

HOW TO CONDUCT BUSINESS.

Honesty—enterprise—and application. These are three essentials in conducting business properly. "Honesty is the best policy." By double-dealing and misrepresentation a transient success may sometimes be achieved. But in nine cases out of ten, it is evanescent as the morning dew. Let a man be candid, straightforward, and truthful, and he can not only ask the blessing of God on his labours, but he will stand better with his fellow-men. His enterprises should display itself in keeping constantly the best articles, the newest styles and latest improvements, and by always endeavouring to keep pace with the spirit of the times. To supply his customer's wants better, quicker, and cheaper, than his neighbours, should be his unceasing study. Don't keep your light hid under a bushel! A little printer's ink is a good thing occasionally. If you have a first class article or a cheap one, which the public require, let them know where they can purchase it. Don't always make absurd statements about selling "twenty per cent. below cost," but simply announce the truth, and you will find a moderate sum spent in advertising a good investment. And with these conditions, there must be close application to business. Stocks must be carefully purchased, your books always kept in thorough order, your daily sales and profits constantly jotted down, and your credits limited to those who are perfectly solvent. The head of a business should overlook all its departments, and make sure that none of its wheels need greasing.

PERSONAL CONDUCT

And last, but not least, the business man should be economical without meanness—affable without being undignified. Many men signalize their entrance upon some new and important business experiment by an increased expenditure. Before ever it is certain that their undertaking will be permanently successful, how often is it that the family must have a new house, or the family carriage must be set up? Many a promising business has been cramped, others injured, and not a few ruined, by such extravagance, and far better would it be for such persons to act on the old Scotch maxim, "Spend less than you make, if it is only a shilling per day." The warm competition which now exists renders it necessary that the business man, particularly the new beginner, should cut down his expenses to the lowest limit compatible with the proper management of his trade, and no capital should be permanently withdrawn from his business, unless it is quite clear it has accrued from the profits of the concern. A courteous and affable demeanour is also very necessary to success. Very many excellent men study this too little. A cheerful word has made many a customer: a chilling manner, many an enemy. This does not necessitate flunkeyism. Far from it. Courtesy and affability are not less consistent with true dignity than essential to business success.

OBEY AND SUCCEED

Where these conditions of success—which we have thus hurriedly touched upon—have been complied with, you will generally find a prosperous business and a successful man. We do not deny that misfortunes sometimes come which no foresight could prevent. But these are exceptional cases, and they do not serve to account for the frequent failures which take place. Let those about to engage in business compare to the standard we have indicated, and set before them, and we will guarantee that success in business will become far more general than it is at present.

Cotton.

For the last two years very little raw cotton has been imported into England from the United States. The total receipts for the first eight months of 1864 were 4,670,000 cwts., while same period of 1865 they are but 4,661,000, showing a decrease of 109,000 cwts. The cultivation of the fibre in Egypt is being remarkably successful, and the quantity received in England from there up to 1st September of this year is considerably in excess of that for the same period of last. From the East Indies however the sum has been increased to the extent that was anticipated. The quantity that was received from January to August, '65, is less by 260,000 cwts. than the supply during the corresponding period of '64 and while last year the supply of raw fibre from Egypt was only a third of the quantity received from the East Indies, this year it is a little over half. It is interesting to note the sources of supply upon which England has been depending for the last few years. The following figures show the actual quantities received from the different countries named up to 1st September, '65, as compared with those for the corresponding period of 1864—

	1864	1865
British East Indies	2,213,270	1,941,401
Egypt	845,212	1,005,464
China	537,965	301,509
Brazil	234,147	294,820
Mexico	163,769	275,550
Bahamas and Bermuda	218,348	153,604
Turkey	147,932	166,004
United States	108,670	109,823
Other countries	200,187	307,237
	4,670,000	4,661,012

FATALITY IN THE PRODUCE TRADE.

NO. II.

OF all the sources of loss in connection with this business, none has proved so fatal as the practice of shipping to Britain on consignment. Considering how immense a development this trade has attained of late years, and what time and talent have been expended upon it; considering, too, how intimately the prosperity of this city is bound up with the export, as well as her import, trade, it is most melancholy to reflect how very small have been the profits, and how enormous have been the losses, that have resulted from the shipments of grain and flour to the markets of Europe. Canada is full of the wrecks of large fortunes lost on this perilous reef; and in all our cities, broken-spirited, down-hearted men are to be found, who have lost their all, and much more, in the vain attempt to compete in the markets of Britain with the rest of the world.

The Canadian merchant does this under very great disadvantages. As it takes nearly a fortnight for intelligence to be transmitted from Europe to this continent, the merchant here can only learn what was the state of the markets of Britain a fortnight ago. Operations are ruled by these quotations, and they are the merchant's only guide in purchasing. We will suppose that on the strength of Liverpool and Mark Lane prices of the 1st May considerable purchases are made between the 16th and 30th of the same month, with a view to shipment. On the 1st week in June a vessel may be loaded, bills of lading made out, and advices despatched home. On those arriving, if a speculative feeling prevails in the market, the cargo may be sold to arrive; but in other cases the arrival of the ship may be awaited before any sales are made. In the first place, the merchant may have a chance of selling within five weeks of the time he has bought; in the second, it may be ten or twelve. But in either—what changes may not have taken place in the meantime! The weather may have shifted a dozen times; cargoes may have poured in from the Baltic or the Mediterranean; hurricanes may have swept over the coast, and destroyed grain-bearing ships; the Bank of England may have lowered or raised the rate of interest; a Ministry may have fallen, an election taken place; a war broken out; an Act of Parliament passed affecting the whole grain interest; indeed it is impossible to catalogue the variety of influences which may have operated on the market, and made it as variable as a weathercock. Into the midst of this medley the grain speculator of Canada pours his supply, bought, he it marked, on the quotations of the same markets six or seven weeks before. Six weeks before! It might as well, in many cases, have been six years, so numerous and important have been the changes in the interval. The grain and flour have been shipped, too, during the season when it is most apt to spoil, and fortunate is the merchant whose cargo escapes without material damage. Once arrived in Europe, it immediately becomes subject to heavy charges in the shape of duty in storage, insurance and commission unless indeed a sale takes place at once, whereby some of them are saved. These charges be it observed have always to be paid, and are always taken out of the article whether the net result be profit or loss.

In this way the grain trade has been carried on summer after summer, and we do not exaggerate in saying that disaster, bankruptcy and ruin have followed in its train. The merchant in Canada, when he buys, has no more idea of the price he can sell at, than he has of the trade of the interior of China. His business is, therefore, the purest speculation conceivable, or rather—not to put too fine a point upon it—it is downright gambling, and with this peculiarity, that the other party to the game has nine chances out of ten in his favour, and can see its progress from beginning to end.

Large sums of money have been lost in the transactions of dealers one with another, or in those of the commission agent with the merchant. These transactions are nominally for cash, but in reality short credit is generally given, and it is here that losses have occurred.

The credit system, however, is entirely out of place in this trade. Considering how easy it is to raise money on produce, it is unreasonable in the buyer to ask for credit, and foolish in the seller to grant it. It may be almost invariably set down as an unhealthy sign, as an indication of something wrong, when a buyer cannot pay for grain on delivery, and all experience suggests that it is necessary to lay down the rule of absolute cash payments, if an effectual check is

to be put to the fraud and dishonesty which have sometimes taken place in the trade. We are near the frontier of a foreign country, having railway communication with us; in a couple of hours at any time a man may put himself out of the reach of the law, and in view of this state of things, common prudence suggests that no practice should be tolerated which gives fatal facilities to the dishonest schemer. "Cash for wheat" is a common sign on the stores of our country districts; let us have its correlative, "wheat for cash," and for cash only, established as the rule of trade in the city. It is much easier to point out the dangerous practices of trade than to suggest effectual remedies for them. It can never, indeed, be free from reverses, and so long as the price of grain is effected by changes of weather and political causes, so long will there be scope for speculation.

It is possible, however, to confine speculation within much narrower limits than has been customary. In Great Britain the grain trade was formerly a perfect lottery, scarcely a firm engaged in it escaping a crushing reverse at some time or other. These were the days of high duties, sliding scales, and deficient intelligence. Now, however, what with free trade, and the extension of the telegraph system all over the continent of Europe, the area of speculation is narrowed down to the smallest point conceivable. The merchant in Mark Lane or Liverpool knows perfectly well, every day, what is taking place in the grain growing districts from whence supplies are drawn—what cargoes are on the way—what are the prospects of the next crop—and what is the tone of all the markets. Similarly, the shippers in the ports of the Mediterranean, the Baltic, or the Black Sea, are in hourly communication with Liverpool and Mark Lane. The trade is, therefore, on the same basis as that between ourselves and New York. Operations can be entered upon with confidence when result can be predicted to a nicety; and we consequently hear far less of ruinous losses and disastrous failures, than was the case in former years.

The completion of that much desired enterprise, the Atlantic telegraph, would put us in the same position with regard to the markets of England as the merchant in Dantzic or Odessa. We should then know, what was the state of the markets the same day, instead of receiving intelligence a fortnight old; and we could telegraph our Liverpool correspondents that such and such purchases were made, this or that cargo shipped, and desire arrangements made accordingly.

This desirable consummation, however, is not reached. Until it be obtained, there must be great uncertainty about our European export trade, unless it can be placed on the basis of executing orders at a definite price. The speculation would then be shut from Canada to England. Indications of this mode of doing business have been already manifested, and we trust our merchants will cultivate it with such care as to lead to its enlargement and extension.

It should not be forgotten, however, that the expediency of the parties giving orders requires to be carefully looked after, and prudence dictates a close adherence to the practice of shipping with documents, the property only to be delivered on payment or satisfactory guarantee.

It is impossible for the Canadian merchant to keep himself advised of the changes in the standing of parties at home, and the risk of fluctuations in the article is quite sufficient, without the addition of risk from the failure of the person to whom it is consigned.

With regard to our internal trade, we can only say that the closer operations are run, and the more is speculation avoided, the greater is the prospect of doing well. Gains may be small, but they will be steady, and go on mounting up. It is generally conceded that a "hand to mouth" mode of doing business, though it may seem very slow work, is the surest and most permanently profitable.

Let parties who know nothing of the trade keep out of it, and leave the field clear for those who have bought experience. They will save themselves much anxiety and trouble, and will enable the legitimate dealer to make a reasonable profit.

Let young hands especially beware of speculation. It is as charming as the gaming table, and as dangerous. As poor Richard says,—

Vessels large may venture more,
But little boats should keep near shore.

The bank shavo been pretty severely bitten by irresponsible speculators, and can scarcely need any warning. If their own experience has not made them wise, nothing we can say will have any effect.