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## How we Stand.

The present is the time when every wide awake merchant should take an inventory of his stock, and find out how he has prospered during the year which has just passed.

This is a very essential thing, and no business man should neglect it. Every dealer, whether large or small, should take stock at least once a year and find out what he has been doing, whether he has made or lost money, what goods have sold well and what lines have hung fire, what and where his leakages have been, what accounts have been remunerative and what unsatisfactory; these and a hundred other things equally important will be brought before his notice during this annual dusting and squaring up operation. It is a good thing for a merchant to know exactly how he stands every year, and this can only be done by carefully taking stock and balancing the books. We have known several instances where merchants have been so careless as not to do this for years, and the consequence was that they were totally ignorant their true financial position. In this delightfully unconscious state they remained until they found money getting tight and themselves forced into bankruptcy, and probably they were as much astonished as any of their creditors to find they were insolvent.

Finding out how one stands is not an absolute preventive against bankruptcy, but it is at least a good safeguard. If a dealer finds he is getting behind, and has any business ability, he will at once endeavour to remedy the defect by curtailing his expenses and trying to increase his profits; if, however, he is unaware of the condition of his business, the danger becomes none the less, while his ability to meet the threatened disaster is curtailed by his ignorance.

In any case this annual overhauling must be productive of good results. If the merchant has stock that is sticking on his hands, he will, if sensible, get rid of it by reducing it to cost if necessary, and at least save the interest on the outlay; if some of his accounts have not been satisfactory he will take means to reduce them and keep them lower in future, if he is over-stocking himself he will find it out this way sooner than by any other and should profit by the lesson, in fact, while there are a hundred things to be said in its favour there can be *nothing said against it. It is very hard* to estimate its importance as an aid to a successful business career.

## The Failures for 1879.

The Mercantile Agency of Dunn, Wiman & Co., in accordance with their usual custom, have lately issued their annual circular upon the trade of 1879. The figures which we give below embrace the failures both in Canada and the United States, and are tabulated in a very convenient form. For the purpose of comparison they embrace the past five years, and are as follows:—

| | CANADA. | | UNITED STATES. | |
|---|---|---|---|---|
| | No. of Failures. | Amount of Liabilities. | No. of Failures. | Amount of Liabilities. |
| 1874........ | 966 | $ 7,696 765 | 5,830 | $155,239.000 |
| 1875........ | 1,968 | 28,843,967 | 7,740 | 201,060,350 |
| 1876........ | 1.728 | 25,517,991 | 9,092 | 121,117,786 |
| 1877........ | 1,892 | 25,523,903 | 8,872 | 190,669,936 |
| 1878........ | 1,697 | 23.908,6[illegible] | 10,478 | 234,383,132 |
| 1879........ | 1,902 | 29,347,937 | 6,658 | 98,149,053 |

"The number in business in Canada during the past year was 55,964, and in the United States, 702,157. In the following table is given the percentage of failures to the number reported in business for the two years 1878 and 1879 in the two countries:—

CANADA.

| | No. in Business. | No. of Failures. | P. C. of Failures. | Amount of Liabilities. |
|---|---|---|---|---|
| 1878........ | 56,347 | 1,607 | 1 in every 33 | $23,908,677 |
| 1879........ | 55,964 | 1,902 | 1 in every 29 | 29,349,937 |

UNITED STATES.

| | No. in Business. | No. of Failures. | P. C. of Failures. | Amount of Liabilities. |
|---|---|---|---|---|
| 1878........ | 674.741 | 10,478 | 1 in every 64 | $234,383,132 |
| 1879. ... | 702,157 | 6,658 | 1 " 105 | 98,149,053 |

"*These statistics, while showing* a marked improvement in the mercantile business of the United States, show just the opposite as regards Canada. There the failures in 1878 were 10,478, with liabilities of $234,383,132; and in 1879 only 6,658 in number and $98,149,053 in amount. Here the number of failures in 1878 was 1,697 as compared with 1,902 in 1879, and the liabilities in 1878 only *$23,908,677 as compared with $29,347,937* in 1879. The average liabilities in Canada in 1878 was $14,088, and in 1879 $15,430.

The climax of the depression in Canada appears to have been reached in 1875, for, as the statistics show, there was a steady decrease in the amount of liabilities from that year down to 1878, indicating that the country was slowly but surely recovering from the effects of the commercial disaster which overtook it in the fall of 1873. But in 1879 it experienced a sudden and an alarming relapse. The amount of the liabilities is found to exceed that of any previous year since 1873, while the number of failures is greater than for any year excepting 1875."

The above figures are interesting, inasmuch as they show conclusively how little a Government can do towards legislating people into prosperity. A year ago the Government organs predicted that the National Policy would make *the country prosperous, but facts and* figures are stubborn things, and the above affords an ample refutation of this over sanguine prediction. The fact is that the National Policy had but little to do with the failures of 1879. It neither made them more or less than they would have been under a Revenue Tariff such as we formerly had. It will be found on examination that the bulk of the failures took place during the first six months of the year, and that many who went down were bankrupt in 1878, but staved off the evil day till 1879, in the hope that the N. P. would somehow or other work a miracle on their behalf.

The following tables will show the proportion of failures during each quarter of the year, from which it will be seen that there has been a very decided improvement from its commencement until its close. Thus while there was 39.7 per cent. of the total failures during the first quarter, the fourth showed only 16.8 per cent. This result is in pleasing contrast *with the figures for 1878, and which* according to the report in Dun, Wiman's circular would appear to have been a more prosperous year than 1879.

The analysis given below, however, shows that after the first quarter business kept gradually getting worse, and that while the last quarter of 1879 showed only a proportion of 16.8 per cent., the same quarter for 1878 showrd a proportion of 21 per cent. of the whole:—

| | No. | Amount. | P. c. |
|---|---|---|---|
| 1879, 1st quarter.. .... ... | 634 | $11,647,698 | 39.7 |
| " 2nd " ... ... . | 433 | 5,777,256 | 19.7 |
| " 3rd " ... .. ... ... | 418 | 6,998,617 | 23.8 |
| " 4th " ... | 417 | 4,923,367 | 16.8 |
| Whole year, '79 . . | 1902 | $29,347,937 | 100.0 |
| 1878, 1st quarter .............. | 555 | $9,100,929 | 39.4 |
| " 2nd " .................. | 392 | 4,407,800 | 19.1 |
| " 3rd " .................. | 295 | 4,629,592 | 20.0 |
| " 4th " .................. | 373 | 5,013,941 | 21.5 |
| Whole year '78.......... | 1615 | $23,152,262 | 100.0 |

We are not admirers of the N. P. by any means, but in fair play we do not want to see it saddled with any more