causes have contributed to diminish the return to capital invested in Canadian woolen mills. It is difficult for an ordinary observer to see any excuse for the fact that under usual circumstances there is a lapse of ten months from the time a season's samples are submitted until the date of final payment for the goods produced. And yet, in spite of the vigorous organized opposition of a number of the more important manufacturers, it is the custom to submit samples for the spring trade of one year to the wholesale merchants in May of the preceding year; the orders are then taken, and the goods delivered in July, August and September, invoices being dated November 4th at four months. The wholesale merchant is able to carry on this trade with the manufacturer's money, and when disaster comes, as it has done several times during the past year, to the jobbing houses, the woolen manufacturer must bear the brunt of the loss.

A serious difficulty against which the Canadian makers of woolen goods have to contend is the prejudice existing in Canada against domestic woolens. The tailor advertises his fabrics under the name "imported," as if this were a special recommendation. Before the recent tariff commission it was repeatedly shown that merchants were selling the product of Canadian factories under the description of "made in Nottingham," or under the name of some other foreign textile centres which had the advantage of a reputation gained a century ago. The prejudice is not peculiar to Canada alone, but extends to all countries where the industries are comparatively new and are struggling for a position. Although the output of British, German and French looms is of undoubted worth, it would probably give unexpected results to compare piece by piece the imported and domestic goods in stock in the Canadian wholesale houses. A large proportion of the fabrics exported from the United Kingdom and European textile centres to this country consists of seconds, showing faults upon careful examination.

The Canadian mill-owner is at a disadvantage in regard to the cost of his plant and the payment of labor. The expense of equipping a knitting mill in Canada is about 50 per cent. greater than in England. A knitting mill that in Canada costs $300,000 to place in working order could be equipped in England for $200,000. Taking into account the interest and allowance for depreciation on these two sums, the English manufacturer has an advantage of about $12,750 each year over his Canadian competitor. The same inequality is shown in the matter of wages. In the Canadian mills 326 persons employed in different capacities earned an aggregate sum of $101,730 last year. The same number of people engaged in similar occupations in England received $73,950, and in Germany, $52,590. The higher wages paid in Canada is, from the standpoint of the workingman, a cause for congratulation, but from the wider view of the welfare of the industry it is a serious barrier in the way of progress. An abundant supply of cheap raw material has failed to counterbalance the disadvantages arising from other sources. Twenty years ago it was thought that in a few years Canada would be in a position to export woolens to foreign countries, and especially to those countries that have a climate similar to our own. But the export trade in Canadian woolens has been of a very limited character, amounting in value during the past five years to the following figures: 1892, $80,644; 1893, $35,992; 1894, $30,262; 1895, $71,942; and 1896, $62,393. The future offers little prospect of improvement in this direction, and manufacturers look to the protection of the home market as their only chance of regaining prosperity.

What effect the new tariff legislation of the United States will have upon the Canadian woolen mills is not yet apparent. The fleece wool of Eastern Canada is suited in a special way to the manufacture of worsted goods, and as the clip is far larger than the requirements of the two mills in Canada making worsted cloths, the bulk of it is exported to the United States and cheaper wools are imported from the Cape, Australia and other countries to take the place of the domestic wool. The prohibitory duty which Congress has been contemplating so long, and which now seems imminent, will, of necessity result in a depreciation of wool values in Canada. The manufacturers of this country, with free wool, have a great advantage over the manufacturers of the United States, and if Congress does not increase the duties on woolen goods they may be able to increase their exports to the United States, and will certainly hold their own market free from the encroachment of American manufacturers.

But in the tariff changes that have taken place within the past year, the Canadian woolen interests consider that their position has been, to say the least of it, in no way improved. England is the great centre of woolen production, and the trade preferences extended to the Mother Country by the Dominion Government are considered a serious blow to the Canadian woolen industry.

THE FAILURE LIST.

Dun's Review publishes the following figures, giving the number and amount of the failures of the last three months among Canadian traders. The number is 368, owing almost three million dollars:—

Provinces.	No.	Assets.	Liabilities.
Ontario	181	$811,829	$1,239,633
Quebec	116	915,595	1,245,439
British Columbia	16	106,745	107,200
Nova Scotia	26	86,280	139,569
Manitoba	18	152,731	128,010
New Brunswick	8	20,500	66,500
Prince Edward Island	3	6,000	13,000
Total	368	$2,099,680	$2,939,351

On April 24th, 1896, THE MONETARY TIMES said: "One hundred and twenty-five general storekeepers, owing $7,000 each on an average, failed in three months this year in Canada.

"One hundred and eleven grocers and provision dealers failed in the same time in our midst, owing in all $350,000.

"Fifty-seven dry goods dealers; forty-five hardware dealers and forty-four shoe merchants, owing between them close upon a million and a half, came to grief in the last three months, according to R. G. Dun & Co., whose business it is to record these things.

"Not only these—there were hundreds more in various other classes of traders and description of manufacture who in the short space of three months brought the total of Canadian failures to 738 in number, owing $5,475,000, and showing assets of no more than $4,258,000. . . .

"Searching in this list for the most distinguished among these classes, we observe with some curiosity that besides 42 failed furnishers (owing $343,000), who simply sold clothes, there were forty-three 'clothing and millinery manufacturers,' who presumably made clothes as well as