

ACCOMMODATION PAPER.

The danger which any merchant runs in giving accommodation paper is so great, and has been so often pointed out by THE TRADER, that we were in hopes no retail jeweler in Canada could be found weak enough in the back to countenance such a proposition from any jobbing house with which he dealt. We learn however, on good authority, that there is undoubtedly a good deal of such paper afloat amongst the jewelry trade, and that in consequence of a recent failure in the jobbing business, some of the easy going makers of such notes will have to pay pretty dearly for their good nature. We may not get the thanks of some of our readers for what we have to say on this subject, but it is of so much importance to the trade in general, that we think the justice of our remarks will be a sufficient reason for ventilating the subject at this juncture.

As we said before, it is unfortunately too true, that there are still jobbing firms in existence in Canada, who are in the habit of getting notes from their customers, for which no value has ever been received by the maker, and by this plausible but dishonest means bolstering up a rotten business long after it has become practically insolvent. When the after clap comes, and the firm is publicly declared insolvent, (which as a matter of fact they may have been for months or years previous), people read the list of victims of this vicious kite flying system, and say they feel sorry for them. If they were bluntly told that they had been a parcel of fools and that the result was but a certain consequence of their own folly, it would be but the truth, and probably do these victims of misplaced confidence more real benefit than the pleasant but misdirected sympathy of which they are usually the recipients. But says one of the victims, "Although we knew well enough that it might be dangerous, we couldn't very well help it. The wholesale house we were dealing with asked us to give them our note as a favor, and as we sometimes require favors ourselves from them, we could not very well refuse, although we knew well enough we had never received value for it. Besides, they assured us that we would never hear any more about it, as they would take it up when due." A more absurd argument than this, when you come to analyze it in cold blood, could hardly be imagined, for in the first place, none but a weak house would ever ask or require to use accommodation paper. The very fact of a house being compelled to ask their customers to lend them their names on which to raise money, ought to be proof positive of its financial weakness, and in itself, the very strongest reason for refusing to grant it. It is quite true that they may intend when they ask it, and in many cases actually do take up such notes at maturity, so that their customers are never troubled about them at all, but this apparent security and freedom from risk only makes the danger greater by inducing recklessness on the part of the dealer, who naturally argues, that if he can put the jobber he deals with under an obligation to himself by so "cheap" a favor, it cannot be a very bad investment. When the assignee is in possession of the insolvent jobber's estate, and his victims are officially notified by the bank that they will be expected to pony up one hundred cents on the dollar for their accommodation notes, they begin to realize that they will have to pay pretty dear for their whistle. Unfortunately for all such, however, this knowledge comes too late to be of any service.

The ease with which wholesale dealers in fair credit can discount even inferior paper is often a great incentive for unfortu-

nate or unprincipled men to resort to the use of notes obtained in this way. The danger, however, would be greatly lessened, if all retail dealers could be brought to understand and believe that with the aid of a good financier and a judicious use of accommodation paper, a business utterly rotten to all intents and purposes, can be floated on for years. In the end it must go down in the maelstrom of commercial bankruptcy, around which it has been so long circling, but, until the crash comes, it presents to the ignorant or unthinking outsider, a fair but deceitful appearance.

Our best advice on this subject to all dealers, whether whole sale or retail, and we cannot too strongly emphasize it, is to have a watchful care with whom you deal, especially in this matter of accommodation paper. Rest assured that a house that has to ask for it is a weak house and ought to be shunned. *Never give your paper to any firm, unless you owe them the money, and have received value for it.* If a merchant pays one hundred cents on the dollar for all the goods he actually buys he does well, but he should never place himself in the position of being compelled to pay money for which he has nothing to show.

CORRESPONDENCE.

LINES ON THE CITADEL OF QUEBEC.

It rears its stately head athwart the arched blue skies
By kingly Nature grandly wrought, but man devised
The angry look to threaten foes with shot and shell like hail,
Who dared its own St. Lawrence, rushing seaward, waters sail.
But now it seems 'twould blush its angry look to own,
Its brow sweet smiles of peace long years have played upon,
As, when vain, angry ocean's waves grow weary of their roar,
Heaven's genial sun bedecks with dazzling radiance o'er,
Since Heaven's rich gift, blest Freedom's isle, spanned ocean to unfurl
Her conquering flag upon its heights O, Flag, that sways the world!

JOHN W. CAMPBELL.

Editor TRADER.

DEAR SIR,—I have just received the May number of THE TRADER, which contains so much valuable information. I get a great deal of matter on Horology out of it. I have quite a library, but I must confess that THE TRADER surpasses them all and is destined to keep the lead. I have been receiving it ever since the start, and that free. I will gladly pay for such valuable information, as I am not too old to learn.

Yours very truly,

JAMES FRASER,

Watchmaker,

Yale, B. C.

PORTAGE LA PRAIRIE.

THE TRADER, Toronto, Ont.:

DEAR SIR,—I would rise to remark that I am getting proud of THE TRADER. It was my intention to rise some time ago, and while conveying this startling intelligence, to present an humble petition that you print "Excelsior's" articles. Of these I can with a great cloud of witnesses, bear testimony to their advantage to the body politic, as it were. Blacksmith and botchism, ignorance and prejudice flee away before the light of this Grossman's of American knowledge. I have his