

an unusually open winter, retarding sales, deliveries of produce, and collections; the discussions in Congress of financial measures, and the uncertainty as to the action of that body upon them; the possibility of important changes in the tariff; the postponement of the date of repeal of the Bankrupt Law, and finally, the steady decline in prices of merchandise, and the general shrinkage of values, more apparent, it is said, in the past six months than ever before.

There is no doubt some weight in each of these considerations, especially in the disturbance occasioned to business operations by the doubt and dread of the follies of Congress, which, one New York journal says, "is a curse," and according to another, "our periodical nuisance." The rush of traders who are embarrassed, or who have grown dejected from the continued dullness of business, to get relief, no matter how disgracefully, by insolvency and compromise before the threatened repeal of the bankrupt law could take place, is another reason and a strong one for the increase of failures. We in Canada understand how such a thronging "to get through the mill" took place amongst ourselves before the coming into operation of Mr. Blake's Act, requiring the payment of a certain dividend to entitle an insolvent to his discharge.

Hope has seemed "to spring eternal in the breast" of the compilers of this circular ever since the Hayes and Wheeler election; but this last crushing blow from the thirty-three hundred failures of twenty-two thousand dollars each this half-year, has almost choked the Spring, for we find the last sentence saying: "Because there has been frequent disappointment in the expectations entertained hitherto, of a return to a better condition of business, there is less disposition now to rely upon indications both numerous and favorable." In view of the default made by all previous explanations in accounting adequately for the refusal of business to revive or prosperity to return, one is driven to look deeper for the cause of this refusal. We are disposed to think that there is a good deal of truth in the view of a sensible writer upon the subject who suspects strongly that it lies in the American people shutting their eyes to the facts that they are living in what has practically ceased to be a new country; and that in an old one they can neither earn money so easily nor spend it so freely as did their fathers. The probability is that it will require a long time for them to learn this lesson.

It is a relief to find that the failure figures

for Canada are in marked contrast, this year, with those for the States. While the number of them was 555 in the first quarter of 1878, it was but 392 in the second quarter, and the liabilities were less than last year, thus:—

CANADA.				No. of failures.	Amt. of Liabilities.
No. of failures 1st quarter	1878	555	\$9,100,929		
" " 2nd "	1878	392	4,407,600		
No. of failures 1st 6 m'ths	1878	947	\$13,508,729		
" " " " "	1877	1,223	15,151,637		

Some comments are made by the circular upon the American commercial situation, which are applicable equally to the Canadian. There are still too many people trying to get a living as merchants, and failures must continue to result from the overcrowding; depression still continues in many of the manufacturing centres, and the capacity to produce exceeds greatly the probable demand; a numerous class should adapt themselves to other industries, and indeed, it is a cheering sign that many, hitherto traders, are now seeking to become farmers. Settlements at a compromise, Messrs. Dun, Barlow & Co. consider, should be firmly refused by the wholesale trade and the banks; and such a policy would provide a solution for much of the difficulty under which the trade of the country labors.

Notwithstanding all that we have heard from indignant importers of the laxness of creditors in accepting compromises, and thereby preventing the lessening of the number of traders for whom there is not room, we think that the proportion of general stores is lessened of late by the pressure of the times. The smaller number of failures shown in the above list is probably because the weakest have gone to the wall, and those remaining are better able to make a stand. At any rate, we think that many who feel the dullness of the times just now are making an honest effort to keep up, in the belief that the coming harvest will help them through.

#### RECENT BANK MEETINGS.

The statements and reports of the Exchange and Standard Banks appeared in our issue of last week, the former institution has a paid up capital of \$1,000,000, and the latter of \$507,750. These statements show that they have had the same difficulties to contend with as their contemporaries with larger means of investment.

We notice the following changes in the balance sheet of the Exchange Bank, as compared with last year:—Circulation has made a bound upward to the extent of \$131,800; overdue paper, after an appropriation of \$15,000 from contingent account,

stands at \$10,000 less than in 1877. Deposits have decreased \$137,300, the large proportion of \$114,700 being in reduction of interest bearing, and therefore profit-consuming receipts. In assets immediately available, loans on call have increased \$79,000, while balances due by other banks in this and foreign countries, have decreased by \$51,300. Under the head of notes discounted there appears a falling off of \$146,500, but against this there is an increase of \$109,000, in loans and securities, which really belong to discounted paper, making the real reduction \$37,500. Beyond the facts that the small "rest" of \$50,000 remains intact and that bank premises and furniture have increased \$13,200 there is nothing of importance to observe.

On a comparison of the statements of the Standard Bank with that of a year ago, we are struck with the facts that deposits bearing interest have more than doubled, and that there are no less than \$325,900 represented by loans on other bank stocks, bonds and debentures, which appear under new items of account. Discounts show an increase of \$40,000 only, but adding the loans on stocks (which is really paper discounted) there appears to be an extraordinary growth of \$365,900. The report states that \$22,000 have been written off on account of "old" doubtful accounts. According to the statements of the bank the amount of overdue paper in 1877 was \$19,200, and this year \$18,800. We infer from this that the old debts were allowed in previous years to remain in notes discounted account, instead of being charged as overdue.

The Union Bank of Lower Canada made its annual statement to its constituents with reduced dividends, additional writing off, a diminished, but we trust more profitable, business and an allusion to the continued depression of trade. We regret that notwithstanding the appropriation of \$202,500 in 1877 supplemented by \$65,000 this year, on account of bad and doubtful debts, there still remain \$67,000 debited as paper overdue. This is doubtless due to the wise policy pursued by the management in a continued curtailment of the discounts which, as compared with the previous year, show a decrease of \$377,600. The position of the bank is further improved by a reduction of \$240,000 in interest-bearing deposits. Beginning the year with a balance of \$18,200 at credit of profit and loss we reciprocate the expression of confidence as to the future contained in the report, and although the prospect is far from rosy we cannot but commend the apparently vigorous efforts of the directorate to bring about a more healthy condition of things.