

date of Bryson & Ferrier's dissolution, and which had been donated at that date to Mr. James Ferrier, jr.

In consequence of the manner in which the books have been kept,—there having been at no time any profit and loss balance ascertained from the general accounts, although the books are kept by double entry,—the profit or loss for the year's business was ascertained by the difference between the liabilities and assets, as compared with the previous year. There does not appear to have been any arrangement for checking these results by trial balances, and, in fact, the manner in which the general accounts were annually closed would not admit of it, the balances being summarily dropped, and the accounts started afresh the following year. Mr. James Ferrier, jr., kept the private ledger himself, in which the capital and personal accounts of the firm, and of the clerks, were entered, and to which the balances of general accounts were supposed to be transferred, but in reality were not. It is obvious that any errors of book-keeping would remain undiscovered, unless observed by mere accident. Efforts were made to check the results brought out by this dead reckoning process for the years 1872 and 1873, by the general account balances, but had to be abandoned, as so many alterations had to be made in order to bring each account to its proper limits, that it was impossible to depend upon any of the results brought out.

By the fluctuations of surplus during these years, (1858 to 1876) governed, of course, by the drawings of the partners, and giving the net gains or loss for each year's business, it will be seen that at the end of 1869, the surplus was reduced to some \$33,000, and that in the following three years, owing to the prosperous condition of the hardware trade and the great rise in values, the surplus rose again to over \$100,000. In 1869 the firm largely increased their operations by entering into outside manufacturing, to which I will more particularly revert later on. In December, 1873, the surplus fell to \$60,000. The items composing this surplus I have examined, and find a number of book debts that had remained on their books far too long to be, in my opinion, considered "good" at that time, and most of which have since been written off, and which, together, made fully one half of the said surplus. One of these items, amounting to over \$20,000, is a gradual accumulation since 1858 of Mr. W. S. Macfarlane's drawings over an annual salary of \$1,600. Mr. Ferrier claims that he had reason at one time to expect he could have recovered this, but the whole account is now closed and written off. In addition to this was a balance of \$19,131.13 against John Adam & Co., rope makers, on which about \$10,000, over insurance, was lost by fire. Another amount, \$8,435.83 to debit of John McAdam, being the balance of a series of importations of books from England, for sale in this country, and in the United States, Messrs. Ferrier & Co. providing the capital, and Mr. McAdam conducting the sales, was represented then, and still is, by some 14 cases of books lying duty paid in the States, after several futile attempts to dispose of them. These are claimed by Mr. McAdam for accom-

modation notes given by him to the firm, \$1,600 of which still remains unpaid. Other items of less magnitude might be mentioned, which Mr. Ferrier claims were, in his judgment, then good, but which have since been written off without anything further having been realized from them. From this time the too sanguine estimate of ledger balances, with the continued depression in value of stock, accounts for the present position of matters.

Although stock was taken at the end of 1874, no balance is shown to have been made. Mr. Ferrier explains this by the delay in obtaining a statement of the account with the Cut Nail Factory.

The deficiency of date of assignment of \$135,942.70, is accounted for as follows:—

Share of loss by explosion at Powder Factory.....	\$ 3,000 00
Bad and doubtful debts written off.....	80,500 00
(This including \$23,700 at debit of Mr. McFarlane, and \$15,000 over estimate in value Windsor Powder Co. stock, it having since been sold at par).	
Business Expenses, Interests, &c.....	89,000 00
Partners' Drawings.....	39,200 00
Total.....	\$211,700 00
Less Profit Horse Nail Account....	6,500 00
	\$205,200 00

This would show that the average gross profits on their sales for last two years has not been one and one quarter per cent. The personal drawings of the partners have amounted, in a little over 18 years, to \$260,000. The average yearly drawings of Mr. James Ferrier, jr., being \$8,092.94 and of Mr. G. D. Ferrier, \$6,354.77, total \$14,447.71, average yearly profits for the same period being \$1,148.47. In 1872 Mr. James Ferrier credits a loan from Miss Bullock, of \$4,826.80 and Mrs. John Taylor in several items, the sum of \$7,233.45, which went into the business, and upon which he has paid them interest regularly. These loans are now secured by stock in the Rockland Slate Quarry, held by Mr. Ferrier in trust, and the amount expended in the purchase is charged to Mr. Ferrier's personal account in June, 1872, amounting to \$6,400, which calls subsequently made, increased to \$12,000.

Some investigation has been made into the transactions with the Windsor Powder Co. and the Nail Factories. Upwards of \$30,000 was invested in this Company by the firm from time to time, to which profits were added at end of 1872, 1873, and '74; 369 shares of \$100 each were sold to Hon. James Ferrier at par in June, 1875, and the remaining six shares to Mr. Mooney, in January, 1876.

The interest in the Horse Nail Factory held by the firm in the name of Mr. G. D. Ferrier, in partnership with Mr. W. M. Mooney, shows profits made of over \$20,000, and was sold out to Hon. James Ferrier on 30th April, 1875, for \$31,283.00, being the full amount at which the account stood in the Ledger at that date. The Cut Nail Factory business was run for the firm by Mr. Mooney, and shows a net profit of over \$5,000. It was sold out to Mr. Mooney in May, 1875, and has since been all paid for.

It appears that the Hon. James Ferrier during the past 15 years has allowed the collection of his revenues by Mr. Macfarlane to accumulate in the hands of the firm, which, without any interest having been credited thereon, now amounts to the sum of \$44,728.58, hereto annexed. The proceeds of the sale of the Horse Nail Factory, and Powder Stock, to him has been paid in cash, quite irrespective of his contra account, and the funds thus brought into the firm in the past few months, enabling the firm to meet demands with comparative ease, has relieved them from the pressure of the growing deficiency which they must otherwise have felt. It may be added that the purchase of the Sawtell Estate does not appear to have caused them any loss.

It may, perhaps, be a matter of some surprise that the financing of the firm has always been so free from embarrassment, as, without asking for renewals or using accommodation paper, they have always, up to the day of assignment, met their obligations promptly and with ease.

This department has been altogether conducted by the senior of the firm.

It is but simple justice to Mr. Moore, who has kept the books of the firm for the past 16 years, to say, that he merely continued the system in vogue when he took charge, and that the balances handed to his principal, off his ledger, for entry in the private ledger, were altogether beyond his control, and he could be in no way responsible for their further treatment.

WESTERN COUNTIES RAILWAY.—The *Yarmouth (N. S.) Herald*, referring to the fourth annual meeting of the Western Counties Railway Company, held lately, says that a large number of the shareholders were present, and expressed satisfaction regarding the progress made during the past year. The only drawback seemed to be that the Company have no means of providing for the notes which were given to Messrs. Shauly & Plunkett on account of the \$350,000 in bonds, which in the contract they agreed to get cashed in Nova Scotia at the rate of seventy cents to the dollar. One hundred thousand dollars of the amount was taken by individuals in Yarmouth, but the Directors were unsuccessful in getting subscriptions in other parts of the Province, and consequently there still remains the amount of \$250,000 to be provided for. Resolutions were passed at the meeting last evening, requesting the Directors to proceed at once to Halifax, and lay the facts of the matter before the Legislature with the view of obtaining sufficient Government aid to meet their necessities.

The agricultural statistics of Great Britain for 1875, recently published, show that as to grain, per head of the population South Australia stands first, with 50 bushels. Canada produces five bushels per head, the States eight, Great Britain four, Russia three. The average yield of wheat per English statute acre in various countries is, Great Britain, 28 bushels; Holland, 23; France, 19; Austria, 15; New Zealand, 28; South Australia, 14; United States 12. The Australian colonies own the most cattle compared with the population, having six million head of cattle and sixty-two million