will account for the Government inflicting a penalty on any dealer in postage stamps who sells a large quantity at a lower price than a smaller quantity. In customs, our telegraph service, and all branches of public service that concern the welfare of the public are worked out on a fixed price, and no quantity price basis.

See what an advantage it would be to a favored merchant, and what confusion would arise if an importer of \$5,000.00 worth of a line of merchandise got a discount of, say, 10% in duty because of the quantity, when the smaller importer would have to pay the full price. It only requires your imagination to picture the impossibility of any such plan—and so in a modulated form the evil effects of a quantity price in merchandising have grown and grown as new schemes were hatched out by the cunning salesmen.

We go on record in saying that if the price for a large quantity is less than it is for a smaller quantity, the fairest way would be to make the selling price of the smaller quantity the same prices as the price for the larger quantity.

If you can do your business to advantage through the wholesaler, then it is necessary that the honest salesman in the employ of the wholesale houses should know with absolute certainty that when he quotes a price to a retailer on a proprietary line that that price is the lowest.

Doubt in the mind of a salesman means uncertainty, hesitancy, and lack of faith in the line of goods he has to offer. Doubt in the mind of a salesman unfits him for his important duty.

Confidence is a great essential to successful salesmanship, and no effort should be left undone to gain the confidence of the salesman.

If you are satisfactorily working the selling end of your business through the wholesaler do not forget that the grocery traveller of the wholesaler is indirectly your traveller. We are only your selling agents, but if we are to occupy that position then we will never be satisfied if the traveller directly in the employ of the manufacturer on the road watching the manufacturer's interests, is permitted to offer concessions that the traveller for the grocery house cannot offer.

We know we have a valuable distributing machine. We know you will not use it if you can secure a more effective and cheaper service through the medium of your own selling staff. When we get unreasonable in our demands, the alternative is always open to you in doing your own selling, your own distributing, and your own collecting. If we cannot be of service to you do not employ us. If we are of service to you treat us fairly,

confer with us, and work along lines of mutual fair dealing between manufacturers, wholesalers, and retailers.

THE COST OF DOING BUSINESS.

This has an important bearing on the margins we reasonably look for in the distribution and sale of any manufacturer's goods. This is a matter that is receiving much attention from the trade and one with which you should be more familiar so that you might more clearly see the reasonableness of our ideas and efforts to impress upon you our position. Mr. Kittson will deal ably with this matter, and he, together with other members of the trade, can, I am sure, impress you with facts that are real.

THE PRESIDENT (W. G. Craig) : We have listened with a great deal of interest to the important matters set forth in this address, and before dealing with the resolutions I think it would be an advantage to us all if we called upon Mr. Beckett to give you his address on "Our Relations with Manufacturers, and What the Judgment Teaches." This is down on the programme for to-day and by getting the various important subjects before the meeting I think we will be in a better position to appreciate the importance of passing resolutions along the lines indicated in these addresses.

OUR RELATIONS WITH MANUFACTURERS. WHAT THE JUDGMENT TEACHES

MR. BECKETT said : Mr. President and Gentlemen, the subject of "Our Relation with Manufacturers and What the Judgment Teaches" I am sure you will all recognize is of great importance, and as briefly as possible I will endeavor to place this matter before you in a concise and concrete form. While it will only take a few minutes to address you it has taken me some weeks to prepare the subject in a way that, if possible, I hope will prove interesting. I make reference to certain court findings in connection with trade matters and I beg to advise you that before submitting this paper to you I submitted it to Mr. E. F. B. Johnston, asking if he could find any fault with the views expressed and the interpretation of the various court judgments on trade matters. Mr. Johnston replied that the law referred to therein is all right. I, therefore, feel safe in assuring you that we have rights and we also have a right to maintain them.

The benefits to be derived and the results to be accomplished from such an important organization as the Wholesale Grocers of the Dominion must depend upon the state of development reached by its members in properly appreciating the actual conditions that prevail in the business with which we are identified.

If conditions of the wholesale and retail trade are unsatisfactory—if our business is being destroyed—if our profits are being reduced to the vanishing point—then it must be clear to every one of us that we should "take stock" immediately, analyse the conditions that prevail, and find out what the trouble is.

In this connection, what part of our business is more important than "Our Relations with Manufacturers?"

I feel certain that you will regard the following statement as extraordinary (but I believe it to be a fact, nevertheless), viz.: That not one manufacturer with whom our relations are satisfactory has taken the initiative in making them so. Everything that has far been accomplished has been the result of individual and collective effort on the part of the wholesale trade. I refer now particularly to manufacturers of proprietary articles who have been using the wholesale trade for the distributing end of their business.

Gentlemen, you alone must decide how long you are willing to continue handling proprietary lines the margin upon which is not nearly sufficient to pay the cost of handling, for it is certain the manufacturer is going to use you just as long as you will let him.

If travellers worth two thousand dollars a year each to you were willing to work for one thousand dollars each, the chances are ninety-five per cent. of the trade would accept their services at the lower rate and let the traveller suffer and do the worrying.

That is just about the position in which we find ourselves to-day with many manufacturers. We are rendering them a service that in many cases they could not duplicate at double the present cost to themselves, and so long as the trade quietly accepts the position of salesman and distributor, practically guaranteeing the payment of all accounts (since the wholesaler takes all risk of losses), just so long will advantage be taken to use us. Now, gentlemen, ask yourselves the question, "Has the manufacturer or the consumer any claim upon us that we should perform this service for nothing?"

HIGH COST OF LIVING.

In the press appears from time to time an article or editorial on the high cost of living, and the matter is considered of sufficient importance for Government investigation. The grocers, both wholesale and retail, are looked upon as having a share in this, but rest assured that no wholesale grocer need feel alarmed that any investigation of his percentage of net profits would show that he had any large part in it. While food is undoubtedly higher in price it is principally in meats, and farm and dairy products, a matter over which neither the manufacturer nor the wholesaler has any control. Rents, fuel, clothing, and everything of that nature have increased largely, whilst sugars, teas, and so forth, have decreased very much in the last twenty years. A careful investigation of the products handled by the wholesale grocer, covering a period of twenty-five years, will show, and does show, that prices are, on the average, to-day considerably lower than they have been during that period.

This looks like a reasonable argument in favor of our claim that we are the cheapest and most effective medium of distribution; but are we not carrying our good nature too far—is not the manufacturer riding the willing horse to death? It is to be hoped that the day is not far distant when every man in the grocery trade will refuse under normal conditions to handle the product of any manufacturer unless on a basis that will show something at least over the cost of doing business. He has a legal right to a fair profit and

to have his business protected, and no manufacturer can force us to sell his goods at a loss to ourselves by refusing to give us a reasonable profit, or having given it, to place the people we depend on for a living in a position to undersell us or destroy our trade.

WHAT THE JUDGMENT TEACHES.

The judgment in the Guild suit teaches us that confined to proper limits we have the right to protect our interests, and that efforts in that direction are laudable. In a recent judgment the court made use of these words "This is the age of association and unions in all departments of labor and business for mutual benefit and protection. Confined to proper limits, both as to ends and means, they are not only lawful but laudable." "The right of a combination of dealers to advance their own interests by mutually agreeing that they would not deal with any manufacturer who should sell directly to their customers has been broadly upheld."

The court says we have the right to protect ourselves against persons who either openly or by some ingenious device aim to belong to the wholesale trade and at the same time by secret arrangements with retailers or by owning retail stores, injuriously affect and demoralize the trade not only of the wholesaler but of the retailer.

It is perfectly clear that we have a legal and lawful right to protect our own interests even if in doing so some rival trading shall be rendered unprofitable by the more favorable terms we have to offer.

In the case of King vs. Gage the court holds "That traders may legally organize for the protection and advancement of their own interests, provided the interests of the public are not to be unduly impaired," and that "a regulation fixing a fair price is not in restraint of trade if it appears that such profit is a fair and reasonable one."

This seems to be a common sense view and one that must surely strike any reasonably inclined person or business man as being fair.

Without taking up too much of the valuable time of this meeting, I have endeavored to make it clear that if we want to improve conditions in our business we must do something—we must be active in looking after our interests—don't imagine that better profits will come to us if we drift aimlessly upon a sea of indifference. Experience has taught us that if we are willing to work for half pay—if we are willing to permit dishonest practices in business—if we are willing to permit discrimination favorable to a few retailers at the expense of the many—these practices that have prevailed in the past will continue.

It is up to the trade to point out to the manufacturer any grievances we may have and endeavor to find a remedy. If we ask anything reasonable and the manufacturer is not prepared to grant our request, then it is up to the trade to take a united stand in discontinuing the sale of a line that will not cover the cost of distribution. If the wholesalers are unable to make a living profit they are entitled to demand better terms from the manufacturer and there is nothing illegal in their doing so. The evil of combinations lies in the injury to trade or business of others by unlawful means, but it is perfectly legal for any class of men to unite for self preservation even if prices are thereby increased.

No manufacturer uses our distributing machinery for any other reason than pays him to do so, and if our requests were unreasonable no manufacturer would use us as the cheapest medium of distribution.

The alternative of the manufacturer employing his own salesmen, taking charges, and all other expenses incidental to dealing in small quantities direct with the retail trade, is always open to the manufacturer—so you see, there can be no restriction—except that it will cost the manufacturer more to deal direct with the retailer than it will make a correspondingly smaller profit on his output, or charge more for his product which will then injuriously affect the consumer.

In this connection an excellent article appeared some time ago in the *Los Angeles Commercial Bulletin* concerning the advertising and distributing of goods by manufacturers. The writer says: "If a manufacturer expects his products to take a permanent stand upon the market, he must reckon with two elements of trade—the wholesaler and the retailer—as well as the consumer. The manufacturer who is wise will make his acquaintance and friendship with both alike and will share with each a reasonable profit in payment of their share in marketing the manufacturer's wares.

"The wisest students of the art of merchandizing to-day have agreed that the tide of success lies along the logical channel of the wholesaler and the retailer. Here there is an eddy which cuts out one or both may reach its goal, but the great, deep, irrevocable tide runs smoothly in the recognized channels, and a cargo on such a stream will reach its goal more safely and surely than it will when threatened by rocks of anti-trustism.

"The manufacturer who can win the co-operation of the wholesaler need have no concern about the fate of his goods. The wholesaler with his corps of salesmen—his economical and co-operative facilities for handling many lines—his knowledge of local conditions—his recognized influence with the retailers—the obligations, perhaps, which the retailer owes to the wholesaler for past favors—his knowledge of financial circumstances—all these, and more, are the possession of the manufacturer who will win to his cause the wholesaler."

The writer of that article has not only given a correct and clear presentation of the relations with manufacturers, but he makes it clear that next to the retailer, the friendship of the wholesaler is one of the most valuable assets any manufacturer can have.

Think, gentlemen, what does it mean to a manufacturer to secure the services of three hundred and seventy-five experienced grocery salesmen, personally acquainted with every retail grocer in the Province of Ontario? What does it mean to the manufacturer to be able to cover almost every town in this Province every fourteen days with nearly four hundred salesmen, and only pay for this service on a commission basis? In giving you the figures of the number of grocery salesmen I am not exaggerating; I have personally communicated with nearly every wholesale grocery house in the Province and they have kindly furnished me with figures giving the number of their salesmen.

To keep this army of salesmen properly posted there is a sales manager for at least

every ten men— then there are the warehousing facilities of the wholesale firms—the convenience of prompt delivery to the retail merchants—and many other advantages that it would be absolutely impossible for the manufacturer going direct to the retail trade to duplicate. This immense selling machine costs millions of dollars to operate. The average cost of a salesman, including his salary and travelling expenses, is at least Six Dollars per day, or over Twenty-five Hundred Dollars per day in the aggregate. The money invested by the legitimate wholesale grocery trade in the Province of Ontario exceeds nine million dollars. The good-will of this splendidly organized selling agency is worth more to the manufacturer than he cares to admit or perhaps realizes.

The abuses in trade can be prevented by the manufacturer because he has the right to attach any conditions he may deem fit or necessary when engaging a wholesaler as his selling agent. All we ask is that the wholesale trade shall be placed on a uniform selling level. The manufacturer can fix his own price at which we shall sell, but the price should be uniform and our own customers should not be employed by the manufacturer to destroy our trade.

If he permits the wholesaler and the wholesaler's salesmen to destroy or reduce the margin that he, the manufacturer, intends the wholesaler should have, by cutting the price so that the line becomes unprofitable, then it is clear the price-cutter is an injury or a stumbling-block in the way of the manufacturer's success. We cannot compete with the contract-breaker, and the manufacturer should know that we cannot handle his goods if he employs contract-breakers and price-cutters in direct opposition to our business. The business of the country must stand on an honest basis and the manufacturer who enables dishonest men to compete with us is depriving us of our means of existence and unfairly discriminating against us.

If the manufacturer secretly allows a large retailer a concession or special price that is not enjoyed by all retailers, then the manufacturer is acting unfairly to the large majority of retailers; he is destroying the business of the wholesaler, and the majority of the retailers, and is not entitled to the support of either wholesaler or retailer.

The business of the wholesaler is destroyed because the manufacturer sells at a price the wholesaler could not compete with, and the business of the majority of the retailers is destroyed because they cannot successfully compete with those retail merchants who are placed by the manufacturer on a favored basis.

In considering our relations with the manufacturers and the unsatisfactory conditions that prevail in handling a large portion of our business, it will not be surprising to find that comparatively little attention has in the past been given by the trade to this very vital matter.

Commerce is growing, trade is ever finding new methods that must be applied to suit the exigencies of the age in which we live. The question for consideration is—are we alive to present day conditions—are we doing all we can to solve the difficulties which we so frequently run across—do we appreciate the necessity of getting more closely in touch with each other and having business talks with manufacturers—can we help the retailer—if so, why don't we make a greater effort?

These results cannot be obtained by individual effort. There must be united action, good faith, and unanimity on our part, else we accomplish nothing. We too have something to say regarding terms, and if we agree to act as agents, the arrangement cannot be one-sided. Every agent has the right to dictate his terms as well as the man who employs him. The actions of this Association have always been directed, not to the protection of the Guilds, but to the protection of the individual members who act as agents for the producer.

It is true that many retailers do not quite appreciate the value of the work being done by this Association, but this to a great extent is due to misrepresentation and will continue until the gradual development now taking place in the minds of the ill-informed is more complete. In the meantime, let us work zealously to overcome obstacles and always keep in mind that right is might and will ultimately prevail.

MR. SMYE : I think the trade are deeply indebted to Mr. Beckett for the thought and energy he has put into his paper.

MR. GILMOUR : I wish to move a resolution, which I will read, in connection with Mr. Beckett's address.

(Reads resolution.)

THE PRESIDENT (W. G. Craig) : Before putting this resolution to the meeting I would like to hear some discussion on the important matters referred to in this address.

MR. BRISTOL (Hamilton) : I think Mr. Beckett has shown a great deal of concentration in getting up this paper. I think we are all of the same mind. There is no doubt the manufacturers are under a great debt to the wholesale grocers of this Province for the many years that we have been distributing their goods, very often at a loss to ourselves. I can recall a few years ago when we used to sell cereals and other goods at a serious loss. This has to some extent been overcome. I can also recall the time when every manufacturer sold not only to the wholesale grocer but to the retailers at the same price as to the wholesaler, discriminating against the majority of the retailers. I think Mr. Beckett's paper covers these points very completely, and I endorse it in every way.

MR. BLAIN : One statement has been made that I don't think can be disputed, and that is that the grocery trade owes a great deal of gratitude to Mr. Beckett, not only for the paper he has given us, but for his untiring efforts on behalf of the interests of the trade. I have come into contact with Mr. Beckett during the last few years, and outside of the Hamilton trade I have a better knowledge of what he has done than any other member of this Association ; and I know the tremendous efforts he has put forth in the interests of the grocery trade, and in the interests of honest business dealing, because I take it for granted that no man here wishes to enter into any arrangement or any agreement that is not fair and honest and in the interests of all branches of trade, the consumer, the retailer, the wholesaler, and the manufacturer.

The manufacturers' interests have been respected. He spends thousands and thousands of dollars in putting an article on the market, and after he gets it there perhaps his

whole business is destroyed by the cutting of two or three dishonorable and reckless traders. And Mr. Beckett has been devoting his energies during the last year, and for many years, not only to the interests of the wholesale trade, not only to the interests of the retail trade, but to the interests of the consumer and the manufacturer, and in the interests of straight, honest, clean business. It would astonish many of the members at this meeting if they knew the time Mr. Beckett has devoted to this work. If every one of us would turn in and give one-tenth, yes, one-hundredth part, of the energy and time he has devoted to this, we would have an organization that no manufacturer could stand up against. He would be obliged to concede to every demand that was requested of him if it were fair and reasonable and we don't propose to ask anything that is not both fair and reasonable. I think we ought to feel the greatest amount of enthusiasm for the efforts that Mr. Beckett has put forth to put the grocery trade in the position it is in to-day. I would be very sorry indeed to see a resolution passed without giving him a full measure of credit for the tremendous efforts and the great work he has done in the interests of the trade.

MR. BRISTOL : I endorse everything Mr. Blain has said, and I endorse the resolution submitted by Mr. Gilmour, except that I should like to see it go further. I have listened to Mr. Beckett's paper with a great deal of interest. What we want is to get the manufacturers to have selling agreements that will be lived up to.

MR. ESCOTT (London) : While the resolution does not cover what I have in mind, I understand that the manufacturer who adopts the contract selling plan will enforce it absolutely with every wholesale house. Isn't that what it means ?

MR. INCE (Toronto) : I don't see how anybody could possibly take any exception to the resolution proposed by Mr. Gilmour. I want to know if Mr. Beckett's paper is to go in as a whole. I can't say too much in praise of it, but there are one or two points upon which I am not clear, but I am quite willing to adopt the motion as a whole.

MR. BLAIN : If there are any points which are not clear I suggest Mr. Ince mention them and we will thresh them out. We don't want any misunderstanding. If there is anything that does not agree with the sense of every man here, we ought to know it and have the matter cleared up.

The Chairman then put the following resolution to the meeting, and it was carried unanimously :

Moved by J. H. Gilmour, Brockville,

Seconded by John Marr, London :

That this Convention heartily endorses the attitude (as set forth in the paper presented at this meeting on " Our Relations with Manufacturers ") that the wholesalers should take in dealing with manufacturers who will not reasonably share with the wholesaler a fair remun-

eration for the service rendered, and that immediate steps be taken at this Convention to appoint Committees to interview manufacturers (whose goods the members of this Guild are selling on a margin too small to cover selling expenses) with a view to a more reasonable working margin.

THE PRESIDENT (W. G. Craig) : Gentlemen, a subject in which I am sure you will all be intensely interested is that of "Declarations, their Uses and Importance," which subject is in the able hands of Mr. Blain. I will now call upon Mr. Blain to give us his address as set forth in the programme.

THE DECLARATION—THE ONLY WAY TO ENFORCE PRICES.

MR. HUGH BLAIN said : In one of the earlier accounts of Creation in the inspired volume we are told that God created the heavens and the earth and all things therein, including our first parents, who were placed in the Garden of Eden and were commanded not to eat of the Apple. The Serpent induced the weaker of the two to disobey. Adam also yielded to temptation, and for their disobedience both were justly punished. Ever since cunning Serpents have been actively at work inducing the weak to disobey. The expulsion of Adam and Eve from the Garden did not cancel God's right to control, and this right has been freely admitted ever since and will continue so as long as we are recognized as His people. The same principle has been extended to His creatures. Ownership has always carried with it the right of control. Without such a right, human affairs would fall into chaos. With it, order is established, system is made possible and society is organized and conducted in the interests of the human family, each member admitting the rights of the other.

In the interests of the public, ownership is variously treated. Some things of their very essence are the property of the individual in common with all others. Some things the individual is permitted to own only upon stipulated conditions, while some things he is permitted to own exclusively and unconditionally. Wherever exclusive and unconditional ownership is admitted, the right to control is fully conceded. There can be no more striking or real instance of absolute ownership than in the case of the producer or manufacturer. The article he makes is his own and he has the undoubted right to adopt the plan he thinks is best in placing it on the market. He has the right to make the conditions upon which it will reach the consumer and therefore has the right, if he deems it to be in his interest, to adopt what is known as the "Contract Plan" for the sale of goods by which he can compel the wholesale distributor and the retail distributor to sell at stipulated prices and terms. That he has this right is abundantly established by numerous decisions of the Courts, with which you are now more or less familiar.

Admitting then, in the first place, that the manufacturer has the right, and in view of what I have said and the decisions of the Court, this must be admitted, and in the

second place that he has decided to adopt the "Contract Selling Plan," let us consider how this contract can be best enforced.

In the conduct of human affairs a promise has been found to be most binding when made under oath. The King takes his oath of office to rule and govern his people. The Premier and his Cabinet assume office by taking an obligation as to the management of the affairs of the State. The Parliament is formed by the members swearing to a proper performance of their duties. Every official in the service of the Empire, from the King down to the humblest in the State, has to promise under oath to properly perform his duties. Each profession requires its members to swear to a correct observance of its rules and regulations. Judges, Sheriffs, Registrars, Lawyers, Doctors, Preachers and all others who have positions of trust or special privileges conferred upon them yield a ready obedience to their duties and promise under oath to faithfully perform them. Corporations working under legal sanction have to make their reports to the Government and give such details concerning their business as the Government may require, to show that they are not violating the law, and this report is given under oath. Voluntary organizations, when properly constituted, impose the most binding obligations upon their members. Free Masons, Oddfellows, Orangemen, Forresters and other friendly and fraternal societies all find it necessary to have allegiance sworn to under oath. All Commissions having important business to do take evidence in the same way under oath. Indeed, to take evidence in any other form would discredit and destroy the usefulness of the Commission no matter how constituted. The most trivial disputes in the affairs of life are settled in accordance with sworn testimony. One of our travellers who has always been anxious to do a clean, honest business, suggested to me that every traveller in any way connected with the carrying out of a business agreement, before going on the road should be required to take an obligation to faithfully observe the conditions imposed, just as an official who has to perform important duties before he is instated in office takes an obligation to faithfully and honestly discharge the duties required of him. I was deeply impressed with this suggestion and persuaded that it would have a deterrent and elevating influence if it were generally known that everyone in any way responsible for carrying out an agreement had taken such an obligation. The buyer would then hesitate before suggesting or accepting any proposal which he knew was contrary to the seller's obligation, and the salesman would shrink from proposing or giving what he and the buyer both knew was contrary to the declaration he had taken. Where we agree to do business in the ordinary way of trade with stated conditions imposed, has been one of the few exceptions to this almost universal practice. What, then, are the inferences we must draw from a proper consideration of these facts? In the first place that wherever important matters are to be dealt with, they, as a rule, are surrounded with the safeguards of a declaration as to their faithful performance, and in the second place, that business transactions to be conducted under agreed conditions have not been recognized as of sufficient importance to be upheld with the much needed declaration for their support. Experience has demonstrated that a solemn obligation commands the greatest degree of care and attention and the fullest measure of observance. Reflect for a moment on what would be the result if these all important concerns of life were not surrounded by the safeguards I have endeavored to explain. What confidence would we have in the everyday affairs of life?

We would be appalled with the contemplation of the condition of human affairs under such circumstances. The position is emphasized by a recent addition by the Dominion Parliament to the Criminal Code, and it is gratifying to know that our Legislators have at last recognized the importance of having business actually conducted as it is openly represented and understood to be conducted, by the passage of an Act to prevent the giving or receiving of a secret commission. The Act is as follows :

" Everyone is guilty of an offence and liable upon conviction on indictment to two years' imprisonment, or to a fine not exceeding two thousand five hundred dollars, or to both, and, upon summary conviction, to imprisonment for six months, with or without hard labor, or to a fine not exceeding one hundred dollars, or to both, who,

(a) being an agent, corruptly accepts, or obtains, or agrees to accept or attempts to obtain, from any person, for himself or for any other person, any gift or consideration as an inducement or reward for doing or forbearing to do, or for having after the passing of this Act done or forborne to do, any act relating to his principal's affairs or business, or for showing or forbearing to show favor or disfavor to any person with relation to his principal's affairs or business ; or

(b) corruptly gives or agrees to give or offers any gift or consideration to any agent as an inducement or reward or consideration to such agent for doing or forbearing to do, or for having after the passing of this Act done or forborne to do, any act relating to his principal's affairs or business, or for showing or forbearing to show favor or disfavor to any person with relation to his principal's affairs or business ; or

(c) knowingly gives to an agent, or, being an agent knowingly uses with intent to deceive his principal, any receipt, account, or other document in respect of which the principal is interested and which contains any statement which is false or erroneous or defective in any material particular, and which, to his knowledge, is intended to mislead the principal.

(d) Every person who is a party or knowingly privy to any offence under this Act shall be guilty of such offence and shall be liable upon conviction to punishment hereinbefore provided for by this section.

The last clause was an amendment to the original bill which passed the Senate on March 31st. After being amended it was sent back to the House of Commons and agreed to on April 21st, and was finally sanctioned by the Senate."

This Act is a strong additional safeguard to square business dealings, and when taken in connection with the form of Declaration I have outlined, should establish a solid foundation on which to build a superstructure of business honesty and integrity. It surely cannot be said of this enlightened period of our history that such a Declaration is undignified or improper. It has the highest authority for its adoption and has been dignified with acceptance by the best elements in every walk of life. We hold that truth in its purity in a mere statement should be as binding as the most solemn obligation, and it is by the lover of truth. At the same time we must admit that everyone is not a lover of truth, and where an obligation under oath differs from a mere statement, is that if false the one is

punishable by law while the other is not. Where the possibility of punishment exists even the depraved will hesitate before incurring the danger. How much more, then, will the recognized respectable person hesitate before swearing falsely when he knows the offence is criminal and subject to punishment, and how much more still will he hesitate when he realizes that others as well as himself know that the Declaration is false and that he is liable to punishment. Perjury is a serious crime and I venture to say that there are few in the respectable walks of business life who would deliberately place themselves in this despicable and dangerous position. It must also be borne in mind that the person who accepts a secret rebate or commission is equally liable, and few merchants, either wholesale or retail, when they come to understand the law, will care to put themselves in the criminal classes.

I am, therefore, firmly persuaded that the Declaration, if used wisely, in connection with the "Contract Selling Plan" will practically enforce a just and rigid observance of the manufacturer's prices and terms by the wholesale distributors. The judicious use of the Declaration is the practical question which demands the best consideration of the manufacturer and wholesaler. It is important that the individual who violates a contract or is supposed to have violated a contract should be required to give an explicit denial under oath, and a refusal to do so should be considered an admission of guilt. If the individual who violates the agreement be an agent, then the firm employing him should be required, if considered necessary, to make a Declaration applicable to the case. The manufacturer should have the right, whenever and as often as he may deem it expedient, to call upon the distributor or any one in his employ, or both, or as many as he may determine, to make one or more Declarations in such terms as he may require. While it may be advisable to have a general Declaration at stated periods covering the general features involved in an agreement, it will also be necessary when a complaint is made to have a special Declaration dealing in terms sufficiently definite to cover the alleged offence.

I am satisfied that with such a system as I have outlined these immoral practices, which have been so prevalent in business, will be almost entirely eliminated and the standard of business ethics will be greatly improved. It must be admitted by everyone having even a superficial knowledge of these conditions that business is seriously demoralized, and that it is most humiliating to be connected with a line of trade where such methods are practiced. It is, therefore, the obvious duty of everyone immediately interested in these transactions to do all they can to abolish this growing evil. We would each continue to do our fair share of trade and competition would be had along healthy business lines.

A young man going out on the road for the first time as salesman would feel that sterling business ability was necessary instead of secret concessions involving the meanest kind of dishonesty. Does it not bring a blush of shame to the cheek of a wholesale man when he thinks of sending a traveller out on the road to solicit business under such a system of fraudulent deception? The motive which has caused this lamentable demoralization has been a desire to do more business and make more money, but when analysed carefully will be found to be mistaken cupidity. Remember that "corruption wins not more than honesty." Even those who indulge most freely in the practice do not, as a rule, profit by it in the end, and it is most unfair to the honest houses.

If, however, such practice did accumulate wealth, there are surely other aims in life besides making money. Let all of us act fairly towards each other and towards our customers. Let us elevate the standard of business morals. To quote from Shakespeare :

"By jove, I am not covetous for Gold—Nor care I who doth feed upon my cost—It yearns me not if men my garments wear—Such outward things dwell not in my desires—But if it be a sin to covet honor—I am the most offending soul alive."

Let such inspiring words animate us with higher ideals. Let us decide to be ourselves and keep those in our employ honest men. We will then raise the wholesale grocery business to a position of dignity as well as importance and those connected with it will be an honor to the country in which they live, and leave a name behind them that their family and friends can fondly cherish.

Mr. Blain also read a letter from Mr. E. F. B. Johnson in which he, Mr. Johnson, expressed the opinion that the suggestions as set forth in Mr. Blain's paper were the only really practical way of eliminating many of the evils of secret rebating.

MR. BECKETT : I have prepared a resolution which I would like to have the privilege of moving in connection with Mr. Blain's paper, and I hope now we are getting warmed up by such a convincing exposition of how to do what is right every one of us will have something to say about it. We don't any of us claim to be absolutely pure, but we are not here to pick holes in each other. We want to start from to-day and suggest some methods of improving trade conditions, and I think we are going in the right direction if we heartily adopt the suggestions set forth in Mr. Blain's paper. With a view to discussing the paper, and with a view to placing it before the meeting in a manner that will call forth discussion, I beg to move the following resolution :

Moved by Mr. H. C. Beckett,

Seconded by Mr. T. B. Escott :

That this Convention is under a deep sense of appreciation and gratitude to Mr. Hugh Blain for the timely and most thorough manner in which he has set forth to the trade of this country the importance and great value to the trade of declarations in business, and that the universal adoption of the principles laid down in his able paper will do more to uplift the morals of trade than any suggestion so far made ; and that this meeting unanimously endorse and agree for our respective firms that we will take, and have our employes take, a declaration when called on by the manufacturers.

Note.—The resolution was carried unanimously.

In the preparation of this resolution, Mr. Bristol is responsible for the last clause, which I hope you will heartily endorse, viz.: that every house will, when called upon by a manufacturer, cheerfully give a declaration from any member of their firm, or secure one if asked to do so from any of their travellers.

MR. ESCOTT : Mr. Chairman, I have heard many good papers at our trade meetings, but I can't recall ever having heard one of such a high standard as that of Mr. Blain's. It is necessary for us to put our ideas into action, and the conduct of business along the lines suggested in Mr. Blain's paper will give the honest man an opportunity of getting a share of the trade to which he is justly entitled.

THE PRESIDENT (W. G. Craig) : I think, gentlemen, everyone of you present must have something to say on a matter of such importance as this, and I would like to hear from as many of the members present as possible in the limited time at our disposal. I lament the fact that young men new to the road have had serious temptations, and it is a matter of great moment to us, and our duty, to so build up the character of our business as to remove as far as possible the dishonest practices that have prevailed in the past.

MR. KINNEAR (Toronto) : The spirit of Mr. Blain's paper is the honest man's sentiment. At one time I was opposed to such sentiments, but if men are inclined to do wrong it will be better to have the oath, which all men in positions of trust are obliged to take. I am surprised to hear the reports that some travelers have been guilty of secret rebating and have taken the declaration. In view of the source of the information it is apparently correct, and such methods, when employed to steal a customer, I do not think are likely to increase the faith that that customer would have in the salesman. The honest way is to stand for honesty and the keeping of agreements. The fact that the traveller cuts prices is an evidence of his inability to get business in any other way.

MR. OLIVE (Brantford) : I endorse the sentiments of Mr. Kinnear and so far as the suggestions made by Mr. Blain are concerned I think they should be adopted and endorsed by all members of the Guild.

MR. SLOAN (Toronto) : I have listened with a great deal of pleasure to Mr. Blain's paper on "Declarations," and I hope you will excuse my saying that I think Mr. Blain places too much weight upon the value of declarations. For my part, if I could not believe a man's word I would not believe his oath. My experience has been that in nine cases out of ten there was nothing in the charges; there was no truth in them. Very often the retailer, misleading the traveller, stuffing him with ideas that he could get the goods cheaper somewhere else. I have great faith in the system of our Hamilton friends, and I think we want a little more of it in Toronto.

So far as I am concerned, and my firm, we are always willing to have our books seen by our competitors at any time, and to give any explanation in our power about any charge brought against us.

MR. GILMOUR (Brockville) : I would like to ask if Mr. Blain's declaration suggestion is to be adopted by manufacturers so as to apply throughout the whole Dominion

MR. BLAIN : Of course, I should like to see that practice adopted everywhere. We are dealing to-day with the Province of Ontario, but when the proper time comes, and we

have a meeting of the Dominion Wholesale Grocers' Exchange, I think that will be the proper place to consider and discuss the question.

MR. GILMOUR : I would like to ask Mr. Blain if he has had any difficulty with travellers when asked to take the declaration

MR. BLAIN : If I make a contract with a manufacturer I will carry out those terms, and I have the right to enforce them on my travellers. The question is one of more than money ; it is a question of principle. If we can't do business honestly we ought to get out of it. I have lived too long and have too short a time to stay to want to do a dishonest business.

MR. CARSON (Kingston) : This is a question for the manufacturers. It must be universal or it can't be carried out. We have some wholesalers who are not members of our Association, and over whom we have no control ; the manufacturer has control over such firms, and he can exact the same conditions from them as he does from members of this Association in his dealings with them. The efforts we are putting forth are in the interests of the whole trade. It is true the outside members contribute nothing in the way of assisting us in the expense we have gone to in trying to better trade conditions, but we have no quarrel with them over that. To make the contract selling plan effective it must be general and not only with the members of this Association.

MR. BECKETT : I would like to say a few words with a view to making this matter clear. I followed Mr. Blain's paper very closely, and you will all admit that the manufacturers the Ontario trade do business with are much the same that the trade in the other provinces deal with. We are referring now to proprietary lines, and the object this Convention has in view in this system of declarations is this : We want to lay down the principle to the manufacturer that when he makes his selling contract that that is the style of contract that will prevail in his transactions with all the trade. I can tell you from correspondence all over Canada, from the wholesale trade in all the provinces, that they are just as anxious that the manufacturer should make a contract that the jobbers will live up to as we are. If a manufacturer in Montreal adopts the contract selling plan it must apply to everybody in all the provinces of Canada. It is not the intention to have the wholesalers in the province of Quebec go into the province of Ontario and sell on any different basis from that laid down by the manufacturer for the province of Ontario. It is the duty of the manufacturer to deal the same with all jobbers. We can go to the manufacturer and get him to adopt this method if we ask for it ; then, if the wholesale house or its representative is alleged to have given a secret rebate when the contract has been signed by the wholesaler, the manufacturer is in a clear position to put the declaration to the traveller, and thereby clear up the matter and create confidence in each other.

MR. BRISTOL : Mr. Kinnear has said that he was informed, and believed it to be true, that some houses had taken a declaration, and some travellers had done so, and they were false. I should be very sorry to believe that. I was President of this Guild

many years ago, and I had a great deal to do with the trade, and I will say that I don't believe any of the gentlemen I had to deal with, or any of the travellers, would do such a thing. I should require to be convinced on absolute evidence before I believed it.

Mr. Sloan said if he couldn't take a man's word he wouldn't take his oath. In answer to that I would say that the whole business of this country, the Courts and everything else, are conducted in this way.

Since the passing of the Secret Commissions Act, making the giving of rebates illegal, there has been the most wonderful change in the way of conducting business on some of the trips in the northern section of this country. Why? Because there is the Secret Commissions Act. We have some very large customers in that section of the country whom we had practically lost, and since that Act was passed the business has come back to us. I think we should try and strengthen that Act. Let us do something practical; and if we have been a little weak-kneed this will strengthen us and stiffen us up.

MR. H. T. WILSON (Toronto) : I would just add one suggestion that I feel might strengthen the hand of the trade. How would it do if we all signed an agreement not to employ any traveller who was caught giving secret rebates? I think that would strengthen our hands very much.

MR. PAFFARD : I should like to endorse what Mr. Bristol said about the effect in the country since the passing of the Secret Commissions Act. I know that to be an absolute fact. We are selling people now we haven't been selling for several years for the same reason.

There is another thing I would like to point out. There are firms in Toronto who, I know, never posted their travellers on that Act at all. There is one case in point where our traveller broke the news to other travellers three months after the Act had been in force, when we thought copies had been in the hands of every traveller in Ontario. Our travellers gave me the names of one or two men they came across who had never heard of it. That doesn't look as if every house were doing their best to correct all this. You would think their travellers would be the first ones to be posted. We put copies of that Act and all the literature bearing upon it into the hands of every traveller we have, and thought everybody else was doing the same.

COLONEL SMITH (London) : I think the declaration is all right. I think it is almost a necessity.

MR. PARSONS : You want every wholesale grocer in Ontario, and every traveller, to take this declaration, is that the idea?

MR. BRISTOL : Not unless he is asked to do so.

MR. PARNELL : I understand we are bound to take a declaration if called upon to do so by a manufacturer—either ourselves or our traveller. I am in hearty sympathy with the expressions of Mr. Blain's paper being adopted.

MR. MARR (London) : I am quite willing to go with the majority.

MR. MEDLAND (Toronto) : I am, of course, willing to agree with any action taken by this meeting. I feel myself that the wholesalers of the city of Toronto would make more progress by co-operating and getting closer together, than by increasing the feeling of antagonism ; and also by getting the travellers of the different houses on a more friendly footing. Get the travellers to meet occasionally, and listen to an address by Mr. Kinnear or Mr. Blain, and few others, and let them get well acquainted.

MR. LUMSDEN (Hamilton) : I have heard the resolutions. I cannot speak positively, but if my influence is any good I will use it with my house along these lines.

MR. SIMPSON (Guelph) : I have listened to Mr. Blain's paper with a great deal of interest, and I heartily endorse every word of the sentiment contained therein. So far as our house is concerned, we are one of the younger houses, we are quite prepared to fall in line with the majority of the views as expressed here this afternoon. I am sorry it is necessary to adopt such stringent methods, but it seems necessary to do so, and if such is the case we are prepared to fall in line.

MR. VILA (Hamilton) : I think things are in such a condition that anything we can do to improve them requires consideration. I will be prepared for our house, and myself, and any member of our firm, to undertake to give a declaration at any time. I think if any of the travellers feel their dignity affected, a little persuasion will bring them round, as it is in the interests of all honest travellers. I don't think a man should object to follow up with a declaration any statement he makes on the road.

MR. BURNS (Collingwood) : I must say Mr. Blain's address is very able and very lucid, and I thoroughly endorse every word of it, and also the illustration as given by Mr. Bristol. So far as my firm is concerned, we will carry out the resolution before the chair.

In order to save time, Mr. McLaughlin, from Owen Sound, has asked me to express the same opinion for him.

MR. TURNBULL (London) : I think this discussion has been very instructive, and a good deal can be done in the way of improving the condition of things by giving a declaration.

COST OF DOING BUSINESS.

PRESIDENT (W. G. Craig) : We have with us this afternoon Mr. Killson, of Hamilton, who has very kindly agreed to go down on the programme for a paper on the " Cost of Doing Business." As Mr. Killson has to leave by an early train, I will ask you to defer further discussion of Mr. Blain's paper until we hear from Mr. Killson, whom I will now call upon.

THE COST OF DOING BUSINESS

MR. KITTSOON said : Mr. President and Gentlemen : At the Annual Meeting of the Wholesale Grocers' Guild held in Quebec in June, 1908, a most excellent paper on this subject was presented by Mr. Wollaston, of Victoria. While a comparatively short time has intervened since that paper was submitted to you, yet in view of the vital relation in which the cost of doing business stands to the ultimate profit of any business, I think every opportunity should be taken advantage of to throw as much light as possible on this subject. The increased cost of living has of late attracted much attention. The press have devoted many of their columns to a discussion of the subject, and the Governments of some countries have thought this question one of such pressing importance as to justify the appointment of commissions of expert men, trained to scientific analysis and investigation to examine into the phenomenon of the present high cost of living.

It may be assumed as a self evident fact that the increased cost of doing business coincides with, and keeps pace with the increased cost of living. The experience of those houses who are represented here, will, I think, bear out the statement that the serious problem confronting the wholesale grocer from year to year is to devise means to keep down expenses—like Banquo's ghost—they will not down. In the one hundred and one items which enter into the cost of doing business in the grocery trade there is scarcely an item that does not show a substantial increase on former outlay. The increased cost of such commodities as eggs, beef, bacon, and butter ; the increased rentals of houses have an intimate relation to the salary and wage list of the wholesale grocer ; increased travelling expenses follow as a consequence of the adoption of local option in some sections ; increased insurance rates ; the more frequent service given by the travellers of wholesale houses to the retail trade—which is now a bi-monthly service, when it was hitherto a monthly service—these circumstances all operate to bring up seriously the ratio of the cost of doing business to the volume or turn-over. Now, when the expense ratio is too high, there is either no profit, or there is a loss.

Now, it is easy to say that the remedy is to increase your business, but it is difficult to apply the remedy beyond a certain point. Additional trade, like the increased speed of a steamer is acquired at the expenditure of relatively more energy, whether the energy be in the form of money or coal. The important fact is to get the expense ratio down to the lowest point consistent with efficiency.

Now, it would be calculated to throw much light on the cost of doing business if the wholesale trade would agree to appoint some trustworthy accountant who would act in a confidential capacity, who would obtain from every wholesale house a memorandum giving its total volume of business, and a statement of the various items of expense of such business ; the percentage which each item of expense bears to the sales of each house respectively could be ascertained. In that way each house could know what was the lowest ration of expense under any one item, or heading, any house had reached. House A, for instance, might get their average charges down to a lower point than any other house. House B might get their ratio of travelling expenses down to a lower point than any other house, and so on. The sum of the lowest ratio would be the ideal minimum

Brought forward	6.40
costs, exchange on drafts, telephones, telegraph, rentals, taxes, water-rates, repairs, subscriptions to benevolent objects, light bills, postage, stationery, fuel, advertising—these actual disbursements will bring the outlays of a business to close upon 9%. This ratio will be slightly increased or diminished in cases where houses are doing a subnormal or a super-normal trade having regard to travellers employed	5.70
	2.35
	2.95
	8.75

There are still other items which enter into the cost of doing business which are concealed or lost sight of. 1st—Deductions from invoices of freight allowances on goods shipped to competing points—an analysis of one month's business showed these buried expenses to be equal to 1% of the value of the goods shipped to such competing points.

Travellers' samples—samples sent to retail merchants—shrinkage in weight—allowances for goods returned, bad or otherwise, for which no concession can be had from manufacturers or packers—breakage on railways, and depreciation in values, constitute a number of vexatious items, not one of which is serious in itself, but in the aggregate they form a substantial sum, which, though it does not appear in the expense account, none the less increases operating expenses.

The question will be sometimes asked by a manufacturer of a specialty or proprietary line why do the wholesale trade handle so many lines the margin upon which is so much below the cost of doing business? The answer to that is, that the element of speculation is an important factor in the handling of such lines as sugar, dried fruits, spices, East Indian and Mediterranean products, and so forth, and by careful buying, a close study of the markets and a judicious investment of capital, there is an opportunity for increased profit that does not enter into the purchase of proprietary lines, the profit on which can only be assured the wholesaler and retailer by the manufacturer giving a reasonable trade discount and a guaranteed margin by the adoption of a selling contract that will be honestly lived up to.

Nearly every proprietary line handled by the wholesaler could not be handled by the manufacturer direct to the retail trade, except at a much increased cost over the margin at present allowed the wholesalers by the manufacturers.

These items of expense, to which I have directed your attention, endorsed in general conclusions, may be of some service in making those manufacturers who are asking the trade to market their products for inadequate compensation, realize the value of the wholesale trade as a selling medium, and prompt them to give a margin of profit proportioned to the service rendered—'tis a consummation devoutly to be wished for.

PRESIDENT (W. G. Craig) : I am sure we all feel very much indebted to Mr. Kiltson for the clear and comprehensive manner in which he has set forth the various items of expense in connection with the cost of doing business. Many of these items we are apt to lose sight of, and I hope when a copy of the minutes of this meeting reaches every member of the trade they will carefully investigate this important matter with a view to satisfy-

ing themselves what it really costs to do business. There is more or less difference of opinion in regard to this matter, which can only be accounted for by reason of the fact that some items of expense are occasionally entirely ignored. I should like to have a resolution on this splendid paper of Mr. Kittson's.

The following resolution was then put before the meeting and carried unanimously :

Moved by Wm. Logan, Toronto,

Seconded by F. B. Escott, London :

" That a cordial vote of thanks is hereby tendered to Mr. H. N. Kittson for the very thorough manner in which he has set forth to this Convention the cost of doing business, and that the suggestions he has set forth receive the earnest consideration of the meeting with a view to more forcibly impressing upon the trade the cost of doing business."

THE PRESIDENT (W. G. Craig) : We will now receive the resolutions dealing with the questions to be dealt with to-morrow when we meet the manufacturers.

CONTRACT SELLING PLAN WITH DECLARATIONS.

Moved by M. P. Burns, Collingwood,

Seconded by W. P. Riley, Port Arthur :

" That in the opinion of this Convention the contract selling price plan (or price protective plan, as it is sometimes called) on proprietary articles is the only means of safeguarding a manufacturer's goods against the evil effects of price-cutting and dishonest practices, and that when such selling contracts are adopted by the manufacturers a provision should be made therein for a declaration to be given by any salesman when called upon, as is so admirably set forth in the address by Mr. Blain on " Declarations, Their Uses and Importance."

Carried unanimously.

DISCRIMINATION BY MANUFACTURERS UNFAIR.

Moved by M. S. Sutherland, Kingston,

Seconded by John Marr, London :

That the action of some manufacturers in discriminating in their prices and discounts on their proprietary articles to favored retailers is a menace and a direct injury to the large majority of the retail

trade of this Province, and that the manufacturers be requested to give this matter their serious consideration with a view to treating all the retail trade in a fair manner.

Carried unanimously.

QUANTITY PRICES HURTFUL.

Moved by Mr. Carson, Kingston,

Seconded by F. T. Smye, Hamilton :

That years of experience in connection with the quantity price on proprietary lines has proved to this Convention that the method is hurtful to the best interests of the retail trade, as any method that is calculated to place the buyer of a large quantity in a position to injuriously affect the trade of the great majority of the retailers of this country is not in the interests of the trade in general.

Carried unanimously.

THE PRESIDENT (W. G. Craig) : Gentlemen, you have heard the resolutions and endorsed them ; it will therefore be in order to-morrow to present them to the manufacturers. With that idea in view, I shall call upon Mr. Smye to address the manufacturers to-morrow by giving the paper prepared by Mr. Beckett for presentation to them, supplemented by other views that any of you may desire to present. The next order of business is a paper by Mr. John Dillon, of London, on " How to Preserve the Interests of the Retail Trade." Unfortunately, through some unavoidable circumstance, Mr. Dillon is unable to be present, but his partner, Colonel Smith, will now address you on this subject :

" HOW TO PRESERVE THE INTERESTS OF THE RETAIL TRADE."

On behalf of Mr. Dillon, Col. Smith said : I have been asked to introduce the subject, " How to Preserve the Interests of the Retail Trade." I regret that this subject is not in better hands, as it is most important, and I feel that I cannot do it justice, but I hope that the discussion which will follow will bring out good results.

Self preservation is one of the first laws of Nature, and as the retailer's interests are our interests, he is necessary to us, and, in fact, part of us. How to better the condition of the retailer should be one of the first considerations of the wholesaler. For some years past the wholesale trade has been working along this line. This meeting is an evidence of that. The natural channel of distribution is from the manufacturer, through the wholesaler to the retailer. The retail grocer is the most necessary, the most used and the most abused of all dealers. In the present day, through competition, his expenses have been unavoidably greatly increased. In the cities we find that it is a general practice for him to solicit orders as well as to deliver the goods, and in towns and villages competition has caused him to pay exorbitant prices for produce.

The retail grocer is also, through common practice, one of the greatest philanthropists of the day. He distributes more charity than any millionaire. If through sickness or other cause the head of the house loses his position the grocer is called upon to supply goods on credit. He really feels at the time that he should not do it, but he argues with himself, "I cannot see these people starve." I feel quite satisfied that there is not a retail merchant in our Province who has not numerous records such as this, and they are costing thousands of dollars. This is another reason why he should be protected and conditions improved.

Now it is an easy matter to criticize, but what we want is to offer some remedies. I think in the first place we should start with our travellers and get them to persuade our customers to buy and handle profitable goods, not to be looking for cheap lines. Invariably my experience has been that the selling of these cheap goods displaces lines on which there would be a profit, and in the end there is a certain amount left over which is often sold at a sacrifice, practically absorbing all the profit, whereas if the merchant had saved his energy and used his newspaper for a little judicious advertising I am satisfied he would have been farther ahead. Cutting prices, especially of proprietary articles or staples, is a very dangerous and unnecessary way of getting business. I think we should post our travellers on Legislation respecting trade and commerce, especially the Secret Commission Act. He should be familiar with this so as to impart the same to his customers. They would not be misled into transacting business along immoral lines. Another thing, every traveller should be familiar with the average cost of doing business, and in conversation with his customer he should be an educating medium in this respect.

With reference to some of the remedies. We should avoid handling any lines of proprietary articles that do not pay a fair margin, and we should get the co-operation of the retailers. If the manufacturer wants to put a line of goods on the market to make himself a good fellow with the consumer at the expense of the trade, let him go to the consumer and pay all the expenses himself.

Another evil is the quantity price. This is invariably abused, and it gives a few retailers an advantage over the many. A line of demarcation between the wholesale and the retailer should be drawn at the retail counter. Merchants buying together in quantities to get the price is a mistake, as it gives perhaps the small man, who is a cutter, the opportunity to cut. We feel that if there was more confidence among the retailers, and if they consulted with one another, a good deal of unnecessary cutting could be avoided. This selling of ten cent lines at three for a quarter, and buying goods at 50c. per dozen to sell at 5c., and \$1.00 to sell at 10c., should be entirely done away with. In talking to several of the retailers I find that a conservative estimate of the cost of doing their business is about twenty per cent., and surely they are entitled to some small profit for their investments and their services. In the present day there is a large demand for package goods. Looking at this from a sanitary point of view, I think it is right. It preserves food from dust, not only in the store but in transit from the retailer to the consumer. But many of these goods do not yield the cost of handling.

I hope there will be a full discussion.

THE PRESIDENT (W. G. Craig) : I am sure we all feel indebted to Mr. Dillon and to Col. Smith for the valuable suggestions contained in this paper. I hope that every wholesale grocer will make it his business to direct his salesmen's attention to the splendid suggestions made by Mr. Dillon.

The following resolution was then put to the meeting and unanimously adopted :

Moved by F. T. Smye, Hamilton,

Seconded by G. E. Bristol, Hamilton :

That Mr. John Dillon's paper, presented by Col. Smith, on "How to Preserve the Interests of the Retail Trade," be gratefully received and thoughtfully considered and placed on record in the minutes of this meeting for reference.

THE PRESIDENT (W. G. Craig) : I am sure, gentlemen, you will all feel gratified by the splendid day's work we have accomplished. To-morrow is manufacturers' day. In a general way we are to lay our grievances before them, and make suggestions for the betterment of trade. I would ask you to avoid any discussions of a personal nature. We are dealing with the broad principles of trade, and with such splendid papers as we have heard to-day I am confident you will be able to place your views before the manufacturers in no uncertain way, and that we are bound to get good results. We meet the manufacturers to-morrow at 10 o'clock, and I would ask you all to make a point of being present sharp on time. The meeting will now stand adjourned until to-morrow at 10 a. m.

SECOND DAY

TUESDAY, APRIL 26th—MANUFACTURERS' DAY

MORNING SESSION.

Meeting opened at 10 a. m.

President W. G. Craig in the chair.

THE PRESIDENT (W. G. Craig) : I beg to extend to you a hearty welcome, on behalf of the Wholesale Grocers of Ontario. This gathering is unique. You know the conditions of trade are continually changing, and this is perhaps one strong indication of the many important changes that are taking place. The wholesale grocer has to live and take second place to the manufacturer, I think. At any rate we cannot do without each other, and the manufacturer has to depend a great deal for his success on the ability of the jobber. The jobber takes the place of the distributor, and it is because of this close connection that you are invited here to-day. The invitation comes from the wholesale grocers, and I hope that the manufacturers will enter into the meeting with enthusiasm and indicate in that way their appreciation of the goodwill of the wholesale grocers.

The meeting is to be conducted on general lines, and it is not proposed that any personal grievances shall be introduced. These special or particular cases will be dealt with by a committee specially appointed for that purpose. I think we might commence by reading a paper that was read yesterday, and which will be an introduction to the business of to-day. I would ask Mr. Smye to read the document.

Mr. Smye then read the paper prepared by Mr. H. C. Beckett, addressed to the manufacturers. This paper will be found on page 25. Before reading the paper, Mr. Smye said: I am very pleased to welcome you as Vice-President of the Guild. I can see before me now some of the staunchest friends we have in the trade. We have manufacturers present who will, I am sure, by means of the discussions, have a better understanding than they have ever had before. At our meeting yesterday there was nothing private; we had nothing to hide. This is purely on educational lines. The newspaper men are here and they reported the meeting. Papers were given by several of the members, and resolutions were passed which we will read to you to-day and invite discussion on.

After reading the paper Mr. Smye presented to the manufacturers the resolutions unanimously adopted by the trade re the following :

The contract selling plan and its importance to manufacturers. See page 48.

Discrimination in favor of certain retailers and the harmful results thereof. See page 48.

Quantity price, its evil effects. See page 49.

The wholesaler's cost of doing business. See page 45.

(Note.—These resolutions were passed on Monday and will be found in Monday's proceedings.)

MR. SMYE : There are some in the trade who will not be educated, and have no use for united effort. The number is very small, but they are a menace to fair dealing. Men of this class don't want to deal fair ; they want all the advantages without paying any of the cost of securing same. The trade now enter a strong protest and an emphatic objection to being injured by men who are contract breakers and who practice dishonorable methods in business. We are here to-day to present a front undivided before you, and you will see that we are a unit. We think a good deal of education is required on the part of the manufacturer. We have the contract selling plan with a good many manufacturers, but we are sorry to say some manufacturers have been very loose in their methods of seeing that the jobbers to whom they sell carry out their selling contracts. It is most unfair for a manufacturer to present the contract for signature to a portion of the trade, and let others who refuse to sign the contract get supplies of his goods. It places the house that has signed the contract at a great disadvantage and gives advantages to those who have not signed the contract most unfair to the trade.

I don't think anything can work a greater injury to the trade than a disloyal manufacturer, and we are here to speak frankly and plainly and give you our views on this matter. We have had cases in our experience where wholesale houses having signed a manufacturer's selling contract have not posted their salesmen, and as a consequence their salesmen have gone out on the road breaking prices through lack of being properly posted. A better system on the part of the manufacturer, in supplying the wholesalers with selling price-lists for their travellers, would avoid the confusion that has so frequently arisen in the sale of proprietary goods. You must remember that unless this is done it can hardly be expected that the sales managers of the different wholesale houses will post the men on the road in exactly the same way. This kind of instruction should be issued by the manufacturer.

THE PRESIDENT : I am sure it is not Mr. Smye's intention, as his remarks might possibly indicate, to say that we have any grievance against those who are not members of the Guild. There is no compulsion about becoming a member of our association, but you manufacturers can readily understand that wholesalers in business who are not members of the Guild are less likely to be posted than those who are members, and in consequence of that you can readily see the importance of each manufacturer of proprietary lines giving instructions clear and unmistakeable to all jobbers, whether they are members of the Guild or not.

There is no doubt it would be better for them and for ourselves if we were all in this membership ; but some of them have been in business for a long time and have old notions of doing business, and it takes people sometimes—particularly if there are Scotsmen about—a little while to change their mode of doing business. They can't see why the old system should not still succeed ; but if you want to be up-to-date you must recognize the

gradual change that is going on in the grocery trade. The members of the Guild, however, are surprised that those outside of the Guild look for the advantages that we are striving for without paying any of the cost of same. I will now call upon Mr. Blain to address you.

MANUFACTURERS SHOULD CONFER WITH THE TRADE.

MR. BLAIN : I think, Mr. President, instead of talking along general lines we would make more progress if we confined our discussion on the resolutions that were passed yesterday, and which have already been presented to the manufacturers. The manufacturer and the wholesale distributor should be entirely in accord with each other. There is no conflict between them so far as I can see. Their interests are identical to this extent, that unless the one prospers there is not the same chance of prosperity for the other. The wholesale trade would consider it the last thing they should think of to advocate anything that would be injurious to the manufacturer. We recognize that the manufacturer is the great foundation of the business of the country, and that it would be a mistake to think of doing anything that would interfere with his interests. His interests should be our interests, and if we are, as we claim to be, the cheapest and best medium of distribution for his goods, then our interest should be his interest, because everything that will improve the channel through which his goods go to the consumer will improve his position. The manufacturer, so far as I have been able to get at the views of the wholesale trade, has the undoubted right when he makes an article and puts it on the market at the price that he thinks will best repay him for his effort, to decide in consideration of the quality of the article what price it should be sold at, and after he has determined that, it is for him to apportion among the retail trade, the wholesale trade and himself the proper proportion for the handling of the goods. The manufacturer who understands his business cannot take himself away from those three channels of trade. He has got to have the wholesaler to cater to the retailer, the retailer to cater to the consumer ; and he has got to sell to the wholesaler himself, and if he has his business interests properly in mind he must take into consideration these three channels of trade. It is for him, and for us, and for the retail merchants to say along what lines this business can best be conducted. I think the recommendations laid down in these resolutions point out the only way in which the manufacturer can place his goods upon the market to ensure a proper consideration and attention to his wares through all these various channels.

Once his article is put upon the market, he may possibly—and very often does—spend thousands and thousands of dollars in advertising his goods, in letting the consumer know the kind and quality of the goods—and very properly so. He must do that. The public must have confidence in a man's goods. They must know, and he only can give them the information through the press, through the proper media of advertising. And having once created a desire, a demand by the consumer, then he has got to carry on his business through the other channels of trade ; and in order to do that he must consider the three different channels. The retail man can destroy all the advertising expenditure that the manufacturer has made in putting his goods on the market. Half a dozen

retail men in different part of the country can cut his goods to such an extent that the whole of the retail trade will withdraw their efforts from the sale of them.

In the city of Hamilton not long ago a manufacturer's goods were placed through an improper medium in the hands of a jobber, not a grocer, and every retail grocer in Hamilton put his goods behind the counter, and his sales fell off entirely in the city of Hamilton. He wondered why this should be, and upon investigation he discovered the cause of the stagnation in his goods and why he was getting no orders from the wholesale trade in Hamilton. After sending a representative there to investigate the circumstances he discovered that improper methods had been taken to introduce his goods by one special wholesaler and he immediately took the necessary steps to withdraw the sale of his goods through that channel, and the rest of the trade in Hamilton brought his goods to the front again, and in the course of time they came on to the market again and his trade went on as satisfactorily as before.

I give you that as an instance to show how a few retail men through the country, if they are allowed to handle proprietary articles at cut prices upon which thousands of dollars have been spent in advertising, can destroy all the efforts the manufacturer has put forth. Why should the manufacturer not have the privilege of going to the wholesale man, and the retail man and the consumer, and saying, These goods are worth their value ; these are the goods we have advertised, and they must be sold under the conditions we lay down. They are the conditions that I, as manufacturer, have made up my mind are the only conditions that will keep them properly before the people of the country, and along these lines they must be sold. If you decide on that, that is the proper business principle.

After a great many years of consideration some manufacturers have adopted what is called the contract selling plan. The contract requires the wholesaler, and it is extended further and requires the retailer, to sell the goods at a fixed price laid down by the manufacturer. I refer now to proprietary articles. When the manufacturer lays down his price for his goods, he expects the wholesale house to keep it, and if they do not he is very much affected. Some may be weak enough—I hope not many—to overlook it. The manufacturers would not make the price if they didn't want the goods sold at this price, and having made it, we, of course, feel that it is the bounden duty of every man to carry it out—all honorable business men will feel that. We cannot vouch to you, gentlemen, I am sorry to say, for the honor and integrity of every man in the trade. We can tell you that the great majority of the wholesale trade are honest, honorable men of business integrity, who want to do their business honestly and fairly, and distribute your goods to the consumer on the best possible business basis, not asking more than is necessary in distributing the goods, nor asking the public to pay more than the value, or the retail trade to get more than they should for handling the goods ; but we want you to share with us. We recognize the fact that the manufacturers of this country are immensely prosperous ; they are acquiring great fortunes, and we poor grocers are distributing their goods for less than cost. We want you to take this into consideration. What I am saying is perfectly true, and I should regret exceedingly when you devote your energy and efforts to manufacturing your goods if you were not making fortunes in business. You are entitled to. I want you to consider : Cannot we afford to give the wholesale grocer who is doing our

work, distributing our goods, a better margin for doing so? We have nearly four hundred travellers in this province alone, and how many is that for the whole Dominion of Canada? We have this vast army all over the country, constantly on the road, friendly with all the retail merchants all over Canada, and we are putting these men out and keeping them out, and disposing of your goods for less than cost; and we know we are doing that. We know our business. We know exactly what it costs us. When we have this vast army of men through the country, doing your business for less than it costs us, I think we are justified in coming to you and saying: We think you should re-consider the position, and see if you cannot re-adjust matters and give us a little more for handling these products. I may be going a little too far in this direction in hoping it will be done just now, but I do feel that we want to get together. We want you to co-operate, and you want us to. If a manufacturer is loyal and true to us, you can depend upon it we will be loyal and true to him. We don't want to do anything that is adverse to any other interests in the country, adverse to the consumer or the retailer. We want to work along the best possible business lines in co-operation with each other, to try and put trade and commerce in the country upon a basis that will be satisfactory and fair and just to everybody. If we can succeed in doing that we will raise our business to a higher level, to a better plane, and we will have a better system of business ethics and morals than we have to-day, and we will advance the general interests of the whole country.

THE PRESIDENT: My reason for asking Mr. Blain to speak was that I knew he could follow up the information we are trying to give you, and at the same time give you time to think. As I have said before, this meeting is purely educational, and the more views we get to express the sentiments of the wholesale trade the better the manufacturers will understand the position. I will now call upon Mr. McDonald.

HARMONIOUS RELATIONS WITH TRADE HAS INCREASED BUSINESS.

MR. McDONALD (Quaker Oats Co.): I have just stepped off the train this morning from Vancouver, so I haven't had much opportunity to think what I should say to you. Some three or four years ago I was sent over from Chicago to see after our sales here. We were at loggerheads with the jobbers. We were selling some retailers at the same prices as we were selling the wholesalers, but not all of them. The jobbers were antagonistic, and worked hard against us. When I came over here our trade was in a mix-up. Every small miller in the country was selling direct to the retail trade. Mr. Beckett and some of the other wholesalers came to me and pointed out the advantage that would accrue to our company if we would adopt the contract selling plan with the trade. I took it to our people in Chicago, and they opposed it. They said the wholesale grocers hadn't done anything to help us out, they hadn't tried to sell our goods. I said this was natural, because we were going direct to the retail trade. About two years ago we entered into a selling agreement. We had a fixed price on our cereal packet food. We paid a rebate of 10% to the wholesale trade for three months. Our business has grown during the last two years in Ontario over 100%. Our company think that the cause of that large increase is that we have had the co-operation of almost every wholesaler in Ontario. There are a few, of

course, who are still antagonistic, but they don't amount to much. The other man gets the business. One thing we have found out is this : We need not sell every wholesale grocer to keep up our volume of trade. If we cut one of the wholesalers off for cutting prices the other man gets the business. It took us a little time, and we got into trouble cutting off some of the retailers to whom we had been selling, but we realised, after considering the matter, that it was unjust to the great majority of the retail trade to sell some of their trade on a favored basis, because those so favored were in a position to cut prices to the hurt and detriment of the great majority of the retailers.

I was in Seattle three weeks ago. Some years ago, eight or ten, the Quaker Oats Co. had all the business out there in rolled oats. They were very arbitrary with the trade. The wholesalers came to them and told them if they didn't give them a better profit they would throw out their goods. The retailers also said they would not handle our goods, and they did not. On account of this, about four years ago we practically had no trade in Washington state. The retailer and the wholesaler combined were strong enough to cut out our goods, and sell other lines, in spite of our advertising. Our competitors got the business. Then we came down off our high horse and saw the advantage of giving the wholesaler and the retailer a larger profit. The result is to-day we are getting the business. The first four months of this year we sold more goods than the whole of last year. We are getting more money for them, and the wholesaler and retailer are getting more money for them. One thing we have found is that quite a number of the wholesale grocers don't take the manufacturers into their confidence enough, and the manufacturers don't take the wholesalers into their confidence. I have an instance in mind in Ontario. One wholesaler doesn't push our goods. We have made every effort we can to please him, but he doesn't tell us the reason he is not pushing them. If he would come and explain the trouble we would soon adjust it. He looks on us as an enemy, and we naturally look on him in the same light, because he doesn't push our goods. If he would come to us on a friendly basis and explain things, no doubt we could come to a workable arrangement which would be satisfactory to both.

Mr. Blair mentioned the wholesale grocers were distributing below cost. I don't know about that, not being a wholesale grocer, but I know it would be impossible for us to get the same distribution in Ontario for the cost we are paying the wholesale grocer.

Mr. Blair also said the wholesalers ought to be loyal to the manufacturers, and I think the manufacturers ought to follow up and be loyal and true to the wholesalers. The main point, as I said before, is for us manufacturers to take the wholesalers into our confidence and treat them just as if they were a part of our firm. Let us all work together. We are in business to make money, and if the manufacturer helps the grocer to make money on his goods, the wholesaler will help him to do the same.

THE PRESIDENT : We very much appreciate what Mr. McDonald has told us. We would like to hear from Mr. Innes.

WHOLESALEERS UNDOUBTEDLY CHEAPEST MEDIUM.

MR. R. L. INNES (Dominion Cannery) : Seven years ago, when we started in business, we started paying the jobbers on a commission basis. That worked fairly satisfac-

truly for a certain number of years ; then conditions arose and it became inoperative. Perhaps it was our own fault, and perhaps it was the wholesalers'. At any rate we couldn't carry it out successfully as formerly. Last year we had an open market.

We have found times when the travellers from the wholesale houses will actually undersell travellers we send out ourselves. We have experienced quite a little of that in the past year. The traveler of the wholesale house will cut prices, give secret rebates. Our own men who are out introducing our goods are frequently met with that. We don't seem to get the co-operation from the wholesaler and the retailers that we feel we are entitled to.

There is one point, I think, might perhaps be profitably discussed as between the manufacturer and the wholesaler, viz.: the question of distributing costs. We realize that you have an enormous advantage, and a very great expense in the matter of some 400 travellers in Ontario, and when we work together the efforts of these 400 travellers, and the heads of their firms, are all behind the goods. I don't think any manufacturer can possibly afford to do without that distribution. We have realized from the start that the wholesalers are the most economical method of distribution in any country, and especially in this country. It has occurred to us that possibly there are too many travellers, the district is too small. You might be able to cut down the travellers and put the money in your pocket. I think the keen competition you have experienced has necessitated great expense, but if the retailer and the wholesaler and the manufacturer could get together on a fair basis it seems to me we could all make a profit. The manufacturer and the wholesaler and the retailer could all do so, and when the retailer gets his goods cheaper that means the consumer does also.

Seven years ago we were on the commission basis. Our business increased in seven years, notwithstanding the competition we had. Our business has increased about eighty per cent., showing the method we have in connection with the wholesaler is a good one. We must bear in mind to get the goods into the consumer's hands at popular prices, and we want the wholesaler to work with us. If we can do anything towards adjusting our trade relations we will be pleased to meet your committee with that idea in view.

MR. INCE : Am I to understand, Mr. Innes, from your remarks, that you have been selling large buyers, not wholesalers, at wholesale prices, and discriminating in favor of some retailers at the expense of others ?

MR. INNES : We have always, since the inception of our business, sold absolutely through the wholesale trade, and if we can't do it we will let the business go.

THE PRESIDENT : Mr. Ince's question is very important, and the answer is very satisfactory. With reference to Mr. Innes' suggestion as to the reducing of expenses, that is, of course, an important point, and one which is always receiving the attention of the trade. Unfortunately the trend of things to-day is towards increased cost, due to higher wages in every department made necessary by the increased cost of living. We have a gentleman with us we would like to hear from, Mr. Dobie, of the E. W. Gillett Co. He has always been regarded as a man firm in business principles. Even if the profits on his line are not satisfactory to the trade we should like to hear from him.

MR DOBIE said : Mr. President and Gentlemen : A couple of weeks ago we noted with a great deal of satisfaction that it was your intention to devote part of the second day of this Convention to having manufacturers present, and later on we were pleased to receive an invitation from you. Such a meeting as this should, in my humble opinion, be productive of a great deal of good to both interests.

Before going further I desire to congratulate your Association on the result of the legal action which was brought against it, or rather against some of your members, and we suppose it is needless to say we were with you all the way through. In this connection we do not know that we were able to do any great amount of good, but of course every little bit helps.

Gentlemen, without intending any flattery, I can truthfully say that during my experience of about 30 years of close connection with the wholesale grocery trade in Canada, I never knew a finer lot of men than those engaged in the business, but I must reluctantly qualify this statement to a moderate extent, by saying that some of you are a rather difficult lot of people to please in some respects. Sometimes we get the notion that some are like the average small boy who is looking for the long end—the biggest half—of the stick of candy. We do our best to divide it fairly and in proper proportions, but our efforts, we are sorry to say, are not always appreciated. Considering the present high prices of all raw material, we are really treating you well. We desire it should be understood that it has always been our aim to get along nicely with our friends in the wholesale grocery business, and we think as a rule, speaking in a general way, that things have been fairly satisfactory to all concerned. Of course where interests clash, as they do in many cases, owing to the fact of such a large proportion of wholesale grocers being manufacturers of certain lines as well, it is utterly impossible to avoid all friction. Some of our actions have been criticised and occasionally criticised quite severely, but notwithstanding such to be the case, we can truthfully say we have made a strong effort to be fair and to favor our friends as much as possible, under all circumstances and conditions, and if we are permitted to carry out the same policy, we will likely do so. We, however, always reserve the right to change our plan of operations, and if found necessary, go direct to the retail trade, although we hope that such a course may not be necessary.

I am taking this opportunity of answering something that is possibly uppermost in the minds of all, and that is the question of making certain changes in price schedules recently put into effect. I want to say, if you thoroughly understood all the conditions leading up to the changes that were made, I am sure you would feel entirely different about the question. The fact of the matter is, we have for some years been too liberal with the wholesale trade, and possibly this makes the difference in profit more noticeable now. When we reach the point where we find the wholesale trade are the real distributors of the product of our plant, we would, of course, naturally feel more inclined to allow as large profits as possible ; but unfortunately, to-day our records show that the majority of our output, with the exception of one line, is placed by our own salesmen. As to what may be done in the future, in the way of increasing the jobber's profit, will depend largely on the showing you make. We will experiment for a few months with the new lists which became effective in March, and you can also do the same. Possibly after we have all had

actual, practical experience, we will be in a better position to judge as to what is needed and what should be done.

Although members of your Association have used many arguments to show that slightly larger margins should be allowed, we desire to say no change in prices or in your margin, can be made at the present time, and we cannot promise that any will be made very soon; but there is no telling what may be done if the wholesaler and his selling staff get busy and show good results. Work of this kind will be more effective in bringing around a different state of affairs than anything else. We strongly urge and advise that you become the real distributors of the product of our plant. By this we mean that you should, through your selling force, actually sell the lines that are difficult to sell, as well as the others—the ones that are comparatively easy to dispose of. Under improved conditions such as these, we could no doubt afford to deal a little more liberally with you. It should be possible for us to work together and get things running in such nice, smooth shape that we could rely on you to attend to the selling end, and all that would be required of us would be to have a few good advertising men on the road to do necessary work in that line, of which you would of course reap the benefit. Under such ideal conditions as these, you would be satisfied, we would be satisfied, in fact, everybody would be satisfied. Sizing up the whole situation, we desire to say that while the jobbing and retail trades do not make quite as large profits as formerly, yet when the goods are bought in proper quantities the margin is very fair. Should we find it possible to get the cost of manufacture down finer from time to time, it will be a pleasure to see that our friends get their proportion of the saving.

While it is not my wish to interfere in any way with the programme of your Convention, yet it is hoped by some manufacturers, as well as ourselves, that before this meeting adjourns on Thursday, that the question—"Should jobbers be competitors of exclusive manufacturers who favor the wholesale trade?" be gone into and discussed fully, and we would like you to link with that question the other—"How can a wholesale grocery house who manufacture a similar line of goods to that made by the Gillett Co. honestly push and recommend the goods made by the latter concern?" If things go on as they are now, and possibly get worse, we fear you are going to drive the legitimate manufacturer, who is willing to work with you, to go direct to the retail trade. We have good and sufficient reasons for thinking that a wholesale grocer should be a wholesale grocer, and that he should keep out of the manufacturing line altogether. Of course, we know what a good many will say to this, but believe it to be wise that this Convention should give these questions very serious consideration.

In giving consideration to our particular case, we hope you will not be too harsh, for you all know that for a long period we have indirectly been the means of the jobbing trade of the Dominion of Canada making considerable money.

I thank you for the fair treatment and patient hearing you have given, and I take pleasure in extending a cordial invitation to all delegates to call upon us before leaving Toronto.

MR. SMYE : Mr. Dobie is a man of individuality, who is not afraid to do things. He has been our friend and stiffened our backbone on many occasions. Evildoers live in fear of him, and we admire the way he conducts his business ; and the only thing we don't admire in Mr. Dobie's make-up is that the wholesale grocer doesn't receive the reward for his labor that he thinks he is entitled to. Mr. Dobie says the profit has been reduced on some of his lines, and another complaint is that the wholesale grocer has become a manufacturer and competitor. In reference to that phase of the question I would say the percentage of wholesalers who are manufacturers is very small. Our firm is one of the guilty ones, but we were driven into manufacturing goods by the inferior quality of the goods supplied by some of the manufacturers. Take it in spices, coffees and extracts. Manufacturers, especially houses going direct to the retail trade, made a point from time to time of misrepresenting the wholesale grocer, and saying that they supplied the retailer with goods of superior quality to the goods they supplied to the wholesaler. A good many of the wholesalers are interested in the spice business. Outside of that I don't think we have very grievously sinned. The grocers have never gone into the manufacturing business except where the manufacturers would not share a fair profit with them.

I hope Mr. Dobie's remarks will be discussed in a friendly manner, and we will try to get a show-down as to where the wholesaler stands with the manufacturer. I hope Mr. Dobie in his wisdom will confer with some of our wiseheads in the trade, and continue along the line of pleasant relations that has existed for so many years with the E. W. Gillett Co. and the wholesale trade. There are some lines of their goods that only carry about 8% margin. The wholesaler who handles these goods can figure it out for himself. We had a very instructive paper from Mr. Kittson yesterday, in which it was clearly shown that the cost of doing business is 9%. That is the position we are in to-day, and we have got to sink or swim ; something has got to be done. Conditions are very bad. We hope every manufacturer will come up and state his views in the friendly manner that Mr. Dobie has.

MR. BLAIN : I think Mr. Smye has overlooked the real reason why the wholesale trade have entered into the manufacturing of goods. I think the real reason was that the wholesalers didn't get sufficient profit on the goods that the manufacturer handed to him to distribute. I can tell you this much : if it were not for the manufacturing branch of our business we should show a loss at the end of the year instead of a profit. It just shows that the conditions of trade all the way have been wrong, and this is due to a lack of a better understanding of trade conditions.

Another reason for our being forced into manufacturing is that in some lines, I am not referring to Mr. Dobie, or any manufacturer here, but it is well known among the grocery trade, we used to get our goods from the factories, and we had to compete with the manufacturer when it was frequently represented to our customers that the manufacturers specially made our goods for us, and we were simply distributing their goods, and they were not up to the quality of the goods sold direct from the factories. That is a condition our travellers had to meet every day in the month, and it was for these causes that we were forced into manufacturing. I would like to impress that fact upon Mr. Dobie, because if the conditions had been satisfactory from the beginning, and if we had been get-

ting the profits we were entitled to as distributors, none of us would have cared to devote part of our institution to a manufacturing branch and the remainder to distributing. I wish to add that to what Mr. Smye has said because it is an important element in considering the condition business is in to-day.

PRESIDENT : We would now like to hear from Mr. Henderson, of the Canadian Salt Co. We are glad to see him here to-day. He is representing one of the leading industries of the country, and he is a gentleman highly esteemed by the wholesale grocers.

SECRET REBATING A CURSE.

MR. HENDERSON : It is a great pleasure to me to be here, and I have listened with a great deal of interest to what has been said. In theory possibly the suggestions of my friends from the wholesale trade are perfectly correct, but theories don't lead to very much. It is rather a big question, the idea of having such friendly relations between the manufacturers and the wholesalers. There are several things to be considered in connection with that, especially in regard to the question of fixed prices. I don't wish to criticise the methods of the wholesaler. I can say without fear of contradiction that no manufacturer in Canada or any other country has been more loyal to the wholesale trade than we have been, but my experience has been that on account of this loyalty we have lost business, due to the fact that working on a fixed price which we have established, and expecting the wholesalers to keep that price, we have found our competitors underselling us and getting our business. We consider that somewhat of a disadvantage, and there should be some method of overcoming a difficulty like that.

MR. McDONALD : Three months ago our competitors on a certain line of goods refused to allow the wholesaler any profit. We explained it to the wholesaler, and they went out and sold our goods and didn't take any profit. It was temporarily only.

MR. HENDERSON : I am glad you have found that to be the case. It has not been my experience. My experience has been that members of the wholesale trade have come to me from time to time and asked me to cut prices to meet someone else's price, and I have always refused to do it. We have a fixed price with the wholesale trade, and we have never departed from it, never given one man any concession beyond another man. I am not finding fault or complaining, but we have got to meet conditions as they are. Let us find out where the trouble is and adjust it. A great many concerns have been accused of holding up the consumer's price. We have always considered that, and I don't believe there is a man manufacturing in Canada who doesn't consider the consumer; but we are not in business simply for the sake of being in business. We have got to make a legitimate profit. Every man who has labor to sell wants to sell at a profit. I believe rebates are the curse of any country. I don't care whether it is railways or anything else, the greatest curse is a rebate or secret commission of any kind. It should be a question of business ability and salesmanship; when it comes to cutting prices it is the curse of the country. Everyone wants competition, and now that the Legislature has enacted such strict laws to prevent rebating, business can be conducted on cleaner lines. The fixed price idea

prevails entirely in the public service. For instance, one man cannot get a ticket from Windsor to Toronto cheaper than another man. You cannot ship freight cheaper from one point where there are competing lines to another point where there are competing lines over different railways both reaching these given places. The rates are fixed by the Government, and discrimination in favor of one as against the other is illegal and punishable. We must try and arrive at a fixed price. I don't mean an unfair price or an unjust price, but I think conventions of this kind will more quickly than we imagine bring about a state of affairs such as we desire.

THE PRESIDENT : The addresses are all pointing in the right direction, and giving us very valuable information. It is now time for adjournment, and I would ask a full attendance at the meeting this afternoon which convenes at 2:30.

AFTERNOON SESSION

TUESDAY, APRIL 26th—MANUFACTURERS' DAY

The President, W. G. Craig, in the chair.

THE PRESIDENT : I think, gentlemen, you will agree with me that we have passed the morning very profitably in getting the views of the manufacturers, which in the majority of cases coincide with the decisions we arrived at yesterday after careful discussion and threshing out of these difficult problems of business. We will devote a portion of this afternoon to getting the views of other manufacturers, and I have much pleasure in calling upon Mr. Wallace, Manager of the Battle Creek Corn Flake Co., of London. I notice he is in the room, and I am sure we would all like to hear from him.

BELIEVES IN THE CONTRACT SELLING PLAN.

MR. WALLACE : It gives me very much pleasure to meet you here. I am not a speaker, and you must expect very little from me. I suppose you would like to hear how our company regard the contract selling plan. I believe we were one of the first to go into it. We went into it with some reluctance and some doubts. We did not know how it would be taken by our friends among the jobbers, but I would say that we sent out our circulars and inside of five days we had received acceptances from nearly all the jobbers with whom we do business. At the present time I don't think we have a customer on our list who has not signed the contract. It has been very satisfactory. We have had some trouble, and are having some now, but we expect always to have some trouble, and we are doing the best we can. We sometimes think we should have some more information before asking a man for a declaration. We think we should have more information in regard to the charge. Some of our friends while willing to give a declaration insist upon more information. But these are things which no doubt will right themselves in time.

In regard to the quantity price, we were hardly in accord with it at first. We thought it would be a mistake to ask the very largest buyers to pay the same price as the small ones, but we find in our line it works admirably. It is easy enough to force a lot of goods on people, but it is a very different thing to get rid of them. The goods lie on the shelves, and then they start cutting prices to the injury of the manufacturer.

I think the idea of having a committee appointed by the jobbers to meet the manufacturers and consult with them upon many things is a very good one. I am sure our company for one will be very glad to meet and discuss business for our mutual benefit at any time. These matters can be more satisfactorily discussed through a committee, I have no doubt.

THE PRESIDENT : I am sure we are very much pleased to hear that Mr. Wallace's experience in connection with the contract selling plan has been satisfactory, and that

the representations made to him by the trade, viz.: that the adoption of that plan would be beneficial to his business, have been proved so by actual experience. We have with us a gentleman much esteemed by the trade, with whom we have all been doing business for a great many years. I refer to Mr. G. F. Benson, of Montreal, the well-known starch man. We would like to hear from him.

MR. BENSON : I scarcely thought I would be called upon to address this meeting, and this morning I was wondering whether those called upon first were the most exemplary or the most satisfactory. At first I thought it must be the most exemplary, but then I began to think the fact of our being left well on to the end meant we were the best. I think it must be admitted that the starch people have stuck to their selling contracts as closely as most manufacturers. We had a selling arrangement with the trade for a great many years before I had anything to do with the management of the company, and speaking now I do so with some hesitation because, as managing director, I do not feel I am in touch with all the details of the selling department, although I know in a general way what is being done. I have to do with the manufacturing and financial part of the business.

Our company, as you know, has been in business for fifty-one years, and as long as I can remember they have had some form of selling arrangement with the trade, and I don't think the trade ought to say we haven't treated them well. Changes have been forced upon us by trade conditions. Last July we entered into a different form of selling contract, to which we had given due consideration ; and although we did so with some hesitation it has worked remarkably well, and from what we have heard from the trade it has been most satisfactory. It has done away with a great many grievances that existed before, and I think it is about as good a working agreement as we could arrive at. Some objection was made to a reduction in our discount. That was forced upon us owing to the trade conditions in our particular line of business, and the grocers must not forget that sometimes the cost of doing business is very heavy on the manufacturer, and, further, his raw material changes sometimes, and he meets competition from outside sources in such a way that he must deal with his distributing charges. We feel that the trade must not lose sight of the fact that when a manufacturer cannot put his price above a certain figure, and yet he wants to get his goods into the hands of the retail trade on a basis on which they can sell at a reasonable rate, he sometimes has to ask the wholesale grocer to contribute a little to the disadvantage under which he may be temporarily laboring. That is the position we were in on the first of July last year, and a good deal of discontent was shown at the position we took. At the end of the year we thought we could adjust the discounts on one line of goods, and we did not hesitate to put the new rate into force, and I consider we are dealing as liberally as we can with the wholesale trade.

If their cost of distributing is too high that is something they must try to adjust between themselves. So far as our goods are concerned, I do not see that we can help them very much, but I must say that the selling contract we put into force has been a satisfactory one, and I think it is a good form of selling contract. So far as the starch manufacturers are concerned, I think we have done all we can. We are always willing to listen to grievances and try and adjust them as well as we can.

THE PRESIDENT : We have listened with a good deal of interest to Mr. Benson, and I can say on behalf of the trade that our relations with the starch people have been on the whole fairly satisfactory. There are some little differences that I am confident can be adjusted by laying our troubles before them at some future date.

We would now like to hear from Mr. Hutchison, who is also engaged in the starch business, and who is highly esteemed by all members of the trade.

MR. HUTCHISON : I think Mr. Benson has gone over the matters in connection with the starch business very thoroughly, and I cannot say anything very much to elucidate any grievance that may exist between the manufacturers and the wholesale trade. I don't think there are many. My connection with the starch trade goes back 25 years, and I have never known any time when the starch people—and I have practically looked after the starch selling west of Montreal for many years—I don't know any time when we made a practice of selling the retail trade. We have had several selling arrangements which have worked fairly well, and from my earliest recollection of the trade the profits to the wholesale trade have always been considered satisfactory, except on one or two occasions when certain breaks were made for certain reasons. To-day our selling arrangements are working very satisfactorily. The starch and cereal trade of the country is distributed through the wholesale trade, and they receive a fair percentage on the goods. I think I may refer to the chairman to qualify the fact that it is a fair profit for the distribution of the goods.

THE PRESIDENT : It is a pleasure to have heard from Mr. Hutchison that the starch interests regard the wholesaler as the proper medium of distribution, and on behalf of the trade I can say that since the last adjustment of the trade discount on starch the trade have been satisfied with the attitude of the starch manufacturers. I can safely say that the wholesale trade have never advanced any unreasonable arguments to the manufacturer. All we desire is a fair margin for the service we render. I can say this, however: it is very rarely that a manufacturer voluntarily offers to the wholesale trade a margin sufficient to cover the cost of doing the business. As a rule a satisfactory margin is the result of argument and effort on the part of the jobbing trade, and it is always a particular pleasure to meet the manufacturers whose relations with us are on a satisfactory basis.

I notice we have Mr. Burke, representing the Empire Tobacco Co., of Montreal, with us. We would like to hear from him. We sell thousands of dollars worth of the goods of his company every year at a very, very close margin, and we feel that the wholesale trade have been of service to the tobacco manufacturers in the distribution of their goods. I will now call upon Mr. Burke.

MR. BURKE : I would like to say that the Empire Tobacco Co. is heartily in sympathy with anything that the wholesale grocers have done. At the same time we are in a very exceptional position, and for that reason we get into trouble with our best friends. On the whole the contract plan is one that we cannot adopt, being as we are a football. Every contract we have is immediately made a question of newspaper comment, and wrongly translated. We have, however, a very similar plan in operation.

Some years ago I don't think any wholesale grocer or jobber of tobaccos in Canada made any profit, and the contract plan has been the means of putting the tobacco business on a better basis, and nobody is more pleased with that than we are. The idea of discrimination in favor of certain retailers is a point which we do get into trouble over sometimes, but we claim we are driven to it. We believe that the proper idea is to sell only through the wholesalers, but we have 35,000 people handling our goods in Canada, and I don't think any manufacturer in any other line of business has anything of that kind. We also have competition of a nature that I hope none of you are subjected to, and once or twice we were driven to do something we didn't want to do, and we don't want the wholesale trade to think too badly of us.

When we happen to get into a case of that kind we don't allow any man who is not a jobber to undersell his competitors because he is getting a better price from us. That has been done on several occasions by people we were compelled to sell to, and wherever that has been done we have cut off that man immediately, and will always do so. In connection with price-cutting, I would like to say, a good many manufacturers have probably had correspondence with the wholesale trade in connection with the terms on which goods are to be sold. We claim for a long time we have tried to get the wholesalers to make their own terms, but unfortunately the wholesale trade don't seem to be agreed on that among themselves, so we have had to make the terms for them.

MR. BECKETT : That is the proper way to do. It is the manufacturer's business to fix the terms as well as the price. The Wholesale Grocers' Guild is not for the purpose of entering into agreements with each other, but to so lay the troubles of business before the manufacturer that he will exercise his right to fix the selling price and terms of his own goods, and see that every man to whom he sells observes this selling price and the terms, and decline to sell to him if he does not. No honest house can compete with contract-breakers.

MR. BURKE : We have refused to sell to combinations of retail buyers for years, as we don't believe that is in the best interests of trade. We have also declined to sell to men in business who have violated their selling agreements, and we have refused to sell to buying agencies for retailers. If there are any manufacturers here who do not believe in the contract selling plan they should say so. We think it has been a good thing, and we think you should all adopt it. Recently we had a wholesaler who objected to our terms, net 30 days, and insisted that he should be permitted to give a discount.

(Cries of " Name 1 Name 1 ")

MR. BECKETT : If there is any wholesaler in this room who made that statement I would be charitable enough to say that he made it unthinkingly. Every wholesaler must know that when there is a contract selling price the terms of discount are just as important as the price, and if one wholesaler were permitted to give discounts another wholesaler was not permitted to give, it would be just the same as cutting the price.

Nothing gave the trade greater pleasure than when the Empire Tobacco Co. issued their price lists setting forth their price and terms, because it made it clear to every sales-

man that the terms were just as important as the price. The manufacturers frequently lose sight of the fact that in posting 400 grocery travellers, unless they so regulate their business by issuing proper price lists for these 400 men, confusion is likely to arise, because the sales managers of each house might interpret loose instructions from the manufacturers in as many different ways as there are sales managers, and confusion arises which could be avoided by a proper system of the manufacturer giving each a proper selling price list for the travelling salesman, and printing on the back thereof his instructions that the price and terms must be observed, otherwise the offending firm will lose any trade discount to which they might be entitled.

Something has been said about favoring large buyers, but we want to tell you that 95% of the retail trade of this country are opposed to the manufacturer favoring large buyers. It is unfair to 95% of the retail trade, and the retailers will let you know this tomorrow in no uncertain way. They intend to take this matter up vigorously, they intend to appoint a committee to confer with a committee of wholesalers, and this joint committee will go to the manufacturers and lay these matters before them, with a view to fair dealing. We have discussed the cost of doing business of the retailer, and we find it is from 20 to 22 per cent., and there are proprietary goods that don't pay the retailer over 20%, and he has got to make his losses up on something else, and that is the idea of having you here. We cannot bring about these changes in a minute, but you must think it over. It is a serious thing, and the retailer is getting educated and alive to present conditions. If the retailer took a keener interest in his welfare he would do the same as they have done in other cities, in declining to handle lines the margin upon which is not sufficient to show a little margin over the cost of doing business. You manufacturers have profited by the competition among the wholesalers and retailers. They were so keen for business they would accept any kind of a proposition put up to them because their competitor accepted it. We had this whole thing out in the Courts. We were misrepresented by ill-informed people. Many manufacturers would jocularly refer to the wholesaler as a "combinster," and all that kind of thing. But the Courts have settled that you all have rights, and that these rights can be respected. They have settled that the retail man and the wholesale man can combine and refuse to handle any line of goods of any manufacturer who does not give a fair profit. You may think they can't do it, but they can, and they are going to do it. It is only a question of time, and you might just as well take this matter up early and reason it out and make friends with the wholesalers and retailers, because we are coming to you with reasonable requests, not asking for more than is fair. If you manufacturers think you can do better by going direct to the retail trade, the way is open for you to do so. The wholesale trade know that, and they are perfectly aware of the fact that there is not a manufacturer's goods we handle to-day that could send salesmen out, and do his own financing and shipping and run the business as economically as he is doing it through the wholesale house. You all admit that. This matter should be thought over, and I think sometimes you are inclined to lose sight of it. The retail men are in earnest; they are going to put their house in order. Conditions are changing, and I thought it just as well to put you wise to these things, because you will hear more about them to-morrow, and you will perhaps be more inclined to wait and hear what the retail

men have to say. We are not asking very much. We are selling a number of lines to-day the margin upon which is from 6, 7½ to 8%, and it is costing us 9% to do our business. The retail man is selling these lines for practically what they cost him, and it costs him 20% to do his business. You surely haven't got an idea in your heads that this is going to continue forever. These people have got to be paid for the service they are rendering the manufacturer. We hope the manufacturer is making money. Sometimes we have an opportunity of seeing what some of them do make, and when we see the figures and compare them with the profits we make in the grocery business it is enough to make the trade do some hard thinking—not drinking.

THE IMPORTANCE OF DECLARATIONS.

THE PRESIDENT : I feel sure we are making progress, and we have other matters of importance to lay before the manufacturers. I refer to the resolution which was passed unanimously yesterday endorsing the very able paper by Mr. Blain on "Declarations, Their Uses and Importance." This paper gave rise to a great deal of discussion, and the resolution adopted at our meeting yesterday was carried unanimously, I will read it to you. (Mr. Craig reads resolution in connection with Mr. Blain's paper on "Declarations" ; see page 40.)

Mr. Blain has very kindly consented to give you this address, and I am sure it will be listened to with great interest by all present.

I will now call upon Mr. Blain.

Mr. Blain then gave his address on "Declarations, Their Uses and Importance," a copy of which will be found on page 36.)

MR. BECKETT : The idea of the resolution is that it is generally recognised that in the sale of proprietary lines, that a contract selling plan that will ensure those engaged in the sale of the goods a living margin, is the only plan. The contract selling plan, experience has taught us, is not perfect without a provision for a declaration, such as is set forth by Mr. Blain. Many manufacturers have adopted a contract selling plan that provides for a declaration when called upon by a manufacturer. In this way the identity of the retailer giving the information, the traveller laying the complaint, and the wholesale house corresponding with the manufacturer is not disclosed

It cannot make any difference to the wholesale house or traveller who is asked for this declaration. If it is groundless the traveller, or any member of the firm, will cheerfully give the declaration for the sake of establishing confidence in the trade, and for the sake of assisting all honest men in business. If the charge is true, no intelligent, self-respecting man would think of giving a false declaration ; he would simply acknowledge his guilt if it were true, and then the manufacturer could deal with the violation as he thought best.

MR. MARSHALL (Dominion Cannery) : I think that resolution should be dealt with by the wholesaler. I don't think the manufacturer should be required to ask for a declaration. The wholesalers should arrange these matters amongst themselves.

MR. BECKETT : In answer to Mr. Marshall, the trade have no hesitation in saying that they have experienced some difficulty with manufacturers in getting them to adopt this system, but the trade believes it is only because the manufacturer is not fully alive to the abuses in trade, and fully alive to raising the morals of business when he hesitates to do it. It is the disposition of some men to be honest, it is their nature ; while again there are others who are not built on these lines, and these are the people who ruin the trade of the honest merchant. We want the manufacturers to be seized with the importance of the declaration system, as the trade are unanimously of the opinion that it is the only system that will detect secret rebating. Any honest traveller or wholesaler would cheerfully give a declaration when asked to do so for the sake of bringing about a better state of affairs in business and gaining the confidence of his competitors.

A MANUFACTURER : I think the declaration plan could be better discussed with each individual manufacturer by the committee the wholesalers have appointed for the purpose of interviewing the manufacturers.

MR. COWAN : I would like to ask, Mr. President, how this contract selling plan would work out with our goods. We make a number of lines that we don't sell through the wholesaler, but do business direct with the manufacturers, such as confectionery and so forth.

THE PRESIDENT : This would not interfere, Mr. Cowan, with your business in any way. Whatever proprietary lines may be sold through the wholesale trade you would get out your price list to cover those lines, and fix your selling price. That price would have to be observed by your own travellers and salesmen and by the wholesalers acting as your selling agents. The price and terms and instructions to the wholesaler would apply equally to your own salesmen, as well as those of the wholesale grocery house ; and these price lists should be supplied to all salesmen offering these particular lines to the trade.

MR. SCULLY, Christie, Brown & Co. : I am sure that the wholesale trade will have the hearty co-operation of the firm I represent.

MR. ROSE : I would like some little light as to who is to enforce these contracts. Are you going to ask the manufacturer to enforce them ?

MR. SMYE : Yes, the manufacturer.

MR. BECKETT : The selling contract is between the manufacturer and the wholesaler, not between the wholesalers. Therefore the manufacturer is the only one in a position to enforce it, and it is a matter that the trade cannot deal with among themselves. All we can do is to present our views to the manufacturer, and get him to adopt a system that will ensure clean business and the profit to the wholesaler that the manufacturer intends he should get. The whole object of this meeting is to get the manufacturers who have adopted this plan to express their views, whether satisfactory or otherwise, so that others who

have not given the matter consideration will be able to form an opinion as to whether it is a good or bad plan.

MR. BLAIN : There seems to be some misunderstanding with regard to this declaration. It is not to be asked for except in cases of a reported violation. That is the position in a nutshell.

MR. ROSE : We all appreciate the efforts of the Convention, and we feel that our interests and the interests of the wholesale and the retail trade are mutual.

THE PRESIDENT : It is now time to adjourn. To-morrow we expect a very interesting day. To-morrow is Manufacturers', Wholesalers' and Retailers' day. We have a very interesting programme, and we are advised that 90 representative retail men, representing as they do the various retail organizations throughout the Province of Ontario, will be here. Mr. Trowern, Secretary of the Retailers' Association, is to give an address on the "Relations between Manufacturers, Wholesalers and Retailers." In the afternoon at 2:30 we are to have an address by Mr. E. F. B. Johnson, well-known to you as being a man eminent in his profession. The address he is to give you is on the Secret Commissions Act, and the rights of manufacturers, wholesalers and retailers as defined by the judgment in the Guild case. It will, no doubt, be the event of the Convention, and I am sure any of you who are not present to hear that address, and to get in touch with the retail trade and their views, will regret not being present.

On behalf of the wholesale trade I thank the manufacturers for turning out in such large numbers in response to the invitation which we extended to them to be present today. I am sure that great good will come out of these conferences and exchanges of ideas.

The meeting will now stand adjourned until 10 o'clock to-morrow morning.

THIRD DAY

MANUFACTURERS', WHOLESALERS' AND RETAILERS' DAY

WEDNESDAY, APRIL 27th

MORNING SESSION.

The President, W. G. Craig, in the chair. Meeting convened at 10 a. m.

THE PRESIDENT : It is unique to have the manufacturers, wholesalers and retailers all at one meeting. The reason the wholesale trade invited the manufacturers and the retailers to be present is simply because our interests are identical ; and it seems to me with a force such as we can present in the united members of these three bodies we ought to be able to command a very respected position in the commercial world.

For the information of the retailers who were not present yesterday, and those manufacturers who were unable to get here until to-day, I may say that the trade have passed unanimously resolutions which are considered of great importance, having regard to present trade conditions, and which seem to be necessary in view of the changed conditions of business. I will call upon Mr. Smye to present these resolutions to you. The trade feel confident that they will receive the hearty endorsement of the retailers, as the wholesalers believe them to be in accordance with the retailers' modern ideas, after having carefully studied conditions.

THE RESOLUTIONS.

MR. SMYE : Gentlemen, I will now read to you the resolutions passed unanimously by the wholesale grocers in convention on Monday, which resolutions were presented to the manufacturers yesterday. I may say that these resolutions received the unanimous endorsement of the trade on Monday, after a very thorough discussion pro and con on these important matters which are of such vital interest to us.

(Note :—Mr. Smye then read the following resolutions :

Re Contract selling plan and its importance to manufacturers.

Discrimination in favor of certain retailers and the harmful results thereof.

Quantity price and its evil effects.

These resolutions will be found on pages 48 and 49 of Monday's proceedings.)

THE PRESIDENT : You will note, gentlemen, that the feature of this morning's business is an address by Mr. E. M. Trowern, Secretary of the Retail Merchants' Association of Canada, on "The Relations between the Retailers, Wholesalers and Manufacturers." I am sure you will all be pleased (I refer to the manufacturers and wholesalers)

that we have the representative retail grocery men of Ontario with us to-day. I understand from Mr. Trowern that they had a convention in Toronto yesterday, and that they passed a number of resolutions which are to be presented to us after Mr. Trowern's address.

We feel, in taking the step we have done in connection with this convention by inviting the manufacturers and retailers, we are making an advance in the right direction, and by getting more closely in touch with the views of the retail man and assisting him in every possible way, that a knowledge gained in this way will ultimately prove mutually beneficial. I will now call upon Mr. Trowern to address us.

THE RELATIONS BETWEEN THE RETAILERS, WHOLESALERS AND MANUFACTURERS

MR. E. M. TROWERN said : Mr. President and Gentlemen : The subject which I desire to present to you this morning, if covered completely, is one that cannot possibly be dealt with fully and justly in the very short space of time that has been allotted to me, generous and all as you have been in giving me so much of the valuable time of this Convention, as its boundaries cover the entire commercial field and everything pertaining to the trade and commerce, not only of Canada, but of the British Empire, and also all the other nations of the earth.

These three factors, the Manufacturer, the Wholesalers and the Retailers represent the great commercial highway and its accessories upon which our trade and commerce travel. They embrace the entire machinery for the transmission of raw product from the time it is taken from the field, the forest or the ocean, until it is placed into the homes of the consumers. In considering the extent of our commerce, or the commerce of any country as a whole, the three interests are inseparable, and their relationship is as closely identified one with the other as is the body, soul and spirit of an individual. They represent in fact a trinity of interests, one in three and three in one. Before the producer can place his spade in the earth to dig the ground or plant the seed the spade must be manufactured, and so around this manufacturing process the distribution must take place, either in large quantities or singly one by one. The first step in the great procession of Commerce is taken by the Manufacturer, the second the Wholesaler, the third the Retailer. Around all these interests and subsidiary to them, but not before they exist, comes our currency, our vessels, our railroads and our vehicles for transportation ; our seats of Government, our educational institutions, our private and public buildings, our insurance, telegraph, cable and telephone systems, etc., all of which have come of necessity out of and been the result of the great advent of our Commerce, which has always and will always lead the way to the opening up of the mighty march and advancement of our civilization.

The relationship, therefore, of the three interests, the Manufacturers, the Wholesalers and the Retailers has not been forced upon the community against its will. It has not arisen because some official tribunal has so willed it, or because we have become welded to it

through custom or habit and have been afraid to separate ourselves from it. It has come upon us, it has remained with us, and it will always be with us because it is the only natural, orderly, systematic development of a God-ordained natural law that cannot be departed from without injuring the entire fabric and structure of our civilization. In fact, upon our Commerce our entire civilization has been constructed.

Having in our possession, then, as merchants and manufacturers, the instruments out of which has been created the fundamental principles upon which our civilization has been built, and upon which it is being built, are we sufficiently conscious of our responsibility? Are we directing and regulating them as we should? Are we using them properly? Are we allowing them to drift and regulate and control us? Are the three interests working in harmony? Or are we allowing the natural channels to be congested and their currents to be displaced? Is the body, soul and spirit of trade working harmoniously together as one unit, or is the body starved and sick, the soul in anguish, and the spirit depressed and downcast? It is for the purpose of considering this subject, I take it, that we have met here together this morning, and I trust that in the discussion that will follow, as I believe it is your intention to do so after I have expressed a few thoughts upon it, that you will do so in the most fearless and open-minded manner possible, having primarily in view the general welfare of the Manufacturing, Wholesale and Retail Grocery Trade of Canada, and leaving any individual grievances that you may have to be taken care of to some future time, and after we have established and agreed upon some common principles that are apparent to all, and only require our confirmation and active and united support to put them into operation.

As a retail merchant, who has labored for many years and given considerable time and attention to Association matters, I can assure you that the present meeting, where we are gathered together as manufacturers, wholesalers and retailers, is to me one of the brightest signs in the commercial horizon, and it is one that I have long wished to see materialized, and one that I hope will continue and be the first step towards building up a unity of interest that will not only help the grocery trade of Canada, but it will point the way and create in the minds of all those engaged in commerce that they are filling no menial position in society, when they are standing up and declaring that they intend to take their part in operating the great machinery of commerce, and in directing the counsels of the grocery trade of Canada, and thereby co-operate in a practical way with their fellow manufacturers, wholesalers and retailers, so that our trade and commerce will be placed upon a higher and better plane, and thus educating public opinion and directing the attention of our Governments to the fact that our motives in meeting together are not for the purpose of extracting unreasonable profits from our customers, the consumers, but to so regulate our trade affairs, through fair and honorable methods, that every one engaged in it may occupy in the public mind as high and important a position in society as that accredited to the arts and professions which must of necessity follow, not lead, in any national progress that commerce may make.

Having referred to the general relationship that exists between all manufacturers, wholesalers and retailers, and before considering our specific relationship in the grocery trade, I think, Mr. President, that I would be neglecting my duty if I did not offer to you,

on behalf of the Retail Trade of Canada, our hearty congratulations for the admirable fight that you made in defending your rights and the rights of the trade generally, against those unwarranted attacks that have been made in the courts against your honor and your integrity as wholesale merchants by those unprincipled trade pirates, who seem to be always lurking about seeking whom they may devour, and endeavoring to see how they can disorganize the regular order of legitimate trade. I am proud that you succeeded in having the verdict rendered in your favor, as it has placed upon record a precedent, that while I know it has been expensive to you, it has cleared the atmosphere, and it can be pointed to now, not only as a legal victory, but one of the greatest moral victories that it has been your good fortune to achieve; and while the victory has been yours, and too great credit cannot be given to your excellent organization, and the indefatigable efforts of your officers and solicitors, I especially desire to mention one man whose unbounded confidence in the power of organization and whose almost unlimited ability and energy (which is appreciated more and more the longer we know him), will ever keep closely associated with that victory, and rightly so. I refer to Mr. H. C. Beckett, of Hamilton, Ont. I cannot, however close my reference to this important case, the greatest case of the kind that has ever been tried in the Canadian Courts, without also reminding you that when we saw that our friends, the wholesalers, were in trouble, when we saw that the hand of the law had taken hold of them, and that among them were some of our best citizens, men who stand high in the councils of the trade and in public affairs generally, whose honor has never been doubted or questioned, the manufacturers and retailers, I am proud to say, lined up behind them, investigated for themselves found out the true position of the case, and placed themselves on record in the Courts in their defence in no uncertain way, again demonstrating the great necessity and there is, and the close relationship that should exist between all branches of the trade, both in times of peace as well as in times of war.

Having shown, then, that our relationship is closely allied and dependent one on the other, how can we best become associated so that the greatest welfare of the whole can be accomplished, which, when accomplished, will result in greater advantages to ourselves as well as to the consumers, who are our customers and friends? I do not intend here to refer to any reasons why what we desire now has not been brought about in the past, further than to say that we are now, I hope, entering upon a new era, and it is my hope and desire that we formulate, as a beginning, some plan whereby the three trade interests may co-operate more closely than they have done in the past, for their mutual benefit. To do so successfully there must be some recognized principles upon which we must all agree. Not in the sense of limiting our capacity for business or laying down some hard and fast rules regulating the detail of our business, and in any sense taking away from us the power to develop our individualism, and thus endeavor to set us back into the age of serfdom, or force us to the visionary age of modern socialism. If our organizations stand for anything they must stand for the preservation of individualism in trade and commerce, controlled only by rules agreed upon by all, and which are for the best interests of all, or in other words, "individual freedom under collective control." Let us take as an example of what we mean. The question that has often been asked in various conventions, "Should a Manufacturer occupy the three-fold position, that of Manufacturer, Whole-

saler and Retailer," or "should the three interests be isolated, yet devoted, to their various functions?"

In considering these subjects, we must always bear in mind that there is a natural law underlying trade subjects, the same as the natural laws that govern and control our conduct, and we are well aware that if we violate them we suffer, or if we depart from them our reward is awaiting us without any possibility of escape. So it is in trade: if we depart from the natural order and do not recognize the natural channels we must pay the price and suffer the penalty. General experience, without any demanding edict from the trade, has shown the majority of intelligent manufacturers that if they want their product marketed in the cheapest, most expeditious and safest manner, they must use the machinery provided by the wholesale trade, which amounts to several million dollars. They have found in addition to this enormous machinery, that they must have the good-will of the wholesale houses and the good fellowship of the vast multitude of commercial travelers, whose glad hand means a valuable asset to the manufacturer, to say nothing of the great saving in the expense of marketing an individual article. Then again, follow the cost of bookkeeping, the freight and express charges, the cost of bank drafts, the loss in failures and numerous other incidental expenses, and the question settles itself in its natural order and according to natural law without having to have a hard and fast mandate from the trade. If the manufacturer pursues the field further and attempts to sell directly to the consuming public, his troubles are still further increased, and so also are his expenses. Experience, therefore, has proven that the natural order and relationship of trade is from the manufacturer to the wholesaler, from the wholesaler to the retailer, and from the retailer to the consumer.

Admitting, however, that the above channels are the natural ones and the ones that are most profitable for the manufacturer to follow, there are some who have strayed away in some particulars from the narrow path that leads to joy and peace, and I am sorry to say they have been following the desires of their own selfish hearts. Perhaps it is because no one has been on the watch-tower, no one guarding at the switch; but now those who have been slumbering are commencing to awaken, we hear this question asked: "Do you think it is fair that a manufacturer should load up the wholesale houses at a price and then sell on the same quantity terms to a few select retailers, who use the special discount given to them to cut the heart out of the prices of the legitimate dealers, who sell the same goods in the same locality and who are desirous of doing an honest trade, and being regarded as honest citizens in the eyes of their customers?"

Our answer to this is: "No, it is not fair either to the wholesale trade or to the retail trade, and it will eventually demoralize the manufacturer's goods, and the only difficulty just now is that the machinery of the natural trade law of compensation for violation of trade laws is out of order, and we hope soon that it will be in the hands of skilled experts, and when it is made complete it will commence operations after due notice has been given and no mutual and fair understanding can be arrived at. We are quite aware that some manufacturers take the narrow view, and they look at the sales of one given retail grocer in some special locality, and because that appears to be large he thinks that that retail grocer should have special discounts or special privileges, forgetting that the reason in

ninety-nine cases out of one hundred why this particular retail grocer's sales in this particular line is large, is because he is not only giving away the illegitimate discount given to him by the manufacturer which should go to the wholesaler, but he is using this line of goods as bait to attract customers to buy other lines, and by so doing he has discouraged the sale of these goods not only through the wholesale houses but by all legitimate retail dealers in his neighborhood, proving again that all laws that are violated carry with them a sure, if not an immediate, penalty. It is the continuation of this system of doing business that has forced hundreds of retailers to discontinue handling some lines of goods altogether, and thereby creating new markets for new goods and adding and multiplying competition in the same line.

If trade was as it should be and we had more cohesion between the three branches of the trade, a great many difficulties that now exist could be removed. Instead of the wholesale trade being looked upon by some manufacturers as a necessary evil, they should be welcomed and assisted and regarded as their best friends, and as their legitimate distributing and financial agents.

Take the retail grocery trade of the Province of Ontario. As nearly as I can estimate it we have over four thousand five hundred retail grocers. Estimate that the average investment is one thousand dollars, and we have the enormous sum of four million, five hundred and sixty-seven thousand dollars (4,567,000.00) represented. Add to this the value of the real estate they occupy, the number of horses they keep, the number of employees they have, the fire insurance and the taxes they pay, and you can have then only some slight idea of what this enormous selling force represents. Add the wholesale and the retail trade together and imagine for one moment that if the manufactured lines that this great selling force handles, had the real hearty good-will of these distributors behind them, what would this mean to the manufacturers that are now in business? You may ask me as a representative of the retail trade if I think that the retailers have any reason to doubt that they have not now got the hearty good-will of the manufacturers, and I must frankly confess to you that while you may all express in pleasing words your good fellowship, there remains yet a percentage of you who are not showing it, in my opinion, in a practical way. This may seem severe, but in conferences of this kind if we want to accomplish anything we must be, above all other things, openly frank and honest. It may seem unnecessary to remind you that in the affairs of life generally an unpaid servant, who is forced to serve long hours and use some of his own money or borrow from others (it may be his wholesale friends) to eke out an existence and keep his family, is not as a rule an alert, bright and happy advocate of the cause of his master, and so it is with the retailer. When manufacturers think, which I am sorry to say a few of them do, that they can create a public demand for their goods and force the wholesalers and retailers to handle them on a starvation margin of profit, they are endeavoring to force unwilling servants, and the said servants are commencing to rise in rebellion, and as long as I am elected to represent them and free to speak, as I am glad to say I am, I must frankly confess that I shall do all I can to encourage them to rebel, and not only to rebel, but strike, and strike good and hard as well.

Now, I am not saying this in any spirit of anger or idle boasting. I believe more, much more, can be accomplished by reason and negotiation than by warfare and strike, but I would be unfaithful to my duty as Secretary, and it would be against the inherent principles of my race, to allow this subject to pass without telling you what the real feeling is, and how many feel it in their hearts but do not express it with their tongues ; but we have to face it sooner or later, then why not face it now ? All this only points us to another reason why our relationship should be more closely welded together, and when they are, these misunderstandings, these unpleasant conditions and these aching wounds, that are constantly being re-opened, will and can all be healed ; and instead of the retailers wearing a scowl and a frown when certain goods are asked for, his face will reflect the radiance and good-will of the manufacturer, and his handshake will mean more, much more, than the greedy grasping after earth's riches—it will be the hearty shake of appreciation and of practical good fellowship and good-will.

It was not my intention to confine my reflections entirely to the manufacturer, as he is only one party to my subject, but I cannot close without again re-assuring him that the retail trade desire closer relationships, and they have just as much confidence as ever in the contract plan of selling goods as they had when they first advocated it seven or eight years ago, and we trust that this subject will not be overlooked during the discussion of our relationships, as it is one that not only affects us all, but one that must be initiated primarily by the manufacturer.

To our wholesale friends we may say that we have many things to say to them that I hope will be taken up in the future as a result of this meeting, and which time forbids us to enter into now, but among them, however, is that old-time subject of their selling direct to the consumers. From the standpoint of the retailer we can see and we know of many other matters that should be mutually adjusted and which I trust will, the result of which will mean more trade comfort and more prosperity to us all.

Having, therefore, pointed out the need that there is for closer co-operation among us all, and pointed out some of the pitfalls that by consultation can be overcome, I would not like you to think for one moment that while I have been pointing out some of the evils that exist among manufacturers and wholesalers, and which we trust to have remedied very soon, that I am forgetting our own shortcomings and our own faults. To do this would be to cover up, perhaps, the most unsightly view of the picture, and the only regret I have is that space will not allow me to present it so that you will be able to see some of the evils that are being committed, and some say because they are being committed higher up they are being reflected on those lower down ; but be this as it may, no remedy can be effectual until it is agreed upon mutually by all interests. The retail evils, however, like other matters, should be taken up in the full consideration of how best to improve the entire grocery trade of Canada, and in it will be found food for thought that will occupy some of your best minds and your most active intellects, but it can only be accomplished by unity of action and unity of purpose, and this will mean the active co-operation of the manufacturers, the wholesalers and the retailers, and if from among these three great interests you can select men, which I am sure you can, who have the living interest of the trade at heart, who are big enough and broad enough to lay down prin-

principles and ethics of trade in which all who desire honest methods of trade to be conducted, can travel in, you have laid the foundation and taken the first step to point out to the other nations of the earth, that if Canada does lie in the North, if it is only a Colony of the British Empire, and a thinly populated place at that, that the business population at least are determined that they shall have a voice in the administration of their Commercial Affairs, so that they can place the trade and commerce of Canada upon such a high plane that they will attract to our shores all those who feel that here at least trade is sustained on a fair and honorable basis, and the name of "Canada" will be synonymous with "Fair Trade" and "Fair Commerce," and shine out more prominently than ever as the brightest gem in the British Crown.

I thank you, Mr. President, for your patience in allowing me so much of your valuable time.

THE PRESIDENT : The paper to which you have listened has proved very interesting, and when read again in the minutes will prove still more interesting. The retail grocer and the wholesale grocer are moving along the right lines. I wish to refer in the kindest manner to the enthusiastic and cordial thanks of the Retail Association to the wholesalers because of their success in the Guild suit. There is no reason why the grocery trade should not be on the highest plane with the other industries of the nation. The merchant is the pioneer who opens up the country, and I hope the deliberations of this meeting will be such that we will not only reach a higher plane, but present a solid and united front to better conditions connected with that trade.

Moved by F. T. Smye,

Seconded by Mr. Vair, of Barrie :

"That this Convention has listened with keen interest and great profit to Mr. E. M. Trowern's splendid paper, and that the same be incorporated in the minutes of this Convention and distributed to the trade."

This resolution was carried unanimously, and Mr. Trowern's paper was received with enthusiasm by the trade present.

MR. VAIR (Barrie) : A meeting of this kind is something new in the history of the grocery business in Canada. We might almost call this an oasis in the desert of the retail grocer's life. It is with great pleasure that I have seconded the vote of thanks to Mr. Trowern, who has read such an excellent paper to us. I might say I have been in the retail grocery trade the major portion of my life, 28 years, and this is an opportunity given us, to be here. If the wholesale men and the manufacturers have a sincere intention to better the retail trade and to better themselves, and if the manufacturers will fall in line, I think much good will be done by meetings of this kind. I thank you for giving me this opportunity of seconding the motion.

I think it is an undisputed fact that the retail grocer, in a moderate way, in a town of 5,000 to 8,000 population, doing a business of \$25,000 to 50,000 a year, is not making the money he did some years ago. What is the reason? I think it should be discussed strongly to-day. Let us keep away from the little matters that affect us locally and let us strike as much as possible at the root of the matter. We are all more or less selfish; the wholesalers, the manufacturers and the retailers are all in one group. We find a great many answer the question as to why we are not making more money by saying that the expenses in selling the goods are too high. I differ from the majority of men in that. I rather think the difficulty is we haven't the buying power we had 20 years ago, and therefore we haven't got the profits. In some towns there are too many grocers for the population. I think the wholesale trade have been encouraging the small grocer too much. I don't wish to make it impossible for a young man to start in business; I commenced myself in a small way, with very small capital, but I think the wholesale trade should look into the question of competition in small towns, and when they find a town with too many grocers they should not encourage others to go into business there. In the professions it is a common practice to advise a man who intends starting business where he should start, where he is most needed, where competition is not so keen. That gives him a better chance of success. Why should not the plan be adopted in the grocery line?

The wholesalers could assist greatly in bringing this about. We are in great straits. We are not making money, and we are doing things we would have scorned to do years ago, and this has been forced upon us by the wholesale trade. I understand there has not been much made in the wholesale grocery business, but they have managed through their Association to protect themselves to some extent at least, and my regret is that the retailers had not some time ago taken a keener interest in association work than they have done.

RETAILERS' SECTION FOR ONTARIO.

THE PRESIDENT : We have with us this morning Mr. Moyer, who is an active worker in connection with the Retailers' Association, and who, I believe, has done a good deal in the way of benefitting the retailer by pointing out to him the many advantages that will accrue by united effort. I will call upon Mr. Moyer to address you.

MR. MOYER : I am sure I am expressing the sentiments of the retail merchants here by telling you we are very glad to meet with the wholesale men and manufacturers to-day. I can hardly realize the honor conferred upon me yesterday by the retailers in appointing me chairman of the retail section for Ontario. We had our meeting yesterday, and considered matters that come between the retailer and the wholesaler, and we prepared a number of resolutions that will be presented to you here, and we appointed someone to speak to each of these resolutions.

When I speak of the honor conferred upon me, when the history of Canada is written, or the commercial history of Canada, I think this meeting will occupy a very prominent place in that history; and as the first chairman of the retail section for Ontario, I

hope my name will be associated with this convention. I am proud of this occasion and delighted at the way our interests are shaping. I have always been strongly in favor of organisation work. I have been with Mr. Trowern (to whom we have listened with such interest) in meeting the wholesalers on several occasions before, but not at your annual conventions as to-day. I remember the first time we met the wholesalers they were very suspicious about us, but they found we didn't want anything but what was fair. I can say it was in Mr. Trowern's mind from the beginning that everything was to be done fairly and honestly to all parties concerned. I would never stand for anything that is not fair and honest. If we cannot build up our organisation on those lines, so as to benefit retailers and consumers as well, I would not be connected with it. We found after we had organized the retailers in a small way that it was necessary and profitable for us to confer with the wholesalers and meet them. In our work we are trying to get the consumers to know a little more of trade conditions. I think nearly all the troubles we have in connection with the consumers are due to the fact that they don't understand the retail trade at all. They have ideas that we make large profits. That was plainly brought out by the discussion in the papers during the last few months on the high cost of living. That discussion did a great deal of good to the consumers, they are finding out that retailers deserve wages for the work they are doing. I had the pleasure of meeting with Mr. Trowern and others, some of the labor people, in this city lately, and discussing this matter with them. They were surprised we were not making more money. They are in a far better position than we are ; they don't work such long hours. Since that meeting they have shown a far better feeling towards us, and I think these meetings will do a great deal of good.

THE PRESIDENT : The retailers have prepared a number of resolutions which they will present at this meeting, and I will call upon them in the order as suggested in the memo before me. I will now call on Mr. Staples, of Lindsay.

MR. STAPLES : Mr. President and gentlemen, the resolution I have to give to this meeting reads as follows :—

“ That it is the opinion of this meeting that it is not in the best interests of the Grocery Trade that some few retail houses should have the right to purchase in large quantities direct from the manufacturer, and that this privilege be not allowed to all.”

Some of you may say, the manufacturers especially, leave that to the wholesalers and let them fight it out. We would ask you, is it right to discriminate in favor of large buyers ; is it right to sell to a few of the retailers and then hand over the bulk of your goods to the wholesalers to distribute for you ? Supposing I assume it is not right. I have nothing else to work on, and I will take that up. If it is fair to sell to one retailer in a town at a reduced figure why is it not equally fair to sell to all of them ? You will say how will it affect the other retailers ? It will put the favored retailer in a position to undersell, and thus injure the great bulk of the retail trade. Mr. Trowern carried out this idea in his paper : that there is one method of doing business ;—the manufacturer to the

wholesaler, the wholesaler to the retailer, and the retailer to the consumer. That is the right way of doing business. Why don't the manufacturers stick to that?

THE PRESIDENT : These resolutions are being presented to this meeting so that the sense of the retailers' convention of yesterday may be placed before the manufacturers and the wholesalers, with a view to their being considered and acted upon as a result of this meeting. I will now call upon Mr. Fisher, of Lindsay, to present his resolution.

MR. FISHER : I think the resolution I am about to read is one of the most important to the retail trade. It is as follows :—

“ That we think it is not fair to the retail trade that wholesalers and manufacturers should sell direct to consumers, including hotels, boats, restaurants and public or private institutions.”

I am not presenting this resolution from any selfish standpoint ; it does not affect me, —at least, only to a very small extent. I might say we have a wholesale house in my district which this does not strike at all, because I believe if there is one firm in the wholesale business more than another who lives up to wholesale ideas it is the firm to which I refer. While not directly interested, we consider all wholesalers from outside points soliciting a class of trade to which we think we are justly entitled, is most unfair, and I trust this matter will receive the faithful consideration of the trade now that you have the united views of the retailers before you.

ENDORSES THE CONTRACT PLAN.

THE PRESIDENT : I will now call upon Mr. McIntosh, who I believe has a resolution that endorses the views of the wholesalers' expressed on Monday last, and which should be of interest to all the manufacturers present. Mr. McIntosh is president of the Retail Grocers' Association in Hamilton, and the retail trade there have discussed this matter and will now give us their views.

MR. McINTOSH : The resolution which I have to place before you is short and concise, viz.:

“ That we are as strongly as ever convinced that the contract plan of selling goods is the right and proper one.”

In reading the report of your convention on Monday, I feel that I cannot say much more than to endorse the stand the wholesalers have taken in regard to the contract selling plan on proprietary articles. This contract selling plan has been made necessary by the numerous proprietary articles that have been put on the market by manufacturers in recent years. They extensively advertise their goods, and their value becomes known to the consumer, and as a result such lines are frequently used as an advertising medium by some who are not strictly grocers to attract the attention of the consumer with a view to creating the impression that they are selling goods cheap. As a matter of fact this is a fake way of doing business, and the man so advertising has in mind always

the fact that he is going to more than make up the loss on some lines with which the consumer is not so well acquainted. We believe there should be a fixed price on proprietary articles, and that the manufacturers should see that this price is observed; otherwise, as the retail merchants get better educated they will decline to handle these proprietary goods which are so extensively advertised if the margin on them is not sufficient to warrant their handling them. No manufacturer should spend thousands of dollars in advertising without first considering the interest of the wholesaler and retailer and making proper provision for sufficiently remunerating these two classes of trade for the service they render him in the distribution of his goods.

PRICE CUTTING.

THE PRESIDENT : We will now call upon Mr. Ford, of Ottawa. His resolution, I think, is much in line with that just introduced by Mr. McIntosh.

MR. FORD : The resolution I am going to read is one that requires no explanation, and is as follows :—

“ That it is the opinion of this meeting that price cutting on all goods, should as far as possible, be stopped, as it demoralises all branches of the retail grocery trade.”

We have had considerable cutting in Ottawa by large dealers who have endeavored by advertising cut prices on some well-known brands to attract the attention of the consumer. We have an instance of the methods employed where a large dealer advertised a certain staple at a cut price, but upon investigation it was discovered that the goods did not answer to the impression that was created by the advertisement. The consumer was being deceived. These are the dishonest methods that are used, and that we have to contend with, and I hope the convention will discuss this matter.

ENDORSES THE EFFORT OF THE GUILD—TRAVELLERS SHOULD BE BETTER POSTED.

THE PRESIDENT : We will now call upon Mr. Holloway, of Toronto, a man prominent in the retail grocery business of this city, and one who, I am told, stands high in the estimation of his fellows.

MR. HOLLOWAY : The resolution I have to present to you is rather a complimentary one, but, at the same time, I do not wish to extend the compliment without some reservation; and therefore, there is a provision in my resolution that I would like the wholesalers to take particular note of. My resolution is this :

“ That it is the opinion of this meeting that the Wholesale Grocers' Guild is an advantage to the retail trade if properly conducted, and providing that what is done is done in the best interests of trade, and not against the welfare of the public.”

The majority of the retail merchants do not consider the wholesalers the great thieves that a lot of people think they are, but we do feel that they have not protected the interests of the retail trade as they should have done. When an article is put upon the market to retail at 10c., and the same costs the retailer one dollar, and the traveller from the wholesale house tells the retailer that the profit is 20%, it is a great outrage to so deceive the unthinking retailer.

I want to tell you, gentlemen, that 20c. advance on an article costing a dollar does not show a profit of 20%. An article costing a dollar and sold at 10c. only shows a margin of 17%, and as it costs the retail man more than 17% to do business no traveller should go round deceiving him and leading him into the belief that he is making a profit when he is actually doing business for less than cost. Most manufacturers have been absolutely indifferent about the welfare of the retailer; he advertises wares to the consumer under the belief that the retail man will carry the goods whether he wants to or not. Unfortunately this has prevailed in the past, but I don't think it will continue in the future. The retailer must get a sufficient profit to warrant his pushing an article. If we don't get it, our back is against the wall. I would be the last to advocate co-operative buying, but if something is not done we must increase our profits some way. Two lines I know of have recently been advanced in price by the manufacturer. The wholesalers no doubt have endeavored to guard their own interests by getting the manufacturers to ensure them their margin as formerly, but in the items I refer to, the increased price is not followed by an increased price to the consumer. On the contrary, it looks to me as if the manufacturer did not hesitate to reduce the retailer's profit.

The papers frequently endeavor to create the impression with the consumer that the retailers are making too much profit, but I want to ask you is the retail grocery business a business that any of you would want to put your sons into? We must have proper margins. There are lines we don't get more than 10% on, and that is not sufficient in view of the well-known expense under which the retailers labor. The cost of delivering to the consumer is a very heavy item, and one that seems to be lost sight of.

Who are the great distributors of this country? One or two large stores? or the hundreds of retail grocers that are doing 95% of the business and rendering the consumer a service that cannot be rendered in any other way except through the numerous retail merchants such as we have to-day? The small man is your man; he is the man you must look after. He is the man you must depend upon for the proper distribution of your goods, and if you don't mend your ways some of you will have cause to regret it.

THE PRESIDENT: We will now call upon Mr. McHarvey, of Chatham. I think his resolution is more particularly in the shape of advice to the manufacturer.

BISCUITS SHOULD BE SOLD ON CONTRACT PLAN.

MR. MCHARVEY: My resolution, gentlemen, is as follows:—

“That it is the opinion of this meeting that all biscuits should be sold on the contract plan and invoiced at retail prices less the dis-

count, and that this meeting desires that this subject be taken up by the proper committee of this section with the manufacturers, and dealt with."

We are not finding fault with the manufacturer about the prices he charges for biscuits. We want the manufacturer to fix a price on proprietary lines of biscuits that will ensure the retailers a margin to cover a little more than selling expense. This matter has not received proper consideration at the hands of the manufacturers, and as a result the retailers have been for some time handling these goods on a margin that barely covers the cost of handling them. This should not be. A portion of the profits that the manufacturer is making should be paid to the retailer in the shape of an increased margin, and we are of the opinion that some good will result by the manufacturers conferring with the retailers' committee that has been appointed at the convention yesterday.

MANUFACTURERS SHOULD CONSIDER RETAILERS.

THE PRESIDENT : We will now call upon Mr. Carpenter, a prominent retail grocer in Hamilton, to present the resolution he has in his care.

MR. CARPENTER : Mr. President and gentlemen, my resolution reads as follows :—

" That we consider it not in the interest of the retail trade that manufacturers and wholesalers should agree and fix prices among themselves and not consider the retail trade, as price cutting injures the retail trade and wholesalers and manufacturers are not affected."

I am not prepared to say much regarding this resolution which I was requested to present to you as I was not present at the meeting held yesterday when this matter was discussed. I consider it is an important matter to be dealt with as a result of this convention, and I hope the wholesalers will unite with us in dealing with same. A committee was appointed yesterday at our convention, and I hope their conference with the committee the wholesalers have been requested to appoint will result in much benefit to us all.

THE PRESIDENT : Having regard to Mr. Carpenter's resolution, I am pleased to inform him that it is the intention of the wholesalers tomorrow to appoint a committee as suggested by the retail trade and as has already been suggested by Mr. Trowern. I would like to set Mr. Carpenter right, however, and disabuse the trade of the idea that the manufacturers and wholesalers get together and agree upon prices. The wholesalers have never suggested to the manufacturers what price they should sell their goods at, except to fix a price that will provide a proper margin to the distributors. At all the conferences between the wholesalers and the manufacturers they have been on the lines of increased profit to the retailer, as well as a fair profit for the wholesaler. The wholesalers realise the margins of the retailer are not sufficient, and they frequently protested to the manufacturers against their putting goods on the market at a cost that when sold retail at the price the manufacturer advertises them to be sold at does not leave the retailer a fair margin. We will now call upon Mr. Bell, of Ottawa.

MANUFACTURERS SHOULD PROPERLY BRAND CASES.

MR. BELL : The resolution I have to place before you is as follows :—

" That it is the opinion of this meeting that all manufacturers should have their cases properly marked, specifying the exact quantity and weight in them."

I think you will all agree with me, that, with a few exceptions, manufacturers have not been in the habit of properly marking on the outside of their cases, the contents, weight or quantity, in as clear a manner as they should. This is important to the retailer, and greater attention should be given to it by the manufacturer. A change in this direction would be of great convenience to the retailer in checking off his goods after receiving them, and would lessen the chances of error all round. I represent one of the largest departmental stores in Ottawa, and believe that system is a very important part in the success of any business. I have never been a price cutter, and have never sold goods at an illegitimate profit. Too much attention cannot be given to the cost of doing business, and we have given this matter very careful consideration. It costs money to give the public an efficient and satisfactory service. We employ the very best help we can secure and give our customers the benefit of a phone service equal to what they could get, if not better, if they personally called upon us with an order. If we receive a telephone order we make a point of selling the very best goods we have in the store. Our motto is " Serve your customers well, even if it does cost a little more to do it."

PROTECTING THE RETAIL TRADE.

MR. CRAIG : Mr. McDonald, of Peterboro, has asked to address the meeting for a few moments to explain the attitude of his company towards protection of the retail trade.

MR. McDONALD : We took up the question of discrimination in favor of certain retailers and the harmful results thereof yesterday. Several of my friends in the manufacturing business claim it is necessary to sell some retailers direct at wholesale prices. My experience has been that it is not. I think it is absolutely harmful to business. The manufacturers ought to get together and agree to cut out every one who has a retail counter, and not to sell them at anything less than the retail price. That would be a very easy thing to do, and I don't think it would hurt their business one iota.

A VOICE : Have you any power to control the selling price of your goods after you put them on the market ?

MR. McDONALD : Yes, I think we have. Complaints have been made that our goods have been sold by some stores at considerably less than cost.

A VOICE : Why don't you stop it ?

MR. McDONALD : We have never had any formal complaints from the retail trade to stop it.

WORK OF JOINT COMMITTEES.

MR. CRAIG : I think Mr. McDonald has shown clearly that the Quaker Oats Co. are friends of the retailers, and are anxious to assist them in every possible way to prevent price cutting, and to deal fairly with all retailers. I think if there are any special grievances with retailers they should be referred to the special committee so that they may jointly with the wholesalers' committee take such matters up with the manufacturer.

MR. McDONALD : There is one thing I would like to mention, that is that the retailers generally have not accorded to our travellers that cordial reception we look for in view of the efforts we are putting forth to protect the retail trade. I mention this because we think there should be a proper appreciation on the part of the retailers of those manufacturers who are doing, or endeavoring to do, the right thing.

A VOICE : Do you consider it is in the interests of the trade that a retailer should cut the price of your goods to less than the cost of them ?

MR. McDONALD : No, it is not in our interests.

MR. HOLLOWAY : If the right sort of traveller called upon the retailer, a man who is well informed and properly educated as to the needs of the retailer, he would be more cordially received than some of the travellers who have very little knowledge as to the cost of doing business.

MR. McDONALD : Of course we shall do everything in our power to stop the cutting of prices, as it is not in our interests or in the interests of the trade generally ; but popular goods such as Quaker Oats and other lines of our manufacture, extensively advertised, will occasionally be used by retailers cutting prices so as to attract buyers, with the expectation, no doubt, of selling them other lines upon which they will more than make up any loss they may have on our goods.

MR. CRAIG : We will now call upon Mr. Staples to present a resolution of importance to the retailers.

COST OF TEN CENT STAPLES.

MR. STAPLES (Lindsay) : The resolution I have to read is as follows :—

“ That it is the opinion of this meeting that all goods which are to be sold by the retailer at 10c. should not cost more than 90c. a doz.”

I don't think it will be necessary for me to take up much time on the subject. It has been very fully gone into by various speakers. I believe I voice the opinion of the retailers when I say that the 10c. article is popular in the grocery trade, but we are not getting a living profit on such articles. You have got to consider the man who handles these goods. There are several ways in which we lose, such as breakages, and these things are not taken into account. We ask you to take these things into consideration, and see that the articles now put up for one dollar should be reduced to 90c.



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MR. CRAIG : We will now call upon Mr. Potter, of Chatham, to present his resolution.

UNFAIR TO DISCRIMINATE.

MR. POTTER : My resolution is as follows :—

“ Should favored retailers be placed on the jobbers' list and thus have advantages over ordinary retailers ? ”

I would like to ask the manufacturers here present if they consider it fair to assist in creating a monopoly of the business in any section of the country. If a man is a retailer treat him as a retailer, not a wholesaler. The rights of both classes of trade should be properly respected. To place one retailer in a position to do serious harm to all the other retailers is unfair, and such a plan will ultimately work harm to the manufacturer, because the great majority of retailers are not in sympathy with such methods.

CASH DISCOUNTS.

MR. CRAIG : According to the programme before me Mr. Moyer is to present a resolution expressing the views of the retailers with regard to cash discounts.

MR. MOYER : The resolution I have to present to you is as follows :—

“ That in the opinion of this meeting the wholesalers should restore the cash discounts.”

There are many honorable men in the retail business who feel that they are entitled to a consideration if they pay cash promptly, and while there may be good reasons unknown to us for changing the terms to net, we think the matter is of sufficient importance for further discussion.

FAILURES SHOULD BE DISCOURAGED.

MR. CRAIG : We have a few more resolutions for the retailers to present to us, and I will now call upon Mr. Staples.

MR. STAPLES : The resolution I have to present to you is of importance, I think, in the interests of good business ; it reads as follows :—

“ That it is the opinion of this meeting that it is unfair for the wholesalers when a man fails to compromise with him at 50 or 60 cents, or even less, on the dollar, and thus put him in a better position than those who pay 100%, and they should take steps to remedy said evil.”

This resolution was passed at our convention yesterday. If a man fails there is some reason for his failing, but we are not in favor of encouraging dishonest failures. There may be good reasons why a man should fail, owing to sickness or some uncontrollable cause, but the failures we refer to are those due to lack of attention to business, lack of knowledge required in business, and there may be many other causes that should not be

encouraged. When a failure takes place we think some inquiries should be made into the cause, and the opinion of the retailers in that section obtained by the wholesaler. Perhaps the failure may be due to senseless cutting, carried on by the man who fails, and his whole existence in business has been an injury to the legitimate trade. I have expressed myself frankly, and I trust the trade will consider this matter.

UNITED EFFORT WILL IMPROVE CONDITIONS.

MR. BLAIN : The wholesalers' end of these questions is rather a large subject to handle. I very cordially endorse the sentiments that have been expressed by the different speakers representing the retail grocers. I think the wholesale trade has to a very considerable extent been careful to try and increase your profits and put your business on a better footing, but I admit there is room for greater effort than has been made in the past. Now we must all remember that we are gradually developing, that we are trying to attain a better business standard than we have had in the past. It is only of recent years that we have been able to get our organizations together, and we can do nothing without organization. As Mr. Trowern very properly put it, it is not intended that organization should interfere with individual effort, but you cannot accomplish anything of a vital character unless you have individual effort combined with associated effort. You must have them both, and we feel that by coming together in this way the disturbances and objections and all the disagreeable things that have been presented to us to-day may be easily smoothed away. I would not say easily perhaps, but they can by careful consideration and discussion be greatly improved.

Any man who is making a calculation, making up his balance-sheet at the end of the year, must figure on his turn-over, not on what he buys at. I cordially agree that no article should be handed over to the retail trade for sale at a 10c. price at more than 90c. a dozen. The man who pays 95c. for an article and sells it again at 10c. doesn't get a reasonable profit, and the man who will do his business in that way is injuring himself and everybody. I think we have the greatest authority, I think it was Gladstone himself, who said it was not in the interests of the public that anything should be sold for less than its cost. It is important for us to consider the great questions of trade and commerce, and not blind ourselves to the fact that when goods are sold for less than cost, or a fair remuneration is not given to the party handling them, it does an injury not only to that party, but to the trade and commerce of the country at large. The wholesaler and the retailer are both entitled to a fair profit on these goods. We are dependent upon the retailer for our very existence ; there would be fewer bad debts, fewer failures, if you got a fair and reasonable price for the goods you sell. You deserve it, and we deserve it. For many years I have been in my office from 7 o'clock in the morning till 11 at night ; you have to do that in the grocery business. The retail men are working while the majority of people are asleep, and they are working at night again after other people have gone to bed ; and they are the worst paid men in the community. If you rise and rebel against such a condition of things you will find you have a right to protection, the law gives it to you. We are bound to have it if we do what is right and fair and honorable in the interests of the public as well as in the interests of ourselves. We are all entitled to live in

the world, and to do business on a fair, honest, legitimate basis. It is humiliating in the extreme to think that men should go out on the road and be expected to do business along dishonorable lines. We should try and correct that. Mr. Johnson will tell us about these things this afternoon. He has been closely in touch with the grocery trade for the last 4 years, watching their trials and troubles and difficulties, both wholesale and retail, in all the different lines of trade; and he has prepared an address for this afternoon which I think will be of great benefit to the retail trade, and will electrify those who do not know what is going on. I hope every man here will be in his seat at 2:30 to hear that address. I will give you my personal guarantee you will be well satisfied with what you hear, and I will say further that if you don't hear it it will be one of those omissions which you will regret during the rest of your lives.

MR. CRAIG: Gentlemen, the hour for adjournment has now arrived, and I would ask you to make a point of being present promptly at 2:30 to hear Mr. Johnson's address. The meeting will now stand adjourned till 2:30.

AFTERNOON SESSION

WEDNESDAY, APRIL 27th

Meeting convened at 2:45. The President in the chair.

THE PRESIDENT : The gentleman who is to address you needs no introduction to such an audience as I see before me. I shall say nothing more except that we are delighted to have Mr. E. F. B. Johnson, K.C., address us, and I will now call him.

Mr. Johnson was greeted with much enthusiasm, and then addressed the meeting.

PURPOSES OF SECRET COMMISSIONS ACT EXPLAINED

MR. JOHNSON said : There was once in my native country a very old and very rheumatic and very testy Presbyterian minister, and one thing he objected to was draughts in the kirk. One cold, raw day, by some unaccountable means, the officials had left the four doors of the church open. He spoke for half an hour or longer upon the elementary principles and the cardinal points of his discourse, and he suddenly discovered the draught was too much for him. Leaving the academic, he at once imported into his sermon more vigor than usual. Thumping the pulpit, and turning in wrath to the congregation, he said : " Elders and deacons, shut the north door, and see that ye shut the east door ; dinna forget to shut the south door and the west door." And, dropping his voice, he went on with his discourse. Two old gossips were coming out when the service was over. One of them said to the other : " Maggie, how did ye like the minister to-day ? " " Well," she said, " I didna quite follow him through his cardinal points and his elementary principles, but, my, he was grand on the subject of shutting the doors ! "

If I am grand on that subject, if I can help you in any way to shut the doors against the enemy I shall feel that what labor I have spent in regard to what I have done will not have been spent in vain. I do not think I can say much to you on the subject of how to make larger profits—a subject I would like to talk to you about, and give you some information upon if I were qualified. But, you see, my position is the converse of yours ; I am for small profits. I am for cheap food : I am, from the personal standpoint, for cutting prices, so as to get my goods cheap ; and looking at it from that standpoint I have endeavored to see, being a consumer—not a very large one, it is true—I have looked to see how it would affect the general community and the prosperity of the trade and commerce of this country if I, a consumer, had my way. Therefore, we have to look at it from both sides.

SPECIFIC REASONS DESIRABLE.

If, however, you give the consumer the absolute control of the trade and business of this country, you are out of existence. If you give the wholesale dealer, or the manufac-

turer, the absolute control of the business of this country, and it happens to fall into the hands of men who are not, perhaps, over-scrupulous—occasionally we do get these men—then you destroy the rights of the consumer; and therefore what I have endeavored to see for myself, without knowing the price of sugar, or the price of tea (the only thing I know is the price of tobacco), without knowing any of these things I do not want to say, as did the old magistrate who was accused of partiality in the disposal of a case. He said: "I resent the imputation, and I deny all allegations of improper conduct. I have been on the Bench for thirty years, and throughout the whole of that time I have invariably taken the middle course between right and wrong!"

Now let me say a few words of a general character. A few ideas will lead up to what I am going to say finally in regard to the matters that I have to deal with to-day. In this rapid age, we all think too generally. We draw too many general conclusions. The man who can sit down and work out concrete principles, who can give the specific reasons for the specific act, is the man whose opinion is worth more than the man who casts the whole thing aside upon a general assumption, and says it is good for this or bad for that. The general principles of all business are manifest to the minds of those who are engaged in them, excepting in my own profession. There you never know where you are at, because judges will say one day that the principle is so and so, and that is reversed next week by another set of judges. I think it would be wise to rather crystallize some ideas that I have upon the subject, and I assume that my invitation to address as large a jury as this is, is due to the fact that myself and my friends, Mr. Armour and Mr. Ambrose, were able to do some service in the interests of a depressed trade, in the interests, I may say of, to some extent, a persecuted trade during the last ten or fifteen years.

In order to understand the exact position of matters, and in order to see just exactly where we are at in dealing with a subject of this kind, it is as well to ascertain what combines mean, what the Secret Commissions Act was intended to prevent, what indeed the criminal law of this country prevents, as I shall show you later on, I hope to your satisfaction. In dealing with that we have to see for a moment (I shall not detain you upon that point) what the origin of just such an organization as is represented here to-day meant.

These bodies were called "guilds," an honest old name, but one which in the minds of some people who did not understand the position, savored somewhat of a combine. But it is exactly what you and every other trade and business and profession are striving for to-day, and what you must strive for if you desire to retain your individuality and your concrete existence. It was founded upon common brotherhood, upon loyalty to each other, it was founded upon a system of faith and confidence that perhaps the world has never seen or experienced in these later days of trading and barter and exchange; and more than that, it was based upon the highest principles of morality and religion.

EARLY HISTORY OF GUILDS.

The very first guild that was organized was as far back as the days of King Canute, and that was purely a religious and moral guild. It was for the support and maintenance and assistance of all the infirm members, it was a looking after of those who were unable

to look after themselves ; it went so far as to provide for the burial of the dead. The first business guild was at Cambridge in England, a guild that to some extent dealt with trade relations. And just let me tell you from an eminent author what the principle underlying that guild was, and let us apply it to the present day concerns :

“ If one misdo, let all bear it. Let all share the same lot.” That was the motto on the flag of that guild. It was a banding together not for the purpose of injuring a human being, a banding together of men engaged in the same class of business for their self-protection, for the self-existence of their own trade or calling and for the protection of each other. That implied a very high moral rectitude ; that implied the greatest amount of loyalty you would expect one human being to exhibit towards another ; that implied absolute confidence in each other.

The old German guilds were based upon somewhat of a similar foundation. They were national to some extent, at the same time they were bodies that did deal incidentally with some matters of trade, but it is when we come to the London guilds that we find the ends of the trade and business of the country being taken care of. These guilds were originally formed for the maintenance of peace, for the protection of property, the suppression of violence and matters of that kind, and I am citing now from a well-known author upon the subject. As trade began to change, with various interests cropping up, so did the guilds assume greater control over trade relations until they became actually the municipal government of such towns as Berwick-upon-Tweed, taking charge of the municipal administration, controlling the markets and the police—taking practically the position—well, not quite the position of the Board of Control in the City of Toronto, because they did better than that—they managed things so well that they continued to flourish for hundreds of years along exactly the same lines until they became what were called the Crafts Unions—where you had the capital on the one side in the guilds as they originally started, and the craftsmen on the other side looking after the details and doing the work which led to the establishment of the modern day trades unions.

I am not going to take up any further time upon that, excepting to read an extract to show the high character of the guilds in those days. The same foundation ought to underlie any body of men who seek to assume for themselves the rights and privileges which you have a right to assume and seek in protection of your trade.

“ The guild stood like a loving mother providing and assisting at the side of her sons in every circumstance of life, and cared for her children even after death, and the ordinances as to this last act breathe the same spirit of equality among her sons on which all her regulations were founded and which constituted her strength.”

Having given you an outline of that, let us see what the conditions of trade are to-day, and how it is necessary that something—modernized, it is true—something along these lines must take place to-day ; not to hurt your fellow man, nor to prevent your fellow tradesman from getting on in the world, not to prevent his buying and selling goods as freely as he can breathe the air of Heaven, but to so regulate and control trade and commerce and business along these lines that instead of being what some of you gentlemen were charged with being—violators of the law—you ought to have been credited with being protectors and defenders of honest law and honest administration.

EVOLUTION OF CHANGED CONDITIONS.

Look at it for a moment. We cannot trade individually ; that, of course, is out of the question. We have reached an artificial stage in the history of business, not only in this country but in all civilized countries, where the individual trader is out of the question. You start first with the mere exchange of one product for another. You have no division of classes, no division of responsibility ; it is simply one man with the other. By and by, as our wants increase—and they are increasing very rapidly all the time—and as the supply becomes larger, you create a totally different condition of things, a complex position. Let me illustrate. I can recollect things that happened over forty years ago, and I can recollect what was the condition of the country longer than that. And what was it ? In the original days of Canada the settlement was small, and confined to a very narrow area. I can remember the time when the shoemaker came round and made the boots for the family. He was the producer, the manufacturer. I can remember the time when the woman used to come round and make the dresses for the womenfolk of the family. I can also remember the days when it was no uncommon thing for the bagman to come round with his wares, to be followed, as the area increased, by the peddler.

Then you have the origin of the departmental store ; the four corners—namely, the blacksmith's shop, the livery, the general store and the other complement. That was caused by what ? The general store was brought about not because the man wanted to take the whole business of the neighborhood, but by necessity, the demands of the people. Then you go on until the merchant came in with his specific line, the grocer, the dry-goods man as the case might be. Thus has the country expanded, and we have to consider not only the expansion, but let us look at it from the closer standpoint. It was not the expansion of the country so much as it was that the demands, the wants, and the tastes of the people were becoming more varied and had to be supplied in some way or another. They could not be supplied by the general store or the man peddling his goods about the country.

Thus you create a different state of affairs. There was thus created a purely artificial condition. In all business, we have an artificial condition ; we have an artificial condition at Ottawa. What have we got ? We have got the revenue, the system of protection, and various other policies—but take protective principles, free trade principles, anything you like ; they may be perfectly good under certain conditions, but when you come to a certain complex, artificial condition in the affairs of any country, to say nothing of the individual community, you have to devise something to meet the requirements of that condition, and that is how you get the wholesaler. Why ? Because we have, as I said, a sparsely settled country. You had to reach the consumer through certain media. What was the best ? It was not that the wholesaler arrogated to himself the right to charge what he pleased. He did not desire to cut in on the privileges of the retailer. He was the product of his times, and he came through a system of evolution ; just as you find in the common life of the country to-day that the man who had his oxen and took his grist to the mill, to-day has his carriages and perhaps an automobile.

The man who had his home-made shoes fifty or sixty years ago, to-day has the finest

patent leather the manufacturer can produce. Conditions have changed, and in that change has grown up the body of men I see before me. In other words, your body is the result of evolution. It is not the creation of any corporation or any body of men to interfere with trade or commerce at all. The condition of trade has brought you into existence, and if conditions were changed, you would be without a calling.

GETTING TO THE CONSUMER.

Now you will bear in mind, as I said before—and let us get down to the concrete principles—you always had the producer, whether it was the home-made shoemaker, or the man who made the axe handle does not make any difference. You always had the producer. To reach the consumer in the early days was a very simple matter, but when you come to the condition of things you have in Canada to-day, and have had for the last forty years, the reaching of the consumer becomes a very complicated problem. You cannot compare London, or any of the big English cities, with Canada, because within an area of a few miles they have more consumers than we have in the whole Dominion of Canada. You had to reach the consumer in some way. You did it originally through the retailer. Then came the necessity for the wholesaler. Here is where a misconception has taken place in all the prosecutions that we have had in the courts in this country: an entire misconception.

The object and the very reason why the wholesaler came into existence was not that he should make money and increase the prices or eliminate competition, but to reach the consumer in a more direct and cheaper way than ever had been done before. He was created by the condition of things as they developed and as the process of evolution went on. The result is to-day we are dealing with the three classes. We are dealing with the manufacturer, the wholesaler and the retailer, and I am not going to argue for a moment on what has been declared by the highest court in the province and some of the highest courts in England, and which appeals to our common sense, namely, that our present system has been found to be, as an absolute fact, the best and cheapest method of connecting the bank of the manufacturer with the bank on the other side of the stream, the consumer.

RIGHTS OF THE MANUFACTURER.

The manufacturer—let me say this in order that we may clear the way from a legal standpoint—the manufacturer has the absolute right to fix his price. It was argued in the cases I have referred to that by fixing his own price, and perhaps enhancing it, he was violating the Act. Not so. For instance, we have seen again and again the result in argument by taking the case of Sir William Macdonald and his tobacco. He produces a certain article. He is the only man who knows what the cost of that article is to him; he is the only man who knows how much the cost should be to enable him to make a living profit. He fixes that price. If he fixes it too high he has got the American Tobacco Co. coming in with perhaps as good an article at a less rate. He has got other manufacturers coming in in the same way. The same with the sugar refiners and canned-goods people. You may combine, but the moment you increase the price beyond the living profit, that moment instead

of destroying competition (and the economic history of this country tells it) that you actually increase competition, because you encourage others to go into the market. We have the evidence of Mr. Robertson, who said the fault he had to find with the agreement was that it increased competition, and there was a great deal of truth in the suggestion made.

When you come to work it out, the moment you combine, or do anything that tends to enhance the price at all materially, that moment you find thousands of others ready to come into the market and supply the demand. So there is first of all the interest of the manufacturer, to have his profit; and he alone can tell, if he is an honest man he will tell, what the living profit should be. If he fixes it too high, he is met at once by opposition, I care not what the merger may be, what the combination may be in even such an important body as the wholesale grocers of this country—controlling as you do a very large amount of the retail trade of this country—even you cannot control a situation so as to prevent competition.

CARRYING OUT OF AGREEMENTS.

These things must, however, be worked out in good faith. The manufacturer must depend upon the honesty of his agents. You are his agents. If he makes an agreement with you, he has the right to see that the agreement is carried out. Not only so; he has the right to so carry on his business that he may rely absolutely upon the fact that that agreement will be carried out—because according to the agreements he makes, so he cuts his cloth.

Now, it is a matter of you gentlemen acting either individually or in combination. It is a matter of you handling certain products of this country. And to the extent to which you are able to make your trade relations perfectly honest in the observance of the contracts and all the rest of it, to that extent you are not only benefitting yourselves, you are not only benefitting the manufacturer, but you are reaching out towards the benefit of the consumer.

WHOLESALE'S POSITION.

The wholesaler, as I said, comes next to the manufacturer in the ordinary course of proceedings. The wholesale trade has been in existence for years in this country. It is no new thing to control the sale of goods of any particular manufacturer. It is needless for me to say where the wholesale trade is of benefit, because it is apparent to everybody. You save money, you save time, you put your retail customers in a better position, you form local distributing centres, you carry many of these men along from year to year who would otherwise perhaps go into liquidation; and if the wholesale trade is carried out according to the practices and regulations of the Wholesale Grocers' Guild, with which I may say I am familiar, you are not only conferring upon yourselves the dignity of an honest calling, but you are protecting the retailer, and you are also reaching out to protect the consumer.

But, like all other agents, it is necessary we should be honest among ourselves, and in saying that I speak as if I represented to some extent, at any rate, the wholesale people

for the time being. When we make our contracts, having regard, as I said, to the complicated economic conditions of to-day, these contracts must be rigidly observed. The moment you break the smallest pin wheel of a machine, the machine is out of order. The moment you get grit—I don't mean political grit—into the delicate part of your machinery in a factory, the moment your machine becomes more or less affected. So here. The moment you get any misunderstanding, the moment you have any difficulty arising from the non-observance of a contract or otherwise, that moment your machinery is not perfect and something will go wrong. In a guild, or in a body of men such as I see before me, an organization such as you have here—I should say one dishonest man will upset the calculations and the working out of the scheme of all the other members of the institution.

EFFECT OF RETAILERS CUTTING PRICES.

Now, about the retailers I shall say very little. That is a subject that, I understand, has been dealt with. But I will point out that the same principles should apply in the minds of the retailers to the wholesale man, as should apply in the mind of the wholesale man to the manufacturer. The retailer is everywhere in touch with the consumer. He is the man that has the last stage in the distribution of the goods, from Montreal, Toronto, Hamilton, Winnipeg, or elsewhere, wherever they may be produced, and each one of these men is more or less dependent on the honesty of his fellows. Take two men in the village. What is the result? They begin cutting prices. They begin struggling for trade not upon an open and honest living profit basis. And what is the result? It does not need me to tell you that one and perhaps both of these men will go under.

Now, to keep this state of affairs in check, generally, I may say before I go to the legal aspect of the matter, to keep these in check, it is necessary that you should have regulations, and I shall tell you later on how far you are entitled to regulate without violating the law. But you have to regulate for several reasons, and I have noted them here in a very simple and itemized manner. You have to regulate this body, and not only this body but trade conditions. First, as I have said, to prevent any dishonesty being carried on, to stop the unfair dealing, to see that your system is carried out in its entirety, and in every way to deal fairly and properly, to see that all your contracts are kept, and the contracts of your fellows, and to see after the cutting of prices, which has always been a sore spot with the wholesale man. To see that this is put a stop to, and in order to effect these matters you have a perfect right, as I shall show you in a moment, to pass your regulations and to impose your penalties. If you cannot carry out your system because your rules are not regarded, then you have a perfect right to say, "We will exclude so and so from our Exchange," or Guild, as the case may be.

By reason of many of these violations happening, I am told by some of my friends among the wholesale grocers, the wholesale grocery trade became bad, profits were reduced below a living price, the whole system was disorganized and demoralized. They were carrying a lot of lines at a loss. Even the manufacturers were selling to the retailers over their heads at the same price as they were selling to you. They were depriving you of your market, the only market that was open to you, just as it would not be right for

you to sell to the consumer at the same price as the retailer can buy his goods. In other words, they were selling your customers and wrecking your existence, taking away from you the only means of living you had, and as I put it to the courts on more than one occasion, the fight you had to make was not for fair trade, the fight you had to make was not for high profits, the fight you had to make, gentlemen, was for your very existence. Hence the organization. Then you had your Guild, or Exchange, or combination. I like the name Guild, because the meaning of that word is plain. It signifies "payment." If you say "guild" it means your word is as good as your bond: that is the underlying principle of the whole transaction—honest, fair dealing.

PAYS TRIBUTE TO WHOLESALERS.

What was the aim, as evidenced by many witnesses at the trial, the aim of the Guild? First, it was to stop the cutting of prices; second, it was to try and make men, some men, live up to their agreements, and let me pay you the highest compliment any man in Canada can pay to a body of men. Perhaps it has not occurred to you in this concrete form but let me say as a truth, and take it home to yourselves as a compliment coming from, I may safely say, one who knows from the best evidence that was given: For twenty years this body of wholesale grocers stood upon their rights, and on that twenty years' record they were put upon their trial. The old, dusty letter books that were almost obliterated with age, the old letters where the ink had faded out, the documents and papers and books of account, where you could write what you pleased on the covers—all these things were raked up against the Wholesale Grocers' Guild in the case of the King against Beckett and others: and in all the evidence, with all the force the Crown had at its back; with all the money they could expend, with all the assistance of able counsel, and I don't know how many detectives besides, with ways that were dark and tricks that were vain, seeking to unearth evidence which had been left by a dead man; with all that in the whole twenty years' record we only found three dishonest men in the wholesale grocery business of this country! And yet they say, "We are afraid the wholesale grocers will combine to the injury of the retailer and the injury of the consumer."

You have to build trade up; you are the gentlemen who have a great deal to do in the building of trade in this country. You have an example set you by two Governments at Ottawa, by a system of protection, you have the theory of not cutting prices. Protection was passed for the purpose of doing what? To prevent the prices being slaughtered by foreign manufacturers with their surplus stock.

You, in endeavoring to stop the cutting of prices in your own land, are charged with crime. Fortunately the judge did not look at it quite in that light. This is important to know, and I shall briefly notice it. When this organization was formed you took the precaution, and a very wise one, to say, "We will not exclude any wholesaler. We shall not determine who shall be members; the trade or business of the man shall determine that. If he is a wholesaler, he shall come with us; if he doesn't choose to come he can stay outside; he shall receive exactly the same benefits as we have, without perhaps any of the responsibility." That was the distinguishing feature of your Wholesale Association. No man was prevented from getting his goods. The only test was this: If you gentlemen

in Toronto, and Montreal, and elsewhere, you producers, employ us to act as your distributing agents you must not sell to our customers at the same rate as you sell to r

It doesn't need any argument to convince anybody that that was common sense and fair play and the honest way of doing business and whether a wholesaler belongs to the association or not he would be entitled to get his goods at the same rebate, royalty, or otherwise, as you were able to as members of the Guild, and he would save his admission fee and his charges for lawyer's fees.

What do we find with all this cry against the wholesale people? We find this singular fact. Not only were you generous enough, not only was the wholesale trade generous enough to say, "We won't exact membership as a test: the test shall be, a wholesaler or not a wholesaler." Men who never saw the inside of the Wholesale Grocers' Association room got their goods, got the same rebate and the same protection as you did. More than that, men like Mr. Eddy, like Sir William Macdonald and others, had old customers who had grown grey in their relations, and as a matter of sentiment you respected that and never objected to their selling to a few men who were old friends of theirs, and they have continued to sell to them as retailers at the same rate as they were selling to you. I ask, where you could find a body of men who were as generous as that? It would be a crying shame if there was a law upon our Statute Book that would hold them responsible for any kind of a reasonable and proper combination such as this was shown to be.

CASE OF PATENTED ARTICLES.

There are some things, as I have said, in view of the general conditions of matters, I should like to point out to you as things that would be perfectly legal to do, and I have taken some little care to put them in a shape that cannot be objected to. In the first place, as I pointed out, it is perfectly legal for the manufacturer to fix his own price. If it is a patented article he must place it upon the market at a reasonable price, because he has been given a monopoly by the Crown to manufacture that patented article to the exclusion of everybody else, and the Crown says, having given you a seven year monopoly, with a renewal perhaps for seven years more, you must meet the public requirements. There can be no competition in that patented article, and we will so enact by legislation that you shall not be allowed to charge an extortionate price for that particular article.

But even with the patent you do not destroy competition. Why, look at the condition of things in regard to sewing machines and bicycles. I have never had much use for a sewing machine, but I know something about bicycles. Ten years ago you paid \$125 to \$150 for a bicycle; you can get one to-day for \$40 or \$50, although it may be in part patented. Thirty years ago, you would give \$30, \$40 or \$50 for a hand sewing machine that will cost you \$10, \$12 or \$14 to-day. And why? Notwithstanding the protection by patent there was the striving by others to enter the field against the patent, and so successful were they in some cases that the patent was not worth the paper it was written on, commercially speaking.

WHEN COMBINES ARE LEGAL.

But leaving the patent question out, you have the right to say to manufacturers:

"Fix your own price." And if the tobacco man, or the sugar man, or anybody else, charges more than a similar or a little inferior article can be bought for elsewhere he would soon be out of business. Trade regulates itself. All we want is a good straight, stiff, honest backbone at the back of it.

MANUFACTURERS HAVE THE RIGHT TO FIX PRICES.

I say manufacturers have the right to fix the price. I say also the wholesale grocers have the right to combine honestly for self-preservation, and that is the very essence of the King and Beckett.

There is a sort of feeling generally amongst people that a combine is illegal. Nothing of the sort. A combine, as we understand the word ordinarily, is just as legal as anything else ; but you must not so combine as to produce the injurious effects mentioned in the Statute. You must not do it for the purpose, bear in mind the expression, for the express purpose or even the incidental purpose, of enhancing prices. You must not do it for the purpose of limiting competition, or to interfere with the cheap and rapid transportation of goods. But for the protection of your own trade, for your self preservation, a combine of the closest and most vigorous character is just as legal as anything else. This is one thing you can do.

EXCLUSIVE SELLING AGENTS.

Another thing you can do. You can make your arrangements with the producers or the manufacturers to be their exclusive agents, and say to the manufacturer, "If you are going to employ people other than ourselves we won't act as your agents. Take the other people ; leave us alone." That is perfectly legal. There is some hazy idea that this is preventing other people from trading. Not at all. I have a perfect right to go to the Massey-Harris people and say, "You appoint me, or myself and the chairman, as agents in the County of York for the sale of your goods exclusively." I have a perfect right to do it. The chairman and myself have a perfect right to say "If you sell through anybody else, even if you yourselves sell in the County of York, we won't sell your goods." It is perfectly proper and perfectly legal.

THE BREAKING OF CONTRACTS.

Then you have this further right. You have the right to say, "You shall not deal with a man who is a contract-breaker."

MANUFACTURERS NOT BOUND TO SELL TO EVERY ONE.

I am not bound to sell my goods to every man who comes in. I am not bound to produce goods for any man who chooses to come along and say : "I want so many goods, and I am willing to pay for them." I have a right to ascertain the character of the man I am dealing with, and I have a perfect right to say I shall not sell to a man who has red hair or black, as the case may be.

Why should not I? I control my own situation. No reason in the world why I should not. And if you find a man is not keeping up his contracts, if you find he is not an honest man in respect to his contracts, you have a perfect right to say: "We shall not deal with that man." You have a perfect right to see that the agreements upon which you shape and mould your business are kept; a perfect right to say these agreements are a part of the system. When you break any of the agreements you jar the whole system: it affects our business, our trade and our reputation, and you have a perfect right to see that these agreements are not broken.

REGULATE THE OBSERVANCE OF CONTRACTS BY PENALTIES.

And you have the further right (keeping within the lines I have indicated) to regulate these by penalties. No company can live unless it had some power to impose penalties, either under its charter or under the general law of the land. Take any company, I don't care what it is. In dealing with certain stock—I am speaking of share stock—in that company, a man does something that is wrong. If you had no control over that man your company could not continue to exist. The general law of the land applies to him, but you have just as much right, so long as you keep within the limits I am indicating, to impose your penalties upon that man within your internal organization and your internal powers as you would have if the general law of the land did not apply to the case in point.

MUST ACT IN GOOD FAITH.

You have a further right—and this is perhaps the widest right you have—you have the right to do all things necessary to protect the interests of your business, provided they are done in good faith. Of course, if you once have malice against a man—say there is a man John Smith: "I have got my knife ready for him, and I am going to see he is cut off" there you are actuated by an unlawful motive, a malicious motive, you have an ulterior object in view. But if you act in good faith, having the grounds for your action that for some reason or other it is necessary in the interests of your business—without exceeding the proper limit, without exceeding any legal rights at all, even if injury may come to a man through your act, that does not make your act illegal if it is done in good faith in the interests of the preservation of your business. I will illustrate what I say by reading an extract, to show you there is law upon the point. We have the law laid down by no less a Judge than Sir Glenholme Falconbridge, Chief Justice of the King's Bench, following the judgment of the late V. C. Strong:

"It would be dangerous to accept as a settled doctrine of political economy or proposition of law, that under any and all conditions, and at all times, every man or corporation should be declared to have an absolute and inalienable right to buy and sell, trade or barter, with any other person or corporation, without restriction as to quantity or price."

We have such a man as Lord Herschell, in England, in the Court of Appeal, saying :

" I do not doubt that everyone has a right to pursue his trade or or employment without 'molestation' or 'obstruction' if those terms are used to imply some act in itself wrongful. This is only a branch of a much wider proposition, namely, that everyone has a right to do any lawful act he pleases without molestation or obstruction. If it be intended to assert that an act not otherwise wrongful always becomes so, if it interferes with another's trade or employment, I say that such a proposition in my opinion has no solid foundation in reason to rest upon."

That is the judgment of one of the highest courts in England.

A well known and authoritative author, Eddy on Combinations, says :

" The right of a combination of dealers to advance their own interests by mutually agreeing to decline to deal with any manufacturer or wholesaler dealer who should sell directly to their customers has been broadly upheld."

That is what I am contending for. So long as the objective point is the self preservation of your business, is the interests of the business, although it may wipe other men out of existence, that is a matter of no consequence so long as it is done in good faith and not for any ulterior purpose.

And then we have the language of chief Justice Falconbridge, who decided the case of the Guild. " The various cases of alleged oppression and 'driving out of trade' of persons who either openly, or by some ingenious device, aim to belong to the wholesale trade, and at the same time sell at retail, are thus easily understood. If this system were to be practised, it would injuriously affect and demoralize the trade, not only of the wholesaler, but of the retailer, and the consumer would certainly not be better off in the long run."

THINGS THAT ARE ILLEGAL.

I have told you the things that you may do. I will tell you now the things you cannot do ; and they are very few.

First, it is illegal to combine with manufacturers to fix prices. You leave the manufacturer alone, trusting to the tender mercies of your executive, Mr. Beckett, Mr. Blain, and a few others ; their work showed up fairly well at the trial. Let your dealings not be with the manufacturer as to fixing prices, because that is an illegal combination. It is illegal to exclude wholesalers from your organization if they desire to join, because you would have no right to determine who should be members, except by the broad test of qualification. You would be taking upon yourselves to personally discriminate, a thing which is not permitted in law.

Another thing you cannot do primarily, although you may indirectly, or rather, it may be the result of what you have legally done. You cannot enhance prices by combinations or agreements or arrangements. The law positively says that is wrong. As I

pointed out, you may do a great many things that may have the effect incidentally of increasing prices, but you cannot devise a scheme for this purpose. It must have the foundation of necessity and the saving merit of being in your own interests and in the interests of your own self-protection.

Another thing you cannot do. You cannot by any means known to the law, although I am afraid it is sometimes done—you cannot coerce any man into your belief of your system or your method. Every man has the right to his individual opinion, to exercise his individual act; and the moment you attempt anything that shows there is coercion against an individual, that moment you are within the scope of the law.

EXPOUNDS SECRET COMMISSIONS.

Having said that much, perhaps more than I should have said, let me call your attention to an Act that was passed a short time ago, and let us see where that leads us. If I am right, in what I have pointed out in regard to the condition of trade, the necessary incidents of it and the necessity for the present division you have got of your three classes, then we find the law protecting that state of affairs if honestly carried out. There was a great deal of trouble in regard to many commercial matters as between agents and contracting parties, and Parliament passed an Act dealing with that very subject, and that is known as the Secret Commissions Act of 1909.

Under that Act an agent means any person employed by another. The first section or two does not apply to the case which I understand will happen even in a well-regulated family like the Grocers' Guild. In the desire for business, and in the effort to make big returns, and sometimes perhaps, if the agent is paid by commission, in his self-interest he will go to the retailer and will say, "Here are so many packages; they will cost you \$12." The retail dealer says, "No, I won't buy them. I believe I can get them cheaper from another man." The agent says, "I will allow you a rebate," and he does it in this way. He says, "I will give you a dollar," or fifty cents, as the case may be, which would be a very high percentage upon a twelve-dollar lot of any particular article. He gives him the fifty cents, or the dollar, the man buys the goods, and gets his rebate in that surreptitious way. The agent, if his principal is honest, dare not return it to the principal, because he knows his principal is under a moral, if not a legal, obligation not to sell at less than a fixed price. He returns it as his expenses, sends in the voucher and adds the fifty cents to the week's account. He has got the order, and thinks he has done an honest transaction. A great deal of wrong-doing may take place in that way, but when we come to the Act, whatever view may be taken of the earlier sections—I have some doubt myself as to how far they apply—but when we come to Section (c) of the Act you will find this, "Being an agent," that is, a person employed by another—"being an agent, knowingly uses, with intent to deceive his principal, any receipt, account or other document in respect of which the principal is interested and which contains any statement that is false or erroneous or defective in any material part, and which to his knowledge is intended to mislead the principal."

WHAT THE PENALTIES ARE.

The man who does that is liable on conviction to two years' imprisonment, or to a fine not exceeding \$2,500, or to both. The agent violates his principal's contract by selling below the fixed price ; he is cutting the price. He is not doing it in the interest of his principal, because his principal loses the fifty cents or the dollar, as the case may be—I am only taking this small amount to illustrate. He is using his principal's money for a certain purpose that is not proper, and in addition to that he is returning his voucher to his employer, which is false and intended to mislead his employer, because he wants the employer to believe that the fifty cents was travelling expenses, or travelling allowance, instead of the rebate, which was an unlawful act.

It is well for the wholesale grocers to know this. But apart from that let us see what the statute says. We have a particular statute known as the Criminal Code, and I have summarized a section in order that it may read to you intelligently. Statutes are often passed that are not intended to read intelligently, because if they did and any man could understand them, my occupation would be gone.

This is Section 415 of the Criminal Code, which I have summarized, " Any person being a clerk or servant who falsifies any book, paper or writing, belonging to his employer, or that has been received by him on behalf of his employer, or concurs in the same being done, is guilty of an indictable offence," and liable to maintenance, food and clothing at the expense of the state for seven years.

I say that the agent who goes out, without the knowledge of his principal, and does these things for the purpose of cutting prices, will find himself in grave difficulty some day, if not under the Secret Commissions Act, at any rate under Section 415 of the Criminal Code.

Now, just a word with regard to the Secret Commissions Act, and see what was intended to be covered by it. The Secret Commissions Act was intended primarily, no doubt, to prevent violations by agents under contracts of various kinds. The consideration, of course, to the agent that is mentioned in the Act would be the man buying the goods. It is to the personal advantage of the agent that he sell the goods, it is to the personal advantage of the agent that he extend the business of his employer, because so will he be rewarded, not only here but hereafter. Under that condition of things, to begin with, the account he returns to his employer, is absolutely false ; and let me say, if the wholesale grocer stands in with his agent in the deal and knows it, and authorizes it, either expressly or impliedly, the agent is not responsible. But I am taking a case where the agent does it on his own account, and for the purposes which I have mentioned.

TO BRING ABOUT HONEST DEALING.

The object of this Act was manifestly this : to keep the agents and all persons dealing with them, honest. That is the first proposition. The principal, the wholesaler, is not there ; he has to trust his agent, he cannot go round and control every act of his traveller, he cannot see that the law is carried out or if his contracts are carried out ; he must trust his agent, and it was important that some safeguard should be given to the employer

in regard to the conduct of his agent, so that if he did that which was illegal he might be reached in some summary way.

The second object of the Act was to prevent the rules and contracts and regulations of the employer from being broken. Otherwise there would be no check. An agent could go about and break all the rules and regulations you could put in force. Then the third object was apparently to prevent collusion between the agent and the person he was dealing with, which was one of the most important elements of the Act.

Now, you see how readily it could be done in the way I have indicated, and I am told that is the way it is done. I am advised that is the fact, and I have pointed out that that being the fact, such a man is liable under the section; and if he is not liable under that, he is clearly liable under the section of the Code.

I have just a few words to say about the cases which have been decided in our Canadian courts.

DECISIONS IN COMBINES.

It is a matter I should like to speak to you about just for a moment. There is a great deal of misapprehension with regard to what has been decided by the courts in regard to combines. I am going to tell you briefly what has been decided in this country. In the Elliott case, the Ontario Coal Association, of Brantford, they had a list of members, and they refused to take in more members, although those seeking admission were on the same plane and belonged to the same class as the members who arrogated to themselves the right to control the coal situation. And the reason given on the by-laws was, they called them "eligibles"; and a man was only eligible up to the point when the company could not stand any more competition. In other words, as soon as they reached the high-pressure of competition the eligibles were shut out. They prevented other dealers from joining the association. The wholesaler couldn't get his coal, although he was in the same line of business as the members of the association.

The object was, under their articles and by-laws, to prevent anybody but the gentlemen who formed the combine, to prevent anybody, no matter how well qualified he might be in the same line of business, and entitled to the same rights—to prevent these men getting the coal. The test of admission was not "Is this man a wholesale coal dealer or a coal jobber?" The test of admission was this: If there were enough members to exclude competition, nobody else, not even the proverbial Irishman, need apply; because he would be shut out. The whole object was to keep down competition and therefore the court very properly said: This is the worst kind of combine. It is a combine to make money, pure and simple, and therefore it is illegal.

Take the Clark Case; a Manitoba case. There the retail dealers were combining. It was only such retail dealers as the directors of the company determined by ballot or otherwise that could get into the association. Every retailer couldn't get in—only the favored few. A by-law fixed the prices, mark you. They combined to fix the price; combined to determine who shall and who shall not be members of this close corporation. They determined the price themselves, not as where the manufacturer determines it, in your case, or as where any wholesale man coming along with a clean record is welcome

to join your association. Not that case at all. There the dealer was not joining as a retail dealer carrying on business. That was not the meaning of the word "dealer." The word "dealer" as declared by the by-laws of that association meant "member," and a man who was not a member was declared not to be a dealer.

These people were dealing directly with the consumer, and the result was immediate. You hadn't to go through two or three channels; the price was at once fixed by these men, and at once myself and the million other consumers, whoever they might be, had to pay that increased price.

In your record of business, matters are entirely different. Strange that with all this talk about combines, you can buy sugar to-day cheaper than you could twenty years ago. Singular thing that you can buy better tobacco to-day cheaper than you could ten years ago, although I am told some of the producers are compelled to put it up a little lately owing 'o trade conditions.

CASE AGAINST THE PLUMBERS.

You have made no attempt to enhance price. The effect, as I pointed out, might, under certain other conditions, have been to enhance, but the object was not to increase, and, as I say, the Clark case differed upon that particular point. Then there was another case—you will remember the plumbers' case. Well, we have no sympathy with the plumber. I tell you that much to start with. He did what was manifestly a very risky thing, not even the semblance of such a thing as was at any time done by or among the members of the Grocers' Guild. I have no hesitation in saying of your combination, and I think it is a praiseworthy thing to say, that you had sense and honesty and courage enough to go out and say, "Yes, against all dishonest dealing, against all contract-breakers and the cutting of prices, we will combine."

But in the plumbers' case, when they got up steam, they got to this stage: that the dealers in exactly the same class as the association members could not buy from the producers or the middlemen; could not buy at all from them except at an advance. They could not even buy at the price the men in the association were buying at. But if the master plumbers, not being members (this is your case) had been able to go into the open market, being equally qualified with the members, and buy at the same price, there could have been no case against them. Instead of that, they formed a combination outside of that, and said: "Here is the supply house; you must get everything from that supply house, and at the end of that time nobody but members could get anything; and in the meantime there was this supply house enabling the members of the association to get their goods; and at the end of certain periods of time they would divide up the whole business and make the profits. And so the court properly held that this was an evil combination, and one which ought to be punished by law.

In this matter we find the same principles that governed and were approved of in the Gage case, the Ontario Salt case, Gibbons and Metcalf, and a number of other cases. The same principles as were adopted by the Wholesale Grocers in this country governed in these cases, either here or in England. The courts said: "You have not violated the

law, you have acted within not only the letter but the spirit of the law, and you shall not be punished for any of these things ; they are not a violation of any statute of the land." And that is the position ; that is how the matter stands.

OF BUSINESS INTEGRITY.

Let me say a few words in conclusion upon the matter of business integrity, which is always important. As I pointed out in the beginning, general remarks are sometimes not valuable, general reasoning is not of great value to the people who hear it nor to the man who reasons. We have to get down to something like fixed, concrete principles, and see just where the generalities lead us to.

It is very well to say that the combination, or that the general conditions, or the exchange of trade, or whatever it may be, require certain general things to be done, but we ought to inquire first of all what are the real objects of such a combination or of such an association as this.

As I have worked it out in my own mind there are four things to be sought. Each one laudable, each one praiseworthy, each one something we ought to be proud of if we attain to. The first great object of an association of this kind, or of any guild, call it by what you will, is to preserve the sanctity of an agreement. I care not what means you employ, I care not how hard it may press upon some people or their business ; remember that one of the great things to be sought for by any aggregation of men, whether in trade or commerce, or in the private walks of life, whether publicly, politically or otherwise—the great thing is to preserve the sanctity of your agreements.

The second is, that in all organizations composed of honest men, doing an honest business, it is necessary to maintain loyalty to each other—no underhand dealing, no taking advantage in some concealed or surreptitious way, but that open, frank, outspoken loyalty, shown in words and in deeds ; the confidence that one man must have in another, and in the loyalty which his fellows show to him and to the objects of the institution to which he belongs.

Considering the condition of matters, do not look upon your business as a mere money-making concern ; because the man who spends his life gathering coppers together and storing them away and denying himself any little luxury he might otherwise have, that man is not pursuing the object of his life at all. That man is not living the life of a citizen. I say, therefore, that the third great cardinal principle is to look upon your business as a trust given to you to guard and watch and carefully protect.

In your hands lies the destiny to a great extent of a very large proportion of the trade and business of the Dominion of Canada, and as you carry on that business so you are stamping upon it the sacred character of a trust given into your hands ; or by taking another course you will have the demerit of having abused the confidence that has been placed in your power.

The fourth is, that you should seek in all your regulations and all your rules to not only advance your own interests, which is the bounden duty of every man to do, but you should to the utmost extent protect the interests of your fellows in business.

Those four cardinal rules, take them as your charter, take them as the foundation of all proper, honest trade and business, and you won't go far astray no matter what means you adopt to carry out those principles. By accepting these, you at once raise the moral standard of trade and business in this country. You elevate the tone and character not only of your own business, but of the whole business of the community. By so doing, you purify the channels of commerce from one end of the country to the other, and even beyond the limits of this country. In your dealings with the English and German and American markets the same principles will hold good, no matter what the class of people may be you are dealing with. Purify the channels of commerce ; you have nothing to dread and nothing to be ashamed of ; and by these means you will become in fact as well as in name, the merchant princes of the land. Your own lives will be better and higher in their ideals by pursuing a course such as I have indicated ; your citizenship will be loftier in its aims and purer in its objects, and your duty to the State will be more faithfully and more fully discharged. Private life is a reflex of our business dealings. Do not run away with the idea, do not let any of us run away with the idea that we can be pure in private life and impure in our public transactions.

And let me say that as you improve the character of your public calling, so will your political, religious and moral conduct add to the national reputation and integrity of the great Commonwealth under whose broad banner of liberty and fraternity you live in the enjoyment of all the benefits and privileges of free, individual right of thought and action. (Enthusiastic applause.)

VOTE OF THANKS TO MR. JOHNSON.

MR. BLAIN : I take it to be a very great privilege on such an occasion to rise and propose a resolution of thanks to Mr. Johnson for his splendid and illuminating address. When you consider that Mr. Johnson has been closely in touch with the grocery trade, and with the methods and habits of its members, and with the means employed in the management of the business for the last four years,—when you consider the amount of thought, the amount of attention, he has given to this subject during the whole of that time,—when you consider the high position he occupies in his distinguished profession,—when you consider that he is looked up to as the very head of the legal profession in this country,—and when you consider what is still further that in the whole course of his legal practice he always aims at advancing that which is right and just, that he is actuated in his practice by the principles of honesty and fairness towards his opponents, as well as justice towards his client ;—when you see a man of that character rise and address an audience of this kind along the lines laid down, the principles he has put forward here to-day, it is an inspiration to those who are in this trade that they cannot afford to overlook. I don't think, sir, I should say anything more ; to do that I would have to stray away from the main idea ; and the reason I have risen here to-day is to express the gratitude of this meeting, and express the confidence of this meeting in the ability, in the way in which Mr. Johnson has laid these things before you, and to assure you that we could have had no higher, no more honorable nor better exponent of our principles than the gentleman who has addressed us on this occasion.

MR. BRISTOL : I cannot let this occasion pass without saying one word as seconder of Mr. Blain's resolution. I am sure we are all under a great debt of gratitude to Mr. Johnson for the splendid and lucid manner in which he has expressed everything we wanted to hear, and cleared up a great many points ; and none of us can go away without higher ideals and feeling we have a business which, despite the obloquy and odium that has been cast upon us, has been going on the straight path, and we will all go on with higher ideals in the future.

A VOICE : We would like to hear from Beckett.

MR. BECKETT : I hope you will excuse me. I am laboring under great difficulties. I have had a cold for so many days I can hardly speak, but naturally you can hardly realize what a satisfaction it is to me as the result of our efforts in the past number of years to have the highest legal authority in the land, (who has delved into the inside of our business for the last 20 years,) to come before the manufacturers and the retailer and tell you after such a thorough examination, that the efforts we have been putting forth have not been selfish, but have been in the interests of trade in general. I want to assure the retail man that when this committee that you suggest to appoint is appointed, every effort will be made to work along lines that are mutually beneficial to us all, without any effort to do an injury to anyone. I thank you, and am sorry I cannot say more.

THE PRESIDENT : If I had the power of speech I would endeavor to add to what has already been said with regard to the address of the gentleman who has addressed you. It has been truly said that money is not everything. Character stands above everything. Our character is the only thing we can take with us, it is the only thing we carry through this world that will abide with us. Gentlemen, the test to which the wholesale grocers have been put and the result of it has been to a great extent laid before you this afternoon, and it ought to make you realize the high pinnacle upon which the wholesale trade has placed itself, and that we will aim still higher. I have much pleasure, Mr. Johnson, in presenting to you the enthusiastic and unanimous vote of thanks which this large and influential audience desires to present to you for your splendid address this afternoon.

MR. JOHNSON : It has been a matter of very great pleasure to me to speak along the lines I have spoken to you to-day, and it has been a still greater pleasure to know that what I have been able to say has been so well and so sincerely appreciated. We live in this life not for ourselves, but to some extent for those around us, and while our surroundings may not always be the same, I can certainly say to-day they have been very pleasant. I hardly know whether I am replying for myself or somebody else, because I don't quite recognise myself as the speaker referred to in the eloquent remarks made by Mr. Blain. I think he must be referring to someone other than myself. At one time in the history of this institution I was in rather a peculiar position, because I had my lot cast with such terrible men as Mr. Blain, and Mr. Beckett, and Mr. Bristol and a few others whose names were attached to a Court paper, but I consoled myself with the knowledge that necessity makes strange bedfellows at times, and I thought I would come out just as clean as the others, and I am glad to say we all did. At any rate, I have to thank you very much for

your hearty reception and the hearty vote of thanks you have given me. My services are always at the disposal of men who are trying to do what is right—even sometimes without a fee. (Enthusiastic cheers for Mr. Johnson then followed.)

MR. HENRY (Windsor) : As one of the oldest wholesale grocers in Ontario it has given me great pleasure to listen to the magnificent address of Mr. Johnson. I feel proud at having been a witness in that trial, and I think after the injustice that has been done to the gentlemen connected with the wholesale trade the Whitney Government should reimburse them for the expense they have been put to. I shall be pleased to consult on behalf of my company with any committees you may appoint with a view to conducting our business relations in the most cordial manner. I have a competitor here whom I highly esteem, Mr. Stanway, and he will probably have something to say to you along these lines.

MR. STANWAY : I have received instructions from my firm in Victoria to represent them at this meeting, and I wish to assure you at all times I shall be pleased to consult with the trade on matters of mutual interest.

MR. CRAIG : There are two more resolutions which the retailers desire to present to you before we adjourn, and I will call upon Mr. Vair, of Barrie.

ADVICE TO WHOLESALERS.

MR. VAIR : I don't wish to take up the time of this meeting in speaking to the resolution which I have to present. The resolution is as follows :—

“ That it is the opinion of this meeting that we should consult with the wholesale dealers and point out to them that it is not fair for them to encourage people going into the trade who have no knowledge of it, and who have very little capital, and the experience and knowledge we have had in business should count for something. In our opinion discretion should be used when persons go into the grocery trade as to where they are located, and this could be done for the betterment of the trade by wholesale houses when persons apply to them to open accounts.”

I think that this resolution is worth the serious consideration of the wholesale trade, as it is not in the interests of trade to encourage people to go into business lacking the necessary capital and also the knowledge which is such a great necessity if success is to be made in business.

MR. CRAIG : We will now ask Mr. Trowern for his resolution.

JOINT ACTION NECESSARY.

MR. TROWERN : Mr. President and gentlemen, the resolution which I have to present is one that I feel if acted upon will result in great benefit to the trade in general. It is to this effect :—

"That it is the opinion of this meeting that immediate steps be taken by the retailers to act with the wholesalers and manufacturers to prevent price cutting."

I trust before your convention is over you will take the necessary steps to appoint a committee, as has been suggested in the resolution, and I feel that with the opportunity which the two classes of trade will have, when a firm connecting link is made, many of the misunderstandings which have occurred in the past will not continue in the future.

DON'T FORGET THE RETAIL MAN.

MR. CRAIG : Before adjourning the meeting I would like to call upon Mr. Holloway, who desires to make a few remarks.

MR. HOLLOWAY : This is about the first time the wholesalers and the manufacturers have met with us. I feel it is a grand opportunity to get rid of the dyspepsia that has been troubling us for a long time. Mr. Johnson has told us about the right of the manufacturer to fix his price. Nobody is going to dispute that, but we would like you to consider the third man. The wholesale man can go to the manufacturer and get his profit, but where does the retail man come in ? I want to impress upon you this important fact : Don't forget the retail man. We desire to work with you, and look for results from this joint committee. There is no one less entitled to the trade of the retail man than the wholesaler who takes all the advantages of the Guild and doesn't pay anything for them. We must support the wholesale Grocer's Guild. They can assist us in getting better profits. We cannot make the progress we are justly entitled to on the small margins we are making, and I therefore think that loyal support should be given by the retail trade to the members of the Guild.

THE PRESIDENT : I am sure, gentlemen, we have all profited greatly by to-day's proceedings, a meeting unique in the history of the grocery business, and one not only to be long remembered, but one that is sure to result in advancing the interests of all classes of trade.

The meeting will stand adjourned until 10 a.m. tomorrow. We have many important matters to settle, as you will see by the programme, and I would urgently request every member of the Guild to be present tomorrow for the entire day, so that we can complete in a thorough manner this splendid convention.

FOURTH DAY

THURSDAY, APRIL 25th

MORNING SESSION.

The President, W. G. Craig, in the chair.

Meeting convened at 10.30 a. m.

THE PRESIDENT : Now, gentlemen, if you will come to order we will proceed with the business of the day. We have very important matters to consider: viz., the adoption of by-laws, election of officers, election of manufacturers' committee, which is a very important committee, resolution re travellers' holidays and christmas presents, and any other business that you may desire to bring before the meeting.

MR. SMYE : We have to sum up the results of the Convention. We have to think seriously of the matters that have been brought up here, and I should like to see strong committees appointed, men with courage and ability. You heard at the Convention yesterday the feeling of the retail merchants as expressed by one of their members that the best results can be obtained by the retail merchants supporting members of the Guild; and no doubt as they become alive to the genuineness of our efforts and are more convinced, as they will be after investigation, that the members of the Guild are working in the interests of the retail merchant and trying to solve his difficulties, no doubt those who are not members of the Guild will see that it will be to their advantage to become members and assist in the good work that we are trying to carry on.

SUPPORT OF MANUFACTURERS' COMMITTEE.

There are some manufacturers, as you all know, whose terms are not satisfactory, and it will be necessary for the manufacturers' committee, when appointed, to interview these manufacturers. The requests this committee will make will be most reasonable, and in the event of the manufacturer refusing, the committee have got to make it perfectly clear to him it will be necessary for him to go to the retail trade direct, that the wholesalers will not handle his goods unless he treats them fairly. Therefore it will be most important that the actions of this committee receive your strong endorsement, and that whatever is done will be united, otherwise we will not accomplish anything, and it is to the manufacturers' interests to keep us as disunited as possible. That is what they have been doing by reason of the many misrepresentations that are made to the wholesale trade from time to time when representatives of the manufacturers call upon the wholesaler. These representatives frequently make statements that have no foundation in fact, and they create in the mind of the wholesale trade a feeling that is not calculated to encourage united action

on the part of the wholesalers. They make statements that cause us all to be suspicious of our competitors. They make statements and we question the good faith of our competitors, and frequently this is done with an object in view, viz.: to keep us disorganized and jealous of each other. Profiting in the past by our weakness, it is for us to decide how long this shall continue.

NOMINATING COMMITTEE

By unanimous consent of the meeting Messrs. Paffard, Sutherland and Beckett were appointed a nominating committee to bring in their report at the afternoon session with regard to the officers for the coming year. This committee reported in the afternoon.

OBJECTS OF THE MANUFACTURERS' COMMITTEE.

THE PRESIDENT : I think it will be in order at this juncture to make a careful selection for the Manufacturers' Committee. My opinion is that there should be five active members in addition to other members. As you already know, the request has been made by the Retail Merchants' Association that we should appoint a committee of five to confer with the committee of five that they have already appointed, and they should jointly consider the troubles of both classes of trade, and approach manufacturers with a view to overcoming the difficulties which present themselves on many times. I would recommend that to make this active committee as valuable as possible to the trade they should be selected from a district not too far apart; say two from Toronto, two from Hamilton and one from London. In addition to that we might have members of the Manufacturers' Committee located at other points, and they could be kept informed of what the active committee were doing, or intend to do, and these outside members could then advise the rest of the trade in their vicinity with a view to getting united action and loyal support of the active Manufacturers' Committee. If someone will let me have a resolution to place the best selection before the meeting I will be glad if they will do so.

MANUFACTURERS' COMMITTEE.

After considerable discussion it was unanimously decided that the following members of the trade should represent the Manufacturers' Committee :

W. G. Craig, Kingston.
Albert Allard, M. P., Ottawa.
Hugh Blain, Toronto.
A. H. Paffard, Toronto.
Fred. T. Smye, Hamilton.
H. C. Beckett, Hamilton.
T. B. Escott, London.
John Dilton, London.

The active members of the committee to be the following :

Hugh Blain, Toronto.
Fred. T. Smye, Hamilton.
T. B. Escott, London.
A. H. Paffard, Toronto.
H. C. Beckett, Hamilton.

The election of these officers was carried unanimously.

THE PRESIDENT : I think, gentlemen, now that you have made what seems to be a wise selection, particularly with regard to the active members of the Manufacturers' Committee, it will be in order to pass a resolution pledging yourselves to loyally support this committee.

RESOLUTION SUPPORTING COMMITTEE.

This matter was discussed at some length, and without going into details of the discussion, which is hardly necessary, the following resolution was carried unanimously and enthusiastically :

This Convention unanimously pledges itself to loyally support the Manufacturers' Committee and will act in a manner suggested by them in any negotiations they may have with manufacturers.

MR. CRAIG : You have passed a very important resolution, gentlemen, a resolution that to a large extent depends for its success upon your determination to stand by the Manufacturers' Committee. You have honorably obligated yourselves to support them, and if you want to get results it is necessary that you should support them, and if you do support them you are bound to see results which will be of benefit to you.

CHRISTMAS PRESENTS.

The next important matter is that of Christmas Presents. To some of those who are not familiar with the action of the trade in the past I may tell you that this resolution was introduced by the trade some five or six years ago, and unanimously adopted at every Annual Meeting since that time. The giving of Christmas boxes to retailers has really caused more hard feeling than not giving them, because if the practice is to give Christmas boxes, some must be overlooked, and this fact usually creates a feeling on the part of the retail merchant that is easily avoided if no Christmas boxes are given to anyone. It has also the advantage of saving thousands of dollars to the trade, and this one united action on the part of the trade is worth many times more to them than any contribution they make to cover the expenses of the Guild.

Is it your pleasure, gentlemen, that the resolution as passed at the previous meeting regarding Christmas boxes shall be confirmed at this meeting ?

CHRISTMAS PRESENT AGREEMENT.

Note : The meeting was unanimous in the opinion that the Christmas box agreement amongst the trade should continue as in the past, and it was therefore unanimously endorsed.

TRAVELLERS' HOLIDAYS.

MR. CRAIG : The next business is the travellers' holidays. This, of course, has only applied in the past to the territory west of Toronto, as far north as North Bay and as far west as Windsor, and does not include any other part of Ontario. I am not in a position to state to you how satisfactory this has been to the trade located in that territory, I would ask for the views of those from the territory covered by the last holiday agreement.

Note : A very considerable discussion, and some difference of opinion, was expressed regarding travellers' holidays, but the general conclusion was to the effect that if travellers' holidays did not take place at some fixed date there would be comparatively little chance of travellers getting any holiday except in some very special cases. A small number of the members present were in favor of not having a fixed date, as they preferred letting the travellers take a holiday when it suited them. This idea did not find favor with the great majority of members present and the following resolution was finally moved and carried unanimously.

Moved by Mr. Parsons.

Seconded by Mr. Smye.

That the travellers' holidays, as in the past, should consist of two weeks, and that the holidays for 1910 commence on July 23rd. and end Saturday, August 6th., both days inclusive ; this to apply to the territory as covered in the previous travellers' holiday agreement, viz.: All west of Toronto as far north as North Bay and as far west as Windsor in the province of Ontario.

Several members present related their experience in connection with holidays, which was to the effect that no loss of trade had resulted ; on the contrary, the volume of business had kept up, the travellers' travelling expenses had been saved for the time being, and the movement was generally appreciated by the retailer, who was anxious to see that the travellers, by some concerted action on the part of the wholesale trade, would be ensured a well-earned holiday.

RESOLUTION THANKING THE PRESS.

MR. BLAIN : May I just move a resolution I think ought to be properly brought up at this time. I would like before the Press leave us to move a resolution of cordial thanks to them for the splendid service they have rendered to the trade during this Convention.

We know the difficulties they labour under. They have got to cater to the public

opinion, and I am somewhat closely in touch with them and know these difficulties. Public opinion is a very important item in our success, and public opinion is something the newspaper men defer to, and they can't always say just exactly what they think, what they would like to. In considering a question of this kind some members of the trade may think probably the affairs of the Convention did not receive the attention with them that its importance would require, and possibly there may be some element of truth in that, when you come to consider that the grocer is, perhaps, the most important factor in the trade and commerce of the country, when you couple with that, that in the general interests of the community there is not another business where the lives of the people are so intimately associated with the conduct of the trade as in the grocery business. Everything we eat has to be inspected by them, and it is on their recommendation that a great many of our food products are given to the public.

It is a matter of fact that public opinion is of rather an airy character ; they look more for amusement than the other affairs of life, and if this were a horse show or a millinery opening or a cock-fight there would be a great display in the papers and great details given of it. I do not blame the papers, because public opinion demands it ; but it is a sad condition of affairs. I feel that the Press has been excessively generous towards the trade, and they have done us a great service during this Convention ; and I therefore beg to move that a very cordial resolution of thanks should be presented to the Press for the splendid reports that they have given us of the Convention during this session.

Carried unanimously.

COSTS OF THE GUILD SUIT.

MR. CARSON : I would like to ask if any action is to be taken to request the Provincial Government to reimburse this Association for the great expense it has been put to in defending itself in this action against the Wholesale grocery trade ?

MR. BLAIN : I don't think we should ask any favors from anybody. Our position will be more dignified if we take no action in the matter.

Note.—The feeling of the meeting was that the trade should not take any action to request the Government to reimburse them for the great expense they had been put to.

MEMBERS WHO DEFAULT.

MR. BECKETT : I would like to ask, Mr. Chairman, what action this Guild is going to take with members who default in their assessment, which they have agreed to pay under the constitution and by-laws.

MR. BRISTOL : Is there anyone in the room who has not paid, or declined to pay his assessment ?

MR. BECKETT : No, there is no one in the room, but we have one or two members who have declined to pay their assessments.

MR. INCE : Is there any firm not a member of this Guild that receives the benefit of the equalised rate system of selling sugar without contributing to the expenses in connection therewith ?

MR. BECKETT : Yes, there are some wholesale firms who are not members of the Guild and who get the benefits of the equalised rate system without contributing to the expense.

MR. INCE : I don't think a position of that kind is a fair one to the members of this Association.

MR. BECKETT : No, it certainly is not fair, and proper representation should be made to the manufacturers so that we will have a measure of justice to which we have been entitled for some years. I feel confident when these matters are placed before the firms who have not contributed in a proper way the majority of them at least will cheerfully contribute.

MR. CRAIG : The hour of adjournment has now arrived. I would ask you all to be here sharp at 2:30 to clean up the business of this Convention.

AFTERNOON SESSION

THURSDAY, APRIL 28th

Meeting convened at 2:30.

MR. CRAIG : The business for this afternoon will consist of reading a draft of the proposed constitution and by-laws, which will come before the meeting of the entire trade of Canada at the annual meeting of the Dominion Exchange in Montreal early in June next. These by-laws have been carefully drafted by a committee, and will simply be read over clause by clause, so that they can have your approval or objection, and the resolutions can be communicated to the meeting of the trade in Montreal in June. There are also other resolutions for you to pass this afternoon.

RESOLUTION OF THANKS TO THE KING EDWARD MANAGEMENT.

MR. PAFFARD : I would like to move a resolution, gentlemen, thanking the management of the King Edward Hotel.

MR. BECKETT : In seconding this resolution, Mr. President and gentlemen, I have very great pleasure because I have attended a great many conventions and meetings of the wholesale grocery trade both in Canada and the United States in the past 12 years, and I have never seen the details for the convenience and success of a meeting of this kind so splendidly carried out by any hotel management.

The following resolution was then carried unanimously and enthusiastically by the meeting :

Moved by A. H. Paffard,

Seconded by H. C. Beckett :

That the hearty thanks of this Convention be tendered to the management of the King Edward Hotel for their courtesy in extending such excellent accommodation for the meetings, and for the kind attentions shown, all of which has contributed so largely to the pleasure and success of the Convention ; and that a copy of this resolution be forwarded to the management of the hotel.

THE BY-LAWS.

THE PRESIDENT : I will now call upon Mr. Smye to read clause by clause the by-laws which have been drafted by the committee. The constitution provides as follows :

1. That the object of the Guild is first to foster and promote a feeling of fellowship and good-will among its members and on broad equitable lines to advance the welfare of the wholesale grocery trade in the Dominion.

2. To eliminate or minimise abuses, methods and practices inimical to the proper conduct of business.

3. To establish harmonious relations between the manufacturer, jobber and retailer, to the end that the jobber be universally recognised as the best channel through which the manufacturer should distribute his products to the retailer.

4. To assist in the enactment and enforcement of the laws which in their operation shall deal justly and equably with the rights of the consumer, retailer, jobber and manufacturer.

5. To have business conducted on proper lines, to discourage dishonest practices, and the subsidising of jobbers' employes by manufacturers.

6. Provided that in the efforts of this Guild to accomplish the above things no action shall be taken which will tend in any manner whatsoever to fix or regulate prices or in any way operate in restraint of trade.

Mr. Smye then read the by-laws clause by clause. A few changes were suggested, and the by-laws finally adopted, the resolution to that effect being as follows :

Moved by Thos. Kinnear,

Seconded by Geo. E. Bristol :

That the Ontario Wholesale Grocers' Guild adopt the by-laws as submitted at this meeting, and recommends the adoption of same at the next annual meeting of the Canada Wholesale Grocers' Exchange.

JOINT WHOLESALERS' AND RETAILERS' COMMITTEE.

MR. BRISTOL : Mr. Chairman, before we adjourn I should like to move a resolution on the lines of the suggestion made by Mr. Trowern yesterday, that we should appoint a committee to act jointly with the committee of the Retail Merchants' Association. I beg to move the following resolution, seconded by Mr. Parsons :

That the executive of the Manufacturers' Committee be the committee to act jointly with the Retailers' Committee of five as recommended by the Retail Merchants' Association of Ontario.

(The above resolution was carried unanimously.)

PRINTING OF THE MINUTES.

MR. SMYE : I think it is important that the business of this Convention should be known generally throughout the land, and that copies of the minutes should be placed in the hands of every wholesale grocer in the Dominion ; also in the hands of all manufacturers, and as many travellers and retailers as are interested in reading them. I think it is of very great importance to the trade of this country that they should be thor-

oughly seized of the real meaning of the Secret Commissions Act. Ignorance of the law is no excuse, and undoubtedly there are some wholesalers and travellers who are ignorant of the Secret Commissions Act, and who will find themselves in a very serious difficulty if they don't improve their methods. I would therefore suggest that one thousand copies of the minutes be printed, and five thousand copies of Mr. Johnson's address be printed and distributed among the trade.

THE PRESIDENT : You have heard Mr. Smye's suggestions, gentlemen. Is it your pleasure that they should be carried out ?

Note.—The meeting unanimously endorsed the suggestion that the above number of copies of the minutes and of Mr. Johnson's address should be printed.

IMPROVEMENT IN SUGAR METHODS.

MR. PAFFARD : Mr. Chairman, I realise that the time is short to introduce the sugar question, but I would like to have it on record that it is the desire of this meeting that this question should be brought up at the Dominion Exchange meeting. I believe there is much room for improvement, and the feeling is pretty general that sugar should be sold on the open plan, i. e., the orders should be booked at the price ruling at the time the order is received.

MR. BLAIN : I think this matter might be referred to the Dominion Exchange. It could be discussed there, and by the Ontario trade presenting a united front as regards their ideas of what is the best method I feel confident the other members present would see the advantages of selling sugar on the open plan, and we would very much improve the position of the sugar business if such a plan were universally adopted.

THE PRESIDENT : I am sure, gentlemen, you are all of one accord in extending the sympathy of the members of this Association to our greatly esteemed friend and business associate, Colonel John I. Davidson. Through serious illness the Colonel is prevented from being with us. He has always been to us the ideal man of business, the soul of honor, and it is with great regret that we learn of his state of health. The resolution I wish to place before you is as follows :

Moved by A. M. Smith,

Seconded by W. Ince :

That this meeting of the Wholesale Grocers Guild of the Province of Ontario wishes to unanimously express its sincere sympathy with Colonel John I. Davidson in his present state of health ; and that a copy of this resolution be sent to Col. Davidson, who is a highly respected and honored ex-president of the Dominion Wholesale Guild.

The above resolution was carried unanimously, and general regret and sympathy was expressed on the part of the members at Colonel Davidson's critical state of health.

News of Col. Davidson's death reached the trade next morning. He passed away honored and esteemed by his business associates.

ELECTION OF OFFICERS.

THE PRESIDENT : The next important duty, gentlemen, is that of the election of officers for the coming year. I would ask Mr. Paffard to bring in the report as convener of the Nominating Committee.

MR. PAFFARD : Mr. Chairman, the Nominating Committee have carefully considered and consulted with members of the trade, and we now beg to report as follows :

That the officers for next year be—

President, Fred. T. Smye, Hamilton.

1st Vice-President, J. Dillon, London.

2nd Vice-President, F. F. Telfer, Collingwood.

MR. SMYE : Mr. President and Gentlemen—I feel deeply the honor which you have conferred upon me in nominating me as your presiding officer for the coming year. I feel that in accepting this position, since it has been your choice to select me that I should do so, and with your kind assistance endeavor to carry on the good work of this Association. You must appreciate the fact that in electing me to this position my efforts are feeble indeed unless I can have your cordial and unanimous support. Every man in this Association has a duty to perform, and I am prepared to assume my share of it, and if it is your wish I should act as your presiding officer for the coming year, I gratefully acknowledge the compliment which you have paid me, and shall endeavor to do the very best in my power in the interests of the wholesale grocery trade. I thank you.

In the absence of Mr. Dillon, who was nominated for First Vice-President, Mr. Telfer was called upon by the President.

MR. TELFER : Mr. President and Gentlemen—I thank you for the honor which you have conferred upon me by selecting me as Second Vice-President of this Association. I feel I shall not be able to be of such a great benefit to you as a member located at some more central point than Collingwood. However, my sympathies and loyal support in all matters concerning the welfare of the trade will always be with this Association, and I thank you very much for the compliment you have paid me in nominating me as your Second Vice-President, which position I will endeavor to carry out in the best interests of the trade.

The acknowledgments of the incoming President and Second Vice-President were received with cheers and cordial good feeling.

ACKNOWLEDGEMENTS TO THE RETIRING PRESIDENT.

MR. SMYE : I think you will all agree that we owe Mr. Craig a great debt of gratitude. He has been a man who has stood for principle first and last and always. I would like to see a vote of thanks of the Ontario trade moved to thank Mr. Craig for his untiring endeavors in the interests of the grocery business since he has been President.

MR. INCE : I assure you I have never been at a meeting that has been conducted in such a dignified manner as this one.

MR. BLAIN : I wanted to move that resolution of thanks myself. I am sure we all cordially endorse it. I think Mr. Craig is entitled to a considerable amount of credit and the gratitude of the trade when we realise what he has done. He occupied the position of President of our Guild when it was almost a crime to be connected with the grocery trade, and we are greatly indebted to him for his efforts during the past two or three years. I hope he will take the same interest in the institution in the future that he has taken in the past. I would like to say a good deal more ; there are grounds for a good rousing speech on behalf of the position which Mr. Craig has occupied during the last two years. (Cheers for the President.)

MR. CRAIG : Gentlemen, I thank you for your enthusiasm and for your kindness to me. I have been a member of the Council of Kingston for some years, and recently we have had difficulty there in connection with our municipal affairs that I have felt keenly, because I don't think my efforts to preserve the interests of the ratepayers of Kingston have been properly appreciated by the members of the Council. Therefore the contrast between my experience at home and my experience here is very gratifying, and I cannot find words to express to you my great appreciation of the many very kind things you have said.

MR. KINNEAR : I cordially endorse the sentiments expressed by the previous speakers in acknowledging the great service rendered to the Association by Mr. Craig. I would also like to include in that resolution a vote of thanks to Mr. Beckett, who has acted as Secretary of this Convention, and whose untiring efforts have done much towards the success of this splendid meeting which is now drawing to a close.

(Cheers for the retiring President and for the Acting Secretary brought the Convention to a close at 4:30 p. m., which, in view of the questions discussed and the frankness of speech, will make the meeting a memorable one in the history of the Ontario Grocers' Guild.)

FRED. T. SMYE, Vice-President.

W. G. CRAIG President.

H. C. BECKETT,

Acting Secretary for the Convention.

NOTES.

The Oxo Company, through their manager, Mr. Keble, extended to the Convention a hearty invitation to make use of their office and staff during its visit to Toronto. The invitation was gratefully acknowledged by the President.

The E. W. Gillett Co., through its manager, Mr. Wm. Dobie, also extended to the members attending the Convention a cordial invitation to visit their factory and place of business, which was also gratefully acknowledged by the President.

The business of the Convention, however, being heavy, very few members, if any, were able to avail themselves of the kind invitations extended.

FORM OF

Approved by the trade.

MANUFACTURER'S SELLING CONTRACT

In duplicate between John Doe & Co., Manufacturer,

Of the City of And

..... of the of Wholesalers.

In Consideration of John Doe & Company, placing us on their Jobbers' List for the purchase of their products, namely..... we agree with the said John Doe & Company, not to sell or allow any one in our employ to sell, directly or indirectly, to any one, either wholesaler or retailer, by agents or otherwise, any of the above products of the said John Doe & Company, whether now in stock or owned by us, or to be acquired after the date hereof, wheresoever or howsoever obtained, at less than the stipulated prices and terms in force from time to time as per price list to be issued by the said John Doe & Company, a copy of the current list of which is attached hereto.

This clause also means that we shall not have given cash or credit notes, discounts, rebates, or other benefits upon sales made or to be made of such products, or shall not have given or sold at a reduction or bought at an advance other goods in consideration of sales of the products aforesaid which would in any way violate or reduce the selling prices.

The price list now in force, called Number One, it is understood and agreed, may, from time to time during the continuation of this agreement be changed, or other prices established by mailing them or otherwise notifying them to us.

We further agree not to sell or otherwise supply the said products of the said John Doe & Company, to any person or company who has violated their agreement with the said John Doe & Company, after having received notice from the said John Doe & Company that such violation has taken place.

We also agree to advise our salesmen of the terms of this contract.

We further agree that when called upon we shall give unconditionally to the said John Doe & Company, a declaration sworn to by any member of our firm, or by any one in our employ designated by the manufacturers of the aforesaid products, covering the details of any sale of goods in such terms as may be required by them where an actual or supposed violation has occurred.

Failing to give this declaration we agree to pay to the said John Doe & Company, the sum of Fifty Dollars (\$50.00) as liquidated damages for failure to comply with the terms of this agreement.

Date Wholesaler.

In Consideration of the signing of the above selling contract, we agree with the signer thereof that all sales made by us to the retail trade will be at the same price and on the same terms as set forth in above contract or in accordance with any subsequent price list.

We agree that we will invoice goods to the said signer at our regular prices to the retail trade and, if satisfied that the terms of said agreement have been faithfully observed and performed, we will give to the said signer per cent. commission or discount as arranged between us.

We further agree that when called upon, where reasonable grounds are shewn to exist, that our list prices and terms have been violated, that we will insist upon affidavits to cover the alleged offence being completed,

and that in no instance will we divulge, directly or indirectly, the source of our information as to said alleged violation.

We agree that when called upon we shall give to the said wholesale house a declaration sworn to by any member of our firm or by any one in our employ covering the details of any sale in such terms as may be required where an actual or supposed violation has occurred.

Failing to give this declaration we agree to pay to the said wholesale house the sum of Fifty Dollars (\$50.00) as liquidated damages for failure to comply with the terms of this agreement.

JOHN DOE & CO. COMPANY, Manufacturers.

Date

(Wholesaler—Kindly advise travellers of this contract.)

Suggested form when necessary in case of supposed violation.

FORM OF DECLARATION REQUIRED FROM A MEMBER OF A FIRM.

In the Sale of..... products.

1. I, of the City of..... in the Province of Ontario,
Do Solemnly Declare That I am a member of the firm of..... of the
said City of

That I am thoroughly familiar with the terms and selling prices of the products of

That I understand the selling prices and terms to be as follows, or as per list attached hereto. And I
(or my firm) have given positive instructions to every salesman to adhere absolutely to these prices and terms,
and to the office staff as it may affect the settlement of accounts.

(Note.—If price list is not attached to and made part of this declaration, fill in description of goods, with selling prices and terms.)

2. That I am fully aware of the fact that it is contrary to the selling contract with the
to sell at any less than the above prices or on any better terms than the above terms, to any one, either whole-
saler or retailer, by agents or otherwise, or to allow or promise to allow a discount or commission of any
kind, directly or indirectly, on sales of

3. That since the date of the said selling contract, namely I have not sold in
the City of or elsewhere to any one, or permitted to be sold by any buyer, either
wholesaler or retailer, any of the products of the..... at less than the prices as
above mentioned, or on better terms than cash thirty days net, no discount for prepayment, and have not allowed
or agreed to allow any discount or commission or allowance of any kind, directly or indirectly.

4. That I did not give, or offer to give, or promise to give, or intimate that at any future time there might
or would be given to any person for or on his behalf, any rebate, refund, reduction, discount freight allow-
ance credit note or other consideration of value not authorized by the price list

5. That I did not permit any of the travellers in the employ of the said firm of to sell, offer or promise to sell at less than the above prices, or intimate that at any future time they might or would, or could allow a rebate or discount on the products of at the time of settlement or afterwards, but that in every way the sales have been made since according to the letter and spirit of the prices, terms, and conditions as set forth in agreement of that date, and current price list.

6. That I have not bought other goods at an advanced price, or sold other goods at a lower price, or permitted any of the travellers in the employ of the said firm of to buy other goods at an advanced price, or sell other goods at a lower price in consideration of a sale of the products of made in the past or to be made now or at any future time.

7. That in cases where customers have paid their accounts to me in settlement I have not allowed, or permitted to be allowed, a cash discount on the products of or any other line of goods except such as may be customary by the trade.

8. That I further swear that I have not sold or permitted to be sold other proprietary articles, such as sugars or tobaccos, at less than stipulated prices, recognizing that such might be either directly or indirectly considered to be done as an inducement to sell the products of

9. That I have not delivered the products of or other proprietary goods, except Sugers or Tobaccos, to any customer at other than a distributing centre, nor allowed more freight than the amount over and above the correct freight from the nearest distributing point, and that when prepaying or delivering goods to any place other than distributing centres I have charged the proper freight from the nearest distributing point to the place where the goods were delivered.

10. And I make this Declaration conscientiously believing it to be true and knowing it is of the same force and effect as if made under oath and by virtue of the Canada Evidence Act.

DECLARED before me at.....

in the County of

this day of

in the year of our Lord A. D. 19....

}
.....
.....

Note.—This Declaration must be taken before a Commissioner or Justice of the Peace.

MANUFACTURERS PLEASE NOTE.

This skeleton draft of declaration is in line with the modern views and requirements of the trade and will be convenient as an example of what the trade think is necessary.

Such changes as are necessary in the reading matter must be governed by the conditions met with and the requirements of each manufacturer.

In the main the declaration is broad enough to include most of the dishonest methods sometimes practiced and with which all honest firms have to contend.

The intention is that the declaration can be typewritten or printed as the occasion requires.

Kindly keep this copy for reference.

Suggested form when necessary in case of supposed violation.

FORM OF DECLARATION REQUIRED FROM SALESMEN.

In the sale of
Made by the

1. I, of the in the Province of Ontario,
Do Solemnly Declare That I am a traveller in the employ of the firm of
of

That I am thoroughly familiar with the terms and selling prices of the products of
That I understand the selling prices and terms to be as follows, or as per list attached hereto. And that I
have positive instructions from my firm to adhere absolutely to these prices and terms.

(Note.—If price list is not attached to and made part of this declaration fill in description of goods, with selling prices and terms.)

2. That I am fully aware of the fact that it is contrary to the contract with the
to sell at any less than the above prices or on any better terms than the above terms, to any one, either whole-
saler or retailer, by agents or otherwise, or to allow or promise to allow a discount or commission of any kind,
directly or indirectly, on sales of

3. That since the date of the said selling contract, namely, I have not sold in
the or elsewhere to any one at less than the prices as above mentioned, or on
better terms than cash thirty days net, no discount for prepayment, and have not allowed or agreed to allow
any discount, commission or allowance of any kind, directly or indirectly.

4. That I did not give, or offer to give, or promise to give, or intimate that any future time there might or
would be given to any person for or on his behalf, any rebate, refund, reduction, discount freight allowance,
credit note or other consideration of value not authorized by the price list, but that in every way the sales have
been made since according to the letter and spirit of the prices, terms and, conditions as set forth in
agreement of that date, and current price list.

5. That I have not bought other goods at an advance price, or sold other goods at a lower price in con-
sideration of a sale of the products of made in the past or to be made now or at
any future time, neither have I offered inducements directly or indirectly other than the terms and conditions
as set forth in the current price list of

6. That in cases where customers have paid their accounts to me in settlement I have not allowed a cash
discount on the products of or any other line of goods except such as may be cus-
tomary by the trade or in accordance with the manufacturer's selling agreements.

7. That I further swear that I have not sold other proprietary articles, such as sugars or tobaccos, at less
than stipulated prices, recognizing that such might be either directly or indirectly considered to be done as an
inducement to sell the products of

8. That I have not sold, delivered, or agreed to allow freight on the products of
to any customer at other than a distributing centre nor allowed more freight than the amount over and above
the correct freight from the nearest distributing point in cases where customers have paid their accounts to
me in collecting for my firm.

9. And I make this Declaration conscientiously believing it to be true and knowing it is of the same force and effect as if made under oath and by virtue of the Canada Evidence Act.

DECLARED before me at.....
in the County of
this day of
in the year of our Lord A. D. 19....

}

.....

Note.—This Declaration must be taken before a Commissioner or Justice of the Peace.

MANUFACTURERS PLEASE NOTE.

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Kindly keep this copy for reference.

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