

## EXPERIMENTING.

A RECENT but unimportant failure on the line of the Buffalo and Lake Huron Railway, illustrates very forcibly the practice of experimenting very prevalent in the retail trade of the country. We refer to the ineffectual effort constantly being made in all parts of the Province to do a successful business either—

Without capital;

Without capacity; or

Where business is already overdone.

In a great number of recent failures all these disadvantages have been apparent; in not a few the first and the last; and in none has there been an absence of them.

The history of the case above referred to is briefly this: A young man of good character and some experience, but without means, is joined by a young farmer who puts in \$1000 in cash. They open in a town already crowded with stores; live closely, and appear to manage prudently. At the end of two years however, they are pressed for money, are sued, and fail. Their statement shows assets \$5000, liabilities \$7000. To be sure no one suffers heavily, the amounts are well diffused, and no very great interest is taken in the matter. The case is insignificant as compared with others now-a-days, but is important as illustrative of some unpleasant phases of business experience. There is a positive deficiency of \$2,000, with a loss of capital of \$1,000, say \$3,000 sunk in two years. It has certainly not been by fast living or outside speculations or investments; it is not believed that the statement is "cooked" for the purpose of making a compromise to enable them to make anything of their failure. The integrity of the men is not doubted; yet the deduction is inevitable,—they are either great knaves or great fools. Here is a statement exhibiting a loss of nearly five dollars for every day they took down their shutters! And this, too, presuming they never made a cent of profit on their entire sales, which for the two years probably amounted to twenty thousand dollars.

Were this an isolated case, it would be invidious to thus give it prominence. It is unfortunately but a type of what almost every week presents. The statement is a plain one, and probably shows the actual condition of the estate, much more faithfully than many others submitted to creditors, looking very much better on paper, but proving hardly as favorable at a final settlement.

The lesson to be sought from such occurrences is plainly this, that to be ordinarily successful there must be something on which to fall back in the shape of capital. One thousand dollars is but a slender margin to put up for a business that could be sufficiently unprofitable to show a loss of thrice that amount in two ordinarily prosperous years. Credit business, if it be done at all, can only be done by men of means and peculiar adaptability for collecting and securing their outstandings. If not legally it is morally fraudulent to scatter out into a hundred hands on credit, the goods which have been got on credit from a half dozen merchants, without some other resource to pay for them than the returns from these goods. It is assuming risks that no honest man ought to assume with what is not his own, but another's, given him in trust. Young men, and even old men in trade, don't seem to realize this truth; and we must say that the ease with which they get credit, and the facility with which compromises are effected when the end comes, is not calculated to make them realize it. But more as to that view of the matter hereafter.

Another lesson taught by the frequency of such occurrences as the above, is the total want of system in a business which could show such astonishing results at an investigation, but which were not before sufficiently apparent to prevent the increase of further liabilities. Surely a business of this size, which in January showed a loss of fifty per cent. in two years, must in September have exhibited some symptoms of insolvency. Yet we have had evidences of even worse cases. There appears to be a very general neglect of the simplest and most fundamental rule of all business,—that of stock taking, and the yearly balancing of accounts. A man in an open boat on the wide sea, without a rudder, or compass, tossed by every wind and wave, is as likely to reach a desired haven as the merchant who expects to succeed in these days, and not periodically take stock and ascertain his "whereabouts" financially. In a great many cases even when this is done, there is a system of self-deceit practiced, which is very much to be deprecated. Honesty to the world is a good-paying policy; but dis-

honesty to one's self is the most suicidal and ridiculous of all fallacies. Statements made in apparent good faith by merchants in one half year, are often reversed in the next, and the balance is always on the wrong side. It is not a change in the condition of the country or of a man's assets that effected such a result; it is the improper and exaggerated valuation which is placed upon items susceptible to the usual contingencies, but which contingencies are never estimated. It is a suggestion worth considering that the Bankrupt law should contain a clause prohibiting a discharge to any trader who had not regularly taken stock, and placed a legitimate valuation upon his assets. Getting goods on false pretences is criminal; and it is pretty hard to tell where the criminality commences or ends when a trader gets a season's purchases into his store, and a very short time afterwards fails with a large deficiency.

Another point brought out in this as in many other cases, is the impossibility of forcing trade beyond a certain limit in each place. There is a point where it must cease to be safe. A consideration of the number of traders engaged in many localities, and the limited area which can be supplied with goods, it seems to us should be very suggestive to parties granting credits. The retailer who persists in forcing a business which is either unsafe or unprofitable, is to be blamed for continuing it; but he is not more to be condemned than the wholesale merchant who unwisely and without due enquiry encourages him in such a course.

## FASHION AND TRADE.

INTRICATE calculations have been made shewing the immense impulse given to trade by the literary works of such men as Sir Walter Scott, Byron, Dickens, Thackeray, &c.; and we can easily understand, if we give the subject a thought, that this must necessarily be so. For, not to talk of the more immediate work of the original printers and publishers, nor even of the almost innumerable reprints which, on the very surface, show the amount of work done, and money expended, there are booksellers, book-hawkers, newspaper proprietors, and an almost incredible number of others who derive support and grow fat on the single brain of a writer of fiction, a production in itself possessing no money value to the consumer.

The change of fashion in buttons, when those of brass, gilded and silvered, had to give place to others made of silk, or thin disks of iron or wood, covered with cloth, brought total ruin on one very important branch of manufactures; and as much distress, in the particular district to which it was confined, as that sustained from the Cotton Famine. One business is killed by change of fashion; another, by a touch from the harlequin wand of the same wonder-working power, springs into existence full fledged. The old fashion of hoops revives, and all our fair friends must forthwith be circled round with bars of polished steel; and soon the sound of closing rivets up gives dreadful note of preparation for an attack on the purses of husbands and fathers—for the greater sphere demands more enlarged covering; in this case, expanse and expense going hand in hand. New kinds of steel are forged, new tools are invented, new machinery set in motion, and a large business developed, which previously had no existence.

Many other freaks of fashion, leading to similar results, will, doubtless, suggest themselves to the minds of most men in business, more especially if they have the enviable privilege of paying for the adornment of an amiable wife and blooming daughters. Few, however, are aware of the growing importance, among the juvenile population, of a business which now occupies, as their sole employment, the attention of a considerable number of tradesmen throughout Great Britain and Ireland. We refer to the rage which has sprung up within the last few years, for collecting postage stamps, so that no young lady or young gentleman's establishment is complete without a postage stamp album. A magazine for youth, with a large circulation, has no less than six pages octavo, closely printed in nonpareil, of advertisements from dealers in postage stamps. The great bulk of these tradesmen are juveniles, and among the advertisements may be found some that would do no discredit to veteran puffers. "Agents! Agents! Agents! Wanted, in all schools and colleges all over the world, agents to sell stamps. References required. All stamps warranted genuine." "Beware of the fac-similes that are advertised. Mind that you are not taken in," Nay, there is even a "Universal Stamp Gazette," established

for the exclusive use of stamp collectors and distributors! A Trade Protection Society has been established, by which defaulters are pilloried by name, one young gentleman having been posted up for debt incurred for postage stamps to the extent of 60s. sterling.

## CHANGE OF FEELING.

A VERY great change of feeling is apparent in the United States in relation to the Reciprocity Treaty, since the hasty action taken by Congress. A number of leading papers, representing both sides of politics, have been strong in their condemnation of the sweeping measure contemplated by Senator Sumner's motion. The Boston Board of Trade has published an able argument against its repeal; and a very full and complete statement of the case, opposing the abrogation of the Treaty, has been prepared by a committee, and is likely to be adopted by the New York Chamber of Commerce. Senator Sumner's arguments—if they may be dignified with such a name—have been answered again and again from every point of view; and it is now doubted whether, if the vote in Congress were to be taken over again, a decision in favor of the breaking up of the Treaty would be arrived at. There is no doubt a strong disposition to have the whole question of Reciprocity undergo revision; and to this there is no reasonable objection. A proposal of this nature would be far more consonant with sound sense and good feeling than that adopted by the Senate. With the condemnation in the highest quarters of the operations of the raiders, and the decision against them by the highest courts in the land, the feeling of animosity which, for a time, seemed to prevail against Canada in the United States, will pass away, and we may look for a more amicable state of affairs. There now seems every probability of a speedy abolition of the passport regulations. We have great confidence in Mr. Lincoln's honesty and good sound sense; he is strongly imbued with Western ideas, which have always been strongly in our favor; and this, with other things, will, we trust, influence him to give the notice for a revision, rather than abrogation, of the Treaty.

## INCREASED DUTIES.

IN view of the probable large decrease in the importations of the current year, and the increased expenditure consequent on the enrolment of a large militia force, it is not unlikely that Mr. Galt will propose an addition to some of the existing duties. It is hardly possible that the Customs tariff will be increased in the face of declining importations, and the delicate position on which the Reciprocity Treaty stands will, therefore, not be surprising if the excise on spirits and tobacco should be augmented, or, what is more probable, an increase in tariff for Bill stamps.

— Some idea of the extent of the Petroleum Trade in the United States may be gathered from the list of Joint Stock Companies which have an existence in Philadelphia and New York alone. In Philadelphia they number three hundred and twenty-eight, fifty of which are paying monthly dividends of from one to three per cent. per month. In New York the number is one hundred and forty-six, of which thirty are paying one one to four per cent. per month. The entire number of Companies in the United States is 629, with a gross capital of about three hundred millions of dollars. The following figures, showing the enormous profits which some of these companies have earned, as indicated by the dividends paid, will be interesting to many of our readers:

16 Co's	paid each 100 p cent.	for 6 mo's ending Dec. 31
9 " "	" 20 "	for the mo's of Nov. & Jan.
3 " "	" 18 "	for the month of Dec.
6 " "	" 10 "	" " "

— We have been told by a highly respectable party that the Grand Trunk agent at Chicago declines to receive freight for Montreal or any other point short of Liverpool. Is this really so? Perhaps Mr. P. S. Stevenson, the Western freight agent, to whom the officials refer, will enlighten the public on this rather singular policy.

— Fires have been very numerous all over Canada during the past month. The Insurance Companies are said to estimate their losses at \$820,000 in the month.

— We regret to hear it rumored that, in consequence of the probable scarcity of freight, the "Anchor Line" of steamers, hitherto represented here by Messrs. G. & D. Shaw, is likely to be discontinued to this port.