

The Farmer and the Merchant

Results of Farmer-Merchant competition that closed June 3

SOME ACTUAL FIGURES

First Prize Letter

In the first place this village has over 300 inhabitants and all settlers within a radius of fifteen miles do business here. There are four general stores dealing in dry goods, groceries, boots and shoes; two hardware, two drug stores, four implement agencies, two garages, five automobile agencies, three lumber yards, one butcher, one harness maker, one bank, two livery barns, two doctors, one lawyer, dentist, newspaper, real estate agent, hotel, grist mill, and others all drawing their pay from the tiller of the soil.

The stores are all well built, well kept, and the owners are apparently all prosperous, several have purchased automobiles and taken vacations lasting several months. I have it on very good authority that one storekeeper made the statement that he made a turnover of \$40,000 per year. All stores have one clerk; some two and one store has three, the owners doing very little except during a rush. They all have fine dwellings, indeed real "homes." Contrast this with the average farmer who is still living in an uncomfortable shack.

This is a new district. I filed on a homestead in the spring of 1906, came to live here in the fall of 1906. I don't think there was 100 acres broken that summer in this whole district, and certainly there was not a stake driven in this village, in fact no one knew where the railroad was going to go. The majority of the settlers are still laboring under a load of debt and are still living in shacks. Some, of course, are fairly comfortable, but none have reaped the reward due them.

Of course it would be foolish to blame the merchants for this condition, but I believe they contribute some towards it, and it makes the farmer mighty dissatisfied with farm life when, after trying for ten years to break even, he finds he is some way behind yet, while the merchant who contributes no wealth to the community can take his regular vacation and purchase his motor car.

All Do Credit Business

All stores do a credit business. I myself have to run an account during summer. For the first two years I gave a note when my account reached \$50 bearing interest at 10 per cent. I paid that interest on top of a good big price for merchandise. Whenever I have the cash I pay as I go, but there has never been any difference between cash or credit prices. I still have to run an account, but I am not asked to give a note and I pay each fall. One hardware store gives a discount of 4 per cent. on cash business, lumber dealers give 10 per cent. off for cash for lumber only. There is, in my opinion, a difference of from 15 to 50 per cent. between prices here and retail prices in Winnipeg. Some lines can be bought here almost as cheap as in Winnipeg, but it has been brought about by co-operative buying.

Altho there are several in each line of business there is no real competition. A farmer could go into each store and get the same order filled and there would be practically no difference in price. There was very little co-operative buying done in this district until the Farmers' Co-operative Elevator was built. They have now done considerable in the way of purchasing flour and feed, fence posts, coal and wood and fence wire, and I know for a fact that stores will meet elevator prices if farmers will only stick to their own company.

I know of nothing that the merchants of this village have tried to do to assist farmers in any way. True, there is a rest room kept open by the Ladies' Aid, but the rural municipality pays \$125 per year

towards its upkeep. Other adjacent rural municipalities also contribute. I never heard of the village contributing in any way.

Actual Figures

Now let me quote a few prices from the mail order house and from the retailers here:

Goods	Quantity	M.O.H. Price	Home Store Price
Prunes (50-60)	10 lb. box	\$1.25	\$1.25
Evap. peaches	25 lb. box	2.50	3.00
Corn starch	6 lb. box	.39	(2 lbs.) .25
Jam	4 lb. pail	.45	.90
Sugar	100 lbs.	8.55	10.50
Rolled oats	20 lbs.	.70	.90
Hams, smoked	Per lb.	.25	.28

These prices are from the grocery list only. Prices in hardware and dry goods show still greater spread. The first class freight rate to this point is about 92 cents.

Is it any wonder that thousands of dollars leave

had arrived at the station he went after them. This trip took three or four days with horses or a week with oxen and was often made in heat and mosquitoes or frost and snow.

Anyone can understand it was more convenient to make a list from the catalog and have it ready for you at the station than to take a list to a town seventy-five miles away and wait to have the order filled. Besides this the goods were cheaper and exactly what was wanted. Few women cared to make this long, tiresome journey and the buying, if done in town, had to be done by the men. A woman would rather trust to her choice from the catalog than to the selection that the merchant would shove off on her husband. If the things did not suit the wife they were not going to be returned seventy-five miles. Sometimes the merchant did not have the article required and had to substitute, and sometimes the substitution if not laughable was maddening. Imagine a woman wearing a pair of boots a size and a half too large for a whole summer! Her next order went to the mail order house.

Farmers living some distance from town get more satisfaction by making their lists from the catalogs.

When the railroad was surveyed and well under construction the merchants came, not to help the farmer along but to get a share of his hard earned money. They had to offer some inducements to him to buy in town, and the only thing they could offer was the credit system. The farmer was able to pay cash till the credit system was introduced. In this town there is no discount made for cash, therefore no inducement to pay cash. Most farmers settle their store bills in the fall.

Merchants Making Money

I believe the retailers are making more than a good living in most cases. There are some failures, but everyone cannot make a success where there are more than enough. The merchants that get the most business are accumulating money. If there is a mortgaged farm for sale, one that will go cheap by making a small cash payment on it, a merchant will buy it. He has the cash. If there are horses or cattle seized for debt and sold by auction sale, most of them are bought by merchants for half their value. The farmers who need these animals can only stand and look on. Then they buy from the merchant on time, giving a note bearing interest at ten or twelve per cent., and before the animal is paid for the farmer has paid twice the value of it.

Another proof that the merchant is making money was the large attendance at the Retailers' Association in Regina. Every little town seemed to be represented, and well represented, too. If as large a percentage of farmers could afford to attend the annual meeting of the Grain Growers' Association, the city of Regina could not accommodate them. It is not necessary to mention their fine houses, autos, pianos, summer trips, etc. Every farmer can see the merchant gets more in the line of comforts and pleasure in one year than the average farmer does in ten. I think this is another reason why farmers buy from the mail order houses. The very fact that the merchant can accumulate so much in a short time gives the farmer the impression that he is being overcharged. He knows he is the one who is paying for these comforts and luxuries. I remember some years ago a merchant replacing his old frame store by a beautiful brick, modern, up-to-date store. He was explaining to a farmer how the interior was to be arranged. The old farmer listened until he had finished and then said, "Well, I guess we can pay for it."

Our merchants are giving no special service to their customers, unless you would consider two or three chairs as something special. I think most

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In the old-fashioned country store. There are still a vast number of stores all over the country that are little more up-to-date in appearance than this one.

this community every year for the mail order houses! Can you blame the farmer for buying where he can buy best? The average merchant who puts up an argument says: "I carry you when you have no money, you should give me your cash when you have any." But I want to say that the merchant who carries me makes me pay dear for my ride. If the merchants would co-operate and purchase more in carlots and shorter spread they would be doing something that their customers would soon appreciate.

There is one thing sure, buying in bulk for cash is the most satisfactory method, and if the farmers had some system of rural credit whereby they could get the cash to carry them thru, we would hear less of the merchant and his troubles, because he would either have to meet mail order competition or move out. The present banking system forces the farmer to do business with the retailer, three months' credit being too short a term for farmers. A farmer has to run accounts for everything he needs during summer, and believe me he pays the penalty in the fall, 15 per cent. being a very conservative estimate of the cost of his credit.

Central Alberta.

I. B. A. J.

FEWER MERCHANTS AND MORE COMMON SENSE

In the district in which I live the farmers were here years before the merchants. They went thru all the difficulties that accompany pioneering without the assistance of the local merchants. They bought mostly from the mail order houses. The goods were shipped to a station about seventy-five miles away. When the farmer thought the goods