

CAUTION NECESSARY

THE purchases by retailers thus far in the autumn have been unexpectedly large. The good crop, and the expectation of an early reduction of internal indebtedness, has induced a very general activity in trade, and there has been much more than the usual desire to secure stocks. The prices which are being realized for every description of produce are very satisfactory, and the rapidity with which farmers are marketing their surplus products is imparting a degree of ease to the monetary condition of the country, that is most gratifying. Collections are being rapidly made, and the remittances to importers in payment of spring purchases are large and increasing. It is certain these payments will be pretty generally met, and that the money realized by the country for the outgoing crop will be mainly applied in this manner. The question is an important one, how far this will exhaust the debt paying power of the people. It is important, because the purchases of goods now being made will not mature until next March and April. If the country merchants are selling on credit on the usual terms, the goods which are now going into the country will not be realized for until after another crop; for as a rule the farmers require a year's credit. This would be a most wise policy on the part of any retail merchant. There never was a time, as we have before stated, where the farmers can more readily submit to a cash system as now, and a moral responsibility rests upon the retail merchants to do all in their power to contract the limits of the credit business. Their interest points unmistakably in but one direction, and that direction is a cash basis as nearly as practicable. If farmers can pay up their indebtedness now, they have under ordinary circumstances a fair claim to the usual credit, but it must be borne in mind that the country is at the present moment in no ordinary condition. We have had one good crop in five years, we are realizing for it prices which we could hardly have expected, and it is reaching market with a rapidity never before equalled. But we must not regard this condition of things as natural or likely to continue. We have barely two months more of navigation, at the end of which period the American markets will for all practical purposes be closed to us, the shipments by rail during the winter months will be insignificant as compared with the movement now, and before another season of navigation opens, reciprocity will in all probability have been abrogated. Within the next two months, the volume of exports will doubtless find a market, and by the end of this year the country will be pretty thoroughly exhausted of all it has to spare. We believe that the money thus realized will very generally put things square, and probably most farmers and producers may have a little surplus, but we question very much whether there will be sufficient to pay for the present purchases of goods as promptly as is generally expected. A year's credit to farmers implies a payment from the proceeds of another crop, but it is most unwise and unsafe, as the past has shown, to predicate large transactions on the success of a crop rot yet in the ground, and the market for which will have been in the meantime seriously affected. It strikes us therefore as most important that country dealers should be more than usually careful in granting credits, and not be led into unwise speculations or extravagant stocks by the present prosperous condition of trade. We are certainly now enjoying the best part of the best cereal year in five. What has hitherto been accomplished in six or nine months is now being compressed into three, and it will be well if the activity thus induced does not lead retailers to imagine that the same prosperous state of things can exist throughout the cereal year. We believe greater care is necessary now than ever before; an unwise expansion of trade would be productive of more disastrous results this year than ever before. With small liabilities, light stocks, and a general disinclination to extend credits, the country merchants can place themselves in a first rate position to meet all the disadvantages arising from a repeal of reciprocity. This condition they can now happily reach with ordinary care; but if they buy heavily, owe largely, and credit wildly, the three months of prosperity will have been a snare, and the opportunity once lost for improving their condition, is lost for ever. It is their duty to consider carefully all the circumstances in which they find themselves placed. Certainly never before has there been greater need for discrimination in both buying and selling, than there is at the present moment.

TIME WILL TELL.

THE present condition of business in the United States presents a phase hardly credible, in view of the struggle from which that country has just emerged. Notwithstanding an immense destruction of property and a complete derangement of their monetary system, the withdrawal of an immense number of men from productive pursuits, and above all the imposition of an exhaustive system of taxation; in the face of all these adverse circumstances, there is at the present moment a condition of prosperity almost unparalleled in the history of nations. Every interest seems to flourish, and to flourish with a degree of success hardly ever before dreamed of. Judging by the experience of the past, and the teachings of all history, the expectation was universal that nothing but disaster and embarrassment would follow the close of the war. A depreciated currency, an immense debt, the disorganized condition of the South, the disbanding of the army, were all causes sufficient to induce serious results; but so far these expectations have been not only disappointed, but completely reversed. There never was such a demand for labour in the United States as at present. Notwithstanding the unprecedented emigration from Europe and from Canada, and the return of a large portion of the army to peaceful avocations, wages continue remarkably high, and manufacturers and others yet experience difficulty in procuring all the aid they require. This is an unfailing indication of a largely increased internal trade. The high tariff, affording, as it does, every protection to the manufacturing interests, doubtless stimulates the employment of large numbers in enterprises which hitherto had been but partially developed, and this may account in some degree for the increased demand for labor. But on the other hand the foreign commerce of the country is rapidly on the increase. The total imports of the United States for the last three months have shown a very rapid growth, and the fact that exchange continues so high is a sure sign of the enormous demand for foreign goods.

The ready adaptation of the American people to the extraordinary circumstances in which they have, not unfrequently, found themselves, is most remarkable. It has been no where better illustrated than in the rapidity with which trade has resumed its ordinary functions in the conquered South. That country, which was supposed to have been completely devastated by four years war, shut out from the world by a cordon of blockaders, with its resources exhausted, its system of labour utterly disorganized, and the spirit of its people broken,—with all these and much more to depress it—begins already, after the lapse of a few months, to exhibit most promising signs of vitality. It is reported that numbers of merchants in the South who were heavily indebted to the importers of the North at the breaking out of the war, have not only been ordering heavy supplies of goods, but have actually been paying up their old indebtedness. In New-Orleans, Memphis, Charleston and other centres, the greatest activity prevails, and the rapidity with which the stocks of merchandise have been absorbed in all sections of the North, and even in Canada, indicates not only the need at the south, but also the revival of that once great trade, in proportions even greater than ever before. This accounts very considerably for the activity which every where prevails in the North. It is also true that the largely expanded currency which the war has created, implies and necessitates an increase of commerce to employ it. Speculations of the most speculative character are unquestionably afloat in every section of the community, exaggerated forms of which may be seen in the excitement in the Chicago grain market, and in operations in Oil in all sections of the country. Still it is impossible to deny the existence of a very safe and legitimate trade, based, too, generally, on cash terms. While on the one hand we have to notice diminished Exports from every port in the United States, reputed short crops, and an extravagant rate for every article of consumption, and on the other heavy Importations and a high rate for Exchange, there is no getting round the fact that the United States have within themselves at this moment a prosperity unquestioned and unexampled. It may however all be the result of a diseased state of the finances. It does not seem possible that after the destruction of so much property, the cessation of so much labor, and the piling up of such an enormous debt, that the country can have gained as much as it has lost, and yet from appearances at the present moment one would think there has been no war, no destruction, no disaster. The smoke of the battle has blown away; the

bar of the cannon has ceased; and all over the land is heard the busy hum of manufactures and commerce.

It is most interesting to watch the progress of the solution of this problem. Time will tell whether all this prosperity is genuine, or whether it is a diseased condition of the body-politic produced by the war. Our lot is cast in a wonderful age, and its greatest wonder is the nation on whose borders we live. Its history in the last four years is full of instruction; its progress in the next four cannot fail to be still more interesting.

AMENDMENTS TO THE INSOLVENT ACT.

IT is fortunate that the meagre and insufficient amendments brought into the house two sessions ago did not become law. Although the bill that has now passed its third reading may not meet all the difficulties that have been experienced in the working of the act of 1864, it is in very many respects satisfactory. The select committee to whom it was referred have evidently made themselves acquainted with many of the drawbacks to the efficiency of the old Act, and remedied not a few of them.

Some of the principal provisions may be briefly noticed. Under the second section a voluntary assignment may be made to any official assignee without the formalities and notices required in other cases. This clause gives the Insolvent a very wide choice. He may make an assignment to any official assignee, and no restrictions appear which would prevent the selection of an official assignee in Gaspe by an Insolvent living in Windsor, C. W. In case the creditors did not appoint an assignee at the first meeting the original act provided that the insolvent might assign to "any official assignee resident within the district or county within which the insolvent has his place of business." It is difficult to see why the restriction as to residence should be removed when the choice of the insolvent is otherwise enlarged. A new and very important act of bankruptcy is created by section three, which provides that if a trader permits any execution issued against him, under which any of his chattels, land, or property are seized, levied upon or taken in execution, to remain unsatisfied till within forty-eight hours of the time fixed by the Sheriff for the sale, his estate shall be subject to compulsory liquidation. But (Sec. 11,) it shall be sufficient for the trader to shew upon petition that his neglect to satisfy the execution was caused by temporary embarrassment, and not by any fraud, or by the insufficiency of assets to meet his liabilities. In the amendment bill proposed during the former session this clause was to be found, but with this difference, that its application was not restricted to traders. In Lower Canada this is of no moment, as the operation of the entire law is limited to that class, but in Upper Canada it is highly important. A non-trader in that part of the Province can take the full benefit of the voluntary assignment provisions, and get "white-washed," or discharged from his liabilities. At the same time it will be found almost impossible for the creditors of a non-trader to force him into bankruptcy. They cannot make a demand upon him under sec. 3, sub-sec. 2, neither can they under the amended Act take advantage of the clause just referred to respecting failure to satisfy executions. This cannot be pure chance, and it looks certainly very much as if the Upper Canada commercial men in the house had been blindfolded by the non-traders.

Section 4 empowers a Judge in Upper Canada to make an order directing what shall be sufficient service of a writ of attachment in case of an absconded or concealed defendant. This was very necessary, although some judges had already, in order to prevent an absolute break down in the working of the act, taken upon themselves to make such orders.

Provisions are made by section 6 for the issue of concurrent writs of attachment addressed to sheriffs of districts or counties other than that in which proceedings are being carried on. This, too, is absolutely necessary; and some County Court Judges in Upper Canada had already ventured to direct the issue of concurrent writs, although not authorized to do so by the Act of 1864.

We shall further refer to this matter next week.

Boot and Shoe Market.

Since our last issue the prices of Boots and Shoes have remained as then given. This is from the feeling that the Montreal market must be the leading one for the Boot and Shoe business, although at the expense of the trade for a time. However, should present prices of labour be maintained, with the advance of leather, manufacturers here think that all articles in the Boot and Shoe line must shortly undergo a further advance of at least 10 per cent.