

# The Commercial

WINNIPEG, MARCH 24, 1890.

## BEARING FRUIT.

The influence of the recent retailers' convention is already making itself felt. It was recognized at the Winnipeg meeting that the hope of the merchants would be in securing the organization of local associations in each commercial community to work in harmony with the head association. In this way it is hoped the reforms desired may be carried out. The first report of the formation of a local association comes from Minnedosa. The business men of that place held a meeting to receive the report of the delegates to the Winnipeg convention. Those present expressed their pleasure at the work accomplished at the convention, and it was the general belief that much good would result. A local association was resolved upon, officers were elected, and a committee appointed to prepare by-laws. A committee was also appointed to confer with other local associations to be formed at other towns in the district. This is a very wise step, as it is necessary in order to secure harmonious action, that local associations in the same district should understand each other. A resolution was unanimously passed as follows:—

"That we, the merchants of the town of Minnedosa, unanimously endorse the recommendations made by the retail dealers' convention, held at Winnipeg, and pledge ourselves to carry out said recommendations and support the Winnipeg board of trade and the retail dealers' association in any effort which may be made to amend the exemption acts and obtain an equitable and just assessment of mercantile stock and to secure reasonable insurance rates by the organization of a home company, or inducing companies not already doing business in Manitoba, to enter the field and take risks independent of the board of underwriters."

It was also unanimously agreed that three months' time be the limit of credit to customers; that the coupon system be adopted; that the price paid for butter be regulated by the wholesale price at place of marketing; that no butter tubs be given free to customers, and that no butter be taken on due or past due accounts.

Regarding butter, the Minnedosa association it will be seen has substantially adopted the recommendations of the convention. This is a good beginning, and if the other commercial communities will now follow suit, the merchants will be well organized and able to give their experiences at the next convention to be held in the fall. By getting organized at once the merchants will gain much experience which they will be able to present at the next convention. The local associations will be really the working bodies, and unless these are organized, the usefulness of the convention will be largely lost. The object of the head association will be largely to disseminate knowledge among the members, and outline the general policy of the association, but the carrying out of that policy will devolve very largely upon the local associations. A head association is necessary, in order that the same policy may be pursued all over the country, so far as local circumstances will permit. It is

therefore in the interest of the trade that no time be lost in organizing the local associations, and that the lines laid down at the convention be followed as closely as possible, in order to avoid any clashing between different local associations.

It is necessary that one point should be impressed upon merchants generally. This is, to strive to avoid feelings of local jealousies. In some towns such feelings exist between different dealers, and what is equally as bad, between merchants in different towns in the same district. These local jealousies are the cause of much injury to business, and every effort should be made to avoid them. The general convention, by bringing merchants together from all parts of the country, will do a good work in helping to overcome this feeling. The local association at Minnedosa, in appointing a committee to confer with the merchants of other places in the district, has also made a good move in the direction of overcoming any sectional feelings which may exist in that district.

There was nothing done at the Winnipeg convention which cannot be freely concurred in by local associations all over the country. In regard to credit business, the convention simply recommended the adoption of the coupon system, and the curtailment of credit during the winter months. The recommendations of the convention concerning butter are simple and reasonable. The butter season will soon be at hand again, and if the merchants are to take advantage of the suggestions regarding butter, they will require to meet and decide the matter at once.

## THE COUPON SYSTEM.

At the late convention of retailers at Winnipeg the coupon system was very fully discussed. It is quite possible that the advantages of the system may have been overrated. Still the apparent advantages of the system are such that its adoption is certainly advisable, and it is to be hoped the local associations will endeavor to carry out the recommendation of the convention regarding the adoption of the coupon system generally throughout the country.

The advantages claimed for the coupon system are important in their nature. It has been shown that it saves a great deal of work in book-keeping; it is very simple, and ensures accuracy. A great deal is annually lost to storekeepers through errors in book-keeping, neglect in charging up goods, etc. The coupon system will obviate this. The customer gives his note for, say \$50, and receives coupons in return. Whenever he makes a purchase he hands back coupons to cover the amount. Very little book-keeping is necessary in the arrangement, and as there are no goods to charge up there will be no losses through neglect to enter purchases upon the book. Then there is the question of disputed accounts, a most annoying feature constantly present with credit business. But the coupon system will do away with all unpleasantness of this nature, for their are no accounts to cause disputes. The coupons show the amount of purchases accurately and there is no possibility of a mistake.

Again, a merchant will sometimes allow a

customer to obtain credit with the intention of preventing the account from assuming any considerable proportion. But once a name is entered upon the books, it is a very difficult matter to keep the account down. It will frequently greatly exceed the original intentions of the merchant before he is aware of it. Under the coupon system the amount of the account is limited when it is opened, and it cannot exceed the limit fixed upon without the knowledge of the merchant.

Another important advantage is that the storekeeper secures a note, instead of having an open account. The advantage of a note is, that it may be used as security. It further contains an obligation to pay at a stated time, whereas an account is open. This is a great advantage, and just here we may state that in adopting this system the merchants should endeavor to impress upon their customers that the obligation contained in a note is not there for ornament but that it must be met. It was shown beyond a shadow of doubt at the retailers' convention, that notes are far preferable to open accounts. A number of those present related their experience with notes, versus accounts, and the evidence given showed clearly that the amount paid was double as much in the case of notes as in open accounts.

These are the principal advantages claimed for the coupon system. It must not, however, be inferred that this system is the only thing necessary to reform our mode of doing business. On the contrary, it is only an improvement upon the present way of doing business. It is the first step in the right direction, and the end must be kept steadily in view, namely; that the object is to reduce credit business and place the trade of the country upon a more solid basis. The coupon system is one of the means which may be made use of in attaining this end.

Care will be required in giving credit with coupons, just the same as when goods are charged to a running account. In fact it will be possible to abuse credit in this way, as well as in charging goods in the ordinary way. Care will therefore be necessary in selecting customers. Merchants should also endeavor to obtain security from their customers, when they accept a note in payment of coupons. It must be remembered that the farmer is usually sheriff proof and he cannot be forced to pay the note when it is due. The farmer gives security for his purchases of implements, sewing machines, organs, etc., why therefore should he not give security for the necessities of life which he gets from the storekeeper? The goods supplied the farmer by the storekeeper are the things most necessary to the existence of the farmer, consequently it would be more natural to suppose that payment for these should form the first claim upon him. On the contrary under the present system, store bills are about the last things paid for, and the merchant is the least protected of any of the farmers' creditors. Merchants should therefore secure themselves, when they accept notes in payment of coupons.

Some may say, Oh! this will not do, we would offend our customers. Nonsense. Who is accommodated by credit, the merchant or the farmer? Certainly the farmer. Why then should the merchant be afraid to