

"CREDIT."

Merchants and Traders have had so many homilies and lectures on their sins launched upon them from every quarter of the editorial world during 1879, that they are getting slightly restive—and no wonder. It becomes monotonous even to one's self continually to cry "peccavi"; and when the cry is dinned in our ears, from without, in what may be called the provocative tense of "thou hast sinned," it ceases to be either cheering or effective. He who sits down to mourn over his follies or listens too much to hired mourners who do his moaning for him, wastes precious time and exhausts powers of heart and mind that were never meant for lamentation, but for work—meant in fact to overcome evil by doing good.

It is better—better far—to will to see what we have to do, and then, do it.

Because we Canadians inherit much of the trading spirit of our ancestry in older lands therefore trade will be, must be, an important factor in our national progress.

On city men that portion of the National programme specially devolves. A merchant is but a workman, and credit, money, banks, and capitalists, are but the tools he uses. He ought to know how to use his tools without either cutting himself or spoiling his work. Specially he needs to consider how wisely to use credit.

Credit is simply "belief" strong enough to bear the weight of a loan in goods or money, nor is it a slender cord that can bear such a sham in this money-making money-loving age.

To perceive how credit can be used safely it is best, possibly, to illustrate first from the very lowest round of the mercantile ladder. Jones starts in business, in Halifax let us say, with no capital whatever but with good character and recognized ability—therefore possessed of credit. Legitimately to use that credit Jones ought to sell his goods before he buys them, and should take excessive care that his risk in crediting, if he credits at all, is at a minimum. Jones deserves, and needs, a credit long enough only to enable him to deliver the goods sold and obtain his customer's acceptance for them. When he discounts that acceptance he ought at once to settle his debt. He should know that he can discount it before he contracts the debt. The law of "usefulness" forbids him, even if he can obtain longer credit, to use the means he thus finds at his command to enter into new transactions. Why? Because he will not then own the stock he buys, and should it be left on his hands by any chance or change of the market, he may be forced to realize, and so lose—other people's money. Such a risk is no use to himself, no use to his creditor who will eventually lose by him if the process be continued, and no use to his fellow traders whose market he spoils, decreasing values possibly, by his single action, to an extent ten times as great as his own loss.

Ascending a few rounds higher we find Brown starting with \$20,000 capital and good credit. Said Brown has no right to buy, at first, more than \$20,000 worth of goods, for which he ought to pay at once. The moment Brown sells a part of his stock, exchanging it for cash or a good time acceptance, then he may justly buy more goods. But Brown ought, for the sake of usefulness to all, himself inclusive, to keep himself in the position of owning his stock-in-trade. No merchant worthy the name, no man who regards credit as the tool of usefulness, will dare to hold more goods on hand than he can instantly pay for, whether he sells or not. He will never expose himself to the compulsion of the market forcing him to sell at a loss to meet his payments. Any other course than this is stock gambling, exactly resembling what is more generally called so. Every merchant may, if he chooses, thus own his stock. Banking facilities are great among us, and it is the special province of the banker to lend money on the security of completed transactions, for the result of which two separate firms are responsible, and so restore the capital used in the first transactions to give facility for a second.

Business is useless if not profitable—useless all round—to buyer as well as seller, for the local purchaser of goods "jobbed" to meet payments seldom really needs the goods; and the man who jobbed them, thereby eased for the moment and his credit maintained, straightway buys more. He must, if he be floating on credit with a stock unpaid for. Thus this evil, like all other evils, "grows with what it feeds on," till it works itself out into powerlessness by an almost utter destruction of credit.

For credit as between man and man means a strong belief of the one in the ability and good intention of the other. Aye, credit has a still deeper root. A man must have faith in his own powers to carry out the intention he is conscious of. He must credit himself, and do so wisely too, ere he has any right either to expect or receive credit from others. Credit therefore is, or ought to be, based almost wholly on character—on the man's real self and his own knowledge of that self; and then upon whatsoever knowledge of his purposes and the probabilities of their success he can lay open to the sight of others. If they see the purpose formed by him to be wise, they know that he is wise; for a man is known by his plans as well as by his actions. The plans show the man; the actions show his ability to carry them out. So credit is gained. Reverse the process to see how credit is lost.

The "use" of credit is—well, simply "usefulness." The abuse of credit

is to deprive it of that usefulness. Usefulness to one's self only is selfishness, for what benefits self at the expense of others can hardly be regarded as useful. Can it? Anything that is of use to me only is valueless—has no market value whatever—because it is useless to any one else. Hence, in the very idea of "usefulness" is implied a universal utility—the more universal the use, the greater the real value.

The corollary to this train of thought leads directly to a financial heresy. It is this; and it is truth, however shocking it may be. The man who, filled with the idea of some great work in which he sees usefulness to his fellows, uses credit to carry it out may successfully complete the work, yet fail to make a financial success—may become insolvent and pay ten, fifteen, or twenty cents in the dollar, according as insolvency dividends "may happen to range at that joyous period"; but if the thing he has wrought be really useful it will remain and be continued by others, while his credit, though struck to earth, will rise again. He has not abused his credit. He has used it.

It is needless surely to harrow the soul with sad memories of past experiences, or prate of the causes of the trade depression from which we are now emerging, in order to enforce such conclusions as the above. If not true in themselves, reject them. If true and rational, then carry them out in practice.

One thing at least is certain; the wholesale merchant or retail trader who owns his stock, and trades further only to the extent to which he sells, is in the position to serve his customers best, to promote usefulness to others, and will find a powerful reflex influence upon his own affairs. Those who are *not* so situated yet, can work towards that end, and attain it gradually. Those who are in it will be wise to remain there, be the coming national prosperity and inflation ever so great, and ever so tempting.

Merchant's Clerk.

ART CRITICISM.

If there is one subject more than another which men claim they have a right to, and are fully competent for, it is to criticize Art, and in all communities there are to be found people ever ready and willing to assume the office, and to the great mass it is a matter of indifference whether they are competent to perform the duties or not; indeed, this seldom costs them a thought. And it would often be amusing to read their productions or hear their conversation, were it not for the manner in which they sometimes deliver their opinions, and the many fallacies they too often propagate.

No artist possessing common-sense will object to good criticism; on the contrary, it shows him that you are interested, and desirous of stimulating him to greater efforts and more correctness in his productions. But what can we say, or what excuse can be made, when it frequently occurs that the criticism is worse than the work criticised? It may not be the duty of a critic to create a taste, but it certainly is to destroy what is false; nor must he stop there, but judiciously point out the path to excellence, not by indiscriminate censure, which is not criticism, any more than by injudicious praise; for, of all men, they are the most mischievous who only flatter or bepraise our faults.

No class of men suffer more from bad criticism than the artist. He is in a great measure prevented from defending himself, for if he in the least attempts to do so, he is at once classed as conceited, if not something worse; and to such a degree has this obtained in this city, that his voice is seldom heard. A host of pretentious Art-critics have sprung up among us, and artists often wonder where they derived their knowledge from, or how many years or even months these men have given to the study of Art, that they on all occasions parade their opinions, and too often display their ignorance.

The object of Art is not solely imitation, but *pleasure, instruction, and improvement*. Ideal or emotional art does not aim at the realistic appearance of objects, only so far as will impart a truth to such; its province lies more in the direction of making mind speak to mind, by appealing to our sensibilities and imagination.

Let us take an example of an artist whose productions come under the emotional,—Flaxman. Much of his art was of an abstract character, aiming more at the realization of sentiment rather than the reproduction of the minutiae of Nature, and few artists would suffer more than Flaxman in reputation if judged according to the theory of the realistic.

Then, again, the typical in Art will scarcely bear judging in comparison with Nature (in the sense that the modest critic wishes). Typical Art fulfilled its mission when books could not be obtained by the masses. By its emblematic meaning it served to instruct the people, and in doing so it left us much information bearing upon the civilization of ancient races, their manners and customs. The conventional in Art belongs mostly to ornament, but is too often mistaken by many for mannerism. There is a wide distinction.

In a recent paper in the SPECTATOR a writer finds fault with the improper use of, and departure from, the natural form of the *fleur-de-llys* and the palm. He forgets that the best styles of ornamental art have been those when the conventional was most strictly followed—such as the Greek, Roman and Mediaeval periods. It is not necessary that a designer should confine himself to the close imitation of an object. This would produce a picture of it, not