

420 Pacific Building,
Vancouver, B.C.,
Feb. 19th, 1936.

To British Columbia Retailers

" - - - AND NOW, WHAT NEXT?"

We do not doubt that this question has been uppermost in your minds since reading in the press that the long-sought legislation has received the approval of the Government. Yes, it is new law, ---good law.

Briefly explained, the legislation to which we refer is namely:

"Food Products Minimum Loss Act", which states that it is unlawful for any Retailer to offer for sale, sell or keep for sale in the Province of British Columbia, any food product at a price less than five per centum above the cost of the same to the Retailer.

"Cost" means the purchase or invoice price, plus cost of transportation from the place of purchase to the Retailer's place of business and plus customs and excise duties and sales tax, if any.

The purpose of this Act is not to guarantee the Retailer a comfortable profit, as no Government would pass such legislation. It is for the purpose, however, of preventing the sale of food products at less than cost and primarily, to permit of those engaged in the distribution of food products to clean their own house with the minimum of Government interference.

"Commodities Retail Sales Act" deals with all commodities and makes it an offence for any Retailer to sell any article on which the Manufacturer has set a retail price at less than such stipulated price.

Section 9 of the above Act reads as follows:---"Every person violating the provisions of this Act shall be guilty of an offence and shall be liable on summary conviction, to a penalty not exceeding Five Hundred Dollars."

While it was absolutely necessary to have a penalty in the Acts in order to ensure their enforcement, it is not the intention of the Retail Merchants' Association to resort to such method until after all means of co-operation have been exhausted.

We have been checking carefully the advertisements in the Vancouver papers, and our Grocers' Executive is indeed very highly pleased with the change that has taken place. Many, many lines of food products that formerly had been used as "loss leaders" have been gradually brought into line and while of course there are some exceptions, nevertheless, it is true to say considering the length of time the Act has been in effect, that the observance of same has been positively marvellous.

In connection with other commodities on which a retail price has been named by the Manufacturer, these are also gradually coming into line and inquiries from many Manufacturers reveal they are indeed appreciative of this legislation, as without it they did not feel justified in taking the risk of marketing their product on a price maintained basis.

It is quite evident there is a misunderstanding regarding the two Acts. Please remember that "Food Products Minimum Loss Act", which prohibits the sale of food products at less than 5% above cost, is confined exclusively to food products. As we gain experience we can then more intelligently widen the scope to take in other commodities by securing an amendment to the Act at the next sitting of the Legislature.

It is claimed by some that this leaves an opportunity for the fencing of other than food commodities at prices below cost and this is certainly admitted. We are not trying to deal with all the problems of retailing at one time, but if good judgment is used and co-operation secured with the minimum of prosecution, the benefits to the retail trade and to Consumers and Producers also, will be so evident that we will have no difficulty in having other commodities included as a later date.

Commodities Retail Sales Act deals with all commodities, and any article on which the Manufacturer has set a maintained price must be sold subject to its provision.

It is recognized that while many Manufacturers claim this to be their policy, yet in the absence of legislation they are not very aggressive in requiring their policy be observed. On the other hand it is felt, however, that some retailers have found themselves overstocked with some of the merchandises and because of former practice of unloading at any price at any time, have been doing their very utmost to get their stock into shape.

Inasmuch as reasonable time has elapsed to permit of this, it is felt that from now on, any claim for further consideration cannot be justified, and if a Retailer has any price maintained commodity on hand, then certainly he must observe the Manufacturer's policy and see that the retail price is maintained. The Act is so worded as to make it an offense for any one to sell at retail such an article under any scheme which would contravene the Act. Please note the word "commodity" means any article for sale at retail.

Now regarding "Food Products Minimum Price Act" which deals only with food products, our Executives have been meeting almost continuously during the last four weeks setting up the necessary machinery to secure the minimum results through a co-operative plan.

A special meeting of representatives Manufacturers and Wholesalers was called with our Grocers' Executive and the plan laid before them. It was unanimously approved and a special Committee representing Manufacturers and Wholesalers was appointed to act with the Grocers' Executive, to constitute a Joint Committee, it being understood however, that the Retail Merchants' Association would carry on the necessary details, and function on behalf of the Retailers of the Province.

A tentative budget was submitted to the Committee, which was approved in principle. It was very evident that if the minimum results were to be secured, additional financial assistance to that provided by the retail trade was necessary. Our Executives recognized it was our responsibility to raise funds from the Retailers but the difficulty of making the collections was very evident.

It was felt by our Executive that our Wholesalers and Manufacturers were also interested in our Program, and if at any time any retailer doubted this, certainly there can be no justification for thinking that way now. The following firms, namely, Kelly Douglas & Co., Ltd., T. H. Malin Co., Ltd. and MacDonald's Consolidated Ltd., are contributing Five Hundred Dollars (\$500.00) each to our Campaign, for the purpose of helping in the recent expenditure in connection with our legislation and toward the fund necessary to adequately render the services that will be necessary in connection with carrying on the activities resulting from same.

In addition to this they are collecting funds from the Manufacturers on our behalf, and a letter has been addressed to each Manufacturer requesting that he make his contribution either direct to our office or to any one of the three Wholesale Houses. They also are requesting their retailers, who have been supplied with official receipt books to collect contributions on our behalf from retailers whose pieces of business are located outside the centres where our own Committees are working.

The Commercial Travelers are so whole-heartedly behind this legislation and particularly this plan of co-operation, that un solicited they decided to call a Mass Meeting of all Commercial Travelers, regardless of their affiliations, in the ballroom of the Georgia Hotel on Thursday evening, February 17th. They have invited me to address them to explain the legislation and our plans of putting same into effect, so they can carry a direct message from this office as it is both humanly and financially impossible for me to justify another tour of the Province in order to answer the inquiries which the retail trade is anxious to make at this time.

You will be interested in knowing that as a result of the legislation secured in British Columbia, Retailers in other Provinces in Canada are now getting together to secure similar protection.

Alberta is calling its Retailers together to meet in Session on February 21st and 22nd. Hertha has wired us for information and an effort is being made there to get the Retailers together to support this move. Ontario is calling meetings in various points to be known as Food Products Conventions, for the purpose of going thoroughly into our legislation, with a view of developing some with their Provincial Government.

Within the last forty-eight hours we have received a wire from our Dominion President, calling a Dominion Convention in the City of Ottawa, at which all Provinces in Canada will be represented, for the purpose of deciding on a National policy for the Retail Merchants' Association.

Our appeal to the Retailers of this Province went out just before Christmas and we have had many write us since the beginning of the year explaining they were busy at that time but are now forwarding their contributions. A list of all contributors since the first of the year is now being compiled and will appear in our magazine, "The B.O. Retailer". We require to raise from the Retailers at least an additional \$2500.00, and unless we do you cannot receive the maximum rebate from your legislation. If you have not already forwarded your contribution, and we ask for a minimum of \$2.00, please do so immediately direct to our office, Pacific Building, Vancouver.

For just one word to any who may have become a little impatient because every retail institution of B.C. has not immediately brought all their prices into line. Please don't forget we have been a good many years getting into this rotten mess and any move to get out of it too quickly, would cause a very serious reaction for which the retail trade could pay very dearly. We must not break faith with those who made possible this legislation, as it was only confidence in our Organization and the belief that we would deal reasonably with it that justified those in such-ortly giving their whole-hearted support to this legislation in making the Retail Merchants' Association as a medium through which the act may function.

May I say, too, that this is no time for anyone, regardless of his political affiliation, to raise any doubt as to the sincerity of the Members of the Legislature in passing these acts, as all parties subscribed to them and sincerely too. This legislation was never passed to guarantee the retail trade a handsome profit. That isn't the duty of Government. The purpose of the legislation is to eliminate those practices that are detrimental to the Consumer, Producer, and Retailer, and if ever an Act of Parliament received conscientious support, these two Acts did.

They are now in force and the reason for our setting up Provincial Committees in each City throughout the Province was to create the necessary machinery in view of this legislation. On and after March 1st a Committee from our Grocers' and Meat Dealers' Divisions will carefully check advertisements and our Investigation Department will then deal with same. Now if you do not immediately find a correction in some item that may be out of line, please do not conclude that nothing is being done.

Yours very truly,

Geoff Matthews

Secretary,

British Columbia Board,
Retail Merchants' Assn. of Canada.

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