

THE CANADIAN GROCER

& GENERAL STOREKEEPER

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and General Storekeepers.

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SPECIAL TO OUR READERS.

As the design of THE CANADIAN GROCER is to benefit mutually all interested in the business, we would request all parties ordering goods or making purchases of any description from houses advertising with us to mention in their letter that such advertisement was noticed in THE CANADIAN GROCER.

OUR MONTREAL OFFICE.

Our Montreal Office is located at 115 St. Francois Xavier St. Our representative, Mr. G. Hector Clemes, will be pleased to have subscribers and advertisers call upon him there. He will also pay special attention to gathering business items and attending generally to the interests of this paper.

THE FAILURES OF 1890.

In a neat little pamphlet bearing the title, "A Record—not a Prospectus," the Bradstreet Company summarizes the facts of last year's failures in this country and the United States, and puts them side by side with the similarly classified facts of each of the three preceding years. The figures show that the line of failure coincides pretty closely with the line of rating, as where the latter sags lowest there the failures are heaviest, both in the number and amount of them. Nearly 92 per cent. of the total number of failures last year fell upon business men whose rating was below the class 'Good,' and the same proportion is almost constant throughout the four completed years since 1886. Also, nearly 90 per cent. of all the failures of 1890 include businesses in which the capital invested was not more than \$5,000. This percentage, too, approximates roughly to what is the average of failures on small capital for the past four years. The course of failure seems to have taken its way much as it was staked out by the Bradstreet Company.

The fact that 90 per cent. of the failures were made up by concerns whose capital was not more than \$5,000 seems to point to lack of capital as the greatly preponderating cause of failure. Of course there may have been other causes which helped to keep the centre of failure down in the range of small capitals, but then these other causes ought to be represented proportionally in the failures that overtook concerns of capital above \$5,000. Since these are only ten per cent. of the whole, there is little room for the

operation of the causes that might be involved along with inadequate capital for the destruction of the small affairs. Probably the inference we are most warranted in making is, that the smaller the capital the greater is the disposition to extend business beyond the limits of capital.

The Record also submits the results of one year's investigation into the causes of failure. The conclusions drawn from these results, unlike the other statistics referred to, are not based upon observations extending over four years, but have only the data of one year's business under them. They may not exactly, therefore, assign the proportion to the various causes, but since 1890 was a normal year it is not unlikely that they do. The following exhibits the results to which an examination of last year's business failures in Canada and Newfoundland has led the compilers:

Failures due to	No.	Assets.	Liabilities
Incompetence	312	\$1,166,815	\$2,439,863
Inexperience	68	146,224	264,256
Lack of capital	905	3,509,583	5,702,563
Reckl's grant'g cred's	51	220,194	410,786
Failures of others.....	38	241,715	527,417
Person'l extravag'nce	9	18,458	54,750
Neglect of business...	44	91,024	218,220
Uneven competition...	29	93,186	229,571
Disa't'r. or com. crisis	96	840,787	1,588,168
Speculation outside...	44	328,574	768,350
Fraudulent disposition	30	89,440	278,056
Total	1,626	\$6,746,000	\$12,482,000

Here, lack of capital plays the largest part, and incompetence the next largest. Personal extravagance is the least mischievous cause and fraud is the next lowest in responsibility. This statistical determination of the causes of failure agrees remarkably with our estimate of the importance of these causes, published in a series of articles a few months ago. In those articles the comparative gravity of the various pitfalls in the trader's way was pointed out, and this report gives figures that correspond closely with our words.

We are glad to have our views backed up by so careful an application of the inductive method as the Bradstreet Company has the facilities and materials for bringing to bear upon the matter. The same investigations continued yearly for some time may end in the establishment of a scientific basis of credit. This would be nearly as desirable a consummation as the reaching of an exclusively cash basis of trade, and is certainly a much more practicable one for trade reformers to aim at.

THE COMMERCIAL TRAVELLER.

So many things have been written about the Commercial Traveller, some true to life, some unreal and impossible of occurrence, and some tinted with all the varied shades of the prismatic brain of the penny-a-liners, that the really true knight of the road feels his soul shrinking at the bare idea of reading an article headed by the subject of his avocation.

Those who have read the works of that great and wonderful genius, Balzac, whose scalpel laid bare the deepest and most repulsive wounds of the social world, high and low, and whose writings display such a profound knowledge of the human heart and an extraordinary range of knowledge, and who painted life far deeper and more true to nature than even George Sand or Rousseau, will pleasantly recall the scene from his "Provincial Life," and see in the "Illustrious Gaudissart" such a picture of a commercial traveller of his day as to make one marvel at the writer's erudition and prescience. In order to give those of our readers who have not read the works of the great French novelist a glance at the commercial traveller as portrayed by him, we think it pardonable to reprint such of his opinions as can be clipped from the story and still prove interesting, instructive and reflective reading, and we feel sure our readers will admit that Balzac's description, though written over fifty years ago when the commercial traveller, as an indispensable part and parcel of the commercial world, was still an infant, though happily out of his long clothes, shows a wonderful pre-knowledge of his subject, and most of his observations are applicable to the traveller of our day. In reading "The Illustrious Gaudissart" one feels as if Balzac were still in the flesh and a regular reporter on one of our progressive dailies, so familiar is his picture to us.

Waiving any further remarks on this subject on our part, for time and space would be inadequate to exhaust it were we inclined to