

and are represented by the cheaper qualities as against the business transacted from Petrograd where the trade is of high standard, and where government purchasers and contracts are exclusively settled for the whole Empire. In the first instance, there are, then, in these large cities wholesale merchant houses which employ travellers who work the surrounding provinces. The orders, as received, are combined and transferred to the foreign manufacturers concerned, the merchants themselves carrying very little stock. Wholesale houses in the provinces are few in number and of small account. The wholesale dealers referred to, sell direct to the provincial retailers. The selling firms in question belong to the class which offers exclusively the goods of the foreign manufacturers they represent.

Another class of wholesalers have no travellers and rely upon catalogues; they have their regular clientele throughout the provinces, mainly retailers who affect their purchases by correspondence or in person when they visit the various centres.

A few other firms have their branch houses in different towns in Russia which send out travellers in their respective districts to deal direct with users, but these firms specialize, as a rule, in a few lines. All wholesalers do a large retail trade with users of goods, such as factories, railways, etc.

Samples and Catalogues.

Travellers for the province carry ample collections of samples, together with catalogues. Their catalogues are of two kinds; some houses issue only a retail catalogue, and sell at these prices, less a certain discount; whereas others publish and issue a wholesale catalogue only at net prices to provincial dealers, these wholesale catalogues being restricted to the trade.

As regards foreign goods for Siberia, the trade is controlled largely by Moscow firms who send out travellers to the main points only, if at all, and usually have one sub-agent or buyer stationed at Omsk, which is the chief centre for Western Siberia. The rapid development of Siberia, however, is leading to the establishment of independent, local wholesale houses of undeniable financial strength which do both a wholesale and a retail trade, and deals directly with foreign manufacturers without intermediaries in Moscow. This is a factor to be duly noted and catered for.

The Far Eastern business, namely, in the Trans-Baikal and the Amur region, is in the hands of a few big firms with headquarters at Vladivostok. It is quite a specialized business, and not touched by the ordinary Russian houses. These firms do an enormous trade with their magnificent stores and well-organized wholesale departments, sending out travellers who cover the whole of the Far East. Two of the largest, Messrs. Kunst and Albers and Messrs. Tchurin and Company, have each a purchasing house in Moscow, and the former also a house in London. It is advisable that Canadian manufacturers on the grouped plan should be represented at Vladivostok.

Credits and Conditions of Payment.

In Russian dealings the question of credits is of great importance and calls for careful investigation. The Russian wholesaler is compelled to allow his customer credit in practically all lines. This credit may extend to anything up to twelve months. A cash payment c.o.d. of, say, up to twenty-five or thirty per cent. is the general rule. However, in most cases the wholesaler is satisfied if his client will pay railway freight and expenses to destination, although he usually tries to insist on a c.o.d. pay-

ment to cover his own outlay for sea freight and duty. For this reason the Canadian manufacturers must be prepared to grant liberal credits to dealers in order to do business, say, for 75 per cent. of the cost at factory.

They should endeavor to sell f.o.b. Canadian-American port to which dealers will generally agree, the dealers paying freight, insurance, etc. For the proportion in question it will be found that credit must be given for three, six, nine or twelve months, according to the article and the respective customer. Thus the foreign manufacturer is asked to help to carry the trade, for the majority of the wholesale dealers have not sufficient capital to pay for their imports until the ultimate users of these goods, in the main the peasant consumer, is able to discharge his obligations to the retailer, and which he can only do after the gathering in of his crops.

Banks Helped the Germans.

The German houses were assisted by the co-operation of the banks in meeting the situation. Careful investigation of the credit position of wholesalers is, therefore, of unusual importance, even in the case of the large buyers, and, in this connection, the position of Jewish firms should receive attention, having regard to the special disabilities under which members of that race labor in many respects in Russia. The Jewish firms, however, are to be found more in Western Russia at points like Odessa, Kieff, Warsaw, etc., rather than in the interior of Russia. It must be observed, also, that the commercial law in Russia is still in a formative stage, the recovery of debts is surrounded with difficulties, and procedure in the Russian courts, while just and sure, is slow, but a good deal is, and can be, effected by tactful pressure and compromise. An excellent bankruptcy act has been framed and agreed upon, and will undoubtedly be very soon placed upon the statute book. On the other hand, sales made on the plan of payment by instalments are absolutely safe, and is generally adopted in cases of transactions for machinery, etc., which remain the property of the vendor until the last cent has been paid.

Must Restrain Optimism.

The building up of an export trade is at best a slow process, and new-comers in a market like that of Russia will have to go warily and restrain their optimism. But there is no question that with ordinary caution and judgment it should be possible for them to make solid connections, and to develop gradually a stable and profitable business in the Russian market in some of the very many lines of supplies which are indispensable to the Russian people.

A dividend of 1¼ per cent. for the quarter ending December 31, has been declared by Shawinigan Water and Power Company, placing the stock on a 7 per cent. basis. Both the previous increases, from 4 to 5 per cent., in 1910, and from 5 to 6 per cent. in 1912, were made with the final quarterly distributions for those years.

Mr. C. F. Just, formerly Canadian trade commissioner at Hamburg, Germany, and Mr. L. D. Wilgress, a graduate of McGill University, who during the past three years has been in the offices of the commissioner of commerce at Ottawa, have been appointed trade commissioners to Russia. Mr. Just, who has recently returned from a trip to Russia, will be located at Petrograd and will have charge of the work of Russia in Europe, and Mr. Wilgress will open his office at Omsk, a large city in Eastern Siberia, midway between Moscow and Vladivostok. The new commissioners will leave for Russia shortly after the New Year. Mr. Wilgress is one of three university graduates who were brought into the department of trade at Ottawa three years ago, with a view to training them for the posts of foreign trade commissioners.