

# THE COMMERCIAL

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

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or which profess to express the opinions of this  
journal, will not be inserted.

Office: 181 McDermot Street.

D. W. BUCHANAN,  
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 Can-  
ada, daily or weekly. The Commercial also  
reaches the leading wholesale, commission, manu-  
facturing and financial houses of Eastern Canada

WINNIPEG, APRIL 1, 1899.

## MUNICIPAL ACCOUNTS

The recent tragedy at Altona, in  
southern Manitoba, is another re-  
minder of the loose way in which munici-  
pal affairs are managed. The Com-  
mercial has several times urged the  
necessity of a strict supervision of  
municipal accounts. We certainly  
think that some plan should be adopt-  
ed providing for a systematic audit  
of municipal accounts at regular in-  
tervals, under the control of the pro-  
vincial government. In the province of  
Ontario it is claimed that defalcations  
by municipal officials have decreased  
wonderfully since the adoption of a  
system of government supervision.

## CHEAP LABOR

A Winnipeg paper recently report-  
ed that our new immigrants—the  
Doukhobors—are cutting wood at the  
rate of 40 and 50 cents per cord. If  
this is true, it would seem very hard  
for those who earn their living in  
this way to have to compete against  
such cheap labor. The Doukhobors  
have been brought here and are be-  
ing supported to a considerable ex-  
tent by the government. It is hardly  
fair to city laborers, who have to  
earn their own living, to compel them  
to compete with this class of labor.  
Many of those who have to earn a liv-  
ing by such jobs of this nature as they  
can pick up, have families to support.

Work is usually none to plentiful in  
the winter season at best. The man  
who manufactures a cord of cord-  
wood into stove wood, at \$1.25 to  
\$1.50, dearly earns every cent of the  
amount. It would be a shame to ask  
anyone to do it for less.

## TRADING STAMPS

The trading stamp system has been  
introduced in Winnipeg. While the  
encouragement of cash business in  
every legitimate way is desirable,  
The Commercial is not sure that this  
is the best way, nor even a very de-  
sirable way of encouraging consumers  
to buy for cash. We have in times  
past urged the advisability of giv-  
ing a good discount for cash, in order  
to encourage cash trade. It costs  
more money to do a credit business  
than to sell for cash. There is the  
expense of bookkeeping and collecting  
to be added to the cost of credit sales.  
Besides this there is the interest on  
the money which the merchant is  
obliged to wait for. All this belongs  
to the extra cost of a credit business,  
as compared with a cash trade. But  
besides this, there is the loss on bad  
accounts. A merchant cannot give  
credit without making some bad ac-  
counts. The loss in this way is fre-  
quently the most serious feature of  
credit business.

It seems very unfair that cash cus-  
tomers should be made to pay for the  
extra expense and losses in bad ac-  
counts arising from credit business.  
A Winnipeg merchant who does a large  
trade, told The Commercial recently  
that it cost him ten per cent on his  
credit business to collect his accounts.  
All this shows the necessity of encour-  
aging cash business. It further shows  
the unreasonableness of charging cash  
and credit customers the same price  
for their requirements. A Winnipeg  
grocer told a cash customer a few  
days ago, that the margin of profit  
on groceries was so small that no  
grocer could give a cash discount and  
live. If Winnipeg grocers cannot af-  
ford to give a cash discount, it is be-  
yond comprehension how they can  
manage to do a credit business and  
live. That grocer evidently does not  
know the value of cash business.  
Cash purchases at a dis-  
count of 5 per cent should give him  
a better profit than credit business  
without the discount. If it costs ten  
per cent to collect accounts, as one  
merchant said, cash business would be  
more profitable at a discount of ten  
per cent.

The proper and legitimate way to  
encourage cash buying would be to  
charge credit customers for the full  
cost of doing a credit business. In  
other words, give the cash buyer a  
discount equal to the extra cost of  
the credit business. If the margin of  
profit is not sufficient to enable mer-

chants to do business in a proper way,  
it should be increased. If the system  
of giving discounts in this way were  
generally adopted, it would appeal to  
thoughtful people, who would quick-  
ly realize the advantage to be gained  
by paying cash.

One objection to the trading stamp  
system is that the customer does not  
get the full benefit of the discount. A  
third party comes between the mer-  
chant and his customer and shares the  
profit arising from the cash business.  
This, we think is neither necessary  
nor wise. The benefit of the cash  
transaction should be divided between  
the merchant and his customer only.  
Besides, a straight cash discount  
would be far more valuable to the con-  
sumer than a premium in the form of  
a piece of furniture or some other arti-  
cle.

A straight cash discount would, we  
believe, also be more valuable in the  
direction of educating the purchasing  
public as to the advantage of buying  
for cash. A certain number of people  
may make a fad of collecting trading  
stamps for a time, but we doubt if it  
will prove as lasting as if they were  
receiving a straight cash discount. A  
straight cash discount would be fair-  
er to the cash buyer, as it would give  
him the full benefit of the transaction;  
it would be more valuable to the buy-  
er than a premium; and it would have  
a more lasting effect toward educat-  
ing the buyer as to the value of buy-  
ing always for cash.

## ALONG THE CALGARY AND EDMONTON ROAD

### NOTES OF A TRIP BY A COMMERCIAL REPRESENTATIVE.

Much has been said and written in  
recent years of the richness and fer-  
tility of that portion of the territory  
of Alberta which lies along the line  
of the Calgary and Edmonton rail-  
way, the northern terminus of which  
is on the south bank of the North  
Saskatchewan river at Edmonton.  
This road is being operated by the  
C. P. R. as a branch of its system  
and has in the few years since its  
opening become a valuable feeder to  
that road.

The industries of this country at  
present are mainly agriculture, dair-  
ying and ranching, although lumbering  
and mining are carried on in a small  
way. A large fur trading business is  
also carried on with the immense fur-  
bearing region of the north. The de-  
gree of development which has been  
attained in the short time that has  
elapsed since settlers first began to  
arrive is most encouraging and gives  
assurance that with adequate popu-  
lation and proper facilities for hand-  
ling its products this portion of Al-  
berta will in time become an exceed-  
ingly prosperous and wealthy coun-  
try.

Since The Commercial last wrote  
specially of these parts, a little more  
than a year ago, much progress has  
been made in all directions. A large