

MACHINERY ON LONG TIME.

While bankers and merchants are bewailing the long terms of credit, and making efforts, by means of agreements in certain lines of trade &c. to get such terms shortened, the manufacturers of agricultural implements, or some of them, have come to the singular conclusion that they can afford to lengthen their terms. We are told that two or three Ontario firms, who have been, in common with other makers, giving farmers two years credit on mowing and reaping machines, now discover a tendency on the part of some competitors, to lower prices. To prevent this, therefore, these gentlemen propose to stick to their former prices but to lengthen the term of payment to three years.

Is it possible that these business men overlook the element of *interest* in the matter, and think they can escape the levelling influence of competition upon prices by giving their customers longer time? Some one must pay the interest; for interest is one of those things which "goes on for ever." As surely as it costs something to borrow money from a bank or a building society, so surely that something will have to be recouped to the borrower through the sale of the product of the money so borrowed, unless one chooses to lose ground by giving away the interest or ignoring it.

When a manufacturer sells an Agricultural implement for \$150, he has arrived at that price, let us say, by estimating upon a basis of cash payment for that implement. After allowing so much for cost of material, so much for labor, so much for wear and tear of works, he fixes a selling price that will net him a certain profit after paying interest on capital; and if he gets that \$150 in ready money, we will suppose that he does make a profit of twenty-five per cent., say thirty dollars. But if he sell the same machine this year for \$150, to be paid at the end of 1883, what does he make? He makes nothing—but loses, for his net outlay of 1880 on the machine, will have grown, with interest at eight per cent. added, to 151.16 in the three years' time. To get a return equal to \$150 cash, he should receive, at the same rate of interest, \$175 on two years' credit, or \$189 at three years' credit.

How many of our manufacturers get full prices, estimated in this way? Someday, but we know of some who are not particular enough to insist upon either full prices or full interest. And, they say, "we have to be a little easy-going, competition is so strong." Precisely; that is the same silly reason the wholesale grocer gives for selling tobacco and sugar at no profit, or the cloth dealer for making nothing out of Canadian tweeds; or the hardware dealer for under-cutting on nails. But let it be borne in mind that however "easy-going" manufacturers may be, banks are not so, but will have their interest to the last cent. And if the borrower do not get his legitimate return, the rate he pays for discount or a part of it, will then come out of capital; a few years of which sort of procedure will throw him "on his beam ends."

After all, the money to procure the raw material of the implement makers, and, indeed, to

pay for their labor, is largely furnished by the banks, which wait, say a year or years, as the case may be, for its return. And if the bankers do not regard it as their duty—seeing that they get three years' interest instead of two on discounts—to restrain these among their customers from entering the lists with piano-dealers and sewing-machine vendors, to see who shall give the longest credit, we can only hope that the makers of farmers' implements will themselves avoid so imprudent an extension of terms. It is possibly significant of the profits which these manufacturers secure, that they seem to regard a year's interest as neither here nor there.

EMPLOYER'S LIABILITY IN A NEW LIGHT.—A peculiar case of "Employer's Liability" was lately tried before the Recorder's Court in London, Eng. The plaintiffs were a Chancery Lane publishing house, and the defendants, a firm of solicitors, occupying rooms above theirs. The injury complained of was occasioned by an overflow of water from above, damaging the plaintiffs' stock in trade. It was disclosed in evidence that one of the clerks of the law firm had without leave gone into a private room to wash his hands, and had gone out again, leaving the tap turned on. The water was permitted to flow all night and found its way to the rooms below. For the defence it was contended that the act of the clerk was wholly unauthorized and admittedly committed in defiance of regulations, and not in the ordinary course of his employment. Against this it was urged that the internal regulations of the office could not be taken into account; and that it was for the jury to determine whether as a matter of fact, the clerk, when he went into his master's lavatory was acting within the scope of his authority as clerk. The Recorder, though pressed to rule on the point raised by the defendant's counsel, refused to withdraw the case from the consideration of the jury, who found a verdict in plaintiff's favor for about one half the amount asked. The case is to be appealed, when the points of law involved will be fully argued. The result will in all probability be a reversal of the present finding, though it is by no means sure, for the question raised is one of great nicety, lying close to the line which separates liability from non-liability of an employer for his servant's wrongful acts. The general principle is that the master is liable only when the act complained of is done by the servant in the ordinary exercise of the functions of his employment.

—Mr. J. L. Scarth, formerly manager here of the Quebec Bank branch, was made the recipient a few days ago of a testimonial, at the hands of a number of the bank's customers in this city. This consisted of an illuminated address, accompanied by a black marble clock and bronze mantel figures. The presentation was made at the Queen's Hotel, by Mr. A. M. Smith, on behalf of the signers. Mr. J. H. Anderson, formerly accountant at this branch, has been appointed interim manager.

TIMBER IN BRITAIN.—Referring to a trade sale of woods in London that week, the *Timber Trades Journal* of 30th ult. says that Saguenay pine, of which a small lot was sold, "betrayed by the price it realized no evidence of any urgent demand," and it would be impossible for best pine to advance much while, as at present, large stocks of other goods are on hand which can be used on a pinch as substitutes. The market had been inundated with goods from the White Sea, so that buyers were in no hurry to run up prices. The Quebec fall fleet had not at that date arrived, and its influence on the market "would entirely depend on the state of the winter demand, which at present does not seem too lively." The quotation for Petersburg white deals was £10, and for white planks £10 10s., and Quebec elm brought 97/8. At Liverpool, on 30th ult., stocks were low and trade dull. The quantity of wood brought into West Hartlepool for nine months ended with September last was 230,930 loads, against 118,031 loads for same period last year, 201,284 loads in 1878, 233,999 loads in 1877, and 281,042 loads in 1876. Timber trade on the Tyne was steady, the recent imports small, and the arrivals nearly over for the season, a few cargoes only to come forward from Quebec, and a few from Finland and Sweden. At a trade sale in Bristol nine lots of first quality bright Quebec deals were offered, and only one lot sold, some measuring 3x11 inches and the 3x9 at £19, but there were no bids above these sums and the lots were withdrawn. 1st quality Quebec planks did not sell, but 2nd went off smartly at £15 15s. A few unassorted New Brunswick spruce deals were sold at £7 10s. At Leith, trade was dull and prices looking downward. At Glasgow, where shipbuilding was tolerably active, imports of wood for the week were light, the stock of 3rd quality pine moderate, and Quebec shipments were looked forward to to fill up the general assortment of deals.

—The exports from Montreal during navigation this year show well in comparison with former years. Since the opening of the present season there have been exported from that city 23,000,000 bushels of grain, being an increase of 5,000,000 bushels over the season of 1879. The exports of flour are included in above figures, a barrel being estimated at 4½ bushels. Of butter, cheese, pork, etc., 812,788 packages have been exported since January 1st, some 72,000 more than for the same period of last year.

—Notice is given in the *Canada Gazette* that the Exchange Bank will apply for power to reduce its capital to not less than \$500,000, and the number of directors to five. With a capital of half a million, this Bank would show a rest of \$200,000, and might resume paying dividends almost immediately. We understand that there is a clause in the proposed amendment to the charter, which provides that no dividend exceeding six per cent. shall be paid until the rest is equal to the reduced capital.