

STOCK-TAKING—THAT BALANCE SHEET.

It is the duty and privilege of every merchant to utilize the next few days or weeks that shall intervene before the time arrives for taking his annual inventory of stock and striking the usual balance sheet, in a vigorous effort to work off, at almost any price, as much as possible of the old, unsalable stock he has on hand. Thus not only will the task of making out the balance sheet be lightened, but his statement will present a more satisfactory

showing, and the cash received from this source may be expended in purchasing newer and more salable goods. The Merchant has annually urged the importance of every business man making this inventory an absolutely faithful exhibit of the actual value of all assets—in order that he may neither deceive himself nor his creditors. A truthful inventory is the first step towards closing the year's affairs in a satisfactory and business-like manner, and it is equally indispensable to a fair commencement of the New Year. If the pruning-knife has not been regularly and judiciously employed throughout the year, the task will not be found easy, and it will repay the storekeeper to personally examine and fix a price on every item of the account which is not strictly fresh and new stock, and determine the quality and nature of every account on his books. If clerks be entrusted to make a list of stock and fixtures, at cost price, and of accounts, old and new, the results are likely to be misleading, and may even lead to bankruptcy. Stock and fixtures are worth just what they can be sold for, and if the market price of any article has been reduced, the estimated cost must be reduced to the same extent. The original cost has comparatively little to do with fixing the selling or inventory value. It is necessary that the manager of an establishment should discover all surplus stocks that are being carried over, have the prices of these lines marked down and the goods disposed of as quickly as possible, in order that their true value, as assets, may be ascertained. The estimate of the collectable value of book accounts should always be a conservative one, made with due allowance for subsequent shrinkage. The merchant who has not ascertained with reasonable certainty the true worth of these elements of his inventory is working in the dark, and may, sooner than expected, receive a rude awakening, which will cripple him for life.

The causes of leakage are many, and some of them apparently so small and unimportant as to seem insignificant and not worth considering. But the trouble is there may be a dozen or more of such leakages, which in the aggregate may be doing more towards accomplishing your downfall than the one big leak which you are endeavoring to stop. The leaks in different stores arise from different causes. In one it may be from not knowing how to buy to advantage, or perhaps in selling too cheaply through costs not having been properly computed. Another leakage and one from which ninety-nine out of every hundred probably suffer more or less is bad book debts. With others it may be in

the deterioration in the value of stock, while still others may be traced to personal extravagance, excessive cost of management, dishonest or too many employees, or perhaps carelessness in book-keeping. But whatever the cause may be it is the duty of every merchant in preparing his balance sheet, to endeavor to ascertain what it is; his duty to himself and to his creditors demand it. If you discover it to be in your purchases resolve to be more careful in this respect, if in your sales be more exacting in future in figuring out the costs, if in bad book debts or failures, inaugurate a more cautious policy for future guidance.

As we have already said, a frequent source of unreliable assets is found in the losses made by bad debts, and not carried into the "Suspense Account," to be finally closed in the "Profit and Loss Account." The neglect to do this has often grossly deceived both creditors and debtor. Another element of uncertainty tending to discredit the balance sheet is the accounts receivable. Every account has a time fixed for its payment, and only such as are paid promptly are good. There is no such thing as an account "good, but slow;" it may not be bad, but it is not good. Much tact and knowledge of human nature is required to make collections without losing desirable patrons, but it must be done, and the present is a fitting season to insist upon settlements with all customers.

To make such a cold-blooded inventory, especially for the first time, means no little work, and requires courage, patience and determination—it calls into exercise all the qualities which tend to make a successful merchant. Every mistake, every bad purchase, every slow or bad account must be met and disposed of, or—shirked and run away from. Some years ago it became necessary, in autumn, for a firm some years in business to make a statement of assets and liabilities. To get at the value of the stock—merchandise only, that is—an inventory made in January of that year was taken as a starting point; to this was added the total of purchases, as shown by merchandise account. From this amount was deducted the total of sales, as shown by the proper account, *less the estimated average percentage of profit on such sales*. There remained about \$14,000, which was assumed to show the real value of merchandise actually in stock. To close an estate it was determined to dispose of the business. A purchaser was found and an attempt made to settle the price to be paid by taking the latest inventory as a basis. It turning out, however, that the inventory of January, on which that of September was based, had been made by listing goods at cost, the proposed purchaser and the surviving partner went through the stock and agreed upon the price of every item. In taking this final account of stock no deduction was made which the surviving partner did not readily assent to as reasonable, yet the total thus arrived at was but \$8,300—a shrinkage of more than 40 per cent. The result was so surprising and unsatisfactory that the proposed sale fell through. An assignment followed; the stock was sold by order of the court at 70 cents on the dollar per the last inven-

tory. Moral: Exclude from your balance sheet everything that is not a good asset, and ascertain exactly how you stand at the close of your financial year.—*The Merchant.*

PRECIOUS METALS PRODUCT.

According to Wells, Fargo & Co's annual report of precious metals produced in the states and territories west of the Missouri river (including British Columbia) during 1891, the aggregate was: Gold, \$31,975,994; silver, \$60,614,004; copper, \$13,361,623; lead, \$12,385,780. Total gross result, \$118,237,441. The "commercial" value at which several metals named herein have been estimated is: Silver, 98 cts. per oz.; copper, 11 cts. per lb.; and lead, \$4.30 per cwt. British Columbia forwarded \$290,376 in gold dust and bullion by express.

The gross yield for 1891, segregated, is approximately as follows:

Gold.....	27 04-100.....	\$ 31,975,994
Silver.....	51 25-100.....	60,614,004
Copper.....	11 25-100.....	13,361,623
Lead.....	10 48-100.....	12,385,780

Total.....\$118,237,441

The exports of silver during the past year to Japan, China, the Straits, etc., were as follows: From London, \$33,467,075; from San Francisco, \$7,912,370. Total, \$41,379,445, as against \$47,974,309 last year. Pound sterling estimated at \$4.84.—*Colonist.*

PATRONIZING SMALL STORES.

Says a woman: "In my shopping, particularly in the crowded times, I find the smaller shops very satisfying. The great trading places hold such throngs that it is not easy often to get near enough to a counter to examine an intended purchase. I saw a woman swept by a counter on day wildly gesticulating in the surging crowd, 'I'll take the pink one.' I don't believe she ever got it. It was a vase she wanted. In a store a few doors away, devoted solely to the sale of porcelain ware of all grades, she could find plenty of vase and a chance to buy them.

"The great emporiums, where it is possible to buy a gridiron and a seal-skin sash, a piece of bronze and a volume of Browning, all under one roof, naturally attract, in this catholic catering, immense numbers of people. At times to shop in them is merely a case of survival of the fittest, and if it is an extra that I am looking for, something out of the general dry goods list, I usually find my way to smaller place.

"And I patronize, too, whenever possible, the corner shops near my residence. If such shops are conducted by persons of taste and activity, as they often are, the assortment, though small, will be choice. At a little jewelry shop just around the block to the avenue I have often picked the daintiest pieces of bric-a-brac, a piece of Dresden, perhaps, or a bit of silver carefully chosen from a large wholesale assortment. And the price has always been satisfactory, too. I think a word should be spoken for the small shops, only on the principle of 'living and live.'"

Walter Woods & Company, woodenware merchants of Hamilton, Ont., have called a meeting of their creditors.