

per cent. Real estate loans, which are for terms during which a considerable difference in the rate of interest may occur, the *Bulletin* informs us, "are readily contracted at five per cent. for long periods, and for shorter, four per cent. is in some cases accepted." The rise in the price of bank stocks, in Canada, means that the purchasers are willing to give a larger sum than formerly for the chance of getting the current rates of discount; in other words, it indicates a fall in the rate of interest. An India loan has recently been made in Paris on terms that will only give the purchasers $4\frac{1}{2}$ per cent. British railway bonds show, in the return they yield, the same relation to Consols that American railway bonds bear to the national securities, and bring the investor about $3\frac{1}{2}$ per cent. A five per cent. security of the French government sells at a premium of twenty per cent.

One of the causes of the lessened demand for the loan of money is to be found in the decline of prices. Money now measures more than it did when prices were high, and less of it suffices to do the same amount of work. This cause will, of course, operate so long as prices are low, and no longer. The exposure of the Foreign Loans Committee of the House of Commons destroyed confidence in a class of loans which had before been freely made. This class of loans ceased to find takers. Here the decrease of transactions did not arise from absence of demand but from an absence of confidence. The borrower and the lender failed to make a transaction, and the capital remained unemployed; a better destination for it than would have been an employment that would have resulted in loss. At the same time, the amount asked on loan was less. In this respect, an improvement is noticed in England. In the first half of 1879 the aggregate of shares and loans offered in London was £56,480,000; in the first half of the present year, the figure has risen to £67,747,000. The *New York Bulletin* quotes the *Moniteur des Interets Maternels*, of Brussels, to the effect that the financial and industrial issues placed on the world's market in 1871 were \$3,140,000,000, and in 1872, \$2,525,000,000; while in 1879, excluding the conversion of American bonds, they were only \$910,000,000. The two years preceding the panic, the average was \$2,830,000,000. No doubt there was an over-investment of capital; and that was one of the causes of the financial panic; a decline of 69 per cent. in corporate and state issues is of itself sufficient to leave a large amount of capital idle.

A question of great importance is how far the decline in the rate of interest is likely to be permanent. There may undoubtedly come a time when the demand will overtake

the supply; and the rate will move up. But the rate of interest does not depend wholly on the relation of supply to demand. The rate of profit has also a direct relation to the rate of interest. Borrowers cannot, as a rule, give more for the loan of money than they can make by its employment. There must also be a margin or what is generally called profit, but which is, more correctly, wages. In the universal tendency of profits to a minimum, there can be no doubt that gains are less than they were. This is a fact which will continue to subsist, and its influence will tend to prevent the rate of interest rising as high as it stood some years ago. No doubt the high interest traders paid was among the causes of the numerous bankruptcies that occurred. Wherever the virgin richness of the soil has gone, the profits of farming are reduced, and old rates of interest can no longer be paid. At present, a diminished demand for the loan of money, which is temporary, operates jointly with this permanent cause in reducing the rate of interest. When demand increases, the highest rate which the profits of business, under the present conditions of competition will justify, will be obtained; but the high rates of the past will never prevail for any length of time, if they ever return.

ORDERING GOODS.

Among the minute circumstances which cause friction between buyer and seller, and which sometimes lay the foundation for unfriendliness or distrust between a wholesale dealer and his customer, negligence in giving orders, or in keeping record of them after they have been given, must be numbered. Complaints are often made that a certain traveller has "stuffed an order" (and they do such things, sometimes, one must admit) when the impression that he has done so arises from the defective memory of the buyer who has kept no copy of his order. Again, in ordering by letter, misconceptions arise out of the careless way in which retailers describe the goods they want. Instead of particularizing the maker of an article, its number, brand, size, or even price, a storekeeper will write for "some of the same stuff you sent me before," as we have seen an order for dress goods worded. A man once sent all the way from the County of Essex to Montreal for "some shot"—nothing more than this being stated as to either quantity or size. And we have known a shoe and leather dealer write for "a box of hardash, some shoe thread, and a little good strapping," with no apparent consciousness that he was proposing a diffi-

cult conundrum to an anxious young salesman, or exposing himself to a very annoying misconstruction of his wants. Says the *Chicago Commercial Advertiser* on this subject:

"The blame for the uncertainty and mistakes which naturally grow out of the careless ordering by the merchant, belongs to him who orders, yet, when the wrong goods come to hand, he feels disposed to find fault with the jobber. If a man were to draw up an ordinary contract relative to a business matter, he would think that great care and circumspection were necessary. What is an order but a contract for so many goods? If the purchaser should frame an agreement for a wood lot worth \$100, he would use the strictest care to see that the boundaries were correctly mentioned, and that the correct price was inserted, and all the conditions of the agreement set forth. But in ordering a bill of goods of five times the value of the wood lot, he seems indifferent as to how he makes his agreement. A man ordinarily knows just what he wishes to order. He usually knows the number of the article, if it is numbered. He can tell whose make it is, and give such other intelligent description as will give the wholesale house, from whom he orders, the necessary information to enable it to send such goods, and such only as he desires."

The amount of patience and discrimination shown by wholesale merchants or their employes in filling orders, is very marked. The marvel is that mistakes or misunderstandings are not more frequent, so negligent are retailers with their orders, and so much do they take for granted. But the amount of time and labor frequently used in looking up former orders from the same customer, so that what he wants may be determined, might be saved by a little care in writing. If a grocer wants soda, it is not sufficient that that word alone should be used. How is the dealer to know whether washing soda, caustic soda, or the bicarbonate is needed? If a hardware dealer wants fine wire, he should remember that there are many sizes of that article, and that these are numbered. Or again, should a dry goods retailer ask for grey cotton at a certain price, as the custom is, to secure what he desires, he ought to name the brand, or at least to say whether he means a heavy round thread or a thin fine shirting.

To keep a copy of every order given, either by mail or through a travelling agent, is an important matter. It will enable a shopkeeper to know what engagements he has made, will prevent his duplicating orders, and will prove a check upon the practice of "stuffing," i.e., sending more than has been ordered. Suppose that a dozen of Rodgers' pen knives has been written for—when the parcel arrives, behold two gross! The buyer is uncertain whether he ordered one dozen or two dozen, consequently he is in no position to insist upon returning the surplus goods.

On the principle that whatever is worth doing is worth doing well, if it be worth