

THE CITIZENS' INSURANCE COMPANY (OF CANADA.)

Subscribed Capital..... 1,000,000

Especially empowered by Act of Parliament, and fully authorized by Government under the Insurance Bill.

HUGH ALLAN, ———— PRESIDENT.

Life Department.

THIS sound and reliable Canadian Company—formed by the association of nearly 100 of the wealthiest citizens of Montreal—issues policies on all the Modern Plans, including—Limited Payments, Endowments, Part-Credit Premiums (without notes), Income Producing System; and several new and valuable plans.

A comparison of the very Low Rates, and of the liberal and unrestricted nature of this Company's Policies, with those of any other Company, British or American, is specially invited.

All Life Policies are absolutely Non-forfeitable.

Persons intending to assure their lives are particularly requested to first examine the Prospectus, List of Shareholders, and Policies of this Company, which, together with all information concerning the constitution of the Company, the working of the various plans, &c. may be obtained at the

Head Office, Montreal—No. 71 GREAT ST. JAMES STREET.

EDWARD RAWLINGS, Manager

Agent for Toronto:
W. T. MASON.

Agent for Hamilton:
R. BENNER.

J. GILLESPIE & CO.,

HAVE NOW ON HAND,

OVER ONE THOUSAND CASES

SPRING GOODS,

AND ARE

PREPARED TO SHOW THE LARGEST VARIETY

OF

FELT AND STRAW HATS

IN THE DOMINION.

Inspection respectfully invited.

64 YONGE STREET,

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TORONTO.

THE

Monetary and Commercial Times.

TORONTO, FRIDAY, APRIL 1, 1870.

NOTES FROM NEW YORK—No. 2.

A LESSON TAUGHT.

There is a constant lesson to be found in the experience of every man, which, if carefully followed, cannot fail to be useful. The experience of the individual, can frequently be applied for the guidance and protection of one who seeks wisdom from the events of the time in which he lives. So it is with communities and nations. The strange and eventful history of the trade of the United States in the past seven years may be made to yield intimations and lessons that the largest and smallest traders in Canada would be wise to heed. The most important of these is that found in the condition of the credit business of the country throughout the years of the war, and even now. In 1861, at the breaking out of the war, the failures were enormous, following upon a condition of general prosperity. But in 1865, at the close of the war, with highly exaggerated values—a de-

based paper currency—a crushing load of debt, and a general demoralization of trade, the failures were few and the losses small. This too, in the face of a tumble in gold of nearly 100 per cent in three months! Again, only a week or two ago we had a fall in gold of nearly 20 per cent, and yet the failures were very insignificant in number or amount. There must be some cause to account for this strength or ability to stand such sudden fluctuations; and in searching for this cause we may well consider whether there are no some principles which would be a great improvement if they could be applied in Canada. In 1865 credit had narrowed down to the limit of small bills at 30 days, and to that circumstance alone may we attribute the marvellous spectacle of a nation of traders going through such a crisis without serious disaster. Of course, since then there has been a rapid expansion of credit business, and 60 days—even four months' time—is now not unfrequently given to parties of whom there is no doubt. But there is an unusual amount of discrimination in this respect. It is only those houses that are beyond doubt who are trusted to the extent of four months. There is not, as in Canada, that universal system of a standard of credit for all-comers, much less a disposition to trust any one six months, as prevails in Canadian markets. It is to this constant vigilance that may be traced the snug shape which the merchants in the United States appear to be in when a storm breaks over their heads. The bulk of the sales are made on 30 and 60 days, and say one-third on four months—and renewals are seldom heard of. But how is it in Canada? Nine-tenths of the dry goods sold are at six months, and of these not over one-half are paid for at maturity, but renewals given at three months for a part, and so the weary work goes on. Years and years ago when it was difficult, or next to impossible to "sort up" stock more frequently than twice a year; when communication was infrequent and transportation tardy and uncertain through certain seasons of the year—in those years six months' credit may have been necessary. The state of the country, too, may have made long credit essential; the struggles of the early settler; the uncertainty of his returns, and the small number of sources on which his income depended, were all considerations which accounted for and justified long credits. But these days are past. Not only has the retailer every possible facility for the selection and purchase of his goods, presented almost daily by the visit of the commercial traveller; not only are his means of communication and immediate modes of transportation rapid and constant; but as a rule, his customers are in

a position far superior to what they were when a six months' credit was essential. Just fancy the growth in the grain-producing area of land in the last twenty years; the variety of products which are grown and readily sold for cash; the steady and certain material progress of the country; the rapidity with which business is done, and the facility which new ideas and schemes have given to it—and yet in its most essential part, we see no change, no improvement. What is so essential as safety? What is more important to the business of the country than its profit? Yet every importer and jobber will tell you that to do business with safety and profit now-a-days is more the result of good luck than good management. Assuredly one of the first causes for this is to be found in the long credits that are granted; the universality with which six months are allowed for dry goods and hardware, and four months for groceries and other goods. Why, the question seems to be taken for granted that these are the terms, if a credit is granted at all. The question of worthiness of the party applying to get credit is closely canvassed, but how very seldom is the question taken up of "how long?" It is needless to enumerate the advantages of the shorter terms of credit, nor is it necessary to go into a discussion of its feasibility in Canada. It is enough to say, that if six months' credit was in vogue in Canada twenty-five years ago, and that the trade of the country could then be transacted on these terms, surely, as there has been a change in everything else, so there ought to be in this. If, too, the merchants and jobbers in the United States could completely abolish the credit business for three years, and for the few succeeding years limit it in time, reduced by fifty and seventy-five per cent., surely the commercial public of Canada are capable of an achievement equally great.

The frequency of failures is largely attributable to the long terms of credit, and the large "lock up" of capital, and the disappearance of assets, once thought available and of value, is caused by long credit; it is evil, and only evil to the retailer, as well as the wholesale trader, and the sooner the public mind is educated to believe it can be dispensed with, and better and shorter terms substituted, the sooner will the trade of the country become safe and satisfactory.

INSURANCE RETURNS.

A Blue Book has been distributed, giving the returns made to government, of the business of twenty-six insurance offices doing business in Canada. As about forty offices have made the deposit, it is natural to enquire, what has become of the remaining