

BROKEN PROMISES.

Hardly a week passes without some fresh illustrations being brought to our notice of the too prevalent delinquency of small traders in meeting with promptness their commercial obligations. Punctuality, which is said to be the soul of business, is not in their creed; a quality so essential to success is regarded as a mere sentiment, well enough to act upon when convenient, but to be set aside without compunction when the circumstances seem to render it expedient.

Regarding verbal and written promises lightly is one of the most common and dangerous mistakes into which our traders fall. Aside from the moral question involved, the merchant who indulges this vice throws away that which is of the utmost value to him, so long, at least, as he is compelled to buy and sell on time. Once establish a reputation for negligence and recklessness in regard to one's obligations, and the very essence and foundation of credit is gone. "He is a man of his word" is the best recommendation a trader can have in the eyes of all shrewd business men, and it is besides the highest ecomium that could be bestowed upon any man. One who is known to be scrupulously exact in fulfilling his promises has established his title to implicit confidence, and may command all the means he can use to advantage; whereas he who violates his promises under the plea of a little present necessity, barter away for a mess of pottage golden opportunities which can never be regained, and closes his best avenues to credit. The prevalent laxity in this respect is clearly traceable to the corresponding looseness with which credit is dispensed, and the indifference shown in reference to even the grossest infractions of mercantile honor. The first indications of this obnoxious practice should be met with stern remonstrance and sharp reproof, if the evil is to be nipped in the bud as it ought to be.

The constant demands for renewals, and the perpetual excuses coming in at the last moment for the non-fulfilment of distinct promises form one of the most vexatious accompaniments of the wholesale trade. A large proportion of our traders rarely meet their notes in full, nor do they seem to make any calculations to do so. The reckoning appears to be that their wholesale creditor cannot afford to loose them, and must therefore attend to their paper, and heal the promises they have broken. Were it not so, much greater care would be exercised in the purchase of stock. If the buyer knew that he *must on a certain day* cancel the ob-

ligation he was then assuming, he would often limit himself to a \$500 purchase, where he now takes \$1,000. Would any one suffer by such a change? Certainly not. If sales were reduced in amount they would be repeated oftener, and less bad debts would be made, and consequently more profit. So long as a promise to pay is regarded as little else than a mere matter of form, gone through for the purpose of closing an account, and men are asked to sign paper which they are not expected to meet, so long will all the evils that the system has induced afflict the wholesale trade. It will be seen, therefore, that the power to cure all this lies chiefly with the wholesale men, and to them we must look to initiate a change. With profits reduced as at present by greedy competition, the wholesale trade can ill afford to encourage a system so calculated to induce speculative purchases and dissipate profits.

We look to the wholesale trade to show a determined front in opposition to the prevalent disregard of obligations. Let them see that a customer in giving notes understands his position. For value received he has assumed an obligation which he should not be suffered to regard otherwise than as sacred, and as meaning just what it says. Let it be insisted upon that its letter shall be faithfully carried out. We can quite understand that needy men sometimes deviate from the rule of integrity under the plea that "necessity knows no law," and for whom there are often legitimate excuses which ought to have due consideration; we can also understand that often in times past inflexible promptness could not properly have been enforced from reasons incidental to cramped financial conditions and frequent seasons of depression; but such circumstances do not now exist. From all quarters comes the sound of plenty. The prospects of a bountiful harvest remove all legitimate objections to confining commercial credits within reasonable and safe limits, and to requiring the prompt and faithful discharge of current obligations. There is no good reason why renewals should be required on this fall's purchases; nay, it should be distinctly understood that they will not be granted. Could such a decision be agreed upon by all and faithfully carried out, the effect would be such that no inducement could tempt a return to the present style of long-winded and palpably false promises.

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This Company is conducted according to a very cautious and conservative method, but, notwithstanding, has been making steady progress, as appears from the increase of premium receipts during a series of years:—

Premiums in 1866-7.....	\$153,531
Premiums in 1867-8.....	171,506
Premiums in 1868-9.....	158,618
Premiums in 1869-70.....	217,429
Premiums in 1870-71.....	248,731

The interest on investments has grown till it is now nearly sufficient to pay the usual dividends, irrespective of the profits arising out of the business. Losses both in the fire and marine departments were heavy, being 71½ per cent. in the former, and 65½ in the latter—both above the average experience of a series of years. A balance however is shown on the right side of the account of \$29,656, which, added to the Company's previous accumulations, amounts to close upon one hundred thousand dollars. It will be satisfactory, therefore, for the shareholders to observe that the Company's position is gradually growing stronger, with their shares consequently appreciating in value—a state of things which in the face of the commonly adverse experience of the past few years must be attributed chiefly to Mr. Ridout's upright assiduity and unflinching perseverance.

INTEREST—USURY.—A recent decision of the Court of Common Pleas in the case of the Royal Canadian Bank vs. Shaw, is of interest to bankers and others. In this case the plaintiffs discounted a note made by the defendant for \$34,000, "with interest," charging 8 per cent. discount, which was the rate stipulated. The note was not paid at maturity. In the action which was brought the Bank claimed interest at the rate of 8 per cent. from the maturity of the note till the time of payment: this claim the defendant resisted. The point as to the rate of interest which the Bank was entitled to charge was argued in Hilary Term. Mr. Justice Gwynne delivered the judgment of the Court. He showed that by construing the two Acts 27 and 28 Vic., (the Bank's charter) cap. 85, sec. 21, with 22 Vic., cap. 58, sec. 4, the effect of the combined Acts was that the Bank should be entitled to recover—within the limit allowed by law, 7 per cent.—the same rate of interest after maturity as was charged on the note being discounted, the object intended being to remove all doubts as to what interest might be recoverable after maturity, when no rate was specified on the face of the note. The later Statute, 29 and 30 Vic. cap. 10, sec.