

The Commercial

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INDUCEMENTS FOR CASH.

It is apparent that the evils of the wide credit system in this country are becoming generally recognized, as evidenced by the efforts being put forth to correct the abuses into which business has been allowed to drift. The evils of the system will of course be made more readily apparent during a close season like the present. When good times set in again, the great disadvantages of our system of doing business will not appear so readily on the surface. There is therefore danger that as soon as good times come around again, the efforts now being made to place business on a more solid basis, will be relaxed, and matters will drift back into the old style, only to be renewed when another close season sets in some time in the future.

However, it is to be hoped that this prediction will not prove true, and that the movement now inaugurated will be persevered in through prosperous as well as close seasons. Indeed, the proper time to reform our system of doing business would be to push the reforms more perseveringly during prosperous seasons. The evil exists all the time, and is as great during prosperous as during seasons of depression. It is only made more readily apparent during times of contraction and general stringency. During such times, however, it will be harder to institute a reform than in a favorable season. A reform in our system of doing business, to be thorough, must commence with the consumer. The most appropriate time to inaugurate the reform would be when the consumers are in good circumstance. When the people have plenty of money would be the time to educate them in the habit of buying for cash, and settling up accounts promptly at short dates.

Making cash rules for selling goods is not the only way to bring about a reform in this matter. The people should be offered inducements to buy for cash, in such a way that it would be clearly shown that it was to their advantage to make their purchases as much as possible in this way. In stores where a credit business is done, it is a perfectly legitimate system to give a discount for cash or for the prompt and early settlement of accounts. It is not only legitimate, but it is nothing more than justice to the consumer who buys for cash. Everybody knows that it cost more to carry on business where long credits are given, than to do a strictly cash trade, to say nothing of the percentage of loss from bad debts, for to give credit at all means that there will be a percentage of uncollectable accounts. There is no risk with the cash buyer, and no interest to pay on the goods which he has purchased. It is therefore only justice that the cash buyer should get the advantage of these matters.

Discounts for cash, where a credit business is done, are therefore proper, and the discount should be sufficiently marked to show clearly the advantage of purchasing for cash, instead of on credit. In this way consumers would be

encouraged to make an effort to curtail their purchases on credit. If the margin on goods is not wide enough to make a marked distinction between cash and credit purchases, increase the credit price to such an extent that the difference will be marked. Say that a discount of 10 per cent. were allowed for spot cash, it should be a great inducement to purchase in that way. For accounts settled promptly monthly or at other short intervals, a discount of seven or eight per cent. could be allowed, the difference between this and the spot cash discount being for the cost of entering purchases in books and rendering accounts. If such a system were generally adopted, all consumers who really intended to pay their way, would make an effort to pay as they went.

The coupon system, which has been adopted to some extent in Manitoba, might be made to play a part in encouraging cash purchases. The coupons could be sold for cash at a stated discount from their face value. Say that a reduction of 10 per cent. be given on the value of coupons when paid for in advance. In this way a customer would purchase coupons to the value of say \$30 for \$27. The saving would thus be readily apparent, and when dealing with a responsible party, the customer would feel encouraged to persevere in this way of doing business. This is one plan which might be adopted to advantage. Others may commend themselves to merchants. But whatever may be the views of the trade regarding cash discounts, there can be no question as to the desirability of a reform in the present long credit, carrying system, and it is to be hoped the movement to curtail credit business will not prove merely a spasmodic effort, to die out as soon as more prosperous times set in again.

IMPORTING MEATS.

The fresh meat trade of Winnipeg has developed a peculiar feature this winter, which has led to the necessity of importing beef from the States, though at the same time there is any quantity of good meat at home. The feature referred to is not peculiar in so far as this winter is concerned, for the same disposition has been noticed in other years, though not to so great an extent as at the present time. The reason for the importation of meat is due to the fact that the local demand has been largely confined to certain choice cuts, while other portions of the animal have been very slow sale. The demand from consumers for beef has been largely for loins and ribs. Butchers have been cutting up meat all winter, from which they sell these choice cuts, while the other portions have been accumulating on their hands. The meat is in a frozen state, and there is no immediate danger that it will spoil; but some of the butchers have become alarmed, and they do not like to continue cutting up meat, when there is ready sale for only certain portions of the carcass. They have consequently had recourse to importing beef from Chicago, where they can procure the cuts required, without being forced to take the whole carcass. Importations of beef consist solely of loins and ribs, and in this way the city butchers hope to even up their trade and get rid of the cheaper portions of the meat cut up at home. The best portion of the

animal is evidently good enough for Winnipeg while the Chicago people can take the leavings.

The reason why this peculiarity of the meat trade is noticed in winter is owing to the fact that a large number of citizens buy their meat by the quarter or side in the winter. In this country when the winter once sets in, the people know that a long spell of steady cold weather is before them. At the commencement of the winter they can buy a supply of meat sufficient to last them until the following spring, and keep it in a frozen state, without fear of a thaw to cause it to spoil on their hands. The city butchers charge from 10 to 15 cents per pound for beef, while the citizen can go on the market and buy a side of beef from four to six cents. Consequently as soon as the cold weather sets in, those who wish to economise buy a quarter or a side of beef, instead of purchasing their daily requirements as wanted from the butchers. The butchers are therefore left with a limited trade in the winter season, and of a class which requires choice cuts. The hotels, which take roasts principally, continue to buy meat from the butcher during the winter. Other consumers also, though they may have a supply of meat at home, will for special occasions call on the butcher for some meats, and it is always a choice roast that is wanted. For steaks and boiling cuts, they are supplied from their purchases in quantity. This shows the reason why the demand in the winter for choice roasts is proportionately very much larger than for other parts of the carcass.

One would suppose that this demand for choice cuts would indicate extravagance on the part of consumers. The fact is that the opposite is the case. The people have been endeavoring to economise more largely than usual this season, and in order to do so a larger number have purchased meat by the side or quarter, instead of taking it in small cuts from the butchers. This is shown by the trade of the city butchers, which has been unusually dull this winter, while at the same time the demand for choice roasts of beef has been greater, in proportion to the amount of business doing and in proportion to the sales of other parts of the animal.

The butchers should consider some way of remedying this feature of trade. One way would be to reduce the price of meat to such an extent that customers would buy their meat from day to day as required instead of purchasing on the market in quantities. Consumers would as a rule prefer to buy from butchers, were it not for the great difference in prices. By reducing prices butchers would do a very much larger business, and this would make up for the reduced profits. The difference in the price of meat by the quantity and the price charged by retail butchers is very great, and the consumers cannot be blamed in their efforts to economise, by buying in quantities, during the winter season.

There is another way to remedy this feature of the meat trade. This is to establish a meat-canning business here. There is now no question as to the supply of meat for such a purpose. By the establishment of such an industry the trade of the butchers could be equalized without the necessity of importing meats. The choice roasts could be supplied to the city butchers, and other portions of the animal, which do not meet with such a ready sale, could be worked up