

## The Business in Canadian Manufactures

Carried on at HAMILTON, under the firm of D. Mc-INNES & CO. has been merged into the business of

### McINNES BROS. & CO.,

*By whom it will be continued as heretofore.*

Referring to the above

### McInnes Bros. & Co.

desire to announce to the

TRADE OF WESTERN ONTARIO,

That they are now receiving deliveries of their new

### SPRING TWEEDS,

From all the principal Manufactories in the Dominion. Their travellers will be ready by the first week in January to submit very full and attractive ranges of New Patterns and trust that buyers of these goods will reserve their orders until they have seen their samples.

## THE MONETARY TIMES, AND TRADE REVIEW.

TORONTO, CAN., FRIDAY JAN. 14, 1876

### THE POSITION OF TRADE.

Now that the New Year has begun, things on the whole wear a much more hopeful aspect. The terrible experience of last year is not likely to be lost upon us. A vast number of unsound concerns, which only cumbered the ground by their existence, were swept away, leaving a clearer and better field for men of capital and experience. We have been insisting for years, that we had far too many men endeavouring to make a living or a fortune by buying and selling merchandise; and the experience of every year, and particularly of last year, has demonstrated the soundness of our conclusion. Hundreds of men are now insolvent and poor, who, if they had stayed on the land, would have been prosperous and rich. Hundreds of farmers' sons who came to the towns, or set up storekeeping in villages, are now feeling the bitterness of disappointment, and rueing the day when they left the farm for the store. Their brothers who chose to strike out a path for themselves on new land, are independent men comparatively, and the very year which swept storekeepers and traders away by the hundred, has been to them one of the best they have ever known. If we could reach this class of farmers and farmers' sons, we would say to them: Be wise in time. Retrace your steps. You have made a mistake, and paid pretty dearly for it. But it is never too late to mend. Get back on the land, start

afresh there, and in a few years more you will be on the highroad to comfort and independence.

But to men who have had business experience, and have capital adequate to their requirements, the present year opens with fair prospects. The farming community are universally prosperous, and this interest is the backbone of a large portion of the country. Farmers are accumulating money and have it at command to a far greater degree probably than ever before. The present is a good time to make a decided move in the direction of shorter credits, for there is no reason whatever why farmers should not pay twice a year. Storekeepers might do much by offering inducements for cash payments. The advantage would be incalculable. Heavy profits tacked to long credit accounts are only a snare and a delusion. They result in a plentiful crop of bad debts, and are a fertile source of insolvencies. Ten per cent. profit for cash is far better than twenty on long credit. Fifteen per cent. for a six months account is better than twenty-five for a twelve months. Let storekeepers set to work and try it, and they will find we are right.

Wholesale merchants in the cities have a good deal both to do and to say in this matter. The competition of the last few years has resulted in an inordinate and unbusinesslike lengthening of credit, to the great detriment of honest trade. This business of dating goods forward is a bait that has been the ruin of many an unwary trader. Forcing goods off on the country dealer only leads to more imports, when the country does not want them. The art of "traveling" is now cultivated to a pitch that makes it almost dangerous. There are men of such uncommon cleverness that they can sell goods to a man almost against his will. And many a country dealer has ordered goods against his better judgment, when bored to death by their importunity.

It is, of course, only the abuse of the practice that we refer to. And storekeepers have themselves to blame if beguiled into foolish purchases. The merchant, too, who has sold on this forcing system, finds to his cost that goods are more easily bought than paid for. The sharp experience of last year will doubtless lead to an overhauling in many directions, and in nothing more is it needed than in the length of credit given, and the terms on which goods are sold. As to "dating forward," it is a radically vicious and bad system, unworthy of any respectable house, and it ought to be abolished. It should go the way of those miserable "supply accounts," which have been such a fertile source of mischief in the past, and which are now happily becoming

rarer every year. They are not entirely unknown yet. Some houses cling to old delusions in spite of demonstrations of mischief constantly repeated. The system flatters the pride of some merchants who have aristocratic leanings, as it tends to make them the head of a band of retainers who have to do their bidding. But the practice is against rational trade principles, and the sooner it is abolished the better. In connection with the length of credit, there is a reform sadly needed in its amount. The sums that merchants have on their books as owing by retail traders, are in many instances preposterously large. When a wholesale merchant in a trade centre has debts of twenty, thirty, or even fifty thousand dollars, due him by retail storekeepers in such small provincial towns as ours, we may depend upon it there is something radically wrong. Men cannot carry such loads and live. These immense sums come in time to represent masses of bad stock, of accumulated arrears of interest. And a merchant's books only need to contain a certain quantity of them to make his own failure a matter of certainty. Then down comes the whole rotten edifice, and the circle of disaster is as wide as the extent to which these enormous credits have extended. For it is a matter of certainty that the failure of the wholesale merchant involves the failure of all such customers. Bankers have something to say in this matter. They desire to have two names on their paper, but when two are so bound up that the failure of one inevitably leads to the failure of the other, they have practically only one. It is with them to exercise discrimination in rejecting a customer's paper when an unreasonable amount is offered them.

The year opens with a prospect of great activity in the grain trade during the remainder of this season. Even now, in Toronto, there is a most rapid movement of grain, no less than 70,000 bushels of barley having been shipped to western and south-western points during the last week. Freight rates to New York are so low as to favor shipment by that route; and as the quantity of wheat is very large there is every probability of a continuous movement during the winter. This will give continued monetary ease. No trade is so satisfactory as the grain trade with the States, as respects returns. Payments are invariably made at short date, and gold pours into the country rapidly when the movement is active. The low prices now current are not likely to change materially. Everything tends to prevent speculation. The supplies of the grain growing countries of Europe are very