

THE COMMERCIAL

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D. W. BUCHANAN,
Publisher.

The Commercial certainly enjoys a very much larger circulation among the business community of the vast region lying between Lake Superior and the Pacific Coast, than any other paper in Canada, daily or weekly. The Commercial also reaches the leading wholesale, commission, manufacturing and financial houses of Eastern Canada.

WINNIPEG, APRIL 2, 1898.

NURSERY STOCK SHUT OUT.

Instructions were received this week by the Winnipeg customs officials to enforce the new act preventing the importation of nursery stock from countries declared to be infected with the San Jose scale. The act has been made to apply to the United States, Australia, Japan and Hawaii. Bulbs, tubers, herbaceous bedding plants and perennials, Conifers and green-house plants are excepted from the operation of the act. The enforcement of the act without any previous warning, will deprive many people of their orders of nursery stock for spring delivery, and will also entail heavy losses upon those who have, at considerable expense, secured these orders. The enforcement of the act will work injury in Manitoba, as it will prevent the importation of nursery stock from the districts south of the border, where stock more suited to our climate than the eastern stock could be secured. This is a matter for regret. Many of our settlers of late have shown a disposition to experiment with nursery stock, with a view to finding varieties suited to our climate, and this work is worthy of every encouragement. There is probably much more smoke than fire in the scare about the San Jose scale, which the eastern nursery-men have so assiduously worked up, perhaps more to secure protection from United States competition, than from fear of San Jose scale.

THE ELEVATOR SITUATION.

The resolution prepared in committee and adopted by the Manitoba legislature, regarding the elevator question may be considered as rather non-committal, considering the elements of which the legislature is composed. The memorial, which is to be transmitted to the Dominion government, simply asks that the railways "shall be compelled to furnish increased facilities to farmers in shipping their produce." It says nothing about loading grain from flat warehouses. The elevator interests will not object strongly to the concession to the farmers of the right to load their grain directly into cars. Such a concession will not materially affect either the elevators or the farmers, as it is well known that loading into cars is impractical except under special circumstances. It is the concession of the right to load cars from flat warehouses that is feared, as this would tend to greatly increase competition in the grain trade.

CITY VS. COUNTRY STORES.

The custom among some country people of sending to the city for goods which they can procure at home, seems peculiar to those who are familiar with trade conditions in this country. A better selection of goods in some lines can be procured in the city than can be had at the smaller country towns, and there are, of course, lines of goods carried in the city which could not be profitably handled at country points. So far as prices are concerned, however, country merchants can sell such goods as they handle at a smaller margin of profit than can be worked upon in the city. It is well known that the expense of doing business, in such items as rent and taxes are enormously higher in Winnipeg than in the smaller towns. Besides these items, the city dealer has expenses which are practically unknown in the country.

The country merchant should be able to hold his own easily with the city merchant, and retain the custom of his district for himself. If he does not do so, it must be considered that there is something wrong somewhere in the way he conducts his business. If The Commercial were asked to point out where the country merchant is at a disadvantage with the city dealer, the only point we could refer to would be the credit system that prevails in many country districts. This is the great drawback to the country trader, though it is a drawback which the trader is himself responsible for to a considerable extent. Where the credit system prevails in its worst form, it would not be surprising if the merchants could not work on smaller, if indeed, on as small margins of profit

as prevail in the city. There is a big expense and an enormous drain of resources constantly going on in doing the kind of credit business that is too often allowed in Manitoba.

The Commercial was only a few days ago given the history of a trader, which may be used to illustrate the point. This merchant went into business, did a liberal credit business and failed, as many had done before him. After his failure, a friend offered to lend him \$2,000 with which to embark in business again, on the condition that he would buy only for cash. The offer was accepted. The merchant has been now three years in business since starting up the second time, and in these three years he has accumulated a considerable surplus. He has now sufficient cash in the bank to put in a spring stock suitable for his requirements, all for spot cash. Besides this his stock is all paid for and he has a few hundred dollars of good accounts on his books. He has made a good living for himself and family in the meantime, and has paid ten per cent on the original \$2,000 loaned him.

Now, it may be said that the secret of this man's success was that he bought for cash. This is part of the secret, but it is the smaller part of it. Being obliged to buy for cash, he was also obliged to curtail his credit business to the smallest possible proportions, and herein lies very much of the secret of his success. Buying for cash compelled him not only to keep his stock down, but also to keep his collections up. With only \$2,000 capital to start with he did a successful cash business from the outset.

Take another case, of a trader who was obliged to ask for an extension of time from his creditors. The latter merchant has a surplus of over \$20,000 in his business, but it is partly in land and store premises, and book debts, as well as in stock. With this large surplus he was not only unable to buy for cash, but he was unable to meet his bills payable, and was in a position that his creditors could have forced him to sacrifice his property to meet his bills. He had made the mistake which many do of putting too much of his capital into store premises and book accounts.

The merchant who drives the cash team is bound to win, for the cash business is not a one-horse turnout. It is cash for goods going out as well as cash for goods coming in. If the trade could be got down to this basis many merchants would be able to carry on business more successfully than they are now doing with half the capital which they now have in their business.

Our trader with the \$2,000 capital had to buy very carefully on account of the fact that he was obliged to buy