

1874. SEPTEMBER. 1874.

Bryce McMurrich & Co.

WHOLESALE

DRY GOODS MERCHANTS.

ALL DEPARTMENTS

NOW

FULLY ASSORTED.

WAREHOUSE—34 Yonge Street, TORONTO.

THE MONETARY TIMES,
AND TRADE REVIEW.

TORONTO, CAN. FRIDAY SEPT. 18, 1874

THE WHOLESALE AND THE RE-
TAIL TRADE.

It has been thought by some retail traders amongst our subscribers that the *MONETARY TIMES* is conducted entirely in the interest of the wholesale trade. Upon what this supposition is founded we do not know, except that we make a pretty severe handling now and then of flagrant cases of fraud and insolvency. The number of retailers is so very much larger than that of wholesale merchants that for one such criticism of the latter, there must be, in the nature of things, at least fifty of the former. But we endeavour to deal equal justice to all parties. The wholesale trader who does wrong will not escape because he is such. We would, on the contrary, be more ready to expose him, on the ground that from the very nature of his business, any wrongdoing he commits must have more disastrous consequences.

No sound and honest retailer, however, should take exception to our exposures of fraud amongst members of his class. On the contrary, it is clearly to his benefit to have bad characters weeded out of the number of traders. Competition is keen enough under any circumstances, even amongst those who pay their way; but competition with rogues and rascals is a kind of thing that no man ought to be compelled to submit to. Such men are the plague and torment of their retail neighbors, as well as of the wholesale merchant, who is swindled by them. They want, one and all, to be drummed out of the regiment. It is a mischievous nuisance for such people to get whitewashed by too con-

fiding creditors (or by *interested* creditors), and then open their doors alongside honest men. And if we, by exposure of their misdeeds, render it impossible for them to carry on the old game, we are surely benefitting the retail trader as well as the wholesale merchant. A leading object we have in view in conducting the *MONETARY TIMES* is to encourage and develop honest and legitimate trade. Only that kind of trade can prosper in the long run. We go further, and assert that in the long run no trade is wholesome which does not benefit both wholesale and retail trader alike.

A merchant, for example, doing business on the old system, may have a number of retailers so bound to him that they are not free to buy in the best market. They must take his goods, and take them on his own terms. He will naturally, under the circumstances, charge them higher prices than they could buy at if they were free to select. The effect of such a system is vastly to swell the merchants' profits. And this case would show apparently that trade might, under some circumstances, be very good for the seller when it was bad for the buyer. But mark the result. This system invariably leads to the books of the merchant being full of debts he cannot collect; debts which he cannot effectively control without danger of ruining the parties, and debts which constantly increase. And what is the end of it? Multiplied experience has shown that such customers fail one after another; and then away go the excessive profits which have been charged, and something beyond also. The whole fabric of profit that has been building up for years has fallen down, and it is a happy escape if the wholesale merchant does not come down too.

On the other hand, a merchant who sells at such prices that his customer can live and prosper out of them, may have much smaller apparent gains to credit to profit account, but then his gains will be sure; and as his customers prosper, the volume of their transactions will increase. They will make prompt payment, too, and save him from a world of anxiety and loss of interest. The ease in his finances consequent on the prompt way in which his customers meet their obligations, enable him to take advantage of cheap markets; and not many years will pass before he finds that trade, so built up, has done well for himself and equally well for those who have dealt with him. They have prospered because they in their turn could sell to advantage and thus secure the best and safest customers. So the whole circle is complete. The merchant does well, the retailer does well, and the consumer, encouraged by this system

to buy on short credit or cash, does well also.

We have often expressed the opinion that there are too many persons in the retail trade, that many are in the trade who have never been brought up to it, and do not understand it. We hold this opinion as firmly as ever. And the sooner such persons take this into consideration and act upon it the better it will be for themselves. For themselves, we say: for what possible good can come to a man in carrying on business for years with the almost certain prospect of failing at last? We believe that if all the retailers who have given up farming to go into storekeeping would retire and go back to the land, it would prove of immense service to all parties. And why not? We cannot have too many farmers. There is no keen competition in that business. Every acre cleared is so much added to our real wealth; every bushel grown is so much more actual property. And when men understand a business and have been accustomed to it, they are likely to serve both themselves and the community by sticking to it.

If we clear out of the storekeeping business all the men that have had no experience, and all the men that have no capital and never had, there would be a fair chance that the rest would make a living and something more.

THE OCEAN CABLE TROUBLES.

The Anglo-American Cable Telegraph Co. seems determined to fight for its monopoly to the last, but it has been sadly tripped up by the ingenious Act passed by the Dominion Parliament last session. As the subject is exciting much attention in Great Britain at the present time—the Act not yet having been sanctioned by Her Majesty—and as the Dominion is interested in seeing this monopoly worsted, it may be interesting and useful to explain briefly the situation of affairs.

The Charter was obtained in 1854 from the Newfoundland Legislature, which granted the exclusive right of its shores for Ocean Telegraphy with Europe for half a century, but reserved to the Newfoundland Government the right to purchase the property at any time after twenty years. Similar powers were asked from the Nova Scotia Legislature, but from some cause or other—the disapproval of the Imperial Government being alleged—they were not obtained. The Anglo-American Company, therefore, occupy the shores of Nova Scotia only on sufferance. The twenty years after which Newfoundland could purchase having expired, many of the islanders desired