

## NEWFOUNDLAND.

**P**OOR Newfoundland. Like a mite in a big cheese, the Island Colony has been trying to make an impression in the world as an independent nation. But she has been a little pollywog in a great big puddle, and has found it as hard to hold her own as Canada would if separated into seven distinct provinces. "Union is strength" may be an old saying, but its venerable truth is beyond dispute.

To day, Newfoundland is torn by bitter political dissensions, worried by commercial failures, and disheartened by financial complications. In her hour of distress she looks to her sister colony, Canada, for aid, and this aid has been as fully and freely given by Canadian banks as was given by her citizens when a great fire swept the capital city of this Island Colony some two years ago.

Newfoundland has, or rather had, two banks, the Union and the Commercial, and their notes in circulation amounted to \$1,200,000. The fish products of the country must be got to market and this process requires capital. Owing to the death of a London merchant who did a great deal of this, complications arose and the rotten condition of the banks was exposed. The necessary funds, at the time of writing, are not forthcoming, and business is at a standstill. Newfoundland brings in most of its food, and hence it must export to live, or to get that which is necessary to support life.

To show loose banking system carried on it may be said that the following directors of the Commercial Bank owe that institution these sums: Goodfellow & Co., \$115,000, Goodridge & Jobb, represented by Hutchings, \$120,000, and Duder, \$500,000. It is said that Duder is a bankrupt, that the sums aggregate three times the amount of the bank's capital stock, and that some of the officials had overdrawn their accounts and Bookkeeper Crowdy had falsified the books so that his friends had overdrawn to the extent of \$20,000.

Various plans are suggested to redeem the notes of the banks outstanding in the hands of the people. One proposal is that the Government guarantee a certain percentage of the notes, and they would thus all gain a certain value. Another plan is the formation of a syndicate of outside banks who would send experts to value the assets of the banks and their customers, and then make advances to the note holders and depositors to such an extent as would be warranted by the assets. The latter is substantially the course followed in the great Baring failure in London, and which succeeded in averting what would otherwise have been a very serious and widespread crisis.

Canada is willing to aid Newfoundland; but why should not Newfoundland guard against a future recurrence of such episodes by joining in a confederation which has ensured peace and prosperity to the various provinces of this growing Dominion?

## CREDIT. NOT CAPITAL. THE CAUSE.

When a wholesale or retail merchant or manufacturer applies to a bank for a loan, or for a line of credit in the purchase of goods, he is usually asked for a statement of his financial position. He produces one, in which he generally shows a large sum due him on account.

This is usually classed as a valuable asset, and too frequently bankers and dealers do not take the trouble to inquire how many of these debts are worth anything at all.

As a rule, such a statement would be a valuable aid in getting at the character of the business done.

It has been shown that insufficient capital is put on record as the cause of a large proportion of the failures. On inquiry, insufficient capital means that the dealer began with enough, but by giving goods away on credit, he had not the money to buy more.

He gets more goods on past credit, and gives them away on the same terms, and eventually he owes so much that his creditors refuse to sell him any more unless he pays cash. He can not do so, because his original capital is distributed among many small people, to whom he gave it in the shape of goods on credit.

The creditors seize his stock. He is thrown on the street with a damaged reputation and no money, and he has to begin life over again. His failure is put down: "Lack of capital."

Many a trader could be saved if the firm from whom he buys goods, or the bank with which he does business, would frequently scrutinize his dealings with his customers, where the amounts he has on credit would show him the danger of the course he is pursuing.

## CANADA'S GAIN AND LOSS.

What with the Intercolonial Conference of 1894, the discussion before and since of a Pacific cable and a Canada-Australian line of steamers, the publication of Earl Jersey's report and the tragic death of her beloved Premier in the historical mansion of Great Britain's Kings, Canada has been forcing herself and being forced on the attention of the civilized world. Canada has to be known, and known intimately, to be appreciated, as her countenance is stern and forbidding to those who know her not in her gentler and balmy moods, when the Ice-King has retreated before the onslaught of the victorious Summer Prince.

It is to be regretted that one of Canada's advertisements should have been paid for with the life of her greatest statesman. Able, clean, unselfish, judicial and patriotic, Sir John Thompson stood hands above his colleagues in the Canadian Cabinet. His life was full of devotion to his family, to his religion and, it may safely be said, above all to his country. With the honors of a Canadian Premiership not yet grown old, with Imperial decorations fresh upon his brow, he was felled by disease at the foot of the Throne of the great Empire which he revered so highly. He sacrificed himself for his country, and a grateful people will enrol him among their national heroes.

## HOLD A POST MORTEM.

The old year is dying in the night—it is a way old years have. They all go off at midnight on December 31st. There is no use holding a funeral, but a post mortem might be beneficial to most merchants.

This post mortem should take the form of a general stock taking and the striking of a trial balance. This will show whether the year 1894 left the merchant in as good shape as it found him. If it didn't, it will show the reason why.

This information is necessary to enable the merchant to decide what he is going to do in 1895. If 1894 ate up a thousand dollars of his capital, it might be advisable to prevent 1895 taking a second thousand.