

a messenger brought him news of the failure of the Marine Bank upon which the company chiefly relied for its Eastern backing. The scheme subsided and the concession expired Sept. 30 last through default of Merly and the company. The appropriation asked for by Frelinghuysen a quarter of a million dollars was really to enable the Government to pay the necessary expenses engendered in the negotiations. The Senate was aware of the purpose for which it was intended, and the House Committee on Foreign Affairs and on Appropriations were informed of its purpose, and the House refused to grant the sum. The State Department, it appears, had been successful in its negotiations, although Merry declares that Nicaragua has not ceded any sovereign rights in its territory. He anticipates it will be one of the most momentous questions with which the next Congress will have to deal, as the concession granted conflicts with the Clayton-Bulwer treaty. Merry takes his defeat good-naturedly, although it has been the one object in view for the last twenty years to build an interoceanic canal.—*Chicago Journal of Commerce.*

The Decadence of Rye.

An agricultural writer says: During several years rye has not been a favorite crop in this country. Our native population prefer a strictly white bread which can not be made from rye. Indian corn has taken its place as a food for fattening animals. It has also been generally used for fattening hogs. In colonial days, as well as for some days after the revolution, rye was commonly employed for making alcohol and whiskey. As the west became settled corn took the place of rye for making these articles. In the New England states, where "Boston brown bread" is extensively used on tables, rye meal was formerly employed for mixing with corn meal. During the past few years, however, wheat middlings have commonly taken its place. In quality they are greatly inferior to rye meal, but their cheapness causes them to be used. The Germans and Scandinavians who come to this country continue to eat rye bread in preference to that made from wheat flour. This practice is obviously the result of early experience, and may not continue beyond the present generation. At present, however, the preference of the people from central and northern Europe for rye bread is strong. A few years ago they continued to buy rye flour, although it was considerably higher than the best wheat flour. That rye bread is in some respects superior to that made from wheat flour is obvious. It has an agreeable, sweet flavor that wheat bread does not have, and also retains moisture longer after it comes from the oven. Still, the prospect that rye will ever take the place it holds as a material for making bread in central and northern Europe is very poor. Neither is it likely that rye will be extensively used as food for the inferior animals or in the manufacture of alcoholic drinks.—*Northwestern Miller.*

FORT WILLIAM will shortly possess a paper to be called the *Echo*.

Correspondence.

HARD-UP RETAILERS.

To the Editor of the Commercial.

SIR,—Your correspondent of last week, signing "Hard-up," has told a great deal of truth about how retail merchants in Manitoba have been treated by banks of late, and, as one of those traders who passed through the boom, and remembers how lots of unreliable adventurers could in those free and easy days finance at one bank to the extent of tens of thousands of dollars, if necessary, when they had nothing to show as resources but a load of mortgaged and inflated town lots, I can realize fully the truth of his pertinent remarks. I am now one of the hard-up retailers, who never used the funds of any bank for speculative purposes during crazy Boom days, but now that there is a change in the aspect of affairs, and I could use some funds with safety and profit in my legitimate business, I find I am not considered a regular customer at any bank, and, consequently cannot obtain any accommodation or favors, as bank managers now patronizingly call all advances of money. During Boom days I never was without several hundred dollars lying to my credit in one of our Winnipeg chartered banks, and at times this reached several thousands, and I never had occasion to ask an overdraft or loan for over two years until last summer. The bank where I deposited my money used my money, used my funds and those of others, as I am well aware, and could prove, if necessary, for speculative business in which no bank should be mixed up, and I have no doubt made large profits out of the same money on which they paid me no interest. In gambling and speculation there are usually only two chances, that of winning and that of losing, but banks here had another, namely, the chance of having a load of speculative investments to carry for which they know how long. The bank which speculated with my money is exactly in that position, and is not prepared to render me any financial aid in a time of need, but is prepared, from Hobson's choice no doubt, to carry for years to come, the speculative loads of the irresponsible characters they trusted during the Boom, some of whom manage to exist, and keep up a bigger appearance than I can, without following any business, or having any visible means of support. I, like many others, have heard some lectures lately upon what is proper banking, and under what circumstances a bank should advance money, but I can tell this, that by no other business institutions have these rules now laid down been so completely ignored during the last three years, as by chartered bank branches in Winnipeg. I can say it and prove it too, that not a chartered bank which has been doing business in this city for three years, but has lent its aid more or less to speculation, which no bank should touch. There are dozens of cases like mine in Winnipeg where a bank has made money freely out of a retail merchant's deposits, and when he required assistance from them and was able to give ample security, they refused to support him. One aim of these banks was certainly to make money, but I deny that

to assist the industrious business man was another.

Hoping you will find space in your columns for this,

I am, etc.,

RETAIL MERCHANT.

CREDIT AND RUIN.

To the Editor of the Commercial.

SIR,—Looking at the number of failures among retail men at the present time, one naturally asks himself why these failures should be of such frequent occurrence. It has become the fashion in Winnipeg these days to blame each and every kind of trouble to the "Hard Times," and in this convenient and unthinking way to dispose of all kinds of misery in the lump.

It is always well, however, to look beneath the surface, and we do not need to search far for one of the primary reasons for the position in which many retailers find themselves today. Recent failures in the grocery trade especially, has brought to light the unsatisfactory fact that in almost every case the trouble has been due, directly or indirectly, to the amount of credit given to consumers—credit to an amount in some cases which may well astonish any one acquainted only with the rudiments of business.

This, certainly, is a most unhappy feature at the present time—blame is with both parties, consumer and retailer—it is difficult to say who is to blame most, the merchant who disposes of long lines of household necessities, on indefinite credit, to the detriment of himself and the houses with whom he deals; or the consumer who unheedingly runs long bills for goods which he knows he can at best ill afford to pay for, or cannot pay for at all.

The system of consumers purchasing on credit is wrong in principle. When a household embarks on this plan it is usually found that many articles are bought which could well be dispensed with; the cost is not felt at the time but soon the fact stares the bread-winner in the face that the household bills are above and beyond his power to discharge. He may wake up to the fact, and start on the up-hill work of reducing his indebtedness and his expenses but the road is a long one and the goal usually never be reached unless a fortunate combination of health, work and wages continue. The principle of "pay-as-you-go" is the only correct and safe plan to follow, and if mankind in Winnipeg, or anywhere else, would only work on the plan of buying nothing till it could be paid for in cash, much of the family misery on the one hand, and many a retail failure on the other would be avoided.

It is wrong in principle for retailers to give credit. By doing so they are tempting customers to extravagance, and the desire to do retailing business is no justification of the system. It is not right to do a rushing trade on a steady cash basis on "Small profits and quick turns," but the retailer who disposes of goods on credit on all hands, is risking his own life and risking the property of the wholesale merchant who supports him. The retailer gets credit from the wholesale merchant not for the purpose of risking his goods on credit to consumers but to give him time to dispose of for cash.