

of the year showed fewest failures, it appears from this circular that the last three months of 1877 were more fruitful in such disasters than the first nine. And it is considered a pregnant fact that the results of the year so closely resemble those of its predecessor; and, moreover, that the figures are above the average of the four years since the panic of 1873. In the four years ending with the one just named, the average ratio of failures was one in a hundred and thirty. In the next four years the average was one in eighty four.

It is stated that the failures in the United Kingdom among manufacturing, wholesaling or financial establishments during 1877 were 2,171 in number, against 2,065 in 1876 and only 1,122 in 1871, or an average of 1,718 per annum in these departments of business, from 1865 to 1877. The number among retail shop-keepers or other traders in Britain is given in a recent English paper as 8,800, which, if true, would make the total number of failures last year eleven thousand, out of a population considerably less than that of the States. There are no statistics available to show the sum of the liabilities. One journal guesses them at a hundred millions sterling, another at twenty millions more. These approximations tend to show the gravity of the commercial depression across the Atlantic.

Messrs. Dun & Co., in combatting the idea that failures are attributable to the lack of sufficient banking capital for business purposes, show that in the Middle States, where the banking capital is more than double that of the Western States, failures are more numerous than the latter. "It is," says the circular, "a favorite argument in certain quarters that, if Congress would 'create' more money, the failures would be less. The facts warrant no such conclusion: on the contrary, a decision in a precisely opposite direction is reached," by statistics quoted. The argument against inflation is further enforced by a reference to the failure figures of Canada, where, "notwithstanding the fact that the Bank Capital is 71 million dollars for 56,000 traders, and the Bank circulation is \$391 for every trader, the failures in the Dominion equal one in every thirty, a ratio greater than elsewhere on this continent, if not in the world. This, too, in the face of light taxation, a low tariff, and a gold and silver basis." And the conclusion is reached, we think quite legitimately, that the chief cause of these many American failures is that too much money was available in the past; that the recent collapses were mostly caused by departures from legitimate business principles in a time of inflation. The circular says:

"The lack of honesty is nowhere more plainly seen than in the failures that occur with the deliberate purpose of making money by compromising indebtedness at as much less than its face as can be accomplished. In every community where an operation of this kind is successful, the honest, thrifty, and capable merchant is placed at a tremendous disadvantage. He may well despair of success in competition with those whose incapacity, lack of capital, or want of honesty has enabled them to get their assets at a fraction of their value, and who can, therefore, afford to undersell all others not so fortunate. The influence of the proposal, that Congress should inaugurate a policy of a similar character, and compromise the indebtedness of the country by paying it in silver instead of gold, is already seen in the debased public sentiment that prevails as to the payment of private indebtedness in full."

#### STOCK-TAKING AND BALANCING.

We are again impelled to urge the need of a more careful attention to book-keeping amongst store-keepers and traders. Our article of a fortnight ago did but touch upon this important matter, at the same time that we pressed the necessity of intelligent, conscientious stock-taking, the proper object of which is, to find what the stock is worth, rather than what it cost.

The revelations of Accountants, when called upon to analyze the accounts of merchants who are in difficulties; and the testimony of assignees in a great number of insolvent estates, show what a lack of systematic book-keeping there is amongst a large proportion of our shop-keepers. Even a bill book, in which to keep track of the due date of the notes he has signed, is wanting in the safe of we are afraid to say how many among our retail shop-keepers. The lack of proper records is dangerous to the safety of one's business, nay more, it is punishable by law when its legitimate fruit—the shipwreck of the dealer—has been brought about.

We hope to see an amendment in the mode of keeping accounts in use by too many tradesmen in town and country. There is over-much guess work about it; and a good few, some of them men of considerable standing as contractors or manufacturers, "keep their accounts in their heads," and for so doing are often quoted by their admirers, it may be truly, as clever fellows, men of marvellous memory, cyclopedias of their own peculiar business world. But suppose the man is stricken with fever—of what use to his employees, meanwhile, are the tablets of his brain? Suppose he dies—what a tangled skein may not his heirs or his creditors have to unravel!

Both stock-taking and balancing are in want of personal attention from wholesale merchants as well as retail. They are matters of the utmost importance; and from neglect to supervise them, firms have suffer-

ed very grave consequences, as recent instances show. If it be pleaded that, as we have heard it, "we do not understand book-keeping, and cannot afford to hire an accountant," let the ignorant learn, or retire from business.

There are abundant facilities in existence for acquiring a business training. In this city and in Montreal there are colleges devoted exclusively to practical business training so far as it can be learned in the school room. In these institutions all the modern business forms are adopted, and a person becoming master of the course of instruction with a little practice in the counting house of some merchant, may become an adept in the art of keeping accounts. Therefore, we say again, adopt a proper system of keeping accounts. Mark down your stock to a price that you can realize for it. Balance your accounts. Make a thorough weeding out of all bad and doubtful debts, and thus ascertain your real condition before the hurry of another season's business begins.

#### GOVERNMENT LOANS TO FARMERS.

The Dominion Grange Association has resolved to ask the Government of Ontario to loan money to farmers to enable them to underdrain their land. We are aware that what is here asked was done in England. But there the loans were made under entirely different circumstances. The borrowers were large proprietors, and comparatively few in number. In Canada we have no large landed proprietors, and no necessity for government loans exists. Farmers who desire to improve their lands by underdraining, would have no difficulty in obtaining private loans for that purpose. Government loans could not be made for this purpose without making the government liable to the accusation of favoritism; and there would not be the same effort made to repay the money that there would be, if it were borrowed from private individuals or loan societies. The government would be under temptation, in making loans or in refraining from enforcing repayment, to abuse the power placed in their hands. We cannot think that this scheme will receive the endorsement of the government.

#### SHIPS AND SHIP-BUILDING.

The number of vessels lost last year, owned in the Province of New Brunswick, was 29, with a tonnage of 5,721. The value of these is estimated at \$480,000, and they were insured for about three fourths of this amount. Ship-building, like other business, is pretty dull, especially about St. John. The chief demand is for large vessels, and these are principally built on the