

# The Commercial

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## CURTAILING CREDIT.

An honest effort is apparently being made to curtail credit business throughout the country. The Brandon Times recently said: "Our merchants are getting a settlement from customers for old accounts by note and are now positively refusing credit and are selling only for cash or trade." This is only an indication of what is being attempted in other parts of the country. It is to be hoped the efforts in this direction will be faithfully followed up, until the present system has been completely revolutionized. Country merchants have been selling their goods freely on credit, and as the past year was a poor one for crops, they have been able to get in but very little money on account. The result is that while they have parted with their goods, they are unable to get in enough cash to meet their liabilities, much less to purchase new goods. While country dealers are hard up for cash, they have large assets in the form of book accounts, which as a rule are considered very much less desirable than stock in trade. The farmers have liabilities due to implement men and others, to whom they have given notes, and the storekeepers are about the last ones to receive their pay, consequently in a light crop year, there is very little cash left for the country merchants after other creditors have been paid.

The present season has been a very severe one upon many storekeepers, owing to the reasons referred to above, and they are beginning to see the folly of this credit system which has been carried to such extremes in this country. Hence the efforts now being put forth to curtail the evil. Of course it will be very difficult to collect outstanding accounts before another crop comes in, and the best that can be done in many instances is to secure settlement by note. However, by closing down now upon credit business as much as possible, the farmers will be forced to economize, and it will thus be easier for them to square up after next harvest. The merchants will sell fewer goods, but this will be better for them, as the larger their purchases, without the cash to pay for them, the worse it will be for them.

If credit business had been more restricted in years past, the country would now be in a good deal better shape to pull through a close year like the present. Under a closer cash system, the farmers would have economized in their purchases. They would not have gone so freely into debt upon the strength of a crop not yet harvested, and when the harvest did not turn out as good as expected, they would have fewer liabilities to meet. The free credit system which has heretofore been in vogue has had the opposite effect. It is a feature of humanity that prospects look better in the future, and this feature born of hope, leads many to overreach themselves by assuming large liabilities, especially when it is made so easy for them to do so by the credit system of the country. It is hoped that the lesson of the

present will not be forgotten, and if the trade of the country profit by the experience and carry out a reform, it will be better for the future.

One of the causes which leads to extreme credit business, is the desire to do a large business. In order to keep the goods moving, turn over a lot of stuff, and have the store full of customers, some dealers will give credit altogether too freely. If only there is an appearance of a rushing business it is all right, whether or not any money is coming in. This is all wrong. Better do half the business and be able to meet obligations when due, than do a rushing credit trade and be chronically hard up and unable to meet notes.

There is too much carrying all around. Retail dealers are carrying customers right along from year to year. If they get settled up once a year, they are lucky, and then they begin at once to carry the customer for another year. With some effort this carrying system could be largely obviated. There would be just about as much sense in the merchant requiring that he be paid an amount in advance equal to the estimated requirements of his customer for a year ahead, as there is in the present carrying system. Then, as the retailer carries the consumer, he must in turn be carried by the wholesaler, while the wholesaler is obliged to seek the assistance of the banks, in order that he may carry the retailer. And the interest on the money necessary for all this carrying goes to the eastern capitalists. Now that a start has been made to curtail credit business, it is earnestly to be hoped that it will result in a great reduction of "carrying" all around, thereby placing trade upon a more safe foundation. In order to be successful, the movement to curtail credit must first be applied to the consumer, and gradually increased and steadily persisted in until it has permeated the trade throughout.

## MINING IN BRITISH COLUMBIA.

It begins to look as though mining operations in British Columbia will be carried on with vigor this year. There are indications of an active movement in several directions, as soon as spring weather sets in. Prospects were never better than at the present time, and 1890 is likely to prove a year of genuine progress in the development of the great mineral wealth of the province.

One very encouraging feature which points to activity in the direction indicated, is the establishment of smelters. Heretofore the work of developing the mines has been at a great disadvantage, as there were no smelters in the country. The best that miners could do was to prospect the country, locate claims, and do only enough development work to demonstrate the value of their finds. Now the situation is entirely changed, and next spring mine owners will be able to start in with the knowledge that smelters are at hand, where they can ship their ores at light cost for reduction or sale. This should be a great encouragement to them to go in and develop their properties in earnest.

A large smelter has been established at Revelstoke, a town on the main line of the

Canadian Pacific railway, and convenient to the mineral districts of the interior. Revelstoke also has the advantage of being situated on the navigable water of the Columbia river. The Revelstoke smelter is understood to be all ready for operation, as soon as work can be resumed in the mines in the spring. It should prove of inestimable value in developing the mineral wealth of the interior.

At the coast the Vancouver smelter has been purchased by a local company, with the intention of completing and operating the property. The enterprise of establishing a smelter at Vancouver was undertaken last year by an English syndicate, and a good deal of money was expended in carrying out the work. Financial difficulties, however, overcame the company just about the time the smelter was completed. The company seems to have started in with insufficient capital, and probably considerable cash was dissipated through bad management. The company also invested a good deal of capital in purchasing mining properties while the smelter was under construction. At any rate, the smelter was sold to satisfy claims against the company, and it was purchased by a local syndicate of Vancouverites, at a small portion of its original cost. Mining property, in addition to the smelter, which is said to have cost the English syndicate about \$80,000, was also purchased by the Vancouver people, at forced sale, for a few thousand dollars. Having secured these valuable properties at such a trifling cost, the Vancouver people will no doubt be able to complete and operate the smelter to good advantage, thus securing another aid in the development of the mineral resources of the province.

Another syndicate has an enterprise in hand for the establishing of a smelter at Golden, a point also on the main line of the Canadian Pacific and the Columbia river. Golden also has a considerable stretch of navigable water, in addition to the railway, which will be of service in bringing ores to the proposed smelter. Those interested in the Golden smelter say they have the necessary plant for a forty ton smelter, purchased and paid for, and the work will commence early in the spring, under the direction of a mining engineer who has been engaged.

These and several other hopeful features indicate greater activity in developing the mineral wealth of British Columbia than has ever before been witnessed, and the prospects for 1890 are bright. With the establishment of the smelters, there is no reason why the great mineral resources of the province should remain longer dormant, and once an era of active development sets in, great results may be expected. In the prosperity which would follow, the settlers of the prairie would share. Activity in mining in British Columbia, would mean the building up of prosperous towns, and an increased demand for the surplus produce of the prairie farmers. Butter, eggs, cheese, meats, etc., would be required in larger quantities, and these would naturally be supplied by Manitoba and the Territories. The development of this great mineral country to the west is therefore to be desired, in the interest of the prairie country, as well as the province in which this mineral wealth abounds.