

FIGHTING THE MAIL ORDER BUSINESS.

(Concluded from page 15).

cover why shopping by post appeals to this class of shopper.

City folk usually prefer to buy an article only after inspection—even if at a higher price—but the farmer sits down with a catalogue and studies it at his leisure.

The mail order house is to him a glorified country store. There he can order everything from needles and pins to horse-collars and automobiles. And a guarantee accompanies each purchase which he thinks is just as good as that given by the local store-keeper.

With the catalogue before him the farmer makes a list of what he needs and sends it to the distributing centre of the particular mail order institution that he patronises. One thing must accompany his order, and it is imperative—cash.

Cash transactions are the great sine qua non of the success of the mail order houses. They sell for cash and they buy for cash. If the consumer did not make cash purchases the catalogue house would be no better able to pay cash than any other retail merchant. When the country store-keeper realizes that securing business on a cash basis is the secret of the success of the mail order house, he has discovered one means by which he can successfully compete with his powerful rival. Some retailers already awake to the situation, are establishing cash stores in different small towns. To quote the New York Journal of Commerce where this subject is discussed:

"The Penny organization, in the United States, is typical of others that are getting under way. If a farmer customer goes into a Penny store and asks for a pair of overalls, like the ones advertised in a well-known catalogue, he is shown the identical article at a little lower price. If he takes it he must pay cash and take the overalls home with him. And what is true of overalls is true of other goods of a staple character needed on a farm. The new retailers are telling their customers that if they want credit they must give their trade to those who offer the credit. If they want to buy for credit in the local store, and cash from the mail order house, they are told to give all their business to the mail order house, as the local store must compete on a cash basis if it has to.

"And some of the jobbers who have come to understand the menace of the mail order house to their business are finding that when they can educate a customer to pay cash, they can afford to sell on cash terms and they can well afford to assist that cash retailer in meeting other cash competition operating in his territory."

On the other hand the consumer would often be in

a sad plight without the local retail store. Trading with the local storekeeper has numerous advantages. There is the great convenience of being able to secure an article wanted when it is wanted instead of waiting until a large order may be sent; there is the satisfaction—and it is a great one—of seeing an article before purchasing it; also the advantage of being able to exchange, without delay, articles that don't suit. And last but not least, there is the great boon of being able to get credit when needed. A dealer who will give credit on occasion is a friend indeed and holds a place in the commercial world that can never be usurped by the mail order house doing business on a strictly cash basis. Credit in the retail trade, although undesirable on a large scale, is more or less of a necessity for persons with small incomes or for those whose incomes are paid at long or uncertain intervals. The ability and willingness of the retailer to give reasonable credit, to such of his customers as he knows to be worthy, is one of the advantages which he must continue to have over the far away mail order house which insists on cash payments.

PANAMA CANAL TRAFFIC.

Two years and a half of the operation of the Panama Canal, during which the waterway was closed for about seven months, have given proof that until all slides are checked and the dredging operations reduced to a minimum receipts from the payment of tolls will not pay the costs of maintenance. This is a condition which must be faced and for which several remedies have already been proposed. That the canal will eventually prove self-supporting is generally believed, but an increase in tolls would be necessary to meet temporary unusual expenditures.

The canal was opened to commercial traffic an August 15, 1914, and in the two years to August 14, 1916, 2,087 ship made the transit. Their aggregate net tonnage, according to the rules for the measurement of vessels for the Panama Canal, was 7,046,407. The total quantity of cargo carried through the canal by them was 9,031,613 tons of 2,240 pounds.

SPAIN LOST 12 PER CENT.

The Spanish mercantile marine, which in July, 1914, consisted of 640 vessels, with an aggregate tonnage of 846,491 up to January 31, had sustained losses of ships to the value of about 70,000,000 pesetas by reason of the war. Seven steamships, aggregating 18,000 tons, and 22 ships have been sunk by mines or submarines. The losses represent about 12 per cent of the merchant marine.

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**TO REDUCE THE GERMAN NUMBERS.**

According to a report recently issued by the U.S. Secretary of Commerce, during the three months ended December 31st last, 81,007,539 pounds of bleached cotton fibre, including linters and hull fibre, were consumed in the United States in the manufacture of guncotton and explosives of all kinds. This quantity is equivalent to 162,015 bales of 500 pounds each, and compares with 133,982 bales, 142,725 bales, and 144,988 bales used for the same purpose in the quarters ended September 30th, June 30th, and March 31st respectively. During the year 1916 the consumption of cotton in the manufacture of explosives amounted to 533,710 bales, and in 1915 the total was 244,008 bales.

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DEPARTMENT OF FINANCE, OTTAWA
OCTOBER 7th, 1916.