

can conduct his business on very much less capital and may be said to carry out in his business the motto of "Quick sales with small profits." The man who sells on credit in marking up his goods must count the probable losses from bad debts among his insurance, taxes, and other expenses, and consequently put on an extra "advance" on this account, for which the customer must pay. The man who sells for cash only has no such item of expense; his business being thus run on a less expensive scale he is enabled to put on the same advance as his neighbour and yet sell his goods at a much cheaper figure. Here of itself is an evidence favourable to the cash system in trade which must well nigh counterbalance all others; the cheapest selling store, other things being equal, will of course attract the greatest number of customers. Those who have not the ready cash, and therefore desire credit, may perhaps become patrons of the credit system; but even they, unless among that class who obtain goods without any intention of paying for them, will make an effort to procure the cash and thus economise by placing the difference in price into their own pockets. To the customer who has the cash it makes very little difference where he buys, and if A sells cheaper than B, because his business is conducted more economically than A is pretty sure to secure that customer's trade.

Of course in objection to all this we may be told that competition in trade is so great that unless credit is given their trade cannot be had. We do not believe that this is generally the case. If for several years back a business has been conducted on the credit system and it is now desirable to substitute the cash principle, let the matter be rightly placed before the customers; and from those who are worth retaining no loss need be expected. For the moment they may be inconvenienced and disposed to change their grocer or their shoemaker, but a little reasonable explanation cannot but convince them that the new mode introduced will to all parties prove profitable and agreeable. Just as it is lack of moral courage and mere mock modesty that prevents many people from abandoning habits and customs, social and moral, they know to be wrong and puerile, so it is an over-cautiousness and fear reflecting no credit upon the sagacity of the merchant, that prevents him from conducting his business upon the principle we would have inculcated. Let these fears be banished, and the cash system adopted by the retail dealers of Canada, then Reciprocity or no Reciprocity, a Grit or Tory Administration ruling the affairs of the country; standing on a sound financial basis they will have little to apprehend either from the dull times or any other of the blighting omens being continually flaunted in our faces.

RECIPROCITY.

In our last issue we gave the full text of the proposed Reciprocity Treaty which has lately exercised part of the Canadian and English press. If, without adopting the present draft as embodying our views, we should venture to give an opinion upon the matter, we should certainly consider that reciprocity between the United States and Canada neither means annexation, nor even a weakening of British influence, but a good sound commercial policy of which Canada would do well to avail herself.

It is claimed that reciprocity will make Canada a slaughter house for goods manufactured by American capital, but the good of the many will counterbalance that of the few; we are more pre-eminently an agricultural and fishing than a manufacturing people, and it is for our welfare to sell where we can dearest and buy where we can cheapest, and whatever benefits the majority in any country is decidedly the best policy

for that country to adopt. We must remember that we cannot manufacture and if import duties are taken off, goods can be sold so much cheaper; this is a direct benefit to the people as well as to the importer, who, not having a large import duty to pay, marks his goods without taking the principal and interest of the money for that purpose into account. The capitalists of England who raise the greatest objections against Reciprocity, will not expend their money in making this a manufacturing country; the capitalists of this country lack the means or the inclination. Here is a case in point: The Lake Superior iron ore is shipped in empty bottoms to the American side, manufactured there, and re-shipped back to us in articles upon which we pay a heavy duty. With large forests right at our hand, with every facility for smelting the ore, yet we send it away and pay our own duty to get our own material manufactured.

Again, Canada cannot be an exclusively manufacturing country at present, because the population is not sufficiently numerous to support domestic manufactures. We had a striking illustration of this not long ago in the exodus of a manufacturing firm from Hespeler, Ont., to the United States because the greater part of their trade was done with that country and by going there they would be better enabled to compete with other firms having no import duty to pay. In a country where only four million of people are spread over an area of 2,500,000 square miles it is evidently a good plan to retain as much capital and skilled labour as possible within the borders; therefore, our best efforts should be directed to obtain a state of things under which manufacturers in this country could compete with our neighbouring cousins in supplying their forty millions of a population.

Another point which must not be ignored is the heavy war debt hanging at present over the American people and the consequent excessive internal revenue required to pay it. Now under a reciprocal free trade, we should have Americans establishing manufacturing here in preference to the United States, rent, taxes, and current expenses being lower, and that internal revenue being totally avoided. With these advantages alone we would become what years of protection under English Manufacturing advice would fail to make us, a self-reliant and prosperous country. To quote the words of the Louisville Courier Journal: "The agitation of the subject at this time will not only probably result in immediate benefits to both countries, but it will serve to develop the free trade sentiment in our country, and give strength to a movement that is yet only in its incipency."

A movement has been set on foot for the organization of a Joint Stock Company, to be called the "Victoria Flour and Grist Mill Company, Limited," with a nominal capital of \$20,000, divided into 1,000 shares of \$20 each. The name of the Company sufficiently indicates the object its promoters have in view, viz., to carry on the business of a flour and grist mill in the city of Victoria. The prospectus of the projected Company sets forth that "the want of such a mill easy of access by land and water, has been the main obstacle to prosperity for the farmers on this island, and its establishment, besides opening up a large field of industry to them, would greatly benefit all branches of trade here."

THE POLITICAL WORKING MAN.—The "San Francisco Chronicle" says:—"The working man is bumptious again. Unfortunately it is the normal condition of the working man to be bumptious. He enjoys nothing so much as a little misery. He likes to howl for work, and snarl at the capitalists; but nothing makes him so roaring mad as to get it. He enjoys panics, hard times, and soap tickets. He would be completely prostrated if his eight hour demands were acceded to. The working man without a bone of contention would be like a baby without a thumb to suck. If there were an equal division of all the capital in the world, the working men would all be dead in six months. A capitalist is to a working man what a red

the bull in this case cannot dis- The working man particularly loves to deliver himself of a combination growl over the signature of a protective association. This is his pet caper and harms no one. Still, for his own sake, it is wise for him to be a little careful. He is his own worst enemy.

The Canadian Bank of Commerce.

Proceedings of the Seventh Annual Meeting of the Shareholders, held at the Banking House, Toronto, on Tuesday, 14th July, 1874.

The chair was taken at noon by the President, Hon. W. McMaster, and upon motion of W. H. Stanton, Esq., of Toronto, seconded by James Blain, Esq., of Galt, the General Manager, W. N. Anderson, Esq., was requested to act as Secretary. The Secretary then read the following

REPORT.

In submitting to the Shareholders the results of last year's business, the Directors have the satisfaction of stating that the affairs of the Bank continue in a sound and prosperous condition. After covering the charges of management, writing off bad debts, and amply providing for contingencies, the net profits of the twelve months ending 30th June, amount to.....\$853,373 00

To which add balance of Profit and Loss account carried from last year 29,142 40
\$882,515 40

From this has to be deducted:—

Dividend No. 13, of four per cent, for the six months ending 31st Dec..... \$236,341 91
Dividend No. 14, of five per cent, for the six months ending 30th June..... 300,000 00
Transferred to "Rest" account..... 300,000 00
Transferred to Reserve for rebate of interest on current discounts..... 10,000 00
846,341 91

Balance remaining at credit of Profit and Loss account \$ 7,373 49

It will be observed from the accompanying statement that besides providing for two half-yearly dividends of four and five per cent, respectively, appropriating \$32,704.60 for accrued interest on deposits, and adding \$10,000 to the reserve of interest on current bills—which now amounts to \$75,604—the sum of \$300,000 has been carried to "Rest" account, making that fund \$1,800,000; and the balance of \$7,373.49 remains at credit of Profit and Loss account.

GENERAL STATEMENT

AS AT 30TH JUNE, 1874.

LIABILITIES. TO THE PUBLIC

Notes in Circulation..... \$2,228,250 00
Dominion Government Deposits, payable on demand 287,110 68
Dominion Government Deposits, payable after notice or on a fixed day..... 50,000 00
Provincial Government Deposits, payable on demand 16,905 72
Provincial Government Deposits, payable after notice or on a fixed day..... 500,000 00
Other Deposits, payable on demand..... 3,703,812 25
Other Deposits, payable after notice or on a fixed day 2,851,345 87
Due to other Banks in Canada..... 48,398 07
Due to other Banks or Agencies in the United Kingdom 361,800 10
\$ 10,042,622 69