

voter is far from being of that opinion. In the present state of opinion, spirituous liquors do not form any part of a possible basis of a commercial treaty with Spain. Senor Marcoartu discusses the difficulties in the way of forming a treaty between Spain and Canada. It would have to be similar in terms to that concluded between Spain and the United States. A difficulty which stood in the way of a treaty with Canada, when Sir Alexander Galt went to Madrid to open negotiations with that object in view, has not been removed by the Spanish-American treaty. Then, the objections of the farmers of Castile to the admission of foreign flour, were all powerful; now, they have not been overcome by the free admission of American flour into Cuba. The objections to the free admission of Canadian flour, Senor Marcoartu thinks would be removed by the free admission by Canada of the dried fruits, light wines, and other products of Spain, but this we should think improbable. The Spanish-American treaty will not make it more difficult, perhaps it will make it more easy, to secure a Spanish-Canadian treaty.

Much of the information previously received about the Spanish-American treaty was inaccurate. It was said that flour had been excluded from the free list, and that the most favored-nation clause had been rejected at the instance of the American negotiator, Mr. Foster. There is some confusion about flour; schedules B and C making free "flour of cereals other than rice," and schedule B dutiable, putting 50 cts. per 100 kilogrammes of wheat and \$3 a bbl. on flour. The most-favored-nation clause does not appear in the traditional form; but in substance it is there and in something more than its accustomed force. Article XXII reads: "Each of the two high contracting powers binds itself to extend to the other, in the United States and in the Spanish Provinces of Cuba and Porto Rico, reciprocally, all favors and concessions relating to the customs' tariffs, commerce, navigation, and property that are or may be conceded to a third power, with the understanding that the favors and concessions granted said third power shall be enjoyed gratuitously, if conceded gratuitously, said other contracting party giving the same compensation or other equivalent if the concession has been made conditionally."

In carrying the merchandise of which the treaty takes cognizance, either Spanish or American vessels must be used. This archaic provision is of course intended to aid in the restoration of the American marine, and that it must have that tendency is certain; but at what cost? If American vessels cannot compete with those of other nations, the monopoly secured by the treaty means increased cost of carrying and this increased cost must be added to the price of goods. In this way, the benefits of the treaty are partially neutralized. The American commercial marine will never have robust life infused into it till it learns to stand alone and is able to challenge the competition of the world. Such devices as this will tend to perpetuate the sickly condition of its existence. Their coasting trade, in a similar spirit of unheroic monopoly, the Americans retain. With some objectionable exceptions, this treaty, which is remarkably well guarded on all points, would form a good model for similar instruments in future.

CUTTING PRICES.

A number of our subscribers complain of insufficient profit on goods sold, and tell us that they find themselves forced to sell certain goods at or under cost by the under cutting of their neighbor merchants. Some of the instances given by our correspondents relate to domestic cottons; and we must remark that it would be difficult for any retail dealer to say, at any time these six months past, that his neighbor was selling Canadian cottons below what he (that neighbor) paid for them. Jones might be selling at eight cents goods which cost him seven and three-quarters, in September, while Smith who had bought the same goods in June paid eight for them, and Brown was saddled with a bale or two at an earlier date at eight and a fraction. Needy or embarrassed mills have put it into the power of enterprising houses to break the market from time to time; job lots have been plentiful, and scarcely any one was safe in believing that the market for grey cottons had "touched bottom." Difficulties not very unlike these have arisen of late with respect to sugar.

But apart from these special articles, underselling is constantly practised, sometimes by new aspirants for business, sometimes by unscrupulous traders, and even by houses which mean well but cannot resist the prevailing custom. Every merchant will find this lion in his path, and the descriptions of underbidding vary. One man makes a cut on sugar, another on cut nails, a third by adroit mixing offers a forty cent tea, a fourth sells kerosene oil, at less than the wholesale price in London. In one shop, a prize of crockery or glass-ware is offered for every dollar's worth of goods purchased. In another, so many cents in every dollar's worth bought is returned in cash to the purchaser. Here, an additional cent. per pound is offered for the farmer's butter—there, an extra dime for his hundred-weight of pork.

Too many merchants, dividing the trade, is one prolific cause of such demoralizing business methods. Every man is eager to catch the stream of custom. But suppose he has caught it, is he advantaged thereby if he does not sell at a profit? Goods sold habitually below their cost are not likely to be paid for in full, and, as a contemporary put it: "The man who habitually undersells runs in a crooked groove at every turn of which bankruptcy is written."

Selling below cost is a mode of appropriating the proceeds of goods without paying the purchase money; and when carried on with deliberate design is a form of fraud which no more serves to be condoned than shop-lifting or pocket-picking."

If we tell a store-keeper that he must not undercut, that it is immoral, unbusinesslike, suicidal, he will very likely reply: "Very good, then I may as well put up my shutters. The man next door is openly cutting, the firm across the street does the same thing on the sly, and between the two my occupation will be gone if I don't also lower my prices." Well, the truth is that if every other general store-keeper in the country would put up his shutters and keep them up, a better state of things would

be possible. But we need not look for this. Some must be weeded out; let the wholesale dealers see to it that their places are not filled. Discrimination must be made in favor of the honest, competent, methodical country merchant; and the sooner the fools and the knaves are frowned out of the business, the better for the trade of the country. The trader who pays his way must sell at a profit, and cannot afford to cut below others in the same line.

BE READY TO CLOSE YOUR BOOKS.

In a few weeks more the year 1884 will have expired. Many business men, joint stock associations and insurance companies are meantime making laudable efforts to swell the volume of the year's business before the close. This is all right, providing it be done in a legitimate way. But we fear that instances are not wanting, particularly among some of our over-ambitious life insurance managers, of endeavors to swell the business of this year in a way that was never contemplated by the Insurance Department.

It is not easy to understand how the oath can be made that the returns or statements which profess to show the condition of a company's business as on the 31st December, when those statements actually include premiums on new policies taken, not only in January but in February, and even so late as the earliest days of March. If we say that to make such an oath must require an elastic conscience which can stretch over one-sixth part of the year as has been done in some instances, it is equally true that such a mode of doing business must require some peculiar book-keeping. It is not every accountant who understands how to get cash received in the months of January or February into his December accounts without some sort of conjuration. But is it not folly to adopt such a pernicious habit, indulged as it is at the expense of the following years. But if once begun it is difficult of abandonment, because having been accustomed to extend the year to thirteen or fourteen months to stop on the last day of December means a short year of ten or eleven months at most. This would show in many instances a decline in business, and this the ambitious manager feels that he cannot afford. So he stretches the truth as well as the business.

Directors who have unthinkingly allowed their manager to keep books open for a day or a week longer than they should in order, as he says, that "premiums in course of transmission may be received," should think over the matter now, hurry up their agents and put a stop to such an improper and deceptive practice. If the manager of a company finds it necessary to keep his books open one day longer than he should for the sake of casual advantage, he will not hesitate to keep them open for a month or two in order to accomplish his purpose. Swearing to the accuracy of his statement is only a little more troublesome in the one case than in the other. The only proper way to do is to absolutely close the books at the last hour of the year and then begin afresh with the new year.

The principal excuse offered for wrong-doing of the kind described is that when the year