

duties on French wines by thirty per cent., in return for which France should put Canada on the footing of the most favored nation. The last Canadian proposal was a reduction from thirty to fifteen per cent. If France be really disposed to grant Canada the advantages which she accords to the most favored nation, there will be no insuperable difficulty in the way of an arrangement which cannot fail to prove beneficial to both countries.

THE OUTLOOK IMPROVING IN THE STATES.

Many of the causes which depress or stimulate trade amongst our neighbors to the south are at work also among ourselves. We may not go so far as to say that good times in the United States means good times here, but the activity or otherwise of the Americans has much to do with our briskness or dulness. We learn from the *New York World* of Monday last that a revival of business is attested not only by the oral statements of prominent merchants, but by a gradual hardening of prices for most commodities, by increased signs of life everywhere apparent in the wholesale dry goods district, and by more numerous applications to banks for discounts. The clerical forces of some of the leading wholesale houses are busily engaged far into the night packing and shipping goods to the west and south. It is noticeable that the demand is chiefly from those sections where the crops are largest, the south especially coming forward as a large buyer. The enormous cotton crop, to say nothing of cereals, bids fair to lead to such a revival in the trade and industries of the South as will exert an important influence on matters here. It is to be hoped that the present revival of business will be gradual in order to check a tendency toward excessive production.

The *Financial Chronicle* of 29th August, describes the Clearing House returns, which are regarded as an unfailing barometer of the rise or fall in the volume of business, as follows:—"A considerable gain at New York (over \$42,000,000) and some improvement at most of the other cities during the week bring the aggregate clearings up to \$771,062,294, a total exceeded only once since the third week in January." In comparison with the corresponding six days of 1884, the total exchanges record an increase of \$117,621,376.

Says the *Boston Manufacturers Gazette*:—"Whatever the croakers may have to say to the contrary, it is a noticeable fact that there is a much more lively tone in business circles. Stocks in the hands of retailers are light, and a public demand, curtailed for several years, is already asserting itself in a way that makes a decided improvement in general trade."

BANKRUPTCIES AND THEIR CAUSES

The causes of failure in business are in the main the same the world over. Ignorance, carelessness, and extravagance are ugly words, but they are at the root of many of the disasters we see among shopkeepers. A man begins as a merchant

without a sufficient knowledge of merchandise or book-keeping—here is ignorance. A man or woman who has undertaken the responsibilities of a dealer buying on credit, neglects the business, forgetting what depends upon it—that is carelessness. A man whose business yields him \$2,000 a year, and who has no other income, lives at the rate of \$3,000—that is extravagance. That a shrinkage in the volume of business or traffic does not necessarily cause a great increase of mercantile failures would seem to be proved by the remarkable fact that the number of bankruptcies in the United Kingdom of Great Britain and Ireland was smaller last year than it was in 1883, although the aggregate of business in nearly all directions was less. This very fact speaks volumes in favor of the efficacy of economy in store-keeping, for storekeepers have been sailing close to the wind last year if they ever did.

The report of the Inspector-General in Bankruptcy for the year 1884 shows that the number of bankruptcy cases in Great Britain in 1884 was 4,170, against 8,555 in 1883, and that last year's was lowest for the past 10 years. "Although the decrease was so large, in the number of cases there was an increase in their importance, the cases in 1883 averaging a total liability of £3,486 per case; while 3,260 cases in the first year of the new Act showed an average of £3,082 per case; in the same way the assets under the old Act averaged £700 per case against £956 under the new. From these figures it appeared that there was a great diminution in the number of insolvencies wound up under the provisions of the Bankruptcy Law; and that the average size of the estates is larger." The chief cause of this steady reduction, says an English journal, is no doubt to be found in the fact that since the great financial collapse of 1878-79 general credit has been much restricted, and speculation has declined.

As to the causes of failures, the Inspector-General expresses the belief that the chief cause is not a decrease in the volume of business so much as a want of caution in its conduct. "Such a want of caution is clearly exhibited when traders give a large amount of credit recklessly, or when they knowingly carry on their business at a loss; and there is good reason for believing that most failures are due to one or other of these causes." It is true, adds the Inspector, that failures are likewise brought about to a considerable extent by a sudden collapse in a particular industry; but, with one or two exceptions of this character, which have not contributed materially to augment the number of bankruptcies, there has been no sudden collapse in the trade of Great Britain and Ireland during the past year. And the conclusion is reached that the diminution of the number of failures, while it by no means indicates a condition of increased prosperity in trade, is the natural result of a greater development of caution both in giving and taking credit.

The tendency of the Bankruptcy Act, it is claimed, has unquestionably been to foster these results. Some figures are given, showing the character of its work-

ing. The net estimated total to creditors during the year was, under the Act of 1869, £3,248,342, and under the Act of 1883 £7,766,821—a total of £11,015,153. The working of the new Act showed a decrease in the cost of administration of about one-half, and in the case of estates over £700 of about three-fourths; the percentage of assets consumed in costs under the old Act in estates from £700 to £800 being 50.16, and under the new Act 10.80. This decrease in costs was accompanied by a corresponding increase in dividends.

MORE ASSESSMENT VICTIMS.

The disappearance of co-operative life insurance ventures is getting to be such an every day occurrence that the daily newspapers no longer take any notice of the event. If an "old line" company were to fail, or even get into trouble, every newspaper in the land would tell its readers all that could be learned about it, so strange and unusual would be the circumstance. By the stability of the regular companies and their immunity from failure of late, it is being every year more clearly proved that their basis is sound, and that the few failures which have occurred in the past, arose outfreely from inexperience and bad management.

In each year that passes without the failure of an "old line" company, while there are carried to the grave of oblivion scores of assessment societies, the conviction is taking firmer hold of the public mind that the one plan is durable and reliable while the other is but temporary, insecure, expensive, and dangerous.

Of late the promoters of co-operative ventures have wholly abandoned urging people to keep the "reserve in their own pockets." They admit the necessity of some reserve, but assert that regular life companies lay aside too much. They declare that a small safety-fund or "mutual reserve fund" of 25 per cent. of every assessment is enough, though they cannot point to a single instance in which it has proved sufficient. Still they assume it to be so, and proceed to gather in the victims for a few years until the safety fund is large enough to suit them, or until they have feathered their own nests pretty well; and then comes the double and triple assessment, driving most of the healthy members out, and leaving only a small number to finally participate with the scheming managers in the division of the spoil.

Such was the history of the "Safety Fund Mutual Life Insurance Society of Philadelphia," which disappeared a year ago, no one could find out how. The same thing is now being repeated in Boston by the "Massachusetts Mutual Safety Fund Association." And not to be outdone in that line, Montreal's patent reserve-fund concern, the "Mutual Provident Association," has just voted to close down on its poor members. Following the example set by its bigger brother of New York, the *Mutual Reserve Fund Life*, of *verbum sap* memory, it has issued a *double assessment* to cover nine losses of \$20,000 up to 20th July in its "Provident Class." Also, a *triple assessment* to cover three losses of