

outside the association; and the penalty for cutting rates is a cancelling of the policy. The plan of uniform rates, it is pointed out, takes little account of the moral hazard, a large factor in fire assurance.

Some of the conclusions of the report will be challenged, but for the most part public consent to its conclusions will be readily given. Certain forms of boycotting are signalized, which are now likely to be brought under the ban of the law. The combines have to be taught that the right of combination has its limits; within these limits it may be allowed to exist in full force, but beyond it must not go. People have a right to combine for their own benefit; but they have no warrant in doing so to encroach on the rights of others. They must respect other people's rights while insisting on their own. The revelations of the committee must bring a legal remedy, though it will be impossible to get it this session. No obstruction is likely to be offered next session, when the bill now to be introduced shall reappear. If the infiction must be borne for another year, the hope of coming relief will do something to enable the public to bear up under it. Some of the combines may crumble meanwhile under the breath of public censure.

THE STATE OF TRADE.

Business in Canada, generally, is reported dull. People are asking why. The opening of navigation does not seem to have enlivened commercial affairs, and, as is not unnatural, many are already looking to a good harvest as a cure for the dullness, and consider that nothing else will put matters right. A short crop might mean disaster to many. The buoyant ones look forward to a European war as a panacea. This, they argue, would produce "good times," for there is a good deal of grain, especially in Manitoba and the North-West, still unmarketed, and a boom in the price of grain would restore confidence and prove an inestimable benefit to this country. But, all such speculations apart, we may profitably look at some features of our commerce, and may therein discover some reasons why trade is unsatisfactory. A correspondent points out some undesirable conditions of the dry goods business, and we are by no means sure that like conditions do not prevail in other lines of wholesale merchandising.

There are too many people in business, both wholesalers and retailers, and the expenses are, as a rule, out of all proportion to the amount of business done. We are told of one wholesale dry goods house which has to sell \$200,000 worth of goods before it can reckon upon one dollar profit, and this where the entire turn-over per annum does not exceed \$300,000 to \$350,000. A few bad debts would wipe out effectually any expectation of profit at the end of a year from the business of this house. It ought to be, if it is not already, becoming a question with a great many of the smaller wholesale dealers whether it is a wise policy to continue in business under the combined elements of declining profits,

increasing expenses, and a stationary turn-over. Take the experience of one who has already been through the mill, and who furnishes the following figures predicated on a business of \$400,000 per annum:

Say average gross profit on turn-over of \$400,000 per annum.....	\$40,000
LESS EXPENSES.	
Four travellers average salary \$1,500	\$ 6,000
Travelling expenses, 250 days in the year, at \$5 per day, \$1250x4	5,000
Expenses of salaries in house, taxes, rental, etc.	8,500
Interest account.....	10,000
Contingent account, 1% on \$400,000	4,000
	\$33,500
Net surplus.....	\$6,500

This does not allow anything for partners' expenses nor for bad debts, unless the contingent fund be considered as such. One bad debt, such as may develop any day, would extinguish the profit. It may be urged that a gross profit of ten per cent. is not a fair average, English and other imported goods paying much more. The fact is probably correctly stated, but many Canadian goods are sold at absolutely no profit, or at least at no more than 5 per cent., and in a business such as we have quoted Canadian goods bear a large proportion of the total. We are probably safe in saying that \$150,000 of the \$400,000 would be Canadian.

The only chance of success for a business such as above noted would seem to be to pay cash for all Canadian goods and thus reduce the interest account. Canadian manufacturers are disposed to be liberal when offered hard cash. Concessions may be had from some not only in degree of discounts but in prices also. We should not like to say that there is no chance for the smaller house, but it is undeniable that larger houses doing millions a year have an advantage over their smaller competitors. Fortune will decide for "the heaviest battalions" with the lowest relative percentage of expense. A scarcity of goods and a fillip of good times would be a boon, of course; but so long as business is carried on in the present fashion, a healthful condition of wholesale trade cannot be looked for.

In some respects such a consummation as has been indicated above would be regrettable. The smaller houses and the smaller markets have done their share in building up the country, and have done much good. We are loth to believe that their sun must set. Indications point, however, to a policy of concentrating capital to special lines of the dry goods trade, where facilities are inadequate to carry full stocks of soft goods generally, as the likeliest to lead to success.

THE EGG COMBINE.

This latest addition to the brood of "combines" is not the least robust among the many members of that interesting fraternity, and boldly intimates that it has come to stay. A trade combination that is reducing instead of increasing the price of a commodity to the consumer deserves more than passing notice, and should be entitled to commendation. Let us examine

more closely then, and try to decide whether the members of the Egg Combine are disguised philanthropists or not.

Eggs are now costing in the country villages and towns 11 cents per dozen. To this add cost of collection 1 cent per dozen; freight to Toronto and return freight on empty cases, $\frac{1}{2}$ cent per dozen; and commission for sale by the combine agents in Toronto, an unknown quantity, but let us say $\frac{1}{2}$ cent per dozen. Thus the total cost is 13 $\frac{1}{2}$ cents per dozen, and yet we find the Toronto market being supplied at 12 cents per dozen by the agents of the "combine." The net result is 1 $\frac{1}{2}$ cent per dozen loss, and this on the most moderate computation of cost. Say that the average receipts are 200 cases per day, or 6,000 dozen, the loss per day would be \$75.00. This, surely, is where the philanthropy comes in! Even philanthropists are only human, and may adopt harsh, tyrannical methods to get rid of those who interfere with the benevolent plans which they have adopted for the public good, and so we regret to find it to be in this case.

The wholesale egg dealers in Toronto discover that a systematic process of boycotting is in progress. To explain: A, the city dealer, has been buying direct from B, the country storekeeper. C, the combine man, comes along, and the following conversation takes place: C.—"Why don't I get your eggs this season. If you don't sell them to me now, when the hot weather comes I won't take them at all, and you'll lose heavily; these Toronto men have no facilities for handling the stock in hot weather." If B is possessed of grit, he will, upon being thus addressed, forcibly request C to attend to his own business, and leave the management of his (B's) to himself. But in many cases the threat of being left stranded with the hot weather stock, proves fatal to A's further purchases from the threatened B. The independent egg dealers of Toronto have facilities for handling all the stock of eggs, hot weather, or otherwise, and we are told that they propose keeping in the market too.

The rush of egg production will continue for about another month. After that time has elapsed, but more especially during the winter months, the day of reckoning will have arrived. Our philanthropic friends will, they expect, control all the pickled stock; production for the most part will have ceased; the usual stock of pickled eggs not being held by city dealers, the Toronto market, which has been so blessed this spring, will be asked to repay that little account of \$75.00 per day, and possibly a modest commission beside, to recoup the brotherhood for their vernal generosity.

We are just taking the parochial view at present; we shall ask, for instance, how have Toronto interests been affected? Excepting to the fortunate agents of the combine, the spring egg trade has been carried on without profit to either the wholesale or retail dealer. Now why should it have been unprofitable to the retailers? Have they not had a generous open-handed combination of traders to deal with, who were quite willing to sell at a loss to serve their own ends? True, but the generosity was limited. A, the large