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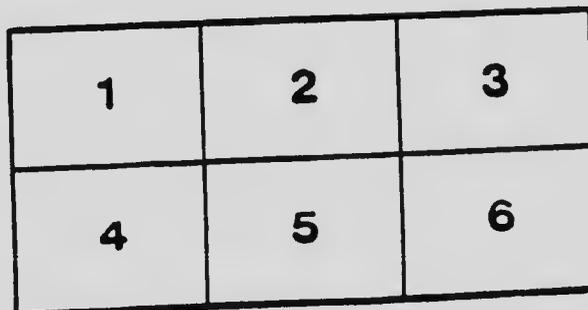
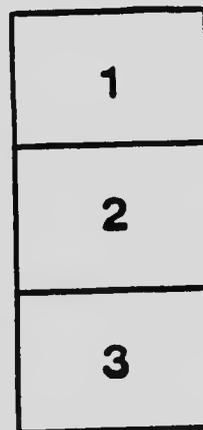
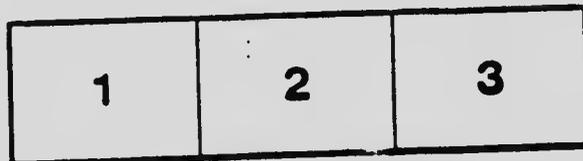
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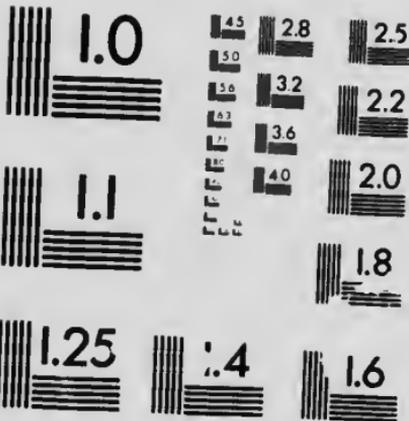
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# The Forward Movement in Trade and Commerce

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A Challenge to the Manufacturer  
and the Retailer

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Remember that while competition is the life of trade,  
there are certain kinds of competition that  
may be the death of trade.

Which will survive ?

January, 1920



## FOREWORD

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The handwriting is on the wall. **Can you read it**—or is your mental vision yet blurred? Wake up before it is too late. Don't be like the man with one talent.

What follows is taken from the files of the Canadian Grocer, Vol. xxx., No. 20, of May 14, 1915—What's the matter with the grocer now?

In a business sense the platform of the Canadian Wholesale Grocers' Association (successors to the Guild) is a "forward movement" which is intended to benefit Canada as a whole, and the consumer in particular. If those engaged in commercial pursuits are incidentally benefitted by having business conducted along honorable, logical, ethical lines, so much the better for the legitimate trade of this country.

We are spinning our own fates, good or evil, never to be undone. As Prof. James, who has given much time to the physiological study of mental conditions, says:

"If a man keeps faithfully busy each hour of the working day, he can, with perfect certainty, count on waking up some fine morning to find himself one of the competent ones of his generation in whatever pursuit he has singled out. **Silently**, between all the details of his business, the **power of judging** in all that class of matter will have built up within him a possession that will never pass away. Young people should know this in advance. The ignorance of it has probably engendered more discouragement and faint-heartedness in youths embarking on arduous careers than all other causes put together."

Are you thinking of, and studying the future prospects of Canada's upbuilding, on honorable lines, so far as the trade and commerce of your country is concerned? Do you realize that by reason of unfair and

selfish, grasping for a monopoly of the trade of this country—certain interests are insidiously and silently scheming to get control of the avenues of distribution? The wonder is that manufacturers, wholesalers, retailers and consumers, and lastly politicians, cannot visualize the future. If all really did realize the true state of trade and commerce they would have surely shown some signs of it. Those who do understand are apparently too modest or too comfortably situated to take a hand in the effort now necessary to carry on an educational propaganda that must result in improved conditions and a greater increase in Canada's products of the soil.

To the business man who reads this, let him remember that **now** Canada has a Board of Commerce—the business man's court—and that the Board of Commerce of Canada has the power and the right to determine what is good business ethics, or what is bad for the country as a whole, or what will be bad for the consumer in the long run. Remember, that while competition is the life of trade—there are certain kinds of competition that may be the death of trade. Both kinds are now at work. The question is, **Which will survive?**

Great effort must be made nowadays to arrest the attention of the unthinking and self satisfied, hence the title to this pamphlet. Note what a Chief Justice of the King's bench says—his sound, logical judgment fits well with a conscience void of offense.

For extra copies apply—

W. J. HOBSON,

King and McNab Sts., City

# From The Canadian Grocer

May 14th 1915

## STAFF CORRESPONDENCE

"Not the least interesting and important event in connection with the Grocers' Convention in London was the banquet tendered by the London Retail Grocers' Association on Tuesday evening to the visiting delegates."

"One of the most interesting addresses was that by a wholesale grocer. This event is so important that it is reproduced in its entirety on another page of this issue. It was given in response to the toast to the Wholesale Trade."

### ADDRESS.

On behalf of the members of the Dominion Wholesale Grocers' Guild I appreciate this opportunity to thank you for the compliment in extending an invitation to attend your banquet and also to take part in the deliberations of your convention.

Before making observations in connection with the conditions of trade, permit me to bring to your attention a menace that has increased your difficulties, and will continue to do so, so long as you encourage it. I refer to the gross misrepresentation of Guild members by travellers representing non-Guild (or non-Association) houses.

There are wholesalers (and travellers representing wholesalers) who believe they gain your patronage and support because they think you have no use for a firm belonging to the Guild (or C. W. G. A.).

You should discourage this attitude because it increases your difficulties and makes it almost impossible to cope successfully with the serious problems with which you have to deal.

You are continually faced with theorists, who claim that the present methods of business are all wrong, and that the retail man and the wholesale man have no right to exist. It is the duty of every wholesaler who expects your support to face these issues with **you** and help deal effectively with them.

Much confusion at present exists in the United States on trade matters; but we are fortunate in having the law on business ethics very clearly defined by no less an authority than the Hon. Sir Glenholn Falconbridge, Chief Justice of the King's Bench.

In his judgment in the Guild case he said—and I quote from the judgment:

- 1st **When trade conditions are bad and injurious to those engaged in any line of business, you have the legal right to organize for the protection and advancement of your common interests.**
- 2nd **Interference with the regular business channels may be prevented by organization, otherwise it would injuriously affect and demoralize the trade and the consumer would certainly not be better off in the long run.**
- 3rd **It is not unlawful to protect one's trade and those in trade have the right to protect their interests.**
- 4th **Exceptional insight into economic conditions is necessary to deal with trade matters.**
- 5th **Sellers have the right to impose conditions of resale, and it would be dangerous to accept as a settled doctrine of political economy or proposition in law, that a man, person or corporation should be declared to have an absolute right to buy and sell, without restriction as to quantity or price.**

- 6th **A regulation fixing a fair price is not in restraint of trade.**
- 7th **A combination of dealers can refuse to deal with any manufacturer or wholesaler.**
- 8th **This is the age of Associations in business, and confined to proper limits they are laudable.**
- 9th **Sir Glenholm says he does not approve of exaggerated assertions as to trade combinations.**
- 10th **He says that retailers and wholesalers are a public necessity and have the right to protect their interests.**
- 11th. **Sir Glenholm says that price cutters are liable if they do not maintain the manufacturers' fixed prices, and that manufacturers have the right to fix prices.**
- 12th **Sir Glenholm completes his judgment by stating that the proper method of distribution is from manufacturer to the wholesaler, from the wholesaler to the retailer, and from the retailer to the consumer, and that any interference with these regular and established channels of trade can be of no ultimate benefit to the consumer, and he closes by saying—that in a case so important, he carefully considered the numerous authorities cited by him so as to give a very full and elaborate statement of facts.**

This being so, now what will your organization benefit you, if it is looked upon with indifference by the wholesaler, the manufacturer, and the government, and not taken seriously.

How can you do your part in strengthening your organization? **I'll tell you how:** Do your business with Guild houses only. Why should you do this? Because, if the wholesalers were to unite in organization work, we could accomplish in six months more than you can

otherwise do in as many years. If every house were a Guild member at heart, as well as in fact, we could help you as you have never been helped before.

Just as you have some retail merchants unwilling to co-operate with you, we have wholesalers taking the same attitude. **We believe that present day evils are due to a lack of proper conception of the value and necessity of getting together.**

The Wholesale Grocers' Guild is the only organization on record as supporting and backing up the work you are doing. Then why not use your influence in this direction, because if you did you could more quickly eliminate the unfair conditions that prevail and more easily combat the evils that are growing—in an effort to put you out of business.

**There is a tendency on the part of some manufacturers to secretly sell some favored few; on a basis that puts you at a great disadvantage. Such conduct is unfair and dishonest. It can only have one ultimate result, viz., driving out of business many honorable merchants.**

For my part, I say to the manufacturers, "If you sell a few on a favored basis, for heaven's sake sell all on the same basis. Don't drive ninety-five per cent. of the trade out of business by making it impossible for them to compete!

This is not the time or place to be personal—but I know manufacturers are not playing the game fair. **I know** of manufacturers who are throwing you down—**why do you stand for it?** Such a situation is absolutely indefensible; but still it is being done and you stand for it. If any manufacturer or producer thinks he can do business at less expense than doing it through the wholesaler, I always advise him to cut out the wholesaler and do his business direct—but the most successful and largest manufacturers in the grocery trade do their business through the wholesaler because they get the biggest distribution at least expense.

Then why should they hurt you by selling a few favored retailers on a better basis than you buy? It is dishonest, and dishonesty is ruinous to business.

You are of far more importance to the manufacturer than you think you are. He can't get along without you as a body. Then why let him put it over you? The reason is you are too modest and long suffering.

As a plain, honest fact, if you all were engaged in a business that was going to be wiped out by the effect of, say, a tariff change, such a condition would arouse you, because each one of you would be seriously concerned. But you are just as much concerned here as an individual in connection with your own business.

It must be clear, therefore, as members of a large body, you must join together and express your views vigorously to the manufacturer in order to accomplish anything at the present time. Unless you do that you will fall back and not make the progress you are entitled to—the progress that will come to you if you keep vigorously in the way you are doing.

Be a little more aggressive, be more outspoken.

Each of you before me is dependent upon the honesty, integrity and business christianity of every wholesaler and every manufacturer in the Dominion, and therefore, in view of the present condition of things, you must protect yourselves by vigorous protest against unfair dealing.

It does not make any difference what you do, so long as it is reasonable and necessary for your own protection.

## THE LAW ALLOWS PROTECTION.

There has been, and is yet, in the minds of some people, a great deal of confusion with regard to the Combines Act in that respect—**but what you have to do**—and the law of the land will permit it—**is to protect yourselves** in order that you may maintain your business in its integrity.

The public do not know the true condition from merely reading newspapers—and your business is not a matter on which the public is called upon to think very deeply.

There is a feeling that the manufacturers, wholesalers and retailers are antagonistic. **This is perhaps due to the fact that they stand apart and do not get together often enough to exchange views and ideas.** Such an idea as the three branches of trade being antagonistic is entirely a misconception, for, one must be dependent upon the other.

Our failure to get together I can only attribute to indifference and selfishness on the part of a certain portion of those engaged in the three classes of trade. As a matter of fact, the manufacturers, the wholesalers, and the retailers are bound as absolutely as ties can bind them in their own interests, and in the interests of the public.

They stand on common ground—that each one shall make a living and a decent profit.

The interest of the manufacturer is to sell his goods through the wholesaler and thereby secure the cheapest means of distribution to the public.

**It is to the interest of the manufacturer that the wholesaler handles his goods on a reasonable margin, because if the wholesaler does not get a profit he cannot pay the manufacturer.** It means bankruptcy.

It is in the interest of the wholesaler that the retailer makes a profit, or how can he pay the wholesaler?

The manufacturer should be as much interested in the financial condition of the retailer and wholesaler as the wholesaler should be in the financial condition and prosperity of the retailer.

The object of the manufacturer is to get his goods on the market and get his money eventually.

## CLOSER CO-OPERATION.

Now, our Guild's usefulness is to make for honest and fair conditions, and any work we may attempt to do without co-operation will not be a success. Nobody should object to a man getting a fair, honest, living profit—and with the aid of all the manufacturers, wholesalers and retailers who are willing to join in this important work, we could confidently look for improved conditions and also protection against the many fallacies and innovations in trade that not only fake the public—but while doing so are a continual source of irritation to the legitimate trade of the country.

Now, the object of the three classes of trade is to sell as cheaply as possible in order to create trade and avoid undue competition.

It is out of the question—and not within reason—that the consumer can get his goods at less than what they cost the manufacturers and distributors with a reasonably good profit added.

You must get down to some fixed concrete principle of trade. General remarks and ideas are of no great value to you and will not relieve you of the burdens you wish to overcome.

**Unsatisfactory conditions of trade are due, no doubt, to a confusion of ideas and neglect of concentrated effort to find out just what the disease is and the remedy to apply.**

In all organizations it is necessary to maintain loyalty—frank, out-spoken loyalty—to the objects of the institution to which we belong. If you do that loyally you stamp your organization with respect, and you improve the character of the business in which you are engaged.

## QUANTITY PRICES.

At your convention, and as a result of your careful discussions, you have unanimously decided, among other things hurtful to your interests—that **quantity price is objectionable because it means discrimination in favor of a few—because it means unnecessary tying up of capital; it means overstocking and finally results in demoralization of retail prices.**

The argument in support of a quantity price is that the retailer who buys a large quantity is entitled to a lower price than the retailer who does not.

Such an argument sounds natural to the unthinking man of business, but let me tell you **that trade is not a natural condition of things. It is complex and artificial and requires understanding.**

The same argument that the large buyer should get a lower price might with equal force be used as an argument that a man who buys one hundred, one thousand, or ten thousand postage stamps should get them cheaper than the man who buys one—or the boy who buys one hundred copies of the London Free Press should get them cheaper than the boy who buys fifty copies. The government does not favor the big buyer in the matter of duty on importations.

## WHAT THE GOVERNMENT IS DOING.

The government inflicts a heavy penalty on a transportation company rebating or discriminating in freight rates. These regulations are artificial and have been found necessary as a protection to the government and the business interests generally.

Does this not, therefore, establish a precedent that regulation in trade is sometimes necessary for the protection of the business interests of the community?

Gentlemen, you can only keep yourselves safe financially by understanding what this complex artificial state of trade means, and consideration of your Association obligations, as a big part, and a very important part, of your business.

If anything I have said leads to consultation and discussion of these matters I will feel that I have not taken up your time in thinking out what I have said to you this evening.

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