lower. Some banks are holding far too little, and make a habit of it. Deposits are being withdrawn at a considerable rate and circulation is beginning to come in. All the signs point to the necessity for a curtailment of loans and a higher rate of interest for money.

Parliament will meet shortly and will probably take up the consideration of the Banking Act. What they will do with it time will show. It is to be hoped that no ambitious legislation will be attempted, though some practical changes for the better may undoubtedly be made.

ABSTRACT OF BANK RETURNS.

30th November, 1888. [In thousands.]

Description.	Banks in Quebec.	Banks in Ontario.	Banks in other Prov's	Total
	$	$	$	$
Capital paid up..	34,415	17,801	8,015	60,231
Circulation	18,736	12,071	5,251	36,061
Deposits	72,022	47,649	14,643	134,314
Loans & Discounts	96,410	66,531	20,997	183,338
Cash and Foreign balances (Net)..	29,407	9,308	3,790	42,505

30th November, 1889. [In thousands.]

Description.	Banks in Quebec.	Banks in Ontario.	Banks in other Prov's.	Total.
	$	$	$	$
Capital paid up	34,453	17,709	8,027	60,189
Circulation	17,644	11,541	5,715	34,900
Deposits.........	66,332	48,922	16,875	132,129
Loans & Disc'ts.	102,828	67,595	24,131	194,554
Cash & Foreign balances (Net)..	18,032	8,657	3,097	29,786

CAN IT BE CURED?

The question is often asked: Why do so many storekeepers fail? And it cannot well be answered as briefly as it is put. Without, however, insisting at present upon the broader and more obvious reasons for failure of tradesmen in Canada such as observation points out, viz.:

Because there is not room for them all.
Because they do not know their business.
Because they do not get enough profit.
Because they do not take enough pains.
Because they buy too many goods.

We would mark one prolific reason for failure, and it is this: Giving too much credit. One recalls instances of this in plenty. A man in Orono who opened out in 1883, failed in three years thereafter. He owed $22,000, and his assets consisted of $11,638 worth of goods on his shelves, and $13,710 uncollected debts, largely in the hands of farmers. He had thus a nominal margin of $3,300, but more than 54 per cent. of his assets were in outstandings. He considered his accounts mostly "good," no doubt; every insolvent does. But we know that when they come to be collected from one-fourth to one-half turn out to be bad. No man with $3,300 capital has a right to give away the merchandise of his creditors to the extent of $13,000 "on tick."

Another instance: A merchant in a northern town asked a compromise. Of course he got it. We say of course, because it is unhappily the fact that although the sensible, firm-footed few among creditors set their faces against compromises, and strive to weed out the useless traders, it is yet the usual short-sighted plan to take what he offers. The man in question had more than thirty per cent. of his assets spread over village and country in open accounts, only part of which were collectable. Any business man of experience may recall similar cases, where unwise crediting has proved a trader's ruin. Can this state of things be cured? To be sure it can, but not easily. The proportion of credit sales to cash sales should be rigidly limited by the retailer. The importers who sell him should insist on knowing, season by season, how much he has outstanding. If the limit be exceeded do not sell him any more till the proper proportion is resumed. Pressure will thus teach him how to keep his credit good, and if he will not learn to say "no" to the customers who besiege him for credit, let him be weeded out, and give place to mercantile plants with more strength of purpose.

What is most to be feared, however, is that should importers A. B. C. and D. refuse him goods for such prudential reasons, Messrs. E. F. G. and H. will hasten to offer him merchandise without stint. All the worse for the weak retailer; and all the worse for the latter quartette, who, though they may have the brief satisfaction of selling a large parcel, will find their Profit and Loss account swollen, in a year or two, with grievous losses by reason of such a policy.

THE QUALIFICATIONS OF ACCOUNTANTS.

At the meeting of the Institute of Accountants held in this city a week ago, the president's address laid, we observe, much stress upon the attention which the rules of the Institute require to be paid to the personal character as well as the business standing of any candidate for its certificate or diploma. And quite properly so. In this, no more than in other professions looking for the confidence of the public can an association ignore personal integrity as an element in the qualification of its members. Nor can the Institute be too careful, in another respect, about making its degrees unduly cheap. The holder of a diploma from an association of accountants should, in addition to being found trustworthy, as far as experience and observation can determine any man's personal honesty, be also found competent to do work which his degree implies fitness for. A diploma from the Institute of Accountants means, as we understand it, that the holder thereof has been tested and is found thoroughly qualified in the various branches of an accountant's work. He should understand book-keeping, but not this alone: partnerships, joint-stock company management, insolvency law, should be within his ken, for he may have to do with all these in the course of his work. Further, he will need to know something of the principles as well as the practice of banking. To be competent as an arbitrator he requires to be familiar with the rules of evidence. And he must not be ignorant of the principles of underwriting if he would undertake the settlement of liquidated or bankrupt estates.

It is very desirable, besides, that a public accountant should have a practical knowledge of commercial affairs; an acquaintance with the current methods of doing business as well as with some of the leading descriptions of merchandise. An accountant may be, in matters of theory, extremely clever; he may be ingenious in propounding methods of settlement, but quite incompetent to carry his theories into practice. Such a man is, in this generation and in this country, of far less value to a merchant in difficulty or to a group of creditors seeking for the best settlement of an estate than a man with a good business experience *plus* "a level head" and an honest heart.

The main object which the Board of Examiners had in framing the questions to be put to applicants for their degrees, the president states, was "to ascertain the extent to which a candidate was familiar with all the subjects of which, at any rate, no public accountant should be able to plead ignorance." It may, we think, be presumed that the questions are adequate for their purpose. But it is further laid down by the president that "our regulations require especial attention, *first* to the personal character, and *next* to the standing in the profession, of the candidate." The precedence given to moral over intellectual qualifications is here distinctly marked. It remains, then, to insist upon the necessity of enforcing compliance with the standards laid down. If the degrees of the Institute of Accountants are to carry the weight which they deserve, this can only be attained by strict application of the tests and the summary rejection of all applicants who are found incompetent or unworthy.

LIFE ASSURANCE ESTIMATES.

In a recent number of the *United States Review* an instructive article appears, from the pen of Mr. Henry W. Smith, showing the bearing of proved mortality upon the premiums and accumulations of a life insurance company. The article premises that in the construction of a level life insurance premium the assumptions are that men will die in accordance with a given table of mortality, that money will earn a fixed per cent., and that all losses will be paid at the end of the year in which they occur. It is the purpose of the article to show that "the premium properly constructed will exactly fill these conditions. Every loss can be paid and the entire fund will be absorbed in paying the last claim. The assumptions we take are the Actuaries' Rate of Mortality, with interest at 4 per cent. For convenience we assume the age of ninety years. The annual premium for a whole life insurance will be $363,888.44 per $1,000. We give at the head of the statement for each year the number living and the number dying:

FIRST YEAR.

Living, 1,319; dying, 427.

1,319 premiums are...............	$479,968,852
Improved at 4 per cent. interest is..	499,167,607
Deduct losses for the year.........	427,000,000
And the balance remaining is.....	72,167,607