

Without good credit the house cannot extend its business, and without confidence it cannot obtain credit. The commission business is looked upon as the safest. The commission merchant makes advances of from one third to three-fourths the value of the goods, which he sells at 5 to 7½ per cent. commission, and receives interest on his advances. In case the consignor fails, the commission merchant is secured by the goods he holds. The profits of the commission merchant are not large, but the volume of business is often heavy and the risk light. The practice of dating notes ahead has in some measure taken the place of the old system of selling goods on six months' credit, with the privilege of discounting at 30 days, at the end of which settlement by note was required. The merchant then would take the note to his banker and have it discounted. Under the present plan goods are sold at four months' time and 60 days extra time without note, so that credit to-day is as long in some trades as before the panic. There seems, however, to be an inclination to reduce the time on which goods are sold. There is more danger in the contraction than the extension of business. It is not from the credit system *per se* that disasters are to be feared, but from a lack of safeguards. In other words it is the abuse and not the use of credit which makes shipwreck of so many mercantile firms.—*N. Y. Shipping List.*

### Honesty in Trade.

Retail dealers who make a practice of buying light weight, or impure goods, and selling the same to their customers as full weight or pure, have no just cause for complaint when the manufacturer or wholesale dealer plays the same trick, and sells second-class goods for first, or gross weight lard for net. The smart dealer who is constantly on the watch for "special bargains" in pure spices, 12 or 14 ounces to the pound, canned goods one-half to three-quarters of a pound light, and fancy teas, coffees, molasses and flour just sufficiently fixed to enable him to realize a good round profit and undersell his competitors, should not get in a rage, and call hard names when he finds a tub of olio among his choice creamery, or ten per cent. of glucose mixed in with his best molasses, for this is a little game that more than one can play at. And it has at least one advantage: those who follow it up generally get beat, and lose their capital and reputation, (if they have any, at the same time.

We have got to a point in the business history of this nation, when it becomes absolutely necessary to call things by their proper names, if we are to maintain the honorable reputation gained by the honest well directed efforts and industry of our predecessors, as a great producing and manufacturing nation.

If leading manufacturers persist in continuing the ruinous policy, introduced with our civil war, of manufacturing spurious and adulterated articles and putting them upon the home and foreign markets, as pure goods, the entire nation will be compelled to pay the penalty, and our manufacturers will have the mortification, the honest and dishonest alike, of seeing

their goods thrown out of all the foreign markets and branded as fraudulent.

It is a deplorable spectacle to witness leading manufacturers and capitalists combining, as was the case in Chicago a few weeks since, for purely selfish motives, to destroy the reputation of one of the leading products.

We have just cause for congratulation that this combination has failed, and thereby the questionable tricks employed by this class of capitalists exposed.

The lesson taught is that, in the long run, "honesty is the best policy," not only for the manufacturer and capitalist, but for wholesaler, retailer, and consumer alike. It is, therefore, the duty of all retail dealers who honestly desire to remove the many abuses that now exist, to set their own houses in order, and then enforce the command, that all, large and small, be compelled to do likewise. *The Commercial Reporter*

### "Striking Oil."

The July *Century* contains an article by E. V. Smalley in regard to the importance of the oil fields of the world, as follows

"Nearly all the petroleum that goes into the world's commerce is produced in a district of country about a hundred and fifty miles long, with a varying breadth of from one to twenty miles, lying mainly in the State of Pennsylvania, but lapsing over a little on its northern edge into the State of New York. This region yielded, in 1881, 26,905,813 barrels, and in 1882, 31,398,750 barrels. A little petroleum is obtained in West Virginia, a little at various isolated points in Ohio, and a little in the Canadian province of Ontario. There is also a small field in Germany, a larger one, scantily developed, in Southern Russia, and one still larger, perhaps in India. The total production of all the fields, outside of the region here described, is but a small fraction in the general account, however, and has scarcely an appreciable influence upon the market. Furthermore, the oil of these minor fields, whether in America or the Old World, is of an inferior quality, and so long as the great Pennsylvania reservoir holds out, can only supply a local demand in the vicinity of the wells."

### Results of Speculation.

The failure of McGeech, Everingham & Co., of Chicago, for several millions of dollars, caused for a brief time considerable excitement in that city. Commenting on the influence this will have in commercial circles, the *Cincinnati Price Current* says: "Speculation within the limits of sound business principles is the life of trade, and our markets would be flat, stale and unprofitable without it, but there are reasonable limits to every thing, and speculation, like vaulting ambition may overleap itself and fall on the other side." The torrent of a mountain stream or a mighty river may, by a properly constructed dam, be partially diverted from its course and turned to great practical utility, furnishing power for important industrial enterprises, or promote the production of crops by irrigation, but in all cases the operation of

natural laws must be observed and provided for, or else there will be an accumulation of power which nothing can withstand, and instead of a salutary, wholesome and prosperous effect, there will come a sweeping away of all barriers and a destruction of all enterprises which it was intended to promote. So speculation, which has the intelligence to operate in accordance with natural laws, to buy commodities when they are cheap and take care of them till they are wanted, and then distribute them, is not only perfectly legitimate, but it is in the nature of a public benefit, but such speculation as that which recently came to grief in Chicago is always hazardous, for it interrupts the usual trade relations, turns business out of its usual channels, restricts consumption, and accumulates a reserve of power which results in the destruction of the price mover and proves disastrous to many comparatively innocent people. Each attempt to make money will doubtless be made whenever there is a reasonable hope of their being successful, but they are so extra hazardous that in the interest of conservative business it can hardly be regretted that the result has now been such that it will throw discouragement upon similar projects in the future."

### Creditor's Trustees.

It is high time says the *Monetary Times* the anomaly were removed of allowing debtors desirous of securing rateable distribution of their assets to choose the party who shall act as trustee for creditors. Cases are constantly occurring where some person friendly to the debtor is chosen as assignee, and under the law it is apparently sufficient if even one creditor's consent can be got to such appointment. The other creditors are without redress and are supposed by law to be represented by the person chosen by the debtor instead of by themselves. Not only may the debtor in this way choose the creditors' trustee, but the trustee so chosen appoints his own legal adviser, if one is necessary, without consulting the creditors; and in this way creditors find themselves not unfrequently represented by both a business and a legal agent adverse in interest.

A good example of the unsatisfactoriness of the present law in these respects is afforded by the case of Martin Truax, of Leamington. Mr. Truax on communicating to his creditors his inability to continue his payments was requested to assign to a party named by them. Instead of doing so the assignment was prepared by a solicitor to a local trustee, and duly registered and acted upon and creditors notified to prove their claims. In due course, after the estate had to a large extent been realized by the trustee so chosen, it is discovered that the assignment so executed is invalid, and certain creditors who have procured judgments propose to assert their priority over the general body of creditors. Thus the creditors have been lured into resting on their rights through the representation that all would be treated alike, only to be told afterwards, that through carelessness or worse their rights are entirely sacrificed. This state of things surely demands speedy redress.