

the total line of discount as it was a year ago and as it is now, I have noticed the following changes:—In produce and provision accounts, a slight diminution. In saw mills and timber, a very considerable increase (nearly 50 per cent.). in manufacturing accounts, an increase of about 12 per cent.; in importers' and merchants' accounts, a large increase, nearly 40 per cent.; in miscellaneous loans, a very considerable increase, about 30 per cent. The largest increase has thus been in accounts connected with our leading exports, viz., the productions of our forests. The next large increase has been in our whole line of importing.

"As to the soundness and healthiness of this or otherwise, there can be no doubt that the value of our wood products in foreign countries—our great market—has very largely increased, and that, not only has production been stimulated, giving rise to the employment of more money, but the amount of money required to carry on the same amount of operations has largely increased too. As to the increased imports, these are, as a rule, only healthy and sound when arising out of larger production. There has been a large increase of money value in our productions, as you have seen, and hence some foundation for increased imports. Duties have increased the selling value of goods, so that there has been an increase both in quantity and value. . . . After all, so far as the amount of discounts is concerned, it is really a question whether the banks are holding sufficient reserves of available funds. Taken as a whole, the banks undoubtedly are. But in some direction, a heavier holding, and of an independent character, would undoubtedly be desirable. There is always a pressure to lend as much as possible, where heavy interest is paid on deposits. There has been improvement in this matter of late years, but there is again arising a tendency to increase rates, but it is to be hoped that it may be checked. Generally, the banks are, no doubt, in a good position, and if they discriminate against long credits, by discounting short paper at a cheaper rate, declining long renewals, if they also check unreasonable expansion as well as speculation, by refusing to lend to impecunious traders, they may keep the business of the country in a sound condition for years to come."

Mr. Hague is evidently of opinion that the expanded discounts are largely justified by the *bona fide* expansion of the figures on merchants' and manufacturers' books, due to the single fact of higher money values for the same weights and measures of commodities; most or all in the produce of the forest and of the farm. Add to this the increase in quantity of lumber exported, and we have a really solid foundation for expansion to the extent of a good many millions. This is a view of the matter that will bear reflecting upon.

MANUFACTURERS' AND MERCHANTS' ACCOUNT BOOKS.

Do all business men realize as they should the importance of a systematic record of their business transactions, and of yearly determining their gains and losses and their worth? We fear not. It is deemed essential to the success of a manufacturing business that it shall possess ample capital for its requirements; that those who conduct its mechanical operations shall be well skilled in their specialty; that those who buy its raw material, and sell its products, shall be live business men, keen and quick in taking advantage of every turn in the market; but how frequently is it the case that the financial management and the book-keeping are indifferently looked after. The expression "a well managed business,"

includes the work of the office as well as the work of the factory. The double-entry system of book-keeping is the only one that can adequately show the results of a manufacturing concern, and it is desirable they should be shown. Where books are kept by single entry (which, when strictly followed, is a record, so far as the ledger is concerned, of dealings with persons only), a statement of assets and liabilities, collected from the ledger, the inventory of stock and other sources, may be taken at the end of each business year, and by subtracting the one from the other a man can ascertain his worth and if he possesses a little skill he may determine his gain or loss by taking the difference between his worth a year ago and his present worth, taking into the calculation of course, any capital added or withdrawn during the year. But it is desirable, indeed necessary to the intelligent conduct of the business, to know other facts. It should be known what the margin of profit is upon special lines of goods, whether the various departments (if an extensive business) are individually resulting in profit or loss; a distinct record of sales, of the cost of raw material, fuel, wages, insurance, taxes, etc., etc., should be kept. Such knowledge will afford data upon which to base future operations, and can only be obtained by the double entry system, and the proof of its own correctness which this system affords is a feature which recommends it to every business man whose operations are at all extensive. To obtain a knowledge of the double entry system it is not necessary in these days for a man to serve an apprenticeship of years in an office. He can acquire a thorough knowledge of the theory—and often more than this—in the Business Colleges conducted by practical accountants; or an educated intelligent man, with practical business experience, may from standard books, post himself sufficiently to keep accounts. Practice and experience must, of course, follow theoretical training in order that skill in accounting may be acquired.

The man of business whose accounts are kept by a system which reveals to him every detail of the working of his business: which gives him unmistakable knowledge of not only his gains and losses as a whole, but of the special channels through which they accrue; which enables him at stated periods to ascertain his worth, has a satisfaction akin to the experience of the mariner who is a master of the science of navigation, and whose ship possesses a sound rudder, an accurate compass, and reliable charts. On the other hand, the man who is carrying on his business without such a system runs a great risk of shipwreck and disaster.

A VALUABLE DISCOVERY FOR THE IRON MANUFACTURERS OF THE DOMINION.

This discovery is no less than the demonstration of the fact that the noxious waste of the charcoal kiln may be so utilized as to make it of equal—if not greater—value than the pig iron made by the charcoal whence the gas, vapor and other residuum come.

For several generations it has been known that creosote, "an oily colorless liquid, having the smell of smoke, obtained from the pyroligneous acid and the tarry matter which distil from