

shall have the means of gauging the possibilities of extended commercial relations. Each country produces several things which the other requires, and exchanges which were before difficult or impossible will henceforth become easy.

THE CASH SYSTEM AND THE GENERAL STORE.

The system of selling merchandise for cash is admitted to be the ideal method of doing business, the cleanest, promptest, most satisfactory way for merchant, farmer, lumberer, to effect a transfer of products. But it is not always convenient to sell for cash. In remote districts in a newly settled country, for example, money may be scarce. In well settled places, again, money may at times become scarce through the stoppage of factories. And in such cases credit is necessarily and properly given. But the credit system in Canada has been persisted in to an extent far beyond what is necessary. And in the case of the storekeeper terms of credit have been relaxed to a degree that is scandalous, giving to the retail customer six months, eight months, a whole year's credit for goods for many of which the merchant has to pay in four months and some in sixty days.

This journal has for years been urging the business men of Canada to get their business closer to a cash basis. And it has been able to point to many instances where success has attended the storekeeper who changed from long credit to prompt cash. Another instance comes opportunely to enforce the lesson at the present time. Some six months ago we received a letter from the Estate John Hodgins, dry goods merchants at Clinton, Ontario, enclosing a circular addressed to their customers. This circular announced that on 1st February, 1893, the firm would make a radical change in its mode of doing business, and would place it upon a strictly cash basis, finding the feeling of those customers whom they had consulted to be "in favor of doing business for cash, provided we could reduce prices by the change." The circular went on:—

It is a well-known fact that a great proportion of the losses in any business are caused by "Bad Debts," or long standing accounts, and the loss of interest, cost of collecting, care of books, &c. These losses and the cost of carrying accounts are all a charge on the business and must come out of the profits. For example: Supposing a firm commencing a cash and credit business do a credit business of \$15,000 the first year; during the year they receive by payments on account \$5,000, which would leave them, when the year closed, with \$10,000 on their books. From our own experience we can say that, with no increase in the amount of business done, this firm would in future never have less than the \$10,000 out, for in their second year they would send goods out on credit as fast as they would collect their previous year's accounts.

Now see what extra cost there is in a year, doing this \$15,000 credit business:

Interest on \$10,000 at 8 per cent. bank rate	\$ 800
Losses from bad debts	400
Cost of stationery, postage, &c	150
Value of time taken in care of books....	400

Total.....\$1,750

Or, to do the \$15,000 business on credit, there is an extra cost of \$1,750, or nearly 12 per cent. When marking goods we have to figure on

the cost of giving credit just the same as we do for rent, taxes, help, &c.

We believe a cash business will be mutually beneficial. Every person is looking for the cheapest market to buy in, and where goods are sold on credit cannot be the cheapest place. Neither can a cash and credit business be the cheapest, although cash customers may get a discount; yet the credit price is always asked, and even with the discount off, the prices are not so low as they would be if the business was strictly cash. It is an undoubted fact that the man who sells the cheapest is the man who sells for cash.

Selling for cash, we can and will sell at lower prices than ever before.

Buying where credit is given you not only have to pay for your own goods, but for the man who does not pay.

Buying where no credit is given you get your goods at the lowest figure; they are paid for when got, and you have no long bill to settle at the end of the year.

If you can get your goods 10 per cent. cheaper by paying cash, and we think you can by dealing with a cash house, don't you think it would be well to try it for a year? We are confident if you give it a trial you will not go back to credit.

For the reasons given the firm marked down the prices of its stock and boldly made the plunge, taking the risk of offending old customers thereby. In August of this year we asked the firm how the experiment had succeeded, and the following is their reply:—

"We have found the change a most satisfactory one, exceeding our expectations. We are thoroughly convinced that, as far as the town of Clinton is concerned, the cash system is practicable. When making the change we were afraid that it would give offence to many of our old customers, but in this we were agreeably disappointed. We tried to show the advantage of the cash system to the customer as clearly as we could, and, with few exceptions, they agreed with us that the change would be a good one. What was the most satisfactory feature of the change was the way in which the volume of sales kept up. We did not look for it; because when you consider that for 27 years we had been running as a credit business, and that at the end of the year from 25 to 30 per cent. of our year's business was on our books, it is not surprising that we should expect a very large decrease in sales when making the change. We are thoroughly satisfied that we made a good move, and never think of changing back to the old and unsatisfactory credit system.

"Yours sincerely,

"EST. JOHN HODGINS."

Here, then, is evidence to the retail dealer that to sell goods for cash is practicable, and not only practicable, but preferred by customer as well as merchant. Some may tell us that while others may do it they cannot by reason of some special circumstances. Some will hold back because they are afraid of losing trade. John Hodgins' Estate did not lose trade, but their volume of sales kept up and they would not go back to the old plan. Some will complain that they have not capital enough to make the venture. We can point these to a man who began a cash business on less than \$2,000 of his own and \$3,000 borrowed, in an old town which had known nothing but credit business for thirty years. He captured the trade of the place, and in fifteen years paid back his borrowings, and made enough to retire on. The shrewd man sees the advantages of cash trade, but the timidity of human nature prevents his attempting it. If any capable solvent merchant makes up his mind to do a cash trade, we take the responsibility of saying that his creditors, at any rate, will applaud his resolve.

THE MANITOBA CROP.

We have received this week from a friend in Winnipeg the most recent bulletin of the Manitoba Department, which makes, under date 15th August, a report upon crops and live stock in that province. It notes that the seasonable rains which fell in abundance during June and the early part of July, caused rapid growth of vegetation. "Since the middle of July the weather has been dry and warm, causing grain to mature very rapidly. In districts where the soil is light or sandy, grain has, on account of the late drouth and the hot winds during the first week in August, ripened too fast. The extent of the damage done will only be known when the crop is threshed. Sudden climatic changes, accompanied by wind storms and hail, have occurred in some sections of the province, doing considerable damage." The yield of wheat is estimated at 19.23 bushels per acre on 1,000,000 acres, or say in all 19,302,000 bushels.

The estimated yield of grains and hay in the different districts of the province is thus given:

OATS.				
North Western District,	39 bushels to acre			
South " "	30.1 " " "			
North Central " "	42.3 " " "			
South " "	45.0 " " "			
Eastern " "	41.5 " " "			

WHEAT.				
North Western District	21 bushels to acre			
South " "	14.1 " " "			
North Central " "	22.6 " " "			
South " "	23.2 " " "			
Eastern " "	24.5 " " "			

BARLEY.				
North Western District	29 bushels to acre			
South " "	25.3 " " "			
North Central " "	36.7 " " "			
South " "	32.7 " " "			
Eastern " "	32.0 " " "			

The yield of peas in the north-western district of the province is not given, but that grain in the eastern and south-western districts is expected to harvest 16 bushels to the acre, as compared with 28.3 in the north and 29.2 in the south central district. Flax will, it is thought, produce 15 bushels to the acre.

HAY.			
Locality.	Prairie Hay.	Cultivated Grasses.	
N. W. District.....	2.10 tons.	2.20 tons.	
S. W. "	1.68 " "	1.78 " "	
N. C. "	1.95 " "	1.99 " "	
S. C. "	1.75 " "	1.65 " "	
E. "	1.65 " "	2.55 " "	
Average for Province..	1.82 tons.	2.03 tons.	

The following statement, for convenience of reference, gives comparison of the estimated yields for the present year with the results of the harvest of 1892:

	Actual yield 1892.	Estimate for 1893.
Prairie Hay.....	1.92	1.82 tons per acre.
Cultivated Grasses..	2.31	2.03 " " "
Wheat	16.5	19.2 bus. per acre.
Oats	35.	39.0 " " "
Barley	29.	31.0 " " "
Peas	11.1	22.5 " " "

It is thus seen that the estimated yield of the province is stated officially at 19.2 bushels per acre, which tallies almost exactly with the estimate of Mr. W. W. Ogilvie. The department also agrees with that gentleman in stating that "in the south-western district there will be a short light (wheat) crop; reports show an improvement as they move east."

The reports as to the condition of vegetables and roots are conflicting; in the west drouth and heat have prevailed, and in the