

THE COMMERCIAL

The recognized authority on all matters pertaining to trade and progress in Western Canada, including that part of Ontario west of Lake Superior, the Provinces of Manitoba and British Columbia and the Territories.

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Advertisements purporting to be news matter, or which profess to express the opinion of this journal, will not be inserted.

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Publisher.

The Commercial certainly enjoys a very much larger circulation among the business community of the vast region lying between Lake Superior and the Pacific coast than any other paper in Canada, daily or weekly. The Commercial also reaches the leading wholesale, commission, manufacturing and financial houses of Eastern Canada.

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GEORGIAN BAY CANAL SCHEME.

Discussion of the Georgian Bay, Ottawa and Montreal waterway project, has been revived of late and a great many interesting calculations are being made to show what an immense effect the carrying out of the scheme would have upon the freight carrying business of America. The proposed new route would make almost a bee line from the upper ports of the great lakes to Montreal, which is the head of ocean navigation in Canada. The distance from Georgian Bay to Montreal by it would be 420 miles, 400 of which is open and navigable water now, so that the actual length of the artificial portions would be 20 miles. The engineering difficulties in the way are not at all serious and the channel could easily be made deep enough to admit all but the largest ocean going craft. The saving in freight rates to and from all upper lake ports would be so substantial that the cost of the canal could be easily provided for by toll, and still leave a handsome margin of direct saving. The cut in grain rates from Chicago, the principal interior shipping port of this continent, would alone be fully 1½¢ per bushel on wheat, which practically means that the Canadian route would take the business.

The advantages to Canada from the opening of this waterway would be immense. The city of Montreal would become the principal grain shipping port of this continent, the St. Lawrence route to the ocean would become the leading American highway, and the interior trade of this country would receive a tremendous impetus.

THE CANADIAN MINT.

Canada will shortly have an establishment for the minting of her own metal coins as a result of a recent decision of the Dominion government. The minister of finance has the matter in hand and has secured a grant from parliament for the purpose of erecting and equipping the plant. It is estimated that the annual expense to the country will be \$75,000 a year. The object in establishing this mint is to provide a distinctly Canadian coinage in which all the paper money of the country will be redeemable. Hitherto

we have not had this and by tacit understanding our paper money has been payable in United States gold as this was the most readily available coin based on the same system as Canadian money. The British sovereign has a value of \$1.862-3 of Canadian or United States money, but this is not such a convenient medium for redemption purposes. With a purely Canadian gold coinage it is argued that we will no longer be dependent upon either the United States or Great Britain for the securing of proper money reserves. Both the government and bank reserves will it is expected be made up of Canadian gold coin.

The new mint is to be a branch of the Royal Mint of Great Britain, which will give it the additional advantage of being able to occupy its surplus capacity casting gold sovereigns for the Imperial government. This is the manner in which the Australian mint is managed. In addition to the mint proper there will also be a western purchasing agency located on the Pacific coast for securing the necessary supplies of Canadian gold. This will mean that a certain amount of Canadian trade which now goes to Seattle and San Francisco will be retained to our own coast cities, thus increasing the volume of business done there.

THE BANK STATEMENT.

The Dominion government's statement of the assets and liabilities of Canadian banks at the end of the month of April shows that as compared with a year ago there has been substantial growth in every important detail. Our banks are growing rapidly in volume of business and resources, which is evidence that the business of the country is growing too. The total reserves of the chartered banks now amount to \$35,405,456, capital paid up \$66,819,010, and notes in circulation \$17,006,701. The public deposits subject to demand amount to \$92,907,158, an increase of \$2,261,482 during the month; the public deposits on notice are \$215,352,273. An increase during the month of \$4,318,906; the deposits from points outside of Canada are \$22,706,825, an increase during the month of \$33,250. The other features on the debt side of the balance have not fluctuated much as compared with the previous month. The total liabilities amounts to \$400,802,203 as compared with \$391,549,383 at the end of March. The principal features of the asset side of the balance on April 30, were: Specie, \$11,819,200; Dominion notes, \$19,944,669; due from foreign banks, \$10,493,659; Canadian government debentures, federal and provincial, \$12,054,654; call loans in Canada \$32,617,029, call loans elsewhere, \$36,160,533; current loans in Canada \$253,160,507, current loans elsewhere, \$20,374,386; these with a number of minor items make up the handsome sum of \$511,569,603 as being the total assets.

THE NEW LEAD COUNTY.

The Dominion government's action in granting a bounty on lead refined in Canada, in response to appeals from the Kootenay and other sources, is being generally commended. However radically we may disagree with the principle of artificially building up industries there seems to be considerable excuse for the departure in this case and there is plenty of precedent for it too. The result of the government's decision will be that a Canadian industry which has been almost strangled to death by unfair competitors in the United States will now have a chance to get upon its feet.

NORTHERN PACIFIC DEAL CONSUMMATED.

On Saturday last at 12 o'clock noon, the formal transfer of the lines of the Northern Pacific Railway company in Manitoba to the provincial government was made in the office of Superintendent Vanderslice, at Winnipeg, under the terms of the lease of January 15th last. No corresponding transfer to the Canadian Northern company was made at the time so that the operation of the road since that time has been carried on for the government.

Manitoba to the Ocean.

The Montreal, Ottawa and Georgian Bay Canal company have just issued a neat little book nicely illustrated with views, taken on the route proposed to be traversed by the canal. The prospectus sets forth the following reasons for such a canal being constructed:—

"That the great need of the enormous and rapidly increasing lake traffic is an outlet for lake freights to the seaboard.

"That such an outlet can be given by a 20 foot navigation only.

"That the chain of rivers and lakes from Georgian Bay to Montreal is the natural waterway to attain this purpose and by which Manitoba and the Canadian Northwest will be brought into direct cheap water communication with the seaboard.

"That it is the shortest outlet by over 400 miles for the western lake ports and can be constructed at a cost of less than a third of any ship canal from the lakes to the United States seaboard.

"That when constructed it will revolutionize the trade of the great lakes, diverting it to the ocean through the St. Lawrence to the benefit of the whole Dominion and specially of the ports of Montreal and Quebec and of the maritime provinces.

"That such a waterway with its water powers would open up to settlements and centres of industry the provinces of Ontario and Quebec along the Ottawa valley and French river.

"That the opportune moment for entering upon and carrying to a speedy completion this important undertaking has arrived and deserves the material and energetic support of the Dominion government."

Holding Trade at Home.

Three principal agencies are at work taking trade from the small towns and cities of the country and attracting it to the large cities and commercial centres, to the injury of the retail dealer located in such small cities and towns, says the Minneapolis Commercial Bulletin. These agencies are the catalogue and supply houses, the city department store and the manufacturer who sells direct to the consumer. The retailer should at all times work in opposition to these, with a view to holding all the trade possible in his home town. The problem involved in holding all of his home trade is one that will demand his best thought and most careful attention, and if he is well equipped and prepared for it, he will be able to accomplish wonders in this direction.

In the northwest there are many consumers who wait till they want to purchase a large bill of goods, then they take the train and come to Minneapolis and St. Paul, and make their purchases in the large department stores and ship the goods either by freight or as a part of their personal baggage. They labor under the mistaken idea that the city department store manager is able to undersell their local dealer, but the latter, if he is astute and shrewd, can soon convince them to the contrary. He can show that the expenses of the city department store, with its enormous rents, its hundreds of clerks, its advertising bill running up into hundreds of thousands each year, and its losses through poor management occasionally in certain departments is more than double his expenses. It will pay the retailer in the small town or small city to watch the advertisements of the city department store. Frequently he will find that alleged "bargain ads" are not genuine bar-

gains at all, but are dependent upon the credulity of the consumer in attracting trade. Whenever the country retailer runs across a quoted price in a department store advertisement which is higher than his price it is a good idea to save that advertisement and make a comparison in the next advertisement in his local paper. If he can make half a dozen comparisons favorable to himself, based on the prices named by the department store, it will be a most powerful argument in holding business at home. There is no retailer who watches his business carefully, uses discretion in his purchases and only demands a fair profit on his goods, but that can do this. If he finds the mania for going to the city to make purchases is increasing then it would be well for the retailer to teach a wholesome lesson to his home consumers. He can do this by sacrificing his profits on some lines, thereby making a comparison with the city department store prices in his "ad" and by calling the attention of his customers personally to his lower prices.

One of the methods of combatting the catalogue house and supply store has already been referred to on this page in a subsequent issue of the Bulletin and Trade, and little more can be added. To meet catalogue house competition the retailer should offer some goods in quantity lots for a cash price, and making that cash price as low as the cash price of the catalogue house, he should guarantee the goods exactly as represented, and also agree to exchange them for better goods at higher prices if they do not give satisfaction to the consumer.

In the matter of meeting competition from manufacturers who sell direct to consumers, the retailer is in a position to meet this to a large extent. In the first place it must be assumed that the manufacturer who sells direct to the consumer cannot sell his product through the jobber or the retailer, because his prices are so high these merchants will not purchase from him. If he could sell his goods through the regular channels it would be to his advantage to do so, and thereby reduce the expense of the selling department, bending all of his energies to production. No manufacturer of any prominence prefers to sell his product in small lots, and go to all the bother of packing, shipping, etc., such small lots, if he can dispose of his goods to large purchasers at a fair profit. It is only when the manufacturer finds himself in the last ditch so to speak, that he resorts to these methods.

If he finds himself in this predicament the manufacturer who sells direct to the consumer must add to his original cost of manufacture all the expenses of doing a retail business. Moreover these expenses must be comparatively heavier than those of the small retailer, because he must advertise extensively, he must employ a large force of office help, stenographers, bookkeepers, clerks and mail order men and women; in the shipping room he must also employ a large force of shipping clerks, teams to transport goods to the railroads, etc. In the end he may be able to sell at prices some lower than the average retailer, but there are other considerations which more than balance any difference in prices in favor of the manufacturer. Consumers purchasing from a manufacturer direct cannot exchange goods, they cannot inspect goods if they live at a distance and they must always pay cash for their purchases and in the end they will not find this method of buying as satisfactory as purchases made from home dealers. If they break a part of any article purchased they must send to the manufacturer to replace it. Thus it can be seen that the retailer in the small town and city through the proper education of the consumers is in a position to eventually hold their trade. Fair, honest, truthful arguments should be used in the store and in the advertising matter in an effort to hold trade at home, and while they do not always bear immediate fruit they will in time and in the end if the retailer works along proper educational lines he will be able to accomplish a great deal in holding the trade of his home community.

According to advices from Dawson of May 18, the Yukon river at Dawson is clear of ice.