

"HAVE SOME TEA, MY LITTLE DOVE?"

Or if Not Tea, There Is Jelly, Biscuit or Vodka for the Russian Merchant's Caller—Business Is Business, Nevertheless.

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A RUSSIAN merchant makes his sales and purchases before a samovar—tea kettle—and an ikon. Trade for him is not a means of gambling, but a religious profession. He looks on it as a sacred inheritance of his ancestors, a profession by which to make an honest living and to save a little for his children.

The office of the merchant consists of a wide room filled with all kinds of samples on the shelves and tables. A wide table is in the rear, on which a samovar is boiling from morning till evening. Behind this is a white tile-stove, and next to it, in the corner, is hanging an ikon with a burning lamp. On the table stand glasses, jars and boxes filled with jelly, biscuits and delicacies.

CALLING ON A RUSSIAN MERCHANT IS MUCH LIKE DROPPING IN AT AN AFTER-NOON FUNCTION.

At the table sits the merchant, with long beard, leaning back in his armchair. Next to his table are the desks of the clerk, bookkeeper and the manager, if it is a big firm, but only one correspondent bookkeeper if the firm is small. An old man who keeps things in order acts as messenger boy. His name is usually Vassili or Ivan. When I come to see Feodor Petrovitch, the merchant, Vassili announces me and then I am conducted to the table.

"Please take a seat," says the merchant, with a hospitable smile. "Vassili, give a glass of tea to the gentleman. Do you smoke? Take a glass of vodka? Well, I am sorry! Now, here is the jelly, my little dove," he continues, without giving me a chance to answer.

"Feodor Petrovitch," I begin, "I forgot to give you the receipt for the five hundred rubles."

Waving his hand, Feodor Petrovitch exclaims:

"What nonsense! You had better tell me how is the health of your family and how did you spend the last evening. Did you hear that the *Crooked Mirror Company* is in our town? Magnificent! I tell you! Simply grand! I laughed about it even in my dreams!"

"Quite so, Feodor Petrovitch," I stammer. "But I think we had better finish our business, as I intend to leave the city to-night."

"Yes, my little dove—*golubchik*—you can leave the hotel and stay with us. But we don't do business that way. We will drive to-morrow—it is a semi-holiday—to the monastery and have lunch in the inn. You must see the *Crooked Mirror* people before you leave, and you must see our family. Why, it would be a crime to come here, sell goods and leave the town like a cold-blooded German. Thank the Lord, we are Russians and we have our good name! No business to-day, nothing to-morrow; after to-morrow we can take up the business affairs. Put the receipt in your pocket and tell me frankly how do you like the Filipoff's pancakes? My little boy, you don't know our people."

Thus would speak Feodor Petrovitch and treat me to a glass of steaming tea and all the delicacies. The telephone would interrupt our conversation. Feodor Petrovitch would leave the office, asking the bookkeeper to entertain me in the meanwhile.

"How is business?" I would ask the bookkeeper.

"God be thanked, we are doing well! But why don't you take the caviar? Take a glass of vodka. You see, my dear, we don't care so much for the business that you can give us as we care for your pleasant presence. We like to entertain our colleagues, customers and business friends, but business is the last word we speak. There is plenty of bread for us in what we can do quietly and modestly," says the bookkeeper.

When the merchant returns we continue drinking tea and discussing everything but trade. I am invited to be the guest of the merchant and his family in the evening. Only on the third day I am asked by my host what I have to offer, and so on. One feels naturally as a friend to the merchant, and business is done in a patriarchal way. During this time the merchant knows more or less my psychology, my weak and strong sides, and acts accordingly. The same method, only in a lesser degree, prevails in the store. The customers are the friends of the merchant. Credit is given and debts are paid without any documentary evidence, and business has the aspect of a big family life.

It is this very element that plays the greatest role in Russian trade and yet is least known to American business men. Without knowing the *kupetz* little can be achieved in Russia. The *Kupechskaya Uprava*—Board of Trade—is the most vital institution of a Russian town. To reach this one has to know the individual merchant and be well recommended by him. This institution enjoys great privileges and independence. It takes care of the interests of its members and practically of the whole municipality. It supervises the local trade and takes great care that obligations and promises are kept by the business men. It cultivates a spirit of honesty and commercial integrity. It acts as a legislative, juridical and executive body not only for its members but for the whole township.

"WE HAVE CLOSED OUR DOORS TO GERMANY AND INVITE AMERICA TO TAKE ITS PLACE."

"The Pskoff Board of Trade made the resolution to grant an office and warehouse free of charge to the Russian-American-Asiatic Corporation in Pskoff for ten years in order to foster the direct trade relations between Russia and the United States and Canada." Thus writes the chairman of the Pskoff *Kupechskaya Uprava* to the above named recently formed New York export house. "We have closed our doors to the German manufacturers and invite those of America to take the latter's place. But you must understand that we cannot buy goods from your English catalogues and send the money to you without knowing some one of your firm personally. We purchase annually foreign goods to an extent of ten million rubles, and expect that your firm can sell same to us under the same conditions as we have been purchasing for

so many generations from other nations here in Europe."

"What will you do to comply with the request of the institution in question?" I asked A. H. Martens, president of the Russian-American-Asiatic Corporation, 60 Broadway, New York.

"We will do our best," replied Mr. Martens. "Our first requisite to success in Russian trade is knowledge—specialized expert knowledge of international trade; our second requisite is the establishment of direct selling facilities in Russia, right on the spot; these our American manufacturers can-

tween the Oriental and the Occidental markets. The Nijni-Novgorod Fair is, and remains, one of the most picturesque potential factors in European mercantile history. For that reason it is absurd to speak of undeveloped Russian trade or to belittle Russian business.

The wealth and power of Russia lie not in the bureaucratic government nor in the hands of the *chinovniks*, but in the *Kupechestvo* and the *moujiks*, although a certain intellectual class, composed of various professional branches, the doctors, teachers, lawyers, clerks, artists, engineers, etc., has begun to



A Russian Merchant of the Humbler Class.
Photos by Brown Bros.

not afford to provide for themselves individually. Once these two requisites are complied with, all else will follow; not spontaneously, perhaps, and not without effort, but it will follow, just as the flag must follow trade.

"The Russian end of our organization is in charge of natives acting under the supervision of our New York office. As early as the seventeenth century English economists advocated co-operative selling methods by means of non-competing groups. The trade of Great Britain was founded on that principle. As the foreign trade of a nation becomes fully developed, the co-operative methods are gradually supplanted by individual organizations. The advantages to the smaller manufacturer of organization would be an opportunity to establish his business in several provinces of a country at the same time—a task too expensive for most houses to undertake alone. Our efforts to deal directly with the real Russian merchants is to enable the American manufacturer to get a firm hold of the Russian markets now and to save a lot of bother and correspondence for Russian buyers."

As Russia differs from the rest of the world socially, artistically and politically, likewise she differs in her commercial principles from anything known on this side of the ocean. Numerous stories and interviews have been written about Russian trade and industry, but thus far little has been said of the Russian *Kupechestvo*, the backbone of all the economic life of the empire. The *Kupechestvo*—the merchant class of Russia—is older perhaps than the German *Hansa* or the English *Lloyd*, as it dates back to the fifteenth century, when the rest of Europe was plunged in barbarism. The Kalashnikoffs, Makaroffs and Popoffs were historic figures in opening trade channels into the Orient, China, Tibet, Persia and Turkey. For many centuries the Russian merchants were the only middlemen be-

Petrograd, Moscow or other seaport towns of Russia will never be able to get any idea of a real Russian merchant, even if they speak Russian, as all the business men they meet form an exception to the average *kupetz-merchant*. To my knowledge the Russians that trade with foreign countries leave the export and import transactions in the hands of their German, Jewish, Polish, Swedish, Dutch, Esthonian and Finnish foreign managers. Until this war the Germans, Jews and Belgians controlled all the Russian foreign trade. An average Russian merchant considers it belittling to take personal charge of the foreign trade. For that reason he rarely meets a foreign business man, and remains in seclusion from the outside world. There are merchant families in Moscow, Nijni-Novgorod, Saratoff, Yaroslav and Kiev whose ancestors were engaged in the same profession. Once I made the acquaintance of a merchant in Moscow who produced for me the historic proof of the fact that one of his ancestors had supplied the court of Genghis-Kahn in the fourteenth century. It is a common case to meet Russian business men whose mercantile genealogy dates back six generations. The oldest son of the family inherits, as a rule, the business of his father and takes care of the other members of the family. The oldest son of a merchant is usually free from military service and is trained from his youth to trade. He seldom is sent to college, to the university or even to the gymnasium. Often he gets a good education at home and then is graduated in a good private school. At the age of twenty-three to twenty-five he marries and becomes the heir of all his father's affairs. The other sons are made either artists, lawyers, doctors, teachers or officials in the various departments of the government or the municipality.

IF A RUSSIAN MERCHANT SAYS HE IS WORTH A MILLION, THE CHANCES ARE HE IS.

Russian commerce has a stability such as is to be found nowhere else. A firm of good standing rarely fails. As all the Russian trade is either an individual or partnership venture, and there are few stock companies of the nature of those in this country, the foundation is solid and stable. A firm's wealth is actually evident from the goods in the stores or in the warehouses and from the cash in the treasury. There is no stock-jobbery or high-sounding air about a Russian mercantile house. If a merchant says he is worth a million dollars, one may be sure that it does not consist in uncertain securities or imaginary schemes, but in actual cash and goods in hand.

The tendency of accumulation of goods has its good and bad sides. You will find in a Russian store things that were used a century ago next to the latest novelties. The benefit of this lies in the fact that the taste of the people

is not spoiled by sensational and temporary fads, and thus an artistic atmosphere is maintained in the country. The mixture of the designs and colors, shapes and lines of the past centuries with the present produces that equilibrium which guides a nation perhaps best of all in its aesthetic evolution. Through this very fact Russia is the most highly educated country in art. You will find products of the semi-barbaric Tartar and the highly cultured modern Slav in the Russian stores. I know merchants in my home province, Pskoff, who still have goods in their warehouses that were sold during the seventeenth century.

MERCHANTS WHO DRESS LIKE PEASANTS, BUT WHOSE HOMES ARE PALACES.

To keep a large amount of goods in stock has been the prime reason that Russian merchants require such long term credit from the manufacturers. The German manufacturers granted credit from six months to a year against the bank acceptances of the Russians. The Russian credit system is the safest imaginable, irrespective of the legal protection. Not for any amount of money would a reputable Russian *kupetz* ruin his firm's reputation by failing to pay his bank acceptance. It is considered very reprehensible if a merchant does not keep his word. Most of the Russian trade transactions are based on verbal promises. This, of course, does not apply to the business men of the Polish provinces and to a certain class of traders in towns like Petrograd, Odessa, Warsaw, etc. I am speaking of the real traditional Russian merchants of central and Eastern Russia. The best class of Russian business men are the Oldbelievers—Staroverys—who neither drink any alcoholic drinks, nor smoke or spend money on their clothes. Primitive simplicity in manners and life is their foremost requirement. I have known Staroverys merchants who dressed like the peasants, yet lived in palatial homes and spent large sums of money on art and religious institutions.

The trouble with Russian business men is that they are too conservative and opposed to change. Instead of investing superfluous capital in new industrial ventures, stocks or municipal securities, they keep it in their safes. If a merchant has fifty thousand rubles he keeps it in his home and objects to have anything to do with a bank. There are tens of thousands of such old-fashioned Russian merchants, whose money is kept "dead" in their homes. According to the estimate of the late Count Witte, one-fifth of Russia's cash is tied up in the safes of the merchants. While the merchant could safely pay cash for his orders, yet he has been spoiled by manufacturers in giving long term credit, and he sticks to the custom. The banking system, as practised here, is unknown in Russia, though there are big banks with large capital. You can more safely give credit to a Russian merchant than to a government institution, because he cares more for his good name than for heaping up money. The average Russian merchant has been but little affected by the madness for getting rich quick.



Among the Shops of the Tartar Merchants, Nijni-Novgorod.



The Great Bell Market, Nijni-Novgorod Fair.