BUSINESS MORALITY.

IT is greatly to be feared that the trying time through which the mercantile community is passing is developing a very low grade of morality, if not of downright rascality. The numerous and disastrous fires that have taken place, involving heavy losses by the Insurance companies, is, to say the least, suspicious It may be that a coincidence of a most extraordinary character accounts for the frequency and destructiveness of these conflagrations. It is just possible, to a very considerable extent, that accident and not design is the cause But when it is remembered that the fires, though unusually numerous, have been largely confined to parties in trade, and in no small degree to individuals to whom such an event would be a stroke of luck, reducing in an hour liabilities which it would be impossible otherwise readily to liquidate; the inference, if not the conviction, is provoked, that the origin of the calamities is more to be attributed to design than to accident. The suspicious circumstances which have surrounded not a few of the fires is unfortunately confirmatory of the impression "Fashionable Crime" is a subject that has occupied the attention of the public before now. The recent publication in a leading English periodical shews conclusively by statistics that at certain dates "poisoning," "garotting," "forging," embezzling," "body snatching," and a variety of other horrid phases of man's depravity, have been in such vogue as to clearly establish a distinctive period for each. A successful swindler is sure to have many imitators. It may be deemed uncharitable to presume that "incendiarism" is the crime at present fashionable in Canada, but recent events point to it as one of the most likely to be classed in that category We fear we but too faithfully express a sentiment very universal among mercantile men, in thus remarking upon a very painful subject. Doubtless numbers of fires have occurred, respecting which there has not been a shadow of suspicion, and there have been some the circumstances of which call for the sympathy and indulgence of creditors But the fact that the Insurance companies have been losing at the rate of $1500 per day for the past month, and under circumstances such as we have above attempted to describe, has attracted more than the usual attention to the subject. It has not lessened the suspicion or palliated the guilt of such occurrences, that the money thus got from the Insurance Companies has gone to liquidate debts "Robbing Peter to pay Paul" is as much to be condemned as if the latter half of the saying were omitted Aside from any other consideration, it is placing our wholesale merchants in rather an unenviable position to be compelled to receive money in the realization of which there is any suspicion We are persuaded that though wholesale dealers have been largely benefitted by these fires, in getting the amount of their outstandings reduced, that no class more thoroughly deplores the laxity of moral honesty which such events imply.

Another painful indication of mercantile demoralization, is the number of ugly failures that have occurred during the present season. Making the Bankrupt Law the "instrument of torture," not a few traders have taken advantage of its initiatory provisions to force a compromise of their indebtedness from reluctant creditors. With statements made in apparent good faith in the early, and even the latter part of last year, showing a surplus, goods were got by traders, who now exhibit a deficiency greater than their surplus, without an attempt to explain or justify the difference. Are examples necessary? The wholesale trade, we fear, have enough of them But what do our country friends think of the following, in Quebec?—A merchant highly esteemed for his respectability and truth, was somewhat pressed in March last; but, by the prompt liquidation of some claims, he got over the difficulty by exhibiting a statement, showing a surplus of $13,000 In January of this year, he finds it impossible to go on, and meets his creditors; and an investigation of his estate results in showing liabilities $44,000, assets $16,000, deficiency $28,000 According to his own statement, here is a loss of $4,000 per month, or £10,000 in as many months. Take a case recently in Toronto, where a long established merchant, who had been slow for a year or two, but who had made statement after statement to his most confidential friends of a large surplus, at any rate, abundant solvency, and sets down his stock at about $24,000. He gets cornered at last, takes stock, and behold, it is less than $12,000. Creditors refuse to believe it, and the stock is taken under new supervision, when it is cut down to $10,000. Whether this man is a fool or a knave, it is hard for creditors to decide The public, however, will hardly hesitate about deciding such a point. Need we further illustrate by a case in Port Hope, where a trader fails, and is discovered to owe one house $28,000,—an amount more than all his estate will yield. Some twenty-five other creditors, amounts from $50 to $1,500, all of whom will get but a very small dividend. These cases are cited because there is not a very grave suspicion among creditors of design to defraud or cheat. They are illustrative of almost a lower grade of morality. The downright open swindler can hardly be dignified with the term of a "moral man." It is these sleepy incapables, these highly respectable and honest rogues that play the mischief with the merchant's profits. They go on from year to year, deluding themselves and all around them with the belief in their solvency, while they are as rotten as the "righteous rags of the Pharisee" It is this kind of immorality that is more to be feared than the open attempts at swindling. It is insidious; it is delusive, it is disastrous. We speak thus strongly, because recent events show that it is necessary some expression of public opinion should be brought to bear upon what people of tender mouths are pleased to call "misfortune," or "a combination of unfavorable circumstances," or "bad times," or any other plausible excuse for what is a growing evil in the trade of the country—that of decent men, with an obscure moral vision, incurring liabilities which they ought to know their inability to pay. There are other phases of the present period which call for plain talk, but their consideration must be deferred.

A strong and united condemnation of many things indicating a looseness of morals in commercial matters, by the wholesale merchants in each city, would go far to correct its frequent development. The area of a creditors' meeting is too limited for the proper ventilation of some errors in the commercial ethics of the country. A judicious example made of a few cases would have a very desirable effect; a lessened disposition to accede to every proposition of compromise, and a determination to thoroughly investigate the history of every failure, would largely contribute to a more healthy tone of Mercantile Morality.

GATE OF THE WEST.

A SUGGESTION.

SINCE the Congress at Washington has resolved upon cancelling one of the most important and profitable treaties that could develop the interests of two independent nations, it is right in due time to consider our altered circumstances, that by this hasty act of our neighbors, we need not be taken by surprise, nor feel altogether shoved off the chess-board of commerce; but with a true and native spirit of industry and enterprise, let us carefully calculate our future moves.

If the Federal Government deprive their citizens of our fishery and timber supplies, and their inland mercantile navy of the privileges that ours enjoys, it is their own choice, and we have no threats of retaliation to vent against a course they have a perfect right to pursue.

It is not by risking her fortunes upon the battle-field in an unequal combat with neighboring powers, that Canada can by any means hope to lay the foundation of an enduring national existence: and threats can give us no concern, since there is no danger these days of a big nation swallowing a little one with impunity. Our sure policy is never to quarrel unless we may justly expect to be backed up by the confederacy of nations. "Thrice is he armed who hath his quarrel just." War is a game at which two or more may play, but one or more must inevitably lose. It is different with trade and commerce; there may be many competitors in the same field, and all may win. Industry and commerce afford a destiny in every way equal to our ambition as a Colony or Nation, if we accept it.

The advantages of our position are manifest. Situated at the head of the ocean navigation, Montreal seems to be the natural gate of commerce to the interior Western World. The outlet of the great Father of Waters, for a distance of seven hundred miles, lies within British territory. The inland seas from whence it issues stretch westward, from the Gulf of St. Lawrence, two thousand miles; covering an area of not less than one hundred and fifty thousand square miles, and affording a coast line of double that of the Western Atlantic, every link of the chain of this navigable highway being under the control of Canada.

Measure one mile eastward from the Victoria Bridge, on the north bank of the St. Lawrence, and you have the threshold over which may yet pass the supplies and products of many millions of people. It is true that dense forests still fringe the lakes and rivers in the West; but European emigration may ere long change the aspect.

The American trade on these lakes is, even now, immense. There was exported from Lake Michigan in 1855, seven million bushels wheat; and in 1864, not less than twenty-eight million bushels of surplus wheat, and twelve million bushels corn were exported. The aggregate traffic and tonnage have doubled during the last four years, and if it is now out of all proportion to the means of speedy transportation, what will it be ten years hence?

The Federal facilities for the movement of this immense increase of productions, by the Erie Canal, or Railways, are quite inadequate, and another thing, they cannot easily be made equal to the task.

The trade must follow the natural course of the waters which issue from the West. In vain will any artificial efforts divert from its natural course that vast and expanding traffic; as well attempt to turn the St. Lawrence into a new channel.

Western cities are awake to the necessity of increased facilities of transportation to the seaboard. As it is, grain shipped at Chicago has every chance of being warehoused in Liverpool by this route, sooner than it may reach New York by the Dewitt Clinton Erie Ditch; and the cost is proportionately reduced. There can be no question of the ultimate course of this trade; but we want it to-morrow. Let Montreal do what she can to secure it at once. The greater the facilities of transportation, the more is the shipper benefitted, and every cent of reduction made in freight, adds to the profits of the producer.

Read the following, from a special report of the Detroit Board of Trade:—

"The only real ground of complaint your committee can make clear is, that the Grand Trunk Railway (one of the rival lines) has not increased its rolling stock to a point where it could carry off on an average at least 10,000 barrels of flour per day from Detroit, instead of the present small and insignificant amount it can transport. If it could do this, it would add five cents per bushel to the value of all the wheat grown in Michigan, for the reason that its increased facilities would reduce the cost of conveying a barrel of flour from this point to the seaboard at least 25 cents per barrel. In other words, the saving, yearly, for all time to come, would be almost equal to the original cost of the land on which the wheat was produced."

But another suggestion we venture to make. If we are bound to do all the export trade of the West, why not also furnish its supplies? If Montreal is made the great *entrepôt* of foreign commerce, where the products of the East and West Indies, and the manufactures of Europe may find an extensive market, doubtless it would rival New York.

The present cost of transporting 10 barrels flour, or a ton of goods from Chicago to Liverpool, by Erie Canal and New York, is as follows:

Chicago to New York .. ...1615 miles.	Cost	$8 64
New York to Liverpool..... . 3150 "	"	5 00
4765		$13 64

By Welland Canal and St. Lawrence:

Chicago to Quebec..... ...... 1657 miles.	Cost	$4 77
Quebec to Liverpool...........2910 "	"	7 50
4567		$13 27

Showing a difference in favor of the St. Lawrence route of $1 37, which would be increased three-fold if vessels had good paying outward freights.

A writer in Hunt's magazine, ten years ago, admits as follows:—"A time may arrive when a direct trade "will spring up between Chicago and Liverpool, or "London; and Quebec, by receiving a steady supply "of inward freight, may be able to export quite as "cheaply as New York." In that event, the St. Lawrence is decidedly the cheapest route.

There is only one reason why every city on the shores of the Western waters should not be supplied by our merchants—our high custom tariff—and we say, if nothing else will accomplish this grand achievement, let this be made a free port of entry!

The expenses of the government, amounting to twelve and a half million dollars, distributed over a population of two and a half millions, is only about five dollars a head. Would not the hardships—if any—consequent upon direct taxation to this extent, be far more than balanced by the benefits which the Province would derive from the enormous impetus which would be given to commerce by such a step?