The Commercial

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LABOR TROUBLES.

One of the questions placed upon the programme for discussion at the coming Congress of Chambers of Commerce in London, England, in June next is, "Boards of Conciliation for Labor Disputes." The object of the question is to consider the advisability of having some sort of an official board appointed to consider and arbitrate upon all disputes arising between employers and employees, with the object of preventing strikes. The council of the Winnipeg board of trade, in recommending instructions for the guidance of the Winnipeg delegates to the congress, referred to this question as follows:—

> Subject No. 2 referring to boards of conciliation for labor disputes is one which as yet is of no material interest in our new and only partially organized province, and any opinions advanced would require to be of a prophetic character to suit any disputes which may arise in the future, and the sphere of prophecy your committee have decided not to enter.

There is something amusingly interesting in the above paragraph in the present situation in Manitoba. The question of appointing boards of conciliation for labor disputes is considered by the council of the Winnipeg board as one of no interest to Manitoba, and as one not likely to be of any interest for a long time to come. The ground is taken, evidently, that as industrial development has not been carried to any great extent in Manitoba, and as our industrial population is limited, we have nothing to fear from these great strikes, which are so demoralizing to the business interests of cities and districts, or even countries. It is peculiar, that a few days after the council of the Winnipeg board of trade adopted the report containing the above paragraph concerning labor troubles, Winnipeg has become the centre of a strike of first class magnitude. The strike of employees of the Canadian Pacific railway, which commenced on the division of which Winnipeg is the headquarters, is one of the most important occurrences of this nature which has happened in Canada for many years. The trouble has already spread to other divisions of the road, and unless a settlement is speedily arrived at, the effects will be far-reaching and serious. The commercial interests of a vast territory are affected, and should a prolonged railway blockade result, great harm would certainly be done. At the time of writing it is quite impossible to forsee the result.

Even should this trouble be overcome before any very great injury is done to the country, it has shown that Manitoba is not free from the possibility of labor disputes of a most serious character. Coming at a time when the amount of traffic moving is at a minimum, the effect of a short stoppage of railway traffic will not be severely felt, and should the trouble be speedily settled, the evil consequences resulting therefrom will not be great. Had the strike occurred at a busy season, or say shortly before the close of navigation last fall, even a very brief interruption to traffic would be a most undesirable occurrence, and a very costly thing for this province.

With the experience now being gained, the Winnipeg delegates to the London congress will take a more lively interest in the subject of labor troubles than they would have done had this strike not occurred. They will now know that any practical plan for the conciliation of labor disputes which could be applied to Manitoba will be of great importance from a purely local point of view.

The subject of labor troubles, though certainly not of as great interest to Winnipeg and Manitoba as it is in great industrial centres, is one of general interest throughout the civilized world. It is a subject worthy the earnest attention of the statesman, the man of business and the philanthropist. Looking at the matter in a broad sense, it is a subject worthy of thought by men in all walks of life. If the London congress can evolve a plan which will be useful in conciliating labor disputes, it will furnish something worthy of immediate adoption, in the interest of commerce, labor, and humanity.

CREDIT BUSINESS.

A farmer, writing in a recent issue of the *Farmer's Advocate*, expresses surprise at the fact that farmers who are heavily in debt, can still obtain credit at the "general stores." They may be loaded with mortgages and chattel mortgages, their implements, furniture, etc., covered by liens, and anything not so covered protected by exemption laws, and still they get credit at the general stores. With our exemption laws and lien laws, the country merchant is practically without means of obtaining payment, and yet there are none who give credit more freely. No wonder this writer should express surprise. THE COMMERCIAL has often written upon this question, and has expressed surprise at the liberality with which goods are promiscuously handed out on credit, especially when we consider the disadvantage at which the merchant is placed in the matter of collecting accounts. Is it any wonder that so many merchants are chronically behind in their payments? This farmer writer goes on to urge that merchants should make a distinction between cash and credit customers, so as to encourage the former. THE COMMERCIAL has frequently urged the same course. To give credit at all is to make bad accounts, and even a very moderate credit business means losses, so that the credit customers should pay someting for the accommodation which they receive, sufficient to leave a considerable margin to cover losses from bad accounts. It is altogether unfair to compel cash customers to assist in making up losses from credit transactions. The cash and credit departments should be carried on on an entirely separate basis. Cash business should be done on a basis of a reasonable profit for cash. But when it comes to selling goods on credit, the price should be increased to cover interest and cost of book-keeping and provide for bad debts. If business were done in this way there would be such a sharp distinction between cash and credit business, that there would be every encouragement to farmers to buy for cash, and gradually business would be worked into a cash system. It is the only reasonable way of doing business, to do cash business on a cash basis, and credit business on a credit basis. It is also the only fair way for the cash customer.

The question naturally will occur as to what is the extra cost of credit business. We should say that ten per cent. would be little enough to add to the cash price, to cover interest and cost of book-keeping, and a further addition should be made to cover losses from bad accounts. Merchants who have had experience with credit business, would be able to estimate the percentage of losses, which would indicate what they should add to credit sales to cover losses. With most of those who have done an extensive credit business, experience has taught them that it would require a very considerable percentage added to their sales, to make up for losses in bad accounts.

The writer in the *Farmers' Advocate* referred to, speaks of the organization known as Patrons of Industry as a means of placing business upon a cash basis. The writer, judging from his remarks, is evidently not a Patron himself, but he commends the efforts of this order in the direction of encouraging cash business. So far as the Patrons are concerned, all we have to say is, that if they are going in for cash business, and if it is their aim to educate the farmers to do business on a cash basis, then we welcome them. They may cause some temporary inconvenience to merchants at certain points, but if they succeed in reducing business to a comparatively cash basis, they will accomplish a great good for Manitoba. THE COMMERCIAL is with them heartily in this respect at least. We have always held that the free credit system is an injury to the farmers as well as to the merchants, and we are glad to see that some of them are getting their eyes opened to this fact. Farmers who buy for cash, should not be obliged to pay credit prices, neither should credit customers be allowed to buy at cash prices. If merchants would reduce their business to this system, doing cash business on a cash basis, and credit business on a credit basis, we do not think they would have much to fear from the order of Patrons of Industry. If the Patrons succeed in forcing merchants to adopt such a system, they will have accomplished a good work. We cannot do better than close by quoting a paragraph from the writer in the *Farmers' Advocate*, as follows:

> Nothing will sooner get rid of the load of debt under which so many country merchants and mechanics are going down as a general system of *cash* trading in this new country. It will give the honest man a better chance, while the lazy "dead beat" who falls back on his "exemption" will be relegated to that obscurity which is his native habitat. To still further clear up the mercantile situation, it is only necessary to have the "exemption" clauses repealed altogether, and I venture to predict that the farmers—those who are farmers in deed as well as in name—will not be the first to cry out.

It is certainly refreshing to read words like the above, coming from farmers, especially as regards the exemption law.

COST OF GROWING WHEAT.

The cost of growing wheat is a question which has been debated very considerably in Manitoba, not only among farmers, but by business men, politicians and others. Men who would hardly know a gang plow from a wheelbarrow, have undertaken to show on