

swindle against the Government of the country. It is manifestly in the interest of Canadian retailers to buy from Canadian wholesale houses in preference to such men as Patterson and a half a dozen others of that ilk, not only because the regular home dealers can supply them with goods as cheaply as outsiders can, but also because the interests of the wholesaler and retailer are common and identical.

We trust that these customs seizures will not be thrown away, but that their effect may be to keep out of this country entirely, the gang of dishonest wholesale peddlers that have of late years almost demoralized the trade.

THE TRADE BAROMETER FOR 1881.

To every one interested in the welfare of Canada, the annual circular of Messrs. Dun, Wiman & Co. is a cheering document, inasmuch as by its figures it clearly demonstrates that it is no ephemeral era of prosperity with which we have been visited, but one that with prudence and foresight on the part of our business men may be lengthened out indefinitely. In order to give our readers a better idea of the improved condition of the country we have been at considerable pains to put before them a comparative statement of all the failures in this country since 1875, from which it will be seen at a glance that the storm pressure has been removed and that our commercial barometer now indicates improved financial weather.

YEAR.	NO. OF FAILURES.	AMOUNT OF LIABILITIES.
1874.....	966.....	\$ 7,696,765
1875.....	1,968.....	28,843,967
1876.....	1,728.....	25,617,991
1877.....	1,892.....	25,523,903
1878.....	1,697.....	23,908,677
1879.....	1,902.....	29,347,937
1880.....	907.....	7,988,077
1881.....	637.....	5,770,717

The following table shows the number and amount of insolvencies in each quarter of the year just ended.

YEAR.	NO. OF FAILURES.	AMOUNT OF LIABILITIES.
1881—1st quarter.....	166.....	\$2,026,556
1881—2nd ".....	183.....	1,876,302
1881—3rd ".....	180.....	787,889
1881—4th ".....	108.....	1,079,970
TOTAL..	637	\$5,770,717

The following table shows the difference in the half yearly statements between last year and the one previous:

	NO. OF FAILURES.	AMOUNT OF LIABILITIES.
1880—1st 6 months.....	649.....	\$5,660,848
1881—1st 6 months.....	349.....	3,902,858
Difference..	300	\$1,757,990

1880—2nd 6 months.....	258.....	\$2,327,229
1881—2nd 6 months.....	238.....	1,867,869

Difference... 80 \$459,370

The following table shows the amount and proportion of failures to the number engaged in business during the years mentioned:

YEAR.	NO. IN BUSINESS.	PER CENT. OF FAILURES.	AMOUNT OF LIABILITIES.	INSOLVENT
1878.....	56,847.....	1.607.....	\$23,908,677.....	\$14,088
1879.....	55,964.....	1.902.....	29,349,937.....	15,480
1880.....	57,100.....	.907.....	7,988,077.....	8,807
1881.....	59,116.....	.637.....	5,770,717.....	9,057

From the above tables it will be seen that this country is now in a more prosperous condition than at any period since 1878. Last year we had the pleasure of congratulating our readers upon the improved condition of affairs, and we are glad to have the same privilege again, as this year shows a decrease in the total number of failures of 270, and a decrease in the amount of liabilities of \$2,217,300.

Encouraging as these figures are, they do not indicate that we have yet attained anything like the commercial soundness and stability that we might attain, if our merchants, both wholesale and retail, were to exercise more caution in their manner of giving credits, and a nearer approach to a cash system of doing business.

Although the United States is considered by many Canadians to be commercially unsound, its returns for the past year show that it stands very much higher in financial stability than this country. In Canada for the past year, which is far ahead of any year in the last decade, there was one failure for every ninety-three engaged in business, in the United States, although having nearly one thousand more failures last year than the year previous, the average number of failures was only one for every three hundred and forty engaged in business. There are several reasons for this great difference between the failures of the two countries, but the

principal one is that our neighbours have learned by sad experience that the nearer they can work to a cash basis the better for them. More than double the proportionate amount of cash business is done in the United States than is done in Canada, and where credit is given, as a rule, it is for much shorter dates. The wisdom of this system is apparent from the figures we give above.

We would be derelict in our duty, did we not sound a note of warning to those, who thinking that our prosperity cannot possibly come to an end, are rushing into all sorts of extravagance in their personal and business expenditure, or who from a similar cause have been led into giving unwise and injudicious credits, or looking in outside speculation, however promising, the capital that should be held sacred for their business needs.

To these and all the unthinking, we would point to the fact that in the second half of the past year, the failures show an increase of thirty over the year previous. This simply means that there are too many people in business in Canada, and that those who do not strictly adhere to sound business principles must of necessity go the wall. The increase in the time, and ease of their terms of credit, are the premonitory symptoms of a commercial reaction which can only be averted by a strict adhesion on the part of our whole business community to the principles governing business. Although we sound this warning note, we do not wish to be considered by any means as taking a pessimist view of the situation; on the contrary, we think the outlook is hopeful, and gives every indication of continued prosperity if we are only true to ourselves. We cannot better conclude than by giving a short review of the situation from Messrs. Dun, Wiman's Circular which says:

"Surveying from all general points of view the commercial condition of the country, it seems impossible to arrive at any other conclusion than that it is safe and prosperous. The losses by bad debts in the year which is now closing, bear but a meagre proportion to the profits realized in legitimate trade. The additions which have been made in the surplus of almost every prudent business man are larger than have ever been realized in any previous year, and that the increase of surplus is more the result of honest, legitimate profit than of any speculative success must be universally admitted."