

THE MERCHANTMAN.

Devoted to the Interests of the Wholesale Business of the Dominion.

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THE MERCHANTMAN is published the 1st of every month, and will be distributed by commercial list through the principal towns and cities of Canada. An issue of five thousand copies will be mailed gratuitously every month; but to receive the paper regularly, the Subscription rate will be ONE DOLLAR per annum. Merchants receiving this copy are therefore requested to forward their subscription to "The Merchantman" (registered letter), Toronto.

Special Notice.

We shall be happy to receive and publish papers treating of the trade or manufactures of Canada; but as our paper is devoted solely to commercial interests, communications of a political nature will be excluded. In all cases, the writer's name and address are necessary, not for publication, but as a guarantee of good faith. We cannot undertake to return or preserve manuscript.

TORONTO, AUGUST 1, 1874.

THE FANCY GOODS TRADE.

In our first number we briefly alluded to the objects in view of which this journal is published; in this we shall point more particularly to the benefits arising from the extension of the branches of trade there referred to. The growth and increase of any legitimate branch of trade is a matter of congratulation. It is an evidence of the prosperity and progress of our mercantile market. All branches of trade, however, do not alike give the same cause for congratulation; all are not alike useful, nor do all influence in the same manner, the character and standing of the community. For example, no one would assert that the influence of the wine and book trade were both the same upon the morals or intelligence of those who are their patrons. One deals with the passions, another with the intellect. This is a distinction every one can make. Personal interests in neither one or the other can influence one's better judgment; for books undoubtedly command a higher respect from true manhood than wine. So it is with art, music, photography, and also with fancy goods. This statement we make unprejudicially; for although this journal is essentially published in the interests of the latter branch of trade, it is not disregarding of the fact, that others as well as it can claim the interest of the community, and materially aid the success of our commercial world.

During the year 1873, the imports of Fancy Goods in Canada amounted to over four million dollars. This is a large advancement over any previous year. The Fancy Goods trade thus is growing rapidly, and with it the refinement and taste of the people. But in what way, it may be asked, do Fancy Goods tend to the end here mentioned? Just in this way. They may not, though in some cases they do, represent the very highest type of taste or art,—at the same

time they pave the way for creating this taste. Refinement is a question of progress, not of immediate transition. We grow day by day in the higher branches of civilization, and just in proportion as the means of education in these branches are placed before us will we thus grow. The merchandise that may be classed among Fancy Goods, cannot be termed art itself, but out of it may be said to come, in a measure, the taste that creates it. That such is the case, we need but refer to the fact that this branch of trade only prospers where refinement and taste exist; and the stronger these elements, the greater the trade, and the better in point of quality will it be. It has no stronghold in the backwoods, because there we do not look, at least in large enough proportions, for the taste to support it. Go to our larger cities and towns, and there it is to be found. In the larger cities it is the most prosperous, because there centre in the largest proportions the highest literary and artistic intelligence, there we find the class of people that can appreciate beauty and art, and Fancy Goods are their accompaniment. To this end a Fancy Goods stock, well selected, tastefully arranged, and judiciously displayed, will draw to one's store the class of customers of that stripe, educated, literary and refined, that every merchant most desires to secure as their patrons, while the mantle-pieces, the tables, the what-nots, located in such citizens' houses, bears evidence to the very tangible fact, that the Fancy Goods dealers has been one of the principal agencies in the decoration of their homes and the cultivation of a refined taste.

CASH AND CREDIT.

"Going into business," as it has been termed, like entering into that other engagement, considered the most solemn and binding in life, matrimony, carries with it if not many risks, certainly many responsibilities, and these responsibilities are made heavier in proportion to the lack of knowledge one may have of his business and the rules and economies that govern it. Unless men have an insight into these economies and principles that guide their own business in particular, and every business in general, they never can make successful merchants; knowledge is power, and in no department of life is this statement more verified than in business. What, then, we may ask, are those principles so necessary to be studied? They are many; each trade has some peculiar to itself, every trade has some general to all. Want of space prevents the enumeration of them in this paper, we shall therefore confine ourselves more particularly to the heading of this article, viz., the Cash and Credit systems of trade.

When we say that some hundreds of thousands of dollars are annually lost in business through bad debts, we make a very mild estimate. In taking stock at the end of six or twelve months, or perhaps

a longer period of time, the number of accounts which merchants, who carry on the credit system find it necessary to charge to the wrong side of the Profit and Loss account, is an item which, were it not for other considerations would ruin any business in a very few years.

Take one side of this credit system only, and see what a hindrance it must be to legitimate and successful trading. Every merchant who does a business of any moment whatever, if conducted on the credit system, finds it necessary to employ at least one clerk as book-keeper, with frequently one or more assistants. The salaries of these clerks, if there should be more than one, will average probably some thousands of dollars a year. Of itself this is an expensive item, but here the matter does not rest; the additional wear and tear and anxieties it gives to the merchant himself, is enervating to the man, and especially so to his business energy. True if he has a trustworthy book-keeper these matters may be left largely in his hands, yet it is a fact recognized now by most business men that personal oversight in every department of one's business is a necessity, and more in the line of financing than in any other, for here the greatest and most serious losses may occur. Could a certain limitation, however, be placed upon the credit system the annual losses might not be so great, but in this case it is a good deal like acquiring bad habits; once inaugurate a credit system into your business and every year it becomes more and more burdensome, risky and losing; accounts accumulate, and from an over abundance of new ones the old ones are neglected or allowed to run on and increase until, as we said before, a "big" sum is found on the wrong side of the profit and loss account.

But let us look at the negative as well as the positive side of the question. We have shown very briefly some of the losses in trade when the credit system is carried to any great extent, and that they always occur is a proposition hardly likely to be questioned by any one who has had experience in the matter, let us now see what are the gains when it is dropped and the cash system established. In the first place it is not mere cant to say that the man who sells altogether for cash does, or at least can, sell the cheapest. Ready cash is at any time a consideration, and when in coming to sum up the receipts of one's trade these all show up in cash, not represented in so many items in the Ledger from which the money equivalent may not be realized for some considerable time, a fair and safe calculation can be made as to the profits of the business. When this is not the case one may approximate but never knows exactly what are the profits, because who can tell that the largest account in the books, and considered perhaps the safest, may not before many months, by some unforeseen event be completely annulled. Then, again, when one sells altogether for cash he can, as we have said before, sell the cheapest, because knowing just what his receipts are, and they being all in cash, he