

security has been examined by the company's own inspector. The Freehold Loan and Savings Co. is under the management of a Board of Directors of independent means and of extensive business experience individually, who are largely interested in its success. The manager of the company, Hon. C. S. Wood, is too well and favorably known to require any notice at our hands.

#### CUTTING PRICES.

Since the publication of the Montreal hardware firm's circular some weeks ago, offering to sell goods at whatever price the person addressed might choose, we have heard of repeated instances of cutting prices. A subscriber in New Westminster, B.C., writes us that he can buy certain goods from travellers much below the quotations in our tables of prices current. There is doubtless good cause for complaint in this respect. The practice of making "leading lines" is not as yet confined exclusively to the retail trade, but when a wholesale house cuts prices all round it is usually because it is driven by necessity to realize upon goods in stock; when a retailer does so it is chiefly because he contemplates leaving for fresh fields and pastures new. It is an open secret among the trade that the time settlements of a year or two ago have severely tried what little strength remained to the one or two houses who were obliged then to crave indulgence at the hands of their creditors, and matters have not been improved by the Thomson failure recently in Toronto and the Phillips failure in Montreal. The smaller hardware houses are not, however, as much to blame in following the example as some of their larger neighbors. A case in point occurred a few days ago. Two wholesale hardware and metal merchants had each an opportunity to buy ex-ship a quantity of block tin at 19 cents per pound. A day or two afterwards the younger merchant, who has not as yet perhaps amassed quite as much worldly wealth as his neighbor, offered to sell some of the metal to a customer. Being asked the price he thought it would not be too much to demand a profit of two cents a pound, or about 10 per cent, and so mentioned 21 cents. The customer replied that he could do much better. Knowing that there was only one other man in the city who had bought it, the wholesale dealer asked—"How much better?—A cent a pound?" "Yes," replied the customer, "and another cent on top of it." The elder wholesale dealer had, it appeared, actually sold the tin for the very price

he paid for it. The cause or causes for cutting prices, or selling goods for the mere sake of selling, cannot apply in the case of the merchant referred to, unless it be referable to the practice of "leading lines."

It is not in hardware alone that prices are cut, defying any attempt at accurate quotation. Dry goods merchants are at a loss to explain how it is that some houses in the trade can sell for 21½c., 23c. and 25c. per yard flannels which wholesale houses of the highest standing cannot buy for less than a cent a yard over these figures. It is wonderful how they do it—but they do. It is well known that certain staple articles are being made "leading lines" of by firms here and there, but it is rare to find prices cut 4 to 5 per cent below cost. Travellers occasionally ask to be allowed to make "leading lines" of half a dozen samples of certain goods, but experience has shown that while they can rush orders for these, the goods which should bring a profit are almost wholly neglected. Retailers are not always misled by such methods; they generally conclude that where a wholesale house or its representative cuts prices on one or two staples, the prices of which are well known, it is done with the expectation of at least making up the difference on goods with the value of which they are not so well acquainted.

The general complaint is that prices all round are so low that there is but little profit in more than one department of trade; it is always difficult to retrace one's steps along the declivity of a falling market when the time is at hand for a turn in the tide.

#### THE CANADIAN PACIFIC RAILWAY.

The *Herald* of yesterday contains a communication from "A Citizen" suggesting a new scheme for raising the amount required for the completion of the Pacific Railway. After, in his introductory remarks treating at some length the difficulties that have had to be encountered since the work was originally projected, and assuming that there can be no difference of opinion as to the necessity that exists for the road being finished and operated, the writer proceeds to submit a scheme for raising the amount required. It is in brief that bonds at long date should be issued on the security of the whole property of the company, including the road and lands; that these bonds should be guaranteed by the Government to the extent of 3 per cent, and by the company 2 per cent additional, and that the Government

should accept such bonds in payment of their own claim. In order to give them greater currency it is proposed that they should be receivable in payment of land at 110 or ten per cent premium. The loan would be raised, either by bonds with coupons attached, or in the form of registered bonds, but the lands would be sold through the Government, which would receive the bonds or stock in payment. The mode of raising the money that will be required, we may observe, is not the immediate difficulty. The demand of Quebec for a new line is what is blocking the way to a satisfactory arrangement with the Canadian Pacific Co. When that difficulty has been surmounted, we feel assured that the Government and the company will be able to concur in a satisfactory plan for raising the required loan, and that they will give every consideration to the suggestions of "A Citizen."

#### LOANS TO NEW YORKERS.

While it is generally known that Canadian money seeks investment to a considerable extent in the principal commercial centres of the United States, limited chiefly by the demands upon our banks at home, it may be news for some people to learn that New Yorkers have begun to make their appearance as borrowers in the streets of Montreal. Apart from the regular customers of the banks, there is a considerable class of borrowers who are obliged to have recourse to private lenders, who are prepared to furnish money to turn corners at a high rate of interest. It is well-known that the promissory notes of all classes of dealers are bought and sold in New York, without recourse, a practice but little known in Canada. New York merchants whose circumstances are lowering and known to the street, deem it inadvisable to place further paper upon the market, and are willing to pay double interest rather than force further issues. One instance has come to our notice where the New York borrower has chosen to pay 25 per cent for a six months' loan—a round sum—rather than further test the credit of his house at home. It need scarcely be said that none of the chartered banks are engaged in this kind of business, but there is no lack, nevertheless, of customers and "shavers."

THE Ingersoll factorymen and their customers want to know who is running the cheese market of the district. A short time ago, so as to avoid confusion, and for other reasons, the trade after consulting with London, Woodstock, Guelph, and other dairy sections of Canada, decided upon substituting a fortnightly for a weekly cheese market, but this, it appears, did not suit the Municipal Council, which, "acting in the interest of a free and mutually advantageous exchange of dairy products between buyer and seller, has decided to continue the weekly cheese market on every Tuesday during the season, as heretofore." Mayor Noxon's circular, from which the above is an extract, goes on to state that "full and reliable reports of the principal dairy markets of the world will be supplied to