

BUTTER AND CHEESE.

IN an article in a late issue we attempted to show that free foreign demand stimulated unduly the growth of Cereals in these Provinces, at the expense of the productions of the Dairy.

The accumulations of a too unsaleable class of Butter in this market tends to endorse our previous remarks on this subject. For this description it is difficult to find sale at 14 cents, while an article up to the British standard of "thirds" would bring 19½ cents, and leave a respectable margin for contingencies and profit to the exporter. Several large shipments of fair Butter on the above basis of 19½ to 20 cents (free on board Atlantic steamer) were made during last month to Manchester, netting from 8s to 10s stg. per cwt. to the party engaged in the operation; while shipments of the lower qualities were attended with positive loss. Now if seven-eighths of our Canadian Butter is of the low standard noted, worth some 6d per lb. less than it might be, it follows that that sum, amounting on an average to \$6 per firkin, is lost to the country in the great bulk of the export, besides, as a rule, entailing a loss on all the parties through whose hands it passes. In the aggregate this sum would be a very large one, and we should like to see it reduced to figures by some of our city commission merchants engaged in this branch of commerce. The loss such a computation would expose is rendered still more humiliating when it is borne in mind, that a pound of palatable Butter can be manufactured as cheaply as the same weight of the veriest trash.

It is not our intention, nor does it come within our province, to lecture the farmer on the most approved methods of Butter-making. This portion of the work we commit to our able and practical contemporary the "Canadian Farmer," merely reminding the publishers of that extensively circulated sheet, that much of the present flourishing condition of the Butter manufacture in the United States is due to the untiring exertions of the N. Y. "Tribune" in that direction.

The movement of the great bulk of the Butter crop is done through the shopkeepers in our towns and villages, where it is exchanged by the wives and daughters of the farmers for dress and household commodities, it being looked upon as a matter beneath the dignity of the male members of the family, and therefore consigned to the females as their particular perquisite. Stimulated by competition, and the hope of obtaining the cash or credit trade of the Butter producers, the shopkeeper does not venture to criticize the quality, but usually allows in goods a much higher price than the market warrants, no proper allowance being generally made for waste in packing, packages, freight, risk, commission, and interest on capital invested.

In this way large quantities are daily transferred from the customers' baskets to the cellar of the buyer, where, during the busy season, it is generally allowed to remain for several days until the proprietor and his assistants have leisure to attend to the mixing and packing of the varied accumulation. This disagreeable task is got through as hastily as the nature of the work admits, little regard being paid to quality, as continual tasting of the countless rolls would only bewilder and disgust the selector. Uniformity of color receives as much attention as can be expected from eyes obscured by the splashes of salt buttermilk which occasionally follow the vigorous application of the packer's mallet.

Despite the many valuable suggestions made through the circulars of Messrs Akin & Kirkpatrick and others, the fact remains as before,—that a marketable commodity cannot be produced by the above means, and that so long as Butter continues an article of barter, but slight improvement can be expected.

The only way through the difficulty is, in our opinion, the opening of a local cash market, in which the producers will receive value in accordance with the quality of their goods. By this means the clean and thrifty will be profited and complimented; while the slovenly and ignorant will have their failings exposed, and must exert themselves to improve or lose constantly both in pocket and reputation. The offering of enhanced prices for dairy-packed firkins, with proportionately lower prices for rolls, would tend to discourage the latter objectionable form of marketing, and assist in bringing about the New York State method of delivering clean and slightly packages suitable for exportation without further trouble. Merchants should also urge the farmers to purchase the most approved style of firkin with slip cover, so convenient for examination, a supply of which they might keep on hand and press on their customers at

cost price, thereby avoiding the labor and depreciation consequent upon store-packing.

The institution of weekly markets or monthly fairs in the rural towns and villages, where buyers and sellers of Butter, Cattle, Sheep, &c., could congregate, would, we are confident, be productive of beneficial results to country localities. Under the present system, or rather lack of system, farmers frequently dispose of stock on credit to needy parties, which would find ready sale if proper opportunity was afforded for their purchase.

Regarding Cheese, the pathway to success is fortunately easier, as the system of Cheese Factories now in such successful operation in the United States has solved the question; skilled labor being brought to bear upon the article at once, thereby avoiding the slow process of educating an inexperienced community in the art. The establishment of a few of these institutions would very soon lead to their general adoption, and substitute an article equal to the best American for the present crude formations. This would supply first our home market, and in a few years place us in the position of large exporters.

THE CONDITION OF THE BANKS.

THE Bank Statement for February, which we were the first to publish last week, compares as follows with the same month last year:

	Feb. 1864.	Feb 1865.	
Paid-up Capital,	\$27,149,276	\$30,009,447	Inc. \$2,860,171
Loans.....	48,279,355	48,994,322	Inc. 714,967
Specie.....	5,105,917	6,890,648	Dec. 215,274
Circulation.....	10,889,302	8,712,872	Dec. 2,176,430
Deposits.....	22,284,096	23,721,188	Inc. 1,437,092

The decrease in the deposits during the month is only \$340,000, an amount very much less than was anticipated, after all the threats that were made about removing Southern gold. The Banks have certainly lost \$882,000 in specie during the month, but this is only a trifle more than the decline in the same month last year, without any disturbing cause. The bills sent out for Produce usually come in for redemption during February; and though it is to be regretted that the amount of gold is so much lower than a month ago, a considerable decline is not surprising.

For the sake of retaining the comparison, we have included in above item of Loans, "other debts due the Banks," which were formerly a part of this item. The increase of three quarters of a million in the year shows that, however the Banks may be contracting in some localities, there is now actually more accommodation afforded than there was at this time last year. During the month of February the Deposits show a considerable increase, indicating a greater liberality on the part of the Banks. The figures for the last two months are:

Loans in January.....	\$44,927,202
" February.....	45,590,048

Increase in February..... \$632,846

The increase partially took the shape of discounts for Sterling Exchange; the requirements of importers and the low rates of exchange both inducing this class of business.

The circulation of Promissory Notes, which forms the great bulk of the currency of the country, for the past month shows a great decline as compared with the same month in four previous years:

	Circulation in	Decrease in Feby. 1865.
February 1861, \$13,178,328	\$4,457,140	
" 1862, 12,545,073	3,823,886	
" 1863, 10,118,971	1,397,783	
" 1864, 10,889,302	2,168,114	
" 1865, 8,721,188.		

The following are the leading items in the statement credited to each Bank:—

NAME OF BANK.	Circulation.	Deposits.	Specie.	Loans.
\$	\$	\$	\$	\$
Bank of Montreal	2,501,398	8,922,684	1,659,359	11,840,576
Quebec Bank	442,774	853,335	247,498	2,032,149
Bank of U. Can.	1,049,460	3,819,321	548,381	3,752,623
Commer. Bank	948,169	2,189,251	412,389	6,443,536
City Bank.....	3,849	675,029	275,073	1,686,124
Gore Bank.....	434,833	591,761	201,597	1,399,818
Bk. of B. N. Am.	765,402	2,077,183	485,394	5,406,971
Banque du Feu.	68,739	503,487	86,559	1,920,110
Nlag. Dis. Bank	128,042	150,706	41,566	4,801
Molson's Bank.	227,962	821,659	57,051	1,941,496
B'nk of Toronto	619,052	719,486	300,828	1,812,748
Ontario Bank.	829,161	1,751,792	404,628	3,457,329
East. Tws. Bank	60,093	85,689	24,376	386,242
B'que Nationale	200,066	285,229	73,149	1,900,987
B'q. Jac. Car.	62,618	401,898	46,394	1,071,844
Merch' Bank	50,814	348,683	53,824	618,667
Int. B'k (limited)		24,073	23,549	187,800
Totals.....	8,712,872	23,721,174	4,890,942	45,560,048

A DUTY OF PARTNERSHIP.

A FRUITFUL cause of mercantile mortality—especially in a country like Canada—is the practice constantly pursued by merchants and traders who, having earned a competency, desire to be relieved of the toil and trouble of attending to business without relinquishing its profits, and with this object in view receive into partnership young men without any, or with very small means. In such cases the work of the junior partner is made a set-off against the capital invested by the senior. By-and-by the senior partner dies, the capital is withdrawn, and the junior partner is left with, it may be, a paying business, but without adequate means for conducting it. Under such circumstances it is difficult for him to succeed, nevertheless it almost invariably happens, that, sustained by the good credit of the old firm, he endeavours to "weather the storm," a task which he finds more than he is well able to manage, and in the end is compelled to "tack in."

The same remark applies with equal force to young men entering on business in partnership, each, perhaps, possessing the same amount of capital, which combined is, very generally, sadly disproportionate to the business transactions. In such cases it too often happens that the uncertainty of life and the certainty of death out-manoeuvres the most ingenious "moves," and sets at naught the wisest calculations. One partner is cut off, his capital withdrawn, and then the failure of the unfortunate survivor is only a question of time.

The plain and simple duty of both the partners, in both the first and the last of these cases, is to make some certain provision against such a calamity. The great facilities now afforded by Insurance Companies renders this a very simple matter. Let the firm take out a policy of Insurance on the joint lives of the partners, payable on the death of either, that is to say, on the death of the first, the amount of the policy to be regulated by the magnitude of the business, or rather by the amount of capital invested in it. For instance, if the capital is \$20,000, a policy of at least half that amount should exist on the joint lives of the partners. The premium, which would not exceed fifty or sixty pounds, would be a small item in the "Expense Account" of an extensive business.

If such a system were generally adopted, many of the failures which we have to chronicle would never occur, and much of the suffering which such failures entail would be forever avoided.

Indeed in the case of young men entering on business in partnership, the merchants with whom they pledge their credit should, we think, make this a condition of accepting the security.

STAND FROM UNDER!

THE decline of gold in New York carries every thing along with it. The violent unsettlement of values causes consternation in business circles. The value of merchandise melts away upon the shelves, and will take a little time to be fully realized. A stock of dry goods worth two million dollars last January, may now safely be set down at only one million. Loss measures both the purchase and sale of goods; and business men being all of one mind, cause an entire stagnation in the market. Sales are stopped, and imports checked. A similar state of things prevails all over the country, and markets are almost paralyzed. Flour has declined 25 to 40c; Wheat, 25 to 30c. per bushel; Mess Pork, \$4.25c; Butter, 8 to 10c; Petroleum, 12c; Cotton, 12 to 13c; Wool, 5 to 10c; Corn, 15 to 17c. per bushel. Government securities have sustained a heavy decline, and the sale of \$7.30 Bonds are checked. Numerous failures are anticipated, and much of the first class paper which passed easily at 7 per cent. a fortnight ago is rejected, and lenders are suspicious. The best names are taken at 9 to 10 per cent. discount. Gold has reached 155, and a lower figure is confidently anticipated. In fact uncertainty rules, and confusion will be the order of the day for some time; the policy of having made an inconvertible paper currency a legal tender will soon be put to the test.

There are several important produce failures in New York and Philadelphia, and should gold continue low, a great many casualties of this character must occur. Canadian shippers of produce must exercise more than the usual caution in selecting their consignees this season, as no one can foretell the condition of men doing business with a currency subject to such violent fluctuations as are every day occurring.

It is fortunate for our Canadian Importers that they succeeded in getting most of their exchange for Spring payments in Britain at the lowest rates, and before this rise took place. So long as the New York market is firm at 109, our local rates will be stiff at a proportionate advance.