

The entire nature and practice of mercantile transactions are violated by such protracted terms of credit. In the course of even one year, the changes of varying times and circumstances may quite overturn calculations founded upon returns so remote. Death, delinquency, or misfortune may greatly alter the relations of the parties, and legal proceedings are the common consequence. The difficulty of recovering small accounts, when payment has to be legally enforced, is badly-enough felt, under the most favorable circumstances. Those who have experienced the working of our Division Court machinery, all over the country, know what a tough job it is to realize claims through that medium; and when accounts are allowed to run till proof is difficult to procure, and the domicile of parties uncertain, the chance of recovering is vastly diminished. In short, the mode of transacting business which has hitherto been practiced between farmers and merchants in Canada, is perfectly impracticable, if trade is to be conducted on the basis of sound calculations. Of this we have sufficient testimony from the present state of business in the country. Numbers of merchants have, within these few months, been obliged to sell out, for want of capital to carry on their business, while they had more funds than would have been necessary for that purpose, lying—some of it for years—in the hands of the farmers. These funds they are unable to realize, partly from the inefficiency of the law and its officers, but more from dread of breaking through the old, iniquitous mode of dealing which has become more stringent than the law itself.

It is very natural for the farmers to suppose that transactions which place those with whom they deal at such a disadvantage, must give some advantage to them. In this, they are, however, lamentably mistaken. They have all come to know that they ought to buy their groceries from one merchant, and sell their wheat to another. They are also beginning to learn that the merchant who can best supply them with good and cheap groceries, is not likely to have the greatest facilities for offering them the best bargains of calicoes and cloths. But if they still harbor the notion that they can procure the use of capital on the best terms along with the furnishings they purchase from their retail dealer, they labor under a misapprehension more ridiculously absurd and deceptive than any they have overcome. Does it accord with reason or probability that the retail dealer can afford to lie out of his money, with the mere personal security of the purchaser, on terms nearly so low as the current rate of interest for money advanced under a properly negotiated loan? Few of them can give such accommodation without themselves paying heavily for it to the wholesale houses. Before they can make a remunerative profit and leave a margin for the risk taken in the bargain, the extra per centage laid upon the highly favored farmer, leaves him little to be envied. But suppose the country dealer has the capital at his disposal, it must be presumed that he will calculate to have a fair return for it, in whatever way it may be invested. To engage it in the ordinary hazards of a business, he would require, at least, a return of 20 per cent. per annum. He has various classes of customers who demand different terms—one pays cash, others at one, three, six, and twelve months, up to the farmers' term of years. When he comes to deal with each, he finds he can sell his cash customer 1 pound of tea for 3s. He can give his monthly customers nearly the same terms. For three months credit, he would require to charge about 3s. 2d., to yield 5 per cent. for the quarter of a year. For six months, the risk