

of ultimate payment arising from the extended term is very considerable; and to cover it, he could not take less than 2 per cent. additional. The price, therefore, would require to be 3s. 4½d. to yield 12 per cent. A year's credit increases the risk of the bargain in a ratio something like geometrical progression, and to make a safe calculation, he could not sell under 3s. 9d. to yield 26 per cent. As for his two and three years customers, if he deal prudently with them, he has to charge them for the same article 5s. and 6s. 9d., to bring him 30 and 40 per cent. per annum. This is a fair and moderate business calculation, and any one can judge whether it be a profitable way for the purchasers to obtain the use of money. It may be that the farmers have not generally been so strictly dealt with; but it is not the less certain that where the merchant has made provision against loss and failure, he has adopted some such system of indemnification for the unreasonable unbusiness-like terms extorted from him by the farmers. They may, however, now rest satisfied that, in future, they will only be able to get their wonted accommodation from those who have the capital, and who will doubtless deal with them after the mode of calculation here illustrated. But surely they will not remain so blind to their own interests as to continue this system of doing business, when by adopting a more intelligent course they can save 10 and 15 per cent. on every article they purchase. Most of them are now in a position to borrow and give good security for what capital they may require. By these means they may obtain for 12 or 15 per cent. what would cost them by the old system 25 or 30 per cent. They would, besides, spare the public and private interests of the country, the injuries and embarrassments which have been so much occasioned by their past conduct. They would besides give more stability, and consequently induce a better supply to our money market. Such considerations as these should afford sufficient inducements for the farmers to forego their old prejudices, and to make their calculations and shape their mode of dealing for the times and circumstances in which they now live.

It is very desirable that all—whether buyers or sellers—who have been in the habit of running long accounts, under the impression that they were thereby conferring a benefit upon themselves or anybody else, should deliberately reconsider the subject. If they will impartially reflect on the facts and circumstances stated above, they must arrive at the conclusion that long credit is one of the most fruitful causes of public injury, and private hardship, which at present affects the trading interests of our country. If this conviction can be clearly and forcibly impressed upon the minds of all our business men, they surely will not hesitate—for they have the power—to work an immediate modification, and an eventual revolution, in our credit system.

J. F.

HAMILTON, 1st October, 1857.

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## OTTAWA CITY—ITS HISTORY AND GROWTH.

While the boast of European cities is their great antiquity, the pride of American cities appears to be their rapid increase in population and trade. Judged by this standard, the City of Ottawa may well claim a high place among American cities. Although scarcely thirty years old, we find it the