

FAILURES IN THE UNITED STATES.

Commercially, the year 1886 was a peculiar year. For one thing, its first half was characterized by low prices. The previous year was the culminating one of a series of five, during which, as *Bradstreet's* points out, pig iron fell from \$45 per ton to \$16½; steel rails from \$80 to \$25; lake copper from 25c. to 10½c. per pound; Up-lands cotton had only gone as low as the price of last February (18 13-16cts.) once in thirty years, viz. in 1878; prices of wool were low; petroleum declined from 82 cts. to 60. Strikes affected the building trades and reduced the trade in lumber and consequently its output, and to crown all, grain, though abundant was too cheap to enrich the farmer. The effect of weak and falling markets upon the trader, whether wholesale or retail, was disheartening, not to say disastrous. Many had to bear to see their capital lessened by shrinkage in prices and timidity often took the place of enterprise.

Fortunately for manufacturers a change came. The woollens industry in the States recovered from the depression of 1884-5. In May and June the price of wool went up 10 to 25 %, and the industry became active. Prices of product, however, did not rise in proportion to the advance in raw material. The year has been a good one for the cotton mills, the spindles and looms having been substantially occupied and an advance of 5 to 7½ per cent. on the price of cloth having been secured. A vast change took place in the iron trade: furnaces, foundries and machine shops were actively employed and the consumption of iron went on increasing until in November forty-six more furnaces were in blast than at the beginning of the year. Staple crops were abundant, as we have said, and in spite of the labor troubles among the textile mills and in other branches, the favorable features indicated gave a brighter aspect and a healthier tone to the whole commerce of the country.

In the light of these circumstances, let us look at the failure record of the year, as kept by Messrs. R. G. Dun & Co. Of the four years last past, 1886 shows the smallest aggregate failure liability. It is \$114,644,000 in the case of 9,834 traders, against \$124,220,000 in 1885, \$226,843,000 in 1884 and \$172,874,000 in 1883. That of the two previous years was smaller still, being \$101,547,000 and \$81,156,000 respectively.

The different groups of States, their traders and the mercantile disasters that happened in them are classified as follows in 1886:

	No. of Traders.	No. of Failures.	Amount of Liabilities.
Eastern States..	100,675	1,110	\$18,259,558
Middle States..	293,862	2,271	35,368,988
Southern States..	142,014	2,349	23,201,508
Western States..	369,763	3,091	29,842,615
Pacific States and Territories ..	63,527	1,013	7,971,456

Total 969,841 9,834 \$114,644,119
This shows that the Middle and Western States were commercially by far the healthiest, their proportion of failures being 1 in 130 and 1 in 140 traders respectively. The Eastern States showed one failure to every ninety-one traders, the Southern States and the Pacific States and Territories having a nearly equal proportion of

one to 61, which does not differ materially from that of Canada. The improvement for the last few years is steady, for where 12-13 traders failed in every thousand in 1884 and 11-56 in 1885, only 10-14 traders failed in the year 1886, where the proportion in Canada was 17 failures to every thousand traders.

PRIVATE BANKERS.

A very sensible plan, it seems to us, and one that might with advantage be followed by Canadian private bankers generally, is that adopted by Mr. Loftus Cuddy, who has, for some years, been a private banker at Amherstburg, Ontario. "I have thought it well," says that gentleman, "to take my customers and the public into my confidence by publishing, after the manner required by Government from the chartered banks, the position of this business from time to time, instead of maintaining that secrecy which has heretofore invariably surrounded all private banks doing business in this country." It is within the memory of many that disastrous loss has resulted to depositors and others from failures of private bankers in this province. In such instances it was almost invariably the case that the depositor, who had thought himself doing business with a solid institution, was trusting to a mere "house of cards," whose strength of capital or position was inadequate to any strain. When the stoppage came, the banker's assets melted away. True, some of these traders made statements to the mercantile agencies, but this is a different thing from informing the general public. It is right, we repeat, that those who ask or receive deposits should afford, in the freest manner, a plain statement as to their financial status in order that intending customers may know something definite about the resources of the banking concern with which they deal. Those who, like Mr. Cuddy, are in a good financial shape, will have little hesitation in publishing their statement in a reputable journal. Others, whose position may possibly much more require looking into, may be more backward in coming forward in this way. But why should a private bank, accepting deposits from the people, be exempted from any requirement to make its financial strength known, when joint stock institutions are compelled to make periodical returns?

CERTAIN TRADE PRACTICES.

An article in our issue of December 31st last, entitled "Good Plans for the New Year," contained a reference, by no means complimentary, to tradesmen who pay their bills by cheques on a bank where they reside—thus subjecting the payee to a discount on the cheque—or who wait to be drawn upon for small credit accounts and then refuse to pay exchange. A subscriber in the west takes our lecture to himself in the good-natured manner described in his letter:

"I had this pleasure yesterday enclosing my check for \$2.00 on account of subscription. I was amused to-day, on taking up

your paper, to read some remarks therein about people who sent their cheques without adding exchange, which I carelessly, or perhaps it would be more correct to say thoughtlessly, failed to do. Now, as I do not wish to be put in the category of 'sneak thieves,' as the *Iron Age* calls them, I herewith enclose you 25 cents. Please send me your calendar, which I did not get. I wish you the compliments of the season."

It is encouraging to find this evidence that the bad practice referred to arises, in some cases, out of thoughtlessness, and not in all cases from a deliberate act, resulting in just so much loss to the receiver of the cheque. A firm of hardware merchants in Montreal, writing this week with reference to our article on the subject, says: "Agitate the matter. There is much room for it, as our own experience tells us." We give the letter elsewhere. In the opinion of this firm with respect to the present excessive charge made by banks of twenty-five cents for cashing cheques from a distance, no matter of how small amount, many will concur. It would be a good move for the bankers to arrange some modification of the present charge.

RESTRAINTS ON TRADE.

It is not easy to get the citizens of Fredericton, Quebec, and a few other Canadian cities and towns, to see what a stupid anachronism they perpetrate when they seek to tax commercial travellers. An ingenious method is adopted by the *Sherbrooke Gazette* to show the people of that place what folly it is to put upon trade such restraint as that they contemplate, thus: The Sherbrooke City Council at its last meeting passed a resolution to impose a tax of fifty dollars on a manufacturer or dealer in Montreal for bringing into that city and disposing off therein to the highest bidders, some eighteen car loads of furniture.

"Their power to levy this impost is based," says the *Gazette*, "upon a clause in the city charter, which provides that in case any person or persons shall come temporarily into the city to dispose of any bankrupt or other stock of goods, wares or merchandise, either at public auction or at private sale, the council may by resolution, passed as soon as convenient after the same shall have come to their knowledge, levy on such person or persons a license fee of not less than twenty dollars, and not more than fifty dollars for the sale of said goods, so brought into the city and exposed for sale therein."

"Recognizing the soundness of the views held by the members of the municipal body and not disputing their powers, we would ask for a legitimate share of their paternal solicitude. We have been established here over 50 years, and as a Sherbrooke industry have attained a name and reputation second to no local institution. There are three other journals published in the city, the proprietors and publishers of which, like ourselves, pay large sums of money to their workmen and contribute liberally to the city funds. In Montreal, owing to its size and other causes, there are newspapers published, of various degrees of merit, and some of them are brought here and sold at