

ing recently on the butter situation, says that while good butter is scarce and in demand at full prices, poor is plentiful and hard to sell. The *Empire* says that only about ten per cent of the butter held in the country is choice. This is as bad a showing as Manitoba can make at any time. Dealers here complain that shipments sent in by country traders, which are guaranteed choice, usually turn out fully fifty per cent of poor quality, and a much smaller quantity of really choice quality. The retail dealers who buy up the butter from their farmer customers, are usually obliged to pay the same price for all qualities, as they would soon get into trouble were they to discriminate between the quality of butter marketed respectively by Mrs. Jones and Mrs. Smith. Country dealers are again very often obliged by local competition or other causes, to pay a pretty stiff price to the makers for the butter. Of course they take the butter in trade and make a profit on their goods; but this is not enough. The retail dealers should by rights buy the butter so as to make a small margin on it, as well as the profit on their goods which they give in exchange for the butter. It would only be a legitimate basis for business to secure a profit both ways in butter transactions. But instead of this, the butter is frequently taken at a figure which even nets a loss on the transaction, so far as the butter alone is concerned, though the loss is made up and perhaps a little better, by the profit on the goods bartered in exchange for the butter.

Country dealers of course expect to sell their butter about in the same way as it is purchased, namely; at one price all around. They do not care to dispose of the choice portion of the stock even at a good figure, knowing that if this were done, the balance would remain with them indefinitely. They therefore hope that what good butter there may be in their stock will help to sell the poor. The price obtainable all around is often unsatisfactory, for the reasons previously stated that the butter has been bought at one price all around, and that price sometimes a pretty high figure, considering the average quality.

It has more than once been stated in these columns that the butter trade will never be satisfactory until the mode of making and handling is changed. There is always a good demand at fair to high prices for choice butter, while nobody wants poor butter at any price, except in very exceptional instances. Now, there is not much probability of the average quality of our butter being very materially improved until the present mode of manufacture in private dairies, and handling through stores, is abandoned, and the creamery system generally adopted. The advantages of the creamery system are to secure the manufacture of the butter under the best conditions, thus ensuring high quality, as well as uniformity of quality. Another great advantage from the creamery system would be in the mode of handling. The butter would be stored at the factory as fast as turned out, for no creamery would be without good storage facilities. The handling of butter would thus pass out of the hands of the storekeepers, who as a rule have not the facilities for properly storing the article. Indeed, the mode of handling and holding with poor stor-

age facilities is to a considerable extent accountable for the large quantity of poor butter. Very good butter after storage for a few weeks under the ordinary conditions such as are usually available at country stores, would be certain to come out deteriorated in quality. To hold butter at all for any length of time, even with the best facilities, means a deterioration in value, for the fresher the butter the better it is. It is not an article that improves with age. But when the facilities for holding are poor the deterioration in quality is very rapid. Retail dealers at country points would not as a rule regret the loss of their butter trade, but rather the contrary, for they would then be able to sell their goods instead of bartering them in exchange for a commodity upon which they were liable to net a loss.

The quality and mode of packing butter in Manitoba has greatly improved during recent years. Formerly every manner of vessel was used for packing butter, pails being frequently used instead of the regulation firkins. Country dealers are also learning that the earlier butter can be marketed the better it is for the quality of the article. There is, however, plenty of room for further improvement. Of course there are difficulties in the way of a general adoption of the factory mode of manufacturing butter, in a country with so sparse a population as Manitoba. The creamery industry, however, should be encouraged wherever practicable, in the hope of improving the butter trade of the country.

HANDLING BANKRUPT STOCKS.

There is no more important and at the same time more difficult question before the commercial community than that concerning the mode of handling bankrupt stocks. This is a question which is continually being brought forcibly to the attention of the trade. That the present mode of handling such stocks is anything but satisfactory, is conceded on every side; but how to remedy the evil is the question? The slaughter system now in vogue is a hardship forced upon the legitimate retail trade which it should not be called upon to bear. Words sufficiently condemnatory of the system which forces this evil upon struggling retailers, who are striving to do a legitimate business, cannot be readily found. It is a system utterly devoid of justice, and therefore one which should not be tolerated.

The legitimate retail trade of Winnipeg has suffered especially severely from the slaughter of bankrupt stocks. Not only have the merchants of the city had to contend with bankrupt stocks resulting from failures here, but many stocks from the country, and even from Eastern Canada, have been brought here for slaughter. In the face of these facts it is no wonder that legitimate retail business in this city has been and is notoriously unsatisfactory. The few firms which have striven to do a straight business, have been surrounded on every side by slaughter sales, until hope for a better state of affairs must have nearly fled. Unjust compromises and slaughter sales of bankrupt stocks have been carried to such an extent here, that those who have been endeavoring to do a legitimate business, would be justified in taking some severe measures, if in

their power, to remedy the evil. Notwithstanding however, all that has been said upon the subject and the generally recognized injustice of the system, the evil continues unabated. A large bankrupt stock has again been thrown upon the market, with the probability that it may lead to another season of general demoralization in the dry goods trade of the city.

Dealing with bankrupt stocks is a matter to be considered first by wholesale merchants, and the remedy is in their hands. In the interest of legitimate retail trade they should endeavor to find a remedy. Wholesalers expect their customers to pay 100 cents in the dollar, but when they allow unjust compromises and slaughter sales, they establish competitors who are only paying about fifty cents in the dollar, against the very men whom they expect to pay full first value for the goods handled. If this is a fair way of doing business, then anything is fair and honest in business.

The consideration of the subject of handling bankrupt stocks leads away back to the causes which bring about these undesirable occurrences. Bankruptcies come from a variety of causes, but very largely from long and easy credit, and keen competition in wholesale trade, which leads to general recklessness in selling goods. Goods are forced upon persons who are either dishonest, or financially unsound. Failures must therefore be frequent. The proper remedy for the evil of slaughter sales of bankrupt stocks in the first place would be to adopt such modes of doing business as would minimize the number of bankruptcies. But even with the greatest care in doing business, there would be some bankruptcies to deal with. Therefore, independent of the question as to the causes of business failures, it behoves wholesale dealers to take some action to remedy the evil now constantly arising from the present mode of disposing of bankrupt stocks. Wholesalers themselves are the persons to deal with the matter, and they are certainly able to provide a remedy if they take the matter in hand. We will not therefore endeavor in this article to give any gratuitous advice as to how bankrupt stocks should be handled. If the matter were once fairly faced there is little fear but that a remedy could be provided which would prove alike beneficial to both the wholesale and retail trade, for what is so serious an injury to honest and legitimate retail trade, must be a great damage to wholesale trade also. As to unjust compromises, which should be taken into consideration in connection with the question of the disposal of bankrupt stocks, nothing can be said too strongly condemnatory of the whole business. The thing is simply abominable, in comparison with which the slaughter of bankrupt stocks is but a mild evil. The accomplice-in-crime feature of some compromises at least is not chargeable against the system of slaughter sales of stocks. Compromises are made in this country which are a dark blot upon the commercial community, as witness the recent Brown affair at Ottawa. But we are not compelled to go far from home to find such cases, for the commercial history of Winnipeg during the past few years furnishes a few of them.