

FLOUR AND CREDIT.

A decidedly backward step was taken when certain Ontario millers undertook this fall to force business a little by a return to the credit system. Of the evils of that system, unanimously abandoned by flour manufacturers nine years ago, no other industry had become so completely purged as had theirs. The experience of a period of strictly cash trade has been satisfactory, not only in itself, but also by comparison with the past. Prior to the year 1882, the millers had had a surfeit of the sort of benefits to be derived from selling flour on time. It was their very general and familiar acquaintance with the heavy losses which were the chief harvest of that mode of doing business which led them to renounce it. Everybody in the milling trade felt the enfeebling effects of credit-giving in an unusual degree, in the very last year that the practice was rife. The loss from the eastern trade alone, that in the Maritime Provinces and the Eastern States, was immense. The spirit of failure seemed to be abroad among dealers, and its effects struck nearly all the leading millers of this Province. The result was to precipitate union for the adoption and maintenance of an exclusively cash basis.

Many large dealers in flour ten years ago were enabled to continue in business simply because they were carried by the millers, and were floated upon a capital that represented a part of their indebtedness. A shipment of one or more carloads of flour would be bought on sixty days. The dealer, in need of money, would aim to sell at once if possible and realize cash, not being particular to get as much as he gave, if a concession would accelerate his obtaining the money in view. Before the time of maturity he might operate in some other field of speculation and win or lose, but he generally came short with his payments to the miller. Credit trade in no other manufactured product lends itself so conveniently to designs of this description, as flour is the most staple article in commerce. People must have it, and its conversion into money through sale in small parcels and accommodating prices is a simple matter at anytime. A western miller, towards the close of the credit-epoch, got suspicious that an eastern customer who owed him near \$10,000 was trading on no other resource but simply the money yielded by the flour for which he owed; he was taxed with this, and frankly owned up that he possessed nothing in the wide world but what he had come by through

the generous credit of the miller. He failed a short time after, paying 10c. in the dollar. It was when smitten with the effects of a series of such failures that our millers shook the dust of the credit system off their feet.

When the departure to cash trading was made, the co-operation of the banks was secured. It was felt that absolute credit would be impracticable without this. A draft at sight upon a man in Halifax would sometimes be presented three weeks before the receipt of the shipment for which it was drawn. To meet this the banks all consented to add 30 days' interest at whatever rate was agreed upon, and to give off that a rebate for as many days less than thirty as were not taken up in transit.

Just now, however, there is a large amount of business done on time, some millers giving 30 days, others 60. They are mostly outside of Toronto, and are shipping in carloads to this city and wherever else they can place an order. Travellers from cash mills find business slow, as they are confronted with as low quotations on time. Thus the downward step is taken at the outset in the rejection of a margin to cover credit. Prices as a consequence rule low, for the cash millers declare their preference for cutting over crediting. The result must be that all millers will get on the same basis, that of time or that of credit, before very long. Flour can stand a credit business about as poorly as any article of consumption. It is the product of raw material for which every cent of its value is paid in hard cash at the moment of sale. Since all grain starts out on a basis of cash, the trade in the products of it should be carried through on that basis. The grain-dealer probably does not average more than one per cent. on the money he has invested. About the same rate, plus the expense of manufacture, would cover the miller's usual margin. There is little room in this for losses consequent on credit dealings. The grocery trade cannot welcome the introduction of the time element in the millers' quotations, as where time is obtained time will be given, and one more source of doubtful and bad debts will be added to those that already beset the retailer. It is to be hoped in the interests of all parties concerned that the millers of the country will all shift back to the moorings of a strictly cash trade. They have a record of a credit business that ought to be rich enough in unsatisfactory experiences to convert any believer in the time-theory to the sounder views that have prevailed for some years now.

Mr. G. T. Florey, grocer, Amherstburg, has leased the Lakeview Corner Store in that place, having found his late premises on Murray street inadequate to his increasing trade. His new premises extend to the wharf, thus enabling him during the summer to attend to the marine trade of which he has an exceptionally large share.

TORONTO

RETAIL GROCERS' ASSOCIATION.

The Toronto Retail Grocers' Association met for November on Monday night in Richmond Hall. President Barron occupied the chair. The following other members were on hand: Messrs. Gibson, Thackray, Mara, White, Lindsey, Binnie, Calhoun, Westren, Clarke, Sinclair, Sykes, Booth, McCulloch, Mulqueen, Williamson, Butcher, Noble, Tolchard, Donald, Mills, Roberts.

Shortly after nine o'clock the meeting was opened. The minutes of last meeting were read and confirmed.

Mr. Mara moved, seconded by Mr. Clarke, that Messrs. Jones and Westren be auditors for the current year.—Carried.

NOMINATIONS OF OFFICERS.

The following nominations were made: For President, J. G. Gibson and John Butcher.

For Vice-President, Mr. Butcher and Mr. Clarke.

For Secretary, Mr. Thackray.

For Treasurer, Mr. Williamson, Mr. Westren and Mr. Binnie.

For Directors, four of whom are to be elected, Messrs. Mills, Booth, White, Binnie, Mara.

NOTICE OF MOTION.

Mr. Mara gave notice that he would move at next meeting that the regular meetings be quarterly instead of monthly during the coming Association year.

THE CONVENTION.

Mr. Clarke asked if any communication from the meeting of association delegates held here last month had been sent on to this body.

The secretary said none had been received.

Mr. Mills further explained that the Executive Committee have in hand the list of questions drafted for circulation by the delegates, but were not ready to send the lists out yet, as the expense of printing them was not determined, the question of where the responsibility for that expense should be placed being unsettled. Then the form the circular should take was not decided, the introduction to the questions being a delicate matter on account of the association not wishing to identify itself too prominently with the issue of these circulars. Justice to all parties, and effectiveness as well, required that the questions should appear to emanate from a wider body of trade-opinion. A meeting of the executive should, he admitted, have been held earlier. The executive was directed by the delegates to have the questions printed before circulating to any association.

It was requested that the questions be read, even though the executive was not in order in reporting yet. The chairman directed the secretary to read the list, though