

# THE COMMERCIAL

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## WINNIPEG AS A JOBBING CENTRE.

It is a common saying that far off fields look green. The same saying might be applied to markets. Far away markets are very tempting to the average buyer. We have consumers sending to distant markets for goods which they could buy to better advantage at home, all things considered. We have retailers who try to or pretend to do an import business, when in many cases they would do better by buying nearer home. The idea of going to headquarters for supplies is further illustrated in the branding of package goods with the retailer's names, such as "imported direct from the packers or producers, by John Smith & Co.," etc., etc.

Winnipeg jobbers have always had to contend against the idea that far away markets are the best for the retail buyers. It has been a difficult task to convince the western trade that they could buy to just as good if not better advantage in Winnipeg than by sending their orders to more distant markets. Competition is very keen in the jobbing trade in Winnipeg. There is not only competition between local houses, but the local houses are also obliged to compete with eastern houses. Prices in this market have therefore been reduced to about as fine a point as it is possible to bring them and continue business.

In the grocery trade, for instance, it is well known that prices in this market have long been reduced to exceedingly close margins. Notwithstanding this fact, Winnipeg jobbers have wondered at the amount of buying which has been done in the east by retailers. They could not imagine where the great advantage could come in from buying in eastern markets, as claimed by some retailers, knowing as they did what a small margin is allowed on groceries in this market. Recently a Winnipeg jobber obtained an invoice of a large order for groceries, placed with an eastern house, which was quite a revelation to him. Instead of finding that the goods were being sold at closer prices than rule here, it was discovered that the average of the invoice was decidedly above Winnipeg values.

The invoice comprised a list of about fifty articles and commodities. A few of them would cost the buyer about three to five cents per 100 pounds under Winnipeg prices, but the cost generally was much above Winnipeg prices, the range in favor of this market, varying from five to as much as fifteen per cent, after allowing for the difference in the cost of freight.

The real situation may be shown more clearly by giving some actual figures of the comparative cost of the goods, as taken from the invoice referred to. Selected Valencia raisins cost the buyer 30 cents per box more than if he had purchased in Winnipeg. Strawberries figured out 13 cents per case above Winnipeg prices. Such a staple as gallon apples cost 30 cents per case above a parity with present quotations here, though at the time the goods were purchased gallon apples were 25 cents per case lower than now. Gooseberries were actually invoiced at 50 cents per case above the price of choice brands here, making them cost the buyer, with the difference in freight added, about 33 cents per case above the cost laid down from Winnipeg. Lunch tongue and chicken cost about the same as if bought here, but corn beef cost 7 cents per case above the Winnipeg price. Pearlina and gold dust cost 36 cents above Winnipeg prices. Salmon and lobsters were invoiced the same as Winnipeg prices, so that the difference in the freight would be saved by buying here. Beans cost 13 cents per bushel above a parity with Winnipeg quotations. Dried and evaporated apples, sago, tapioca and rice cost the same as if bought in this market, after allowing for the difference in the freight.

On a staple like T. & B. tobacco, there was a difference of 23 cents per 100 pounds in favor of Winnipeg. The invoice price was 75 cents, insurance 3-4 cents, freight \$1.23 per 100 pounds; total cost to the buyer 76.93 cents per

pound. Cost laid down from Winnipeg, 76.70 cents per pound. Muscatel raisins were invoiced 1-2c higher than Winnipeg prices, besides the loss of the higher freight charges from the east. The invoice price of several varieties of prunes was also higher than Winnipeg prices, besides the loss in freight charges. Currants made the heavy net loss of 3-4c per pound to the buyer. Salt herrings were invoiced about the same as prices here, making a loss of the difference in freight.

These are some examples selected at random from the invoice. Most other articles showed about the same difference in favor of the local market. On the entire invoice it was estimated that the eastern house had a profit of \$300 above the margin which would have accrued to a dealer here from the sale of these goods. The freight on the goods amounted to \$701 by the water route, and the shipment was carried by a tramp steamer at that, thereby making the rate 12 cents per 100 lbs. less than the regular lake and rail rates. The all rail rates would, of course be still much higher. There was also a charge of \$32 for insurance. The total cost of laying the goods down from Winnipeg would have been \$391. The buyer had therefore to pay out cash for freight charges, etc., almost equal to double the amount which it would have cost him to lay down the same goods from Winnipeg. He got a little longer time to pay for the goods, but the extra charges for freight—which is paid by the jobber on goods bought here—would render this feature of little value. The freight from Winnipeg is the same winter and summer.

Besides the direct loss in the cost of his goods, and the heavy cash outlay for freight, there were further losses to the buyer which do not appear on the surface. This was a large purchase of goods, and the buyer was inconvenienced by having his premises overcrowded. He would have extra insurance to pay to protect himself from loss by fire. There would be deterioration in the quality of the goods and shrinkage in weight from holding longer in stock than was necessary. There was the risk of over-buying, and the danger of getting loaded up with dead stock. The goods could have been purchased in Winnipeg in smaller quantities, as required, at an actual saving in net cost, besides all the other advantages arising from keeping a stock well in hand, well assorted up—which means not too much of any line as well as enough of each line—and turning over goods promptly.

It appears from this that many retailers do not figure out the actual comparative cost of laying down goods from different markets,