

been some internal increase in the production of certain lines. More canneries were at work last year; there were also more evaporating houses. In Quebec beet root sugar was successfully grown on an encouraging scale, and a refinery at Farnham was put in operation in the fall. The economy and utility of this sugar, in comparison with the product of sugar-cane, are not yet settled. A new refinery, the British Columbia Sugar Refinery, has been at work throughout the year in the east.

The political events and tendencies of the year that have had a marked bearing upon trade have not been as numerous as they have been important. The agitation of a plan for facilitating trade among all parts of the British Empire has roused considerable interest in this country, and is meeting with more encouragement in England since the conclusion of the great Zollverein of Central Europe, which, along with the McKinley Act, must have the effect of narrowing Britain's markets and probably tend to increase trade relations among the parts of the Empire. Pointing in the direction of the latter object is the request made by the Canadian Parliament at its last session, that the Imperial Government do not embody the most favored nation clause in the renewals of existing commercial treaties with certain European countries. Overtures have also been made from this side for the establishment of a measure of trade reciprocity between Canada and the United States, but no progress has been made. The last important event in commercial politics has been the disagreement with Newfoundland, the Government of that colony provoking this country to retaliate by imposing a duty on Newfoundland fish, which course was followed by a reprisal in the form of a heavy increase of duty upon Canadian flour and certain other products imported into Newfoundland.

As to the record of the retail grocers and general merchants of the country during the past year, the failures have been quite numerous, but with a few very notable exceptions they have been for comparatively small amounts. Credit is generally given with more caution. To the retailers it has been limited throughout the year to the terms adopted by the Guild. Several of the millers have made a departure in the matter of selling flour to grocers on time. Collections have been slow. Buying by retailers has been largely non-speculative and in small parcels. The early closing movement was very considerably extended last summer. Association-forming made progress in the towns. A preliminary convention was held in this city, at which leading associations were represented, and arrangements are under consideration for larger meetings of a like nature. The peddling question has been a prominent one under the consideration of the trade. A new element of anta-

gonism to the trade, an association called the Patrons of Industry, has gained ground in territory, but perhaps not in power to do mischief. How the year's returns compare with those of other years, has to be learnt by the results of the annual inventories of individual traders.

### NOW FOR THE INVENTORY.

Usage has fixed the first of the year as the time for traders to take the value of all the assets they have in their business. It would seem to correspond better with the course of nature if the beginning of a new trade year, instead of a new calendar year, were chosen as the time for stock-taking, as the trade year is marked out by the coming in of the staple crops of the country and by the more or less complete exhaustion of old year natural products. Just with the country's last instalment of resources, it seems fitting that the trader should begin afresh and take due note of what he has to begin with. But a more important thing than agreement with nature is agreement among the trade upon the matter, as it is desirable that the merchants of the country should conform to a common usage in respect to the time for stock-taking. This they do, and that is the main thing. It is possible that every trader is now so far abreast of the times as to be in the yearly habit of taking an inventory of all his mercantile belongings. If there are some who do not observe this salutary and necessary custom, it is time they got about it. The man who does not take stock must grope his way. He cannot properly direct his business. A veil of ignorance covers a multitude of dangers if the trader does not clearly inform himself as to his position once a year. There are some people superstitious enough to believe in going it blind. They go on buying and selling, they spend money freely upon the necessities and the extras of life, and the business stands it. Their fortune works itself out in the dark, and they are happy in their ignorance of how they escape pitfalls. The thing usually ends badly, and is certainly not to be trusted. Good, plain old-fashioned thrift, no matter how much discounted by some people who have realized sudden success, is the very best principle a man can have at work in his affairs. If he has not this his business is apt to go to pieces in the long run. A spur to the exercise of thrift is a knowledge of one's weakness. That can be got only by taking an inventory at least once a year. Then the trader can see if last year's profits, business methods, concession of credit, standard of living, etc., can be maintained for another year, or if any or all need to be modified. The inventory is full of lessons for the trader, and is a most conservative influence in business. The man is at a disadvantage who begins the year without its wholesome enlightenment.

The inventory includes not only stock-taking but a summary of the results of the year's business. In the January review of his position the trader ought to bring out clearly how much he started the year with, i. e., the result of last year's stock taking, and the quantity of stock bought during the year closed; against this should be the total sales of the year, and the value of the stock entered in the sheets now being made up. The difference will be the gross profit on the year's business, and against this are to be set the year's expenses—as bad debts, interest, freight, advertising, salaries, postage, etc.—and the difference will be the net profit or loss. To get at the desired information as to the issue of the year's business the books should be in first-rate shape, as the stock should be well-disposed for the purposes of stock-taking. If the trader finds that the sales of the last six months do not total up as much as those of the last half of 1890 or any average year, he should not be disheartened. He has probably sold more stock, but he should remember that the great staple, sugar, went down in price at the beginning of the half year as a consequence of the removal of the duty. Instead \$18 to \$21 per barrel, sugar has sold at \$12 to \$15 per barrel.

Preparations for taking stock ought to precede the work itself. The goods should be grouped so as to facilitate entering. One man should do the entering on an improvised pad of heavy, properly ruled paper tacked to a board back, and as each sheet is filled with entries it may be detached and passed to somebody else for pricing, extending and adding. The contents of the stock sheets should be arranged under headings to indicate the locality where the goods are kept, as Left Shelving, Cellar, etc. A plan of operations ought to be sketched out at the beginning to introduce order into the work. There will be a good deal of more or less shopworn, damaged, or superannuated stock discovered. This should be thrown together and put aside by itself as a bargain stock to bring out in dull times or catch a purchaser who wants abnormally easy prices. Notes should be made, not upon the inventory but in a book kept for entering Wants, etc., if any shortages are revealed in the stock-taking. Goods have to be on sale all the time the entering is going on. If sales are made from goods already entered, alterations should not be made in the figures upon the sheets, but the value to be deducted with a minus sign before it should be entered in the margin beside the entry for such goods. Errors should be corrected in the same way, placing the plus sign before amounts to be added. The total result of such additions and subtractions should be collected at the end and added to or subtracted from, as required, the aggregate of the stock-taking. Five per cent should be deducted from the total result of the sheets for shrinkage or other losing factor.