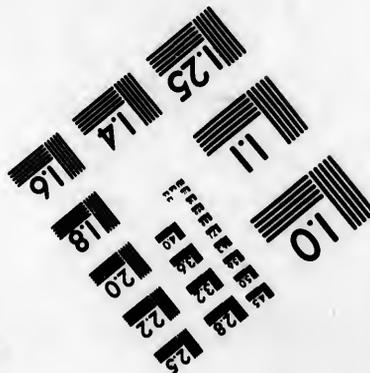
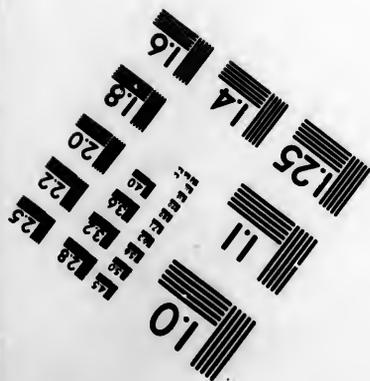
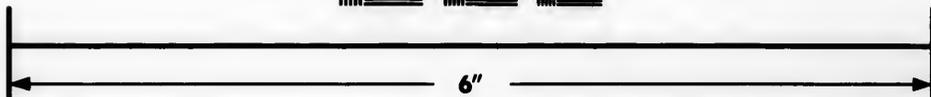
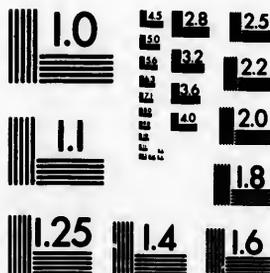


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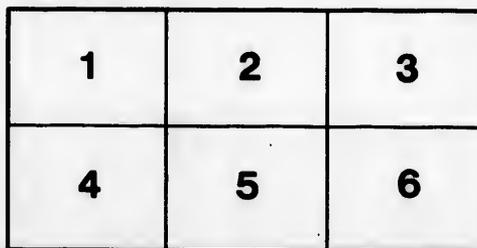
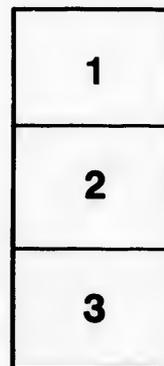
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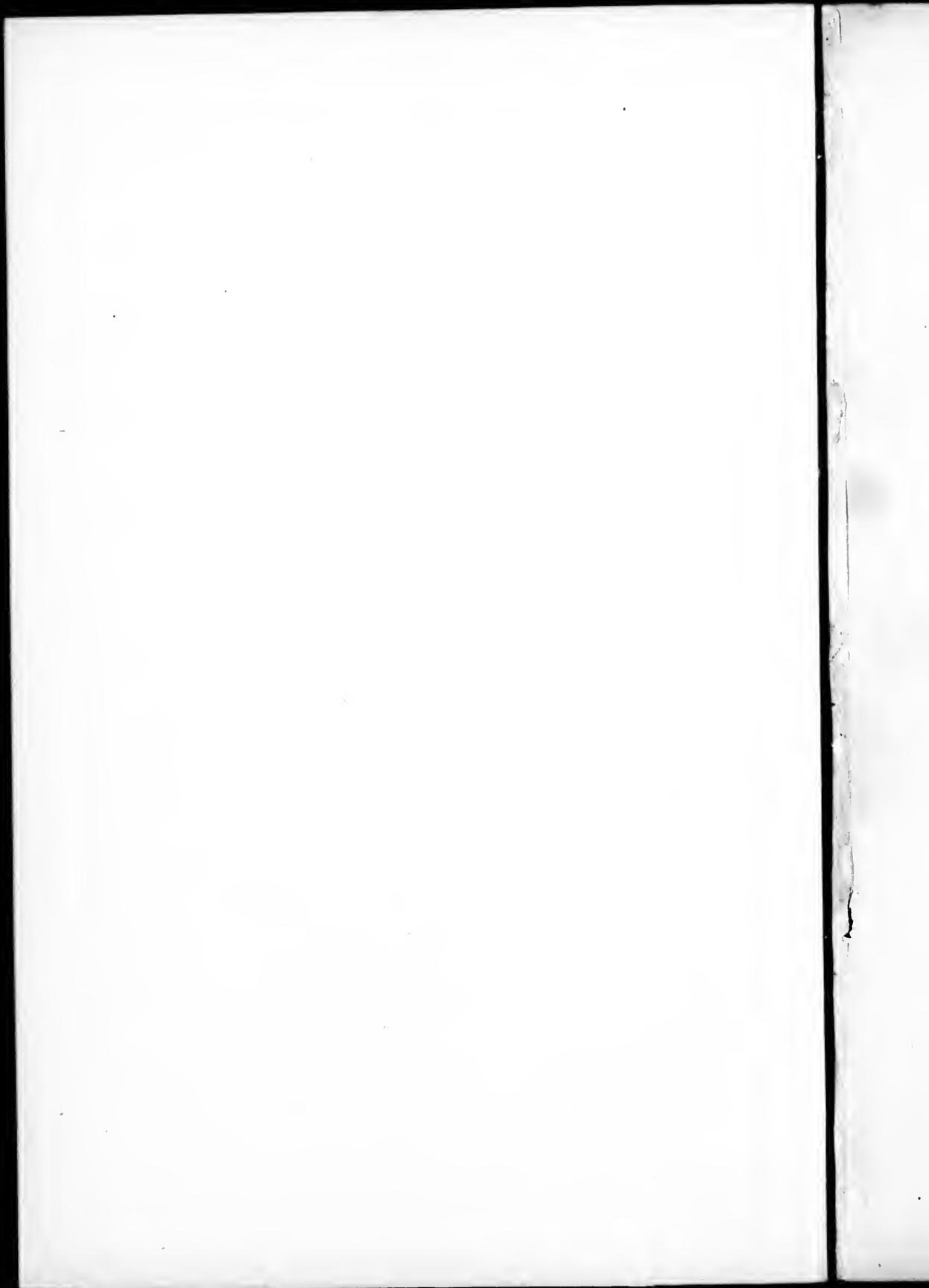
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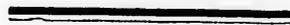
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IN

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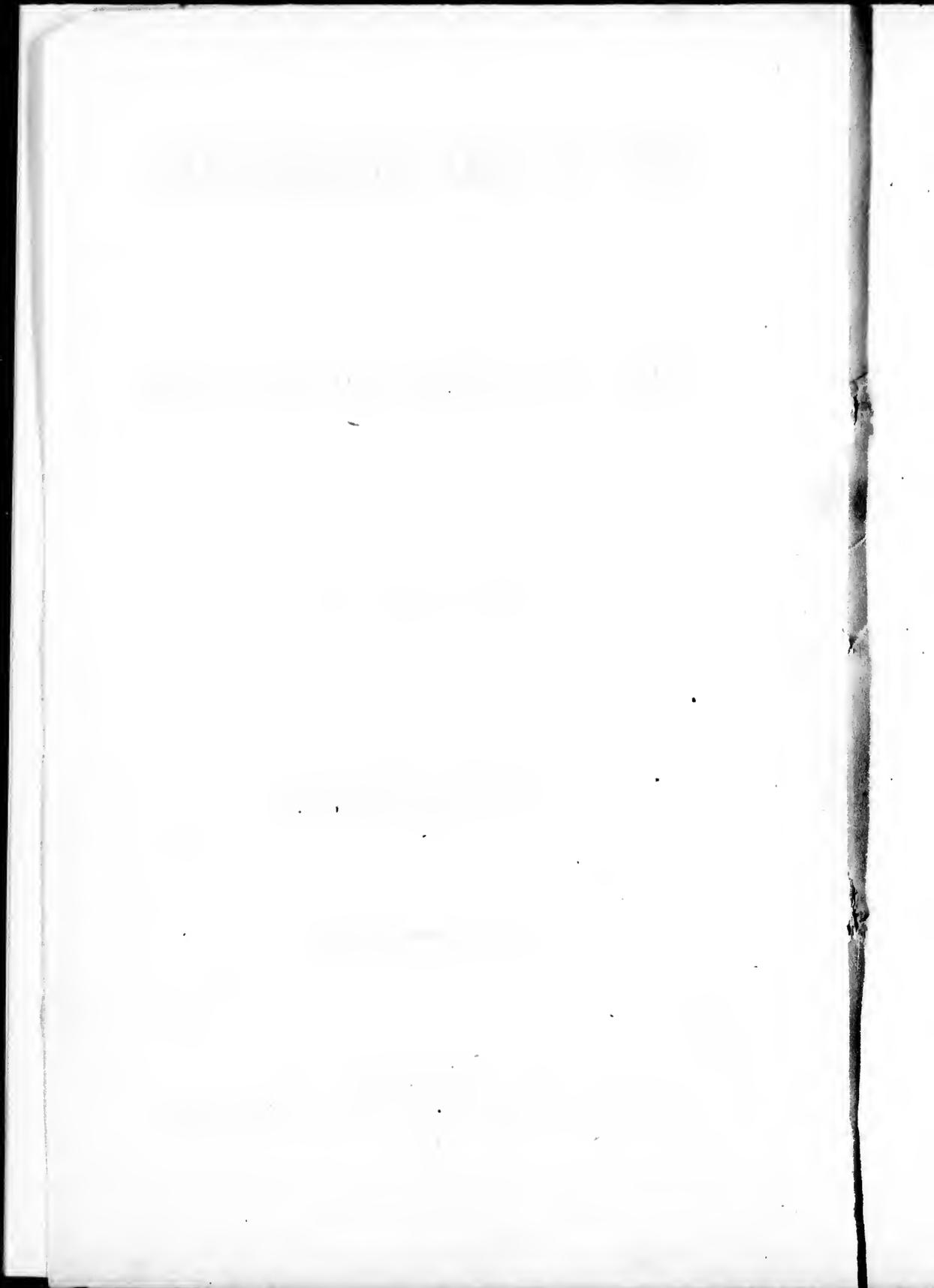
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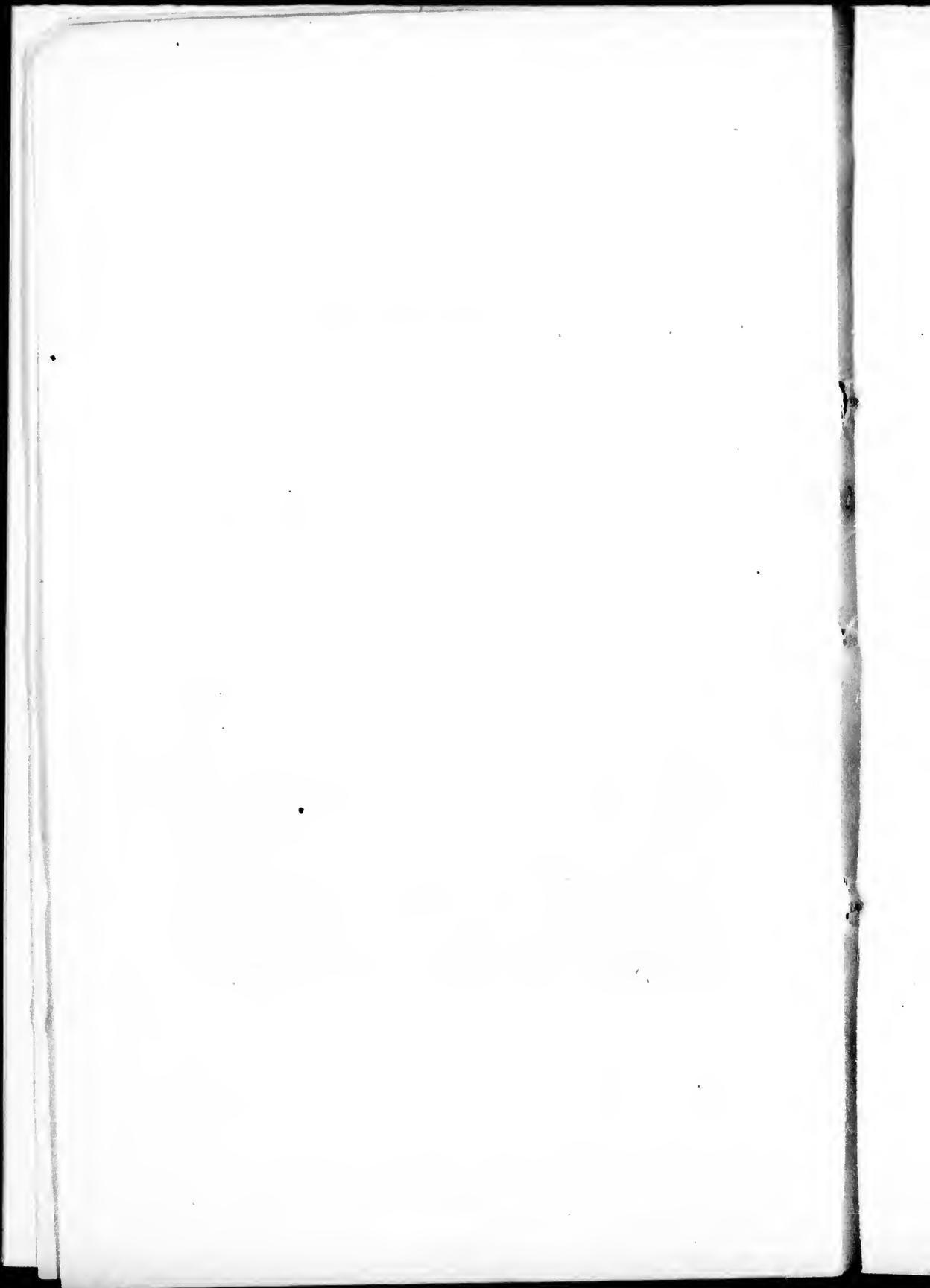
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P R E F A C E :

This work owes its existence to a deeply-seated conviction in the Author's mind, that such a work is much required. It is perfectly surprising that in the present age when business has expanded so much—is engaged in by such a large proportion of people, and has become so systematic in its nature—that works relating to it are so exceedingly few and imperfect. The reason is plain, however—people engaged in the engrossing pursuits of commerce, however capable to write on the principles of success in trade—find no leisure for the task; and authors whose business it is to write books are so far removed from business in general, that they are incapable to treat upon it correctly. The author of the present work's object in undertaking it was to place in the hands of those engaged in commercial pursuits the general principles of success in trade of whatever kind. These general principles are applicable to every kind of business—stock-taking—book-keeping, for example. In these days of competition and rivalry, every man cannot be posted up too much in all matters relating to business. In this work the Author has made use of the lessons he acquired in a long experience of business and human nature, and he trusts he may be the means of imparting some useful knowledge as regards business to his brother traders.



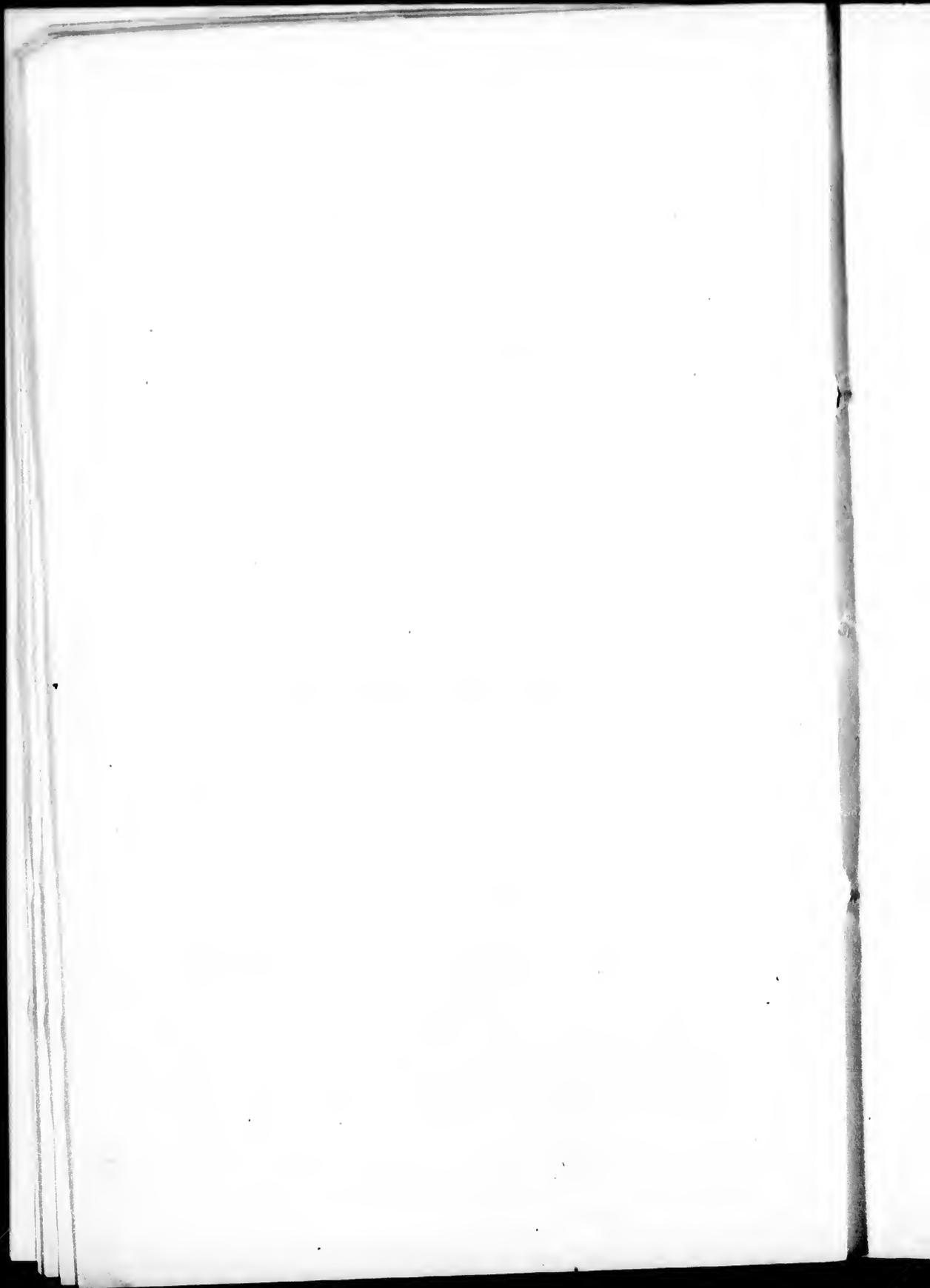
INTRODUCTORY:

THE ORIGIN AND PURPOSE OF TRADE.

It is quite apparent that commercial intercourse began while there were but few members of our race in existence; or, in other words, the exchange of commodities between man and man must have been almost co-eval with man's existence. There is no doubt that the manner in which this intercourse was carried on was by barter—goods exchanged for goods. This mode being found extremely cumbersome, and in many instances impracticable, attention was naturally directed towards finding a durable, convenient and portable substitute for goods. This search ended in finding the precious metals to be the best and most convenient substitute. We can readily imagine the ease, facility and impetus which this arrangement gave to trade. Indeed, without an equivalent of this kind for commodities, commerce would never have assumed the gigantic proportions which now characterises it—proportions which are daily extending and assuming still more gigantic forms—the exchange of the necessaries of life would be an unpleasant task, or at least a task which could not be done with any comfort or pleasure. At the present time the utmost facility exists to carry on every kind of business, in every part of the world. The purpose of trade is to furnish mankind with all the articles which nature demands as necessaries, and with the comforts and luxuries which a refined taste craves. The different grades in society are linked together by the bond of mutual requirements. All hang on one another even for the

means of sustenance. Nothing is more easily seen than the connection which exists between the agriculturist, the artizan, the merchant, the professional man; and while nature has ordered this dependence, it becomes a most desirable thing that the connection be of an agreeable kind. Such a variety of position is attended by a variety of wants. The purpose of trade, as already indicated, is to supply the necessaries and comforts of life. We would here speak shortly on the choice of a calling as relates business. The object which persons have in view in choosing the mercantile profession, is akin to that which induces others to choose different professions—the means of making a livelihood, and of laying up a competency for ones later years. Before fixing on a profession every one ought, if possible, discover for which he is best adapted, mentally and physically. Thousands have mistaken their callings just through carelessness either on their own part, or on that of their guardians, and are doomed to wear out life at pursuits for which they were never adapted, and from which they cannot derive either pleasure or prosperity. Almost every person is better adapted for some particular calling than for another. This adaptation is due to the frame of body and the disposition of mind which one possesses. Circumstances often renders it impossible that a young man can enter the profession which is his choice. Speaking in a general sense, however, there are few young men who cannot find the pursuit which is most natural for them, were the proper steps taken to discover it. To make this discovery, too great pains cannot be taken, seeing that the best portion of ones life is spent in the pursuit which he enters. But when “the die is cast,” when it is too late to retrace the past, it is of course useless to repine. It then becomes the duty of those who may find themselves in such a position to make the best of it. The leading qualities which business of every kind requires are calculation—not merely as regards arithmetic—but that calculating cast of mind which enables a man to conduct his affairs in such a manner as will end in success—attention, courtesy, economy, knowledge of human nature. [As these qualifications are treated on severally in the following pages, it would be a waste of time to devote space to

them here.] In committing this small volume to the public, we feel convinced that a study of the principles of success in trade on which it treats, will benefit every one who applies himself to the task, and we hope this study will be the means of making many fortunes. For ourselves, we can truly say that the measure of success which attended our business career, was mainly due to a rigid observance of them.



HOW TO MAKE BUSINESS PAY;

OR,

The Principles of Success in Trade.

I.

CAPITAL.

To render any business comfortable and successful, it is essential that a sum adequate to supply its demands be invested at the outset. The possession of capital equal to the nature and extent of a business gives every one a double chance of success. It puts within his power the purchase of goods for cash, thereby gaining the discount, which amounts in a large business to something considerable at the year's end. It also gives him opportunities of buying at certain times to very decided advantage. It establishes his credit (and next to capital credit is most valuable.) It is astonishing now-a-days how soon a man's position is found out by interested parties. It saves him from the annoyance of having to strain every nerve to meet his engagements, besides conferring many other advantages. On the other hand it is acknowledged that by far the greater number of persons who engage in business do so with less capital at their command than the business requires. We think, however, that if the most successful dealers were interrogated on this point, the prevailing

answer would be, "We commenced with sufficient funds." Bankruptcy examinations bear explicit testimony to the great error of commencing without sufficient funds. The trader who commences in this way has always to pay the highest price for all his goods; as a rule he receives no discount, and he is to a great extent dependant upon the mercy of those who supply him. A sharp surveillance is exercised over him, and justly so, by interested parties. Bargains which can only be had by a ready supply of cash escape him, and fall to the share of his more fortunate brother in trade. It frequently happens that he is obliged to borrow money to liquidate the bills which now and again claim his acquaintance. Should he find at the end of his business year, that after all his disadvantages he has made some progress, he cannot at the same time fail to discover that his profits would have been very much augmented, indeed, were the above drawbacks out of his way. The most harassing effect of this expediency is, that it keeps the mind continually on the rack. Every honest trader must feel on commencing business, that he has opened an account with the world. He feels his obligations and responsibilities. He knows that the eye of the world is upon him; that that eye will trace his course with the greatest tenacity; that if chance or defection on his own part land him in ruin, his further chances of prosperity are impaired to a serious extent, and that if he will by any means one day realize such an undesirable fate, society will not be too charitable in the construction it puts on his character and career. Knowing this, he does all in his power to go on and prosper. He puts forth every effort and strains every nerve to meet his demands. But strong and laudable as his efforts are, it often happens that a lull in trade, or the occurrence of some untoward transactions, happen when least desired, and certainly when they could be least afforded, precede by a short date the advent of some bills. The poor dealer's mind is on the rack, day and night, devising ways and means to meet them, and it often occurs that those severe cogitations turn out fruitless after all. The frequent repetition of such an ordeal has a most shattering effect both on mind and body. Cases are on record where it has driven the poor careworn man to seek temporary

relief from the bottle; and worse still, cases are on record where such courses have driven men to put an end to their own existence. Every one must be familiar with the stereotyped phrase which is inserted at the end of paragraphs noticing such suicides—"Pecuniary difficulties are supposed to be the cause of the rash act." These latter cases are, happily, few and far between; we do not give them by any means as a general illustration. Their occasional occurrence, however, goes to prove the harassing effect of business obligations and responsibilities without corresponding means. We do not advocate the giving of capital to young men without allowing a reasonable time to elapse for them to learn its value. Every one who starts in business ought to know well the value of money. There are some men born, as the proverb says, "With a silver spoon in their mouth," but such favored mortals do not generally go into business. The bulk of fortunes made in business have been amassed by patient industry. Many years of perseverance and up-hill work have passed over the heads of most successful business men, and this should furnish a lesson to those just entered on a similar career, as well as to parents who are called upon to advance his portion to the son in trade. There is much truth in the proverb which says, "What lightly comes as lightly goes." This saying was framed by some observant sage with reference, no doubt, to the dissipation of money got by persons who scarcely knew how. We have read of spendthrifts, who exhausted the last coin of almost countless hoards, coming at last to their right mind, and setting to work to retrieve the losses and follies of the past, and succeeded after many years of almost superhuman efforts; but we may depend upon it, did they see their latter course from the beginning, their first course would have been very different indeed. The spendthrift did not understand the value of money till he commenced to make it. Every one requires some experience in making money before one is able fully to understand its worth. Every young man before starting in life ought to acquire this experience to such a degree, as would exert a most wholesome influence on his subsequent career. The expression is sometimes heard regarding a successful man, "That he raised himself from nothing," meaning that

he commenced with nothing, and yet made a fortune. We do not affect to believe that such cases are not extant, but we cannot help thinking that they must be rare. The original founder of the now celebrated Rothchilds was a banker on a small scale in Germany, and would in all probability have continued so, had not an immense sum of money belonging to the Prince of Conde fallen into his possession during the war, which then raged in Germany. This money he used for many years as capital, and it is acknowledged that this circumstance was the making of the family. Stephen Girard tried business three times without capital, and was not successful. The first step in his ladder was the acquisition of \$50,000, which one of his vessels had as cargo to St. Domingo, and which was never claimed by the owners. Other names might be adduced which all testify that in the greater number of instances successful men commenced with an adequate capital. We strongly advise every young man who has a patrimony to learn thoroughly its value before doing anything with it, and we would advise those who may be less fortunate in this respect to remain in a subordinate position till they amass sufficient means to commence with on their own account. The work may be hard, and the time may be long, but the compensation will be all the greater in after years.

II.

LOCALITY.

The situation of business premises, as regards the part of the city or town, is a subject which demands the maturest consideration of the beginner. It is folly to commence business in a place which is already overstocked with shops, as many cities and towns are. Trade will be found in such a finely divided state in these places as will make the new competitor for public patronage regret his entering the lists. Small, poor districts are to be avoided, as in the very nature of things these cannot yield a sufficient reward to an enterprising young man. If a provincial town is the sphere most congenial to choice, select

a rising one in a thriving district, if that is possible. Should some time elapse ere business assumes the proportions desired, the certainty that business can be done, and the hope that its flow will by and by come to your door, will enable one to put up better with "slack times." Again, the site in a city or town is as important a matter as the position of the town itself. Choose (where choice is optional) premises in a central spot, as public as possible, and easy of access. It is important to have a density of population, if the population is of the right sort, *i. e.*, containing a good mixture of wealthy people, respectable families, etc. A share of the general wants must necessarily fall to the beginner. When a prominent situation can be obtained, the increase in price, if not unreasonable, should be overlooked with the view of ultimate gain. Many well-qualified persons take out of the way premises where there is not a sufficient population about them to make the business pay. The consequence is they are obliged to remove in a short time, or by lingering on in the vain hope of experiencing "a turn of the tables," they lose their own means, and possibly become the cause of loss to others; whereas, by casting about them with a sharp eye at the outset, and perhaps waiting a little, a proper place would be found, and this undesirable state of things avoided. A great deal depends on the situation of premises, and the matter will repay full consideration. By getting premises fitted up at the beginning, much inconvenience will be saved in the future. A complete set of the kind of furniture, mechanical articles which the nature of the trade requires, should be had at once. Indeed, no one who has a proper knowledge of his business will think of starting without these. The requisite number and convenient disposition of shop fittings; takes one-half from the labour which would otherwise be incurred. A point which must be attended to at this stage is the placing and fixing of furniture in such a manner as will allow them to be taken down uninjured when such an occasion occurs. Furniture and fittings are often greatly destroyed in this operation, while a little forethought would easily prevent it.

KNOWLEDGE OF BUSINESS IN ALL ITS DETAILS.

It is supposed that every one in business possesses a thorough knowledge of his particular business; but while this supposition may be entertained by outsiders, the conviction often forces itself on persons in trade that there are many points of which they do not possess the necessary knowledge. An out and out business man is not to be met with so frequently as many suppose. The legitimate and best way to acquire a thorough knowledge of any business is to enter it as an apprentice, or, in other words, to begin at the beginning. When a young man enters this position, it will become his profit, as surely as it is his duty, to apply himself with the utmost assiduity, to foster and store up all the matters in connection with his business, which come under his notice. Many young men neglect this too much, and only reap the fruit of their negligence when applying for situations at the expiry of their term. Instruction in these matters is not so often afforded by some employers as it ought to be. This, however, cannot be taken as an excuse, as any young man who wishes to master his business can do so. "Where there is a will there is a way," is a true axiom. We may here indicate a few of the more important matters to be learned. One of these is the best way of keeping stock. Stock represents money, and it must be kept in such a way as will not reduce its value. If it is allowed to deteriorate, the extent to which it is injured is so much money lost; besides, stock of every kind requires to be kept properly, in order to its realizing market value. We have observed many cases where bankruptcy was attributable to this defect in management. Another essential matter to become acquainted with is the value of stock, so as to be able to conduct purchases to advantage. Without this knowledge one is liable to buy too high, and consequently will suffer in selling. Competition is so keen now-a-days, and the public are daily becoming better judges, that the dealer must exercise care to be able to offer goods on equal terms with his neighbours.

Again, the best sources for obtaining goods must be known. Certain places are noted for the production of certain kinds of goods. Get your goods, if possible, from first hands. If they are not of native production, get them from the most direct port of the country of which they are products. This course will save the commission, etc., of the various grades of middle men, through whose hands they would otherwise pass. Again, care must be taken to keep stock within proper bounds. A too heavy stock, even although bought cheap, will embarrass the concern. The dealer must take care not to get over-stocked, even should he be able to buy below market prices. Poor Richard, whose sayings deserve more attention than they receive, says "Pause a while at a great pennyworth." He who buys what he has no need of will soon sell his necessaries. Persons who commit this great mistake of laying in too much, are often obliged to part with goods cheaper than they cost, in order to have money when required. Any one with ordinary faculties can easily estimate the amount of stock which his business needs, so that there can be no valid excuse in ordinary circumstances for being overstocked. Again, care must be observed to suit the stock to the condition and wants of the classes who become customers. These vary so much in different localities, that it is impossible to lay down rules for special guidance. A practised eye will, however, soon discover them. The matters which influence prices will also become a study. Fortunes have been made in a single day by close attention to these matters—failures in supply, unusual demands, or the reverse, are the great influencing powers in regard to prices in every trade. Now that every civilized country is intersected by lines of rail, and by the still swifter telegraph, an equal chance is not afforded to profit by the state of the market, its condition being known almost simultaneously throughout the country, as when this information was confined to a few privileged individuals, as was the case in olden time. When a rise in price takes place some persons are apt to buy fearing a still higher rise. If there is a reasonable prospect of such proving true, it is, of course, better to buy early than wait on till you are obliged to

pay more. The time to buy is when goods are at the minimum, but this opportunity is rare. By comparing the list of prices for a number of years, the minimum will easily be seen, and if there are no unusual changes at hand, this is the time to buy. Many have a disposition to hold on when prices are advancing till the very last moment. This course cannot be commended, as it has as frequently terminated in disappointment as otherwise. It is decidedly better to rest contented with a moderate profit, and take that when the chance occurs, than to hang on till prices have culminated, and go down, as they often do, with much greater rapidity than they rose, leaving the avaricious speculator chagrined with his loss. Moderation in business as in everything else is best. Besides these main points, it is necessary to be well acquainted with the minutæ of your business. Do not let a small matter pass on account of its smallness—the merest details are useful, and will be acquired by persons of sense. It is a mistake to suppose that small matters can only be entertained by small minds. The largest mind contains a vast amount of minor matters, and these stand in very good stead occasionally. A small pin is often required to the proper working of the most elaborate and stupendous machinery. A thorough knowledge of business imparts ease, and makes a person feel at home in it, besides conferring the fore-mentioned advantages.

IV.

AFFABILITY TOWARDS CUSTOMERS.

To a business man, one of the greatest personal advantages is the possession of an affable or courteous manner. A celebrated phrenologist—the Rev. Sidney Smith—in describing the qualities of mind says—that those which unite in making a man affable are invaluable and indispensable to a merchant. Without expressing an opinion on phrenology, we certainly endorse this assertion, if such a plain truth requires it. By the term affability we mean that consideration and courteousness to our fellow men, which every cultivated mind feels it owes to them as such. It is really

pleasant to do business with a man who is affable and agreeable. Nothing is so detestable, however, as to see a countenance with a perpetual smile upon it—it is unnatural and unmanly. A man with a perpetual smirk recalls the words of Shakespere—"A man may smile and smile and be a villain." We refer to forced and simulated affability. There are some really laughing countenances in the world—the traces of natural cheerfulness and good humor in these are so apparent as to leave no doubt of their genuiness. We do not allude to such. We refer to those who try to exhibit the outward signs of affability, without having any inward feelings of the quality. Don't cultivate a smirking countenance in your efforts to become agreeable, but cultivate the mental faculties which make a man affable, and leave yourself to be acted upon by them. Courteousness is a duty which every human being owes to another. The most civilized nations are, of course, the most courteous. It must be borne in mind that there are two kinds of this quality, one mock, the other real. It is quite common to find one person treating another in the most courteous manner—the kindest seeming inquiries regarding his health, his friends, etc., while below all this lies the coolest indifference, perhaps positive dislike. Comparing this false courteousness with the real, we may not discover many outward differences, but we say to every young man let your affability be real—try to feel what you show externally. Many, as we have hinted, do not require to be taught to become affable, they have it naturally, which certainly is the best way to have it. There are others, however, who have it not naturally, and this is true of the greater number. To young men in business who lack this power we would say, apply yourselves to its cultivation, although you may want it naturally, yet it can be acquired to such a degree as will fully cover the natural want, and you may depend upon it that its successful study will be one of the most profitable in which you have ever engaged. A great inducement to begin this study is the ease with which it may be learned. A little attention will show you where and how to begin, and every step you advance will render the task still easier. Affability will raise you in the estimation of all with whom you come in con-

tact. And here let us say, don't have a kind word and look for one person to the exclusion of another. What we feel called upon to bring most prominently before the mind at present, is its effect in bringing customers to your place of business. The courteous dealer has a mighty advantage over others in his locality, who do not possess this quality. People are often heard to say when asked to give a reason for preferring one merchant to another, "He is so agreeable to do business with." Another of its effects is that people whom you treat with consideration will be sure to speak of you to their friends and acquaintances in such terms as will probably induce them also to pay you a visit. Thus the circle of your customers becomes wider, which you will find to your profit. "Public men are public property." We do not include dealers in public men, although undoubtedly they are so in more senses than one; nevertheless, the public will speak of them, and speak of them as they find them, agreeable, or the reverse. On the other hand the want of affability is attended by many disadvantages. A man may be willing to be agreeable to his customers, but he may want natural politeness, and he may have allowed the study of it to pass neglected. The public soon discover his character, and shun him. He never succeeds in consequence of this defect. It is also a great matter to possess a good temper. Take everything coolly. This, however, is easier said than done. Some persons have imperturbable tempers—nothing ruffles them—they can look an angry man in the face, and hear his intemperate words, without feeling the slightest indications of the rise of a similar passion in themselves. Such men are unfortunately few and far between: but study will do much to bring one's temper under control. Occasions will occur when you will have to reason with people who labour under some real or fancied grievance at your hands, and on these occasions they will not hesitate to impute improper motives to you, which, if groundless, will be all the more annoying. Whether you are innocent, or whether you have accidentally given cause for offense, keep civil; don't let your temper in any case get the mastery; treat your angry friend (if, indeed, the term is applicable) with more consideration than ever. If you have to deny

his allegations, do so in the mildest terms—set him right as to the real state of the case in as few words as possible, and you will soon have him in a different state of mind. It is usual when a man comes to see the injustice of his statements, for him to feel remorse at saying what he did, and he endeavours to make an apology, and finds it a very awkward job indeed. The best plan is to accept his apology, referring as little to the case as is necessary—assist him to extricate himself, and be as civil to him when he meets you again as you always were. You will thus not only retain your customer, but in all probability bind him stronger to you than ever. If you were to get angry at unjust imputations, you might be observed by neutral parties, who not knowing the real state of things, might form an unfavorable opinion of your character. Coolness and perfect self-possession are most valuable qualities, and ought to be acquired to the degree of which a person's nature will admit. A short time ago, in an English newspaper, we observed a case which illustrated the reward of civility in a striking manner. An old lady received some most disinterested attention from a young shopman. The lady after being helped to her wants departed. The young man thought no more about the matter, but fancy his astonishment on being informed some time afterwards that a certain sum was left to him by the old lady, who had just died—the sole reason being the civility which she had on the occasion referred to, received at his hands. We do not instance this to lead any one to cherish the hope of similar good fortune, nor as a common case; but we think it serves to show strikingly the appreciation of civility. Be civil to all—to your inferiors and equals. Let it be a manly civility, however. Never cringe to any man, be he who he may; and however others may discharge this duty to you, never fail to perform your part.

V.

ATTENTION.

In order to make a business profitable, you must attend to it yourself. You must, like Matthew, be found at the receipt of

customs. Your assistants may be good and able to do every thing as well as yourself, but good as they may be, your customers will expect to find the principal, and they will be disappointed if they do not. It is absurd to expect a business to flourish if the principal does not give his attention to it. How can it be expected that the public will take an interest in your concern, if you have no interest in it yourself. There is too much neglect in this respect. So long as a man is in business, he will require to devote all his thoughts to it. We do not mean to say that a man is to shut himself up from morning till night, toiling away and denying himself that amount of exercise and recreation which are required to keep his body in a healthy state. Certainly not; what a man gains in money by such a course, he loses in health—a loss which may be irreparable. We certainly advocate exercise and recreation, but at such times as will not interfere with business. There is a danger, however, of getting too fond of amusements, and losing time at them. A real business man will never allow anything to draw his attention off his business, but on the other hand no sensible man will allow business to monopolize his attention to such an extent as will injure his health. It often happens that just when a man is absent that the most important calls are made, and, of course, with unsatisfactory results to both parties. We remember many years ago to have read the following story, which we here introduce as illustrative of the effects of attention:—A gentleman in the south of England owned a large farm, which he wrought for his own use. Notwithstanding his efforts to make the farm pay, he failed in doing so. He came to the conclusion of letting it out for a term of years, which accordingly he did, and found an honest energetic tenant. This man gave it all his attention, never failed in meeting his rents, and at the end of his lease absolutely astonished the owner by offering to purchase the farm. The landlord asked him how he managed to support his family, pay his rent, and save as much money as to be able to buy the farm in such a short space of time, while he himself, who had the ground free, could not with all his efforts make it pay. “The reason is plain,” replied the tenant, “You sat still and said *go* ;

I got up and said *come*. You laid in bed and enjoyed your estate; I rose in the morning and minded my business." There is a reciprocity in this attention if you attend to business, business will cling to you, and *vice versa*. Immediate attention should be give to all orders received. The terms in which they are couched should be complied with to the letter, if there is nothing unusual. Goods should be dispatched in time to reach their destination when wanted. The exact kind of goods ordered should be sent, as a discrepancy in value will cause misunderstandings, and perhaps end in alienation. Do as much of the more important work of your business as you can yourself, and when you leave any portion to be done by others, see to it that it is done in a proper manner.

VI.

C R E D I T .

A great rock a head upon which thousands have made shipwreck, and of which persons in business require to be warned, particularly beginners, is the giving of too much credit. Nothing is easier than to swamp your entire means in this voracious gulf, and that in a very short space of time. It is a most difficult matter for a beginner in business to discriminate between the trustworthy and the untrustworthy applicant for credit. The latter sometimes seems more worthy than the former, and in every case of refusal the beginner will find it a delicate and unpleasant task to say, no! This has to be said, however, and very likely you will say it to many whose intentions are quite honest. It is pretty generally acknowledged that there is too much credit given by all grades and kinds of dealers at the present time. Many have had practical lessons to this effect. There is a spirit of adventure abroad which seems to brave everything. "Never venture, never win," is the motto of those pushing men, but they often find their ventures are of a very unsatisfactory kind. Another cause of this recklessness in giving credit, to all and sundry is the keen competition which exists in all trades. Many per-

sons are disposed to take orders from doubtful or indifferent parties, in order to keep abreast of their cogeners in trade. This is folly, and folly which will prove very transparent in the end. The beginner in business, particularly if his business is retail, will by degrees be assailed by a host of seemingly honest applicants for credit. The arts which these persons adopt to obtain credit are certainly ingenious. Let us give an example or two. A short time after you have begun business, a man comes to your establishment—his manner is extremely civil—he buys and pays for some articles with pleasure, like an honest man. He comes again a few days afterwards, buys and pays again, and repeats the same process perhaps for a month or so; when he comes this time he buys and pays, but discovers he wants something else, and has not sufficient money to cover all. He asks you to trust him the balance, which is generally a mere trifle. You have been the recipient of his money on several occasions, you know him to some extent, and being a stranger you have not as yet come to know anything bad about him, so you cheerfully trust him for the balance, and you find that your confidence in the meantime at least, is not misplaced; for punctual to the day on which payment was promised, your customer appears and makes it good. You are now more inclined to trust him, and he is more inclined than ever to deal with you. He thus gets the small end of the wedge in, and continues coming in pretty much the same style; by and by he falls to the habit of taking goods, promising to pay at a given time. When he thinks your confidence in him is strong enough, he proposes to open a regular account quarterly or half-yearly, as the case may be. Finding him honest thus far, you agree. By and by comes the turning point—something happens which disables him from paying you out at the end of his term of credit, and a balance is left. Next pay term comes round, when the amount he pays you may be larger, but the balance left is larger too, and so on till the balance amounts to a considerable sum, and you are anxious to obtain full payment. This he is unable to give—you try him by fair means first, and hang on in the hope of getting payment. When this fails you threaten him with legal proceedings. Your hon-

est man laughs you broadly in the face—tells you to do your worst, and bids you a long farewell. You now discover how grossly you have been duped. Cases of this kind are quite common, as many can testify from experience. It is rather remarkable that although you refuse credit to dishonest persons, that they do not take offense at it. We have known cases where really bad payers were refused credit, and yet they came back as formerly, while some of the same stamp, who get a mere trifle on trust, were deterred from ever coming back again. Another sort of whom you will require to be aware, are those who have honest intentions, but who through circumstances are unable to pay their debts. There is unfortunately too many of this kind in the world. If they had a command of money, your payment would be sure, but not having that, they are not too scrupulous in making others suffer for them. In all cases of credit it is quite justifiable to charge a percentage equal to the estimated risk. This course, if judiciously pursued, will go far to counterbalance bad debts. An English writer, treating on the subject of credit, speaks as follows:—"There are three classes with whom a man in trade comes into contact. The first of these is the highest class, nobility, &c.; the second, the great middle-class; the third the lower classes. The first is of course the best, owing to the wealth which they possess. With the second, business is done, generally speaking, with great satisfaction. With the other class—the lower—I do not hesitate to say, that business on credit cannot be done with anything like general satisfaction, and I counsel every beginner to refuse credit to this class. This may seem harsh, it may be pronounced misanthropic, but so far as my observation and experience goes, I can, with all candor say that the worst payers in the community belong to this class. I wish it was otherwise, not simply for the sake of trade, but also for the people's own sake. I do not say that this class is naturally inferior in principle to any other; I do not say that were the classes transposed, *i. e.* the highest placed in the room of the lowest, that the highest would be a single whit better than the lowest is now. I believe, indeed, that the members of this class would, in similar circumstances, act precisely as do their poorer

brethren. But still I hold that every one commencing business on his own account ought not to give credit to this class as a rule. The disposition to pay may be as strong as that of the highest, but there is altogether too much improvidence amongst this class. There is too much improvidence amongst all classes, but one difference is that while many of those in the other classes live up to their incomes, thousands of this class go beyond their means; and so, however willing, are quite unable to pay their debts. Many remark that there are good and bad otherwise, honest and dishonest men in every class. We find defaulters amongst the nobility and other classes, and we, at the same time, have men in all classes who let their circumstances be as straightened as possible; always clear up every fraction of their debts. I attribute the inability of the lower classes to pay their debts wholly, to the improvidence which has got in amongst them—an improvidence, let me remark, too widely spread amongst all classes." Such is this writer's views, but his remarks cannot be accepted as applicable to this country, where class distinctions such as exist in England are unknown, and where business is of a different kind, and conducted in many cases on better principles. Human nature being the same all the world over, however, we may take it for granted that did the same conditions exist here, the same results would follow:—There are now a great many well conducted trade protection societies spread over the country, ramifying even to the remotest parts. These agencies do an incalculable amount of good to wholesale dealers. The character and position of every individual in almost every trade throughout the country can be ascertained at trifling trouble and expense. Wholesale houses are wholly to blame if they do not take advantage of the information thus afforded them, and, in consequence, if they make bad debts, can expect no sympathy. We have often thought that retail dealers might organize amongst themselves a local society of the same kind. It could be done very easily. Suppose the majority of dealers in a town—we speak regarding towns only—(the project is not so much needed in cities, nor would its accomplishment be an easy matter in a large city), agreed amongst themselves to copy out a list of all the bad debtors in their books,

we say the majority, as we feel assured, the *whole* number of bad payers in the locality will be in the books of less than *half* the dealers. Dishonest persons will endeavor to get goods from as many as they can, and only with too much success. When these lists are made out, get the names arranged alphabetically, and furnish a copy to each contributor, or to all interested in the scheme. We think every one when made aware of the scheme will be very glad to enter into it. There may be some false delicacy at first, but this will soon vanish. Keep one of those lists at hand for reference, when wanted. Let us see now how this scheme would work. A man comes to you, and proposes opening an account. He gives very plausible reasons for this proposition—your goods are better than those of your neighbors—or he has had a difference with his last merchant; or he has removed to your locality; or, perhaps, he has a regard for yourself. Whatever his reasons are he will urge them with great plausibility. You may know your would-be customer by sight. He may be apparently well doing, and you may be apt to listen with an acquiescing ear to his request. You recollect, however, that you have a rogue detector, and you turn it up to make sure he does not appear in its pages. When, lo! there he is—you immediately refuse him, and if your reasons are wanted, you have indisputable ones to advance. He goes away, perhaps, in a huff, applies to your neighbor with no better success than he had with you. Still he goes to a third; a fourth; perhaps one or two more, but finds himself repulsed at every place. He now finds it of no use, and feels he has no alternative but to go back to the dealer whom he was trying to defraud, and make the best terms he can with him, who now has him at his mercy, and can thus make his bad debt good. The plan is so simple, that we wonder it is not universally adopted—it would not only prevent more bad debts, but would actually make bad debts good. As things are now constituted, credit is an absolute necessity. It is very well for some to exclaim, “Why don’t you do a ready money business.” Ready money businesses may do in large towns and cities, but it is utterly impossible, however desirable, to effect a universal change from the present state of matters to the ready money system. It is the dealers duty to find

out by every means within his reach, the position of parties who ask him to trust his goods to them on the faith of their honesty. Another practical matter to be borne in view is never to let credit beyond bounds, however good your customers may be reckoned. We do not say what proportion of capital may be allowed to go in credit. Every one will be best able to judge for himself from the nature of the business, but we say keep a sharp eye on the proportions your credit may be assuming.

VII.

H O N E S T Y .

The advice of the Scotch parish minister to his son when leaving home, to follow commercial pursuits—"Now Jamie mak money honestly if ye can, but mak it"—is doubtless familiar to all. Whether the story had any foundation in fact, or was a pure fiction, there can be no doubt that the sentiment has too often been accepted, and brought into practice. There is a determination in many to make money, which often conquers principle. If fair means do not succeed, unfair are tried, and the result may be success in one sense, but incalculable loss in another. No amount of earthly dross will compensate for the violation of principle. We certainly do not envy the man who has been able to retire with a fortune by wrong means. He must ever bear about with him the consciousness of being in the possession of ill-gotten gains—gains which will haunt him in his visions, and render his life uncomfortable. No; we say, if we are to have a fortune, let us make it in a fair way, by straightforward conduct, deviating neither to the right hand nor to the left, from honesty and justice in all our business relations, and if we cannot make it in that way, let us not have it at all. We are aware that the power of money is greater at the present time than it ever was—influence, honor, and almost all earthly comforts and pleasures can be obtained by it, and the legitimate possession of these may justly be coveted, but let them be had in a legitimate way. The beginner in business should make honesty his watch word. Perhaps Mrs. Opie's de-

finition of a lie is the best which could be given—"The intention to deceive." We would ask this definition to be kept in memory—it applies equally to dishonesty and falsehood. Looking at this matter altogether apart from its connection with the moral code, we confess we have always failed to discover the necessity for falsehood in trade. There ought never to be an occasion when it is requisite, for one purpose or another, to use a deliberate falsehood, and yet it is too true that falsehood in every trade is practised in some shape. We could give many instances of this. Just take up any newspaper, and look at the advertisements, and see how many *honest* men are informing the public with all seriousness that they are selling their goods actually below cost price—every one endeavoring to offer greater advantages than his neighbour, and asserting that such an opportunity has never occurred before, while if you take the trouble of looking up the file of the same paper, you will probably find the same advertiser offering equally great advantages ten years before. To say nothing of the apparent falsehood in its face; this style of advertising is hackneyed, and is extremely stupid; the dust is so clearly seen, that people have no difficulty in shutting their eyes from it. Again; suppose a person enters a place of business with the intention of purchasing, the anxious dealer sometimes does not scruple to say that goods are composed of different materials than those which really compose them, so as to secure the sale. And, again, should an article be wanted which he may not have in stock, he produces the nearest to it he has, and avows it is better for the purpose than the one asked for, knowing at the same time he is uttering what is not true. We do not say that any one resorts to such resources willingly, but the desire to sell is so strong in some, that it overcomes principle. When such a course is indulged in for some time, all scruples disappear, and it seems to become a part of the business. Nay, it is regarded by many as indispensable. The ease with which young men fall into this habit calls for a loud note of warning at the outset of their career, and should teach them to be on their guard against such a habit. On the other hand there is a danger of falling into the opposite extreme, namely, of doing your customer too much justice. You must frame your prices, so

as they will pay you. You must give attention to your weights, measures, discounts, etc. In giving weight or measure, as the case in your particular business may be, the true plan is to be exact, not a single iota more or less than is right. You require to do this to be honest and true to yourself. We remember hearing the following related many years ago, and we introduce it here as applicable:—A very decent-like woman was buying some goods from a retail dealer, who, in giving her one particular article happened to allow a slight overdraft. Under the impression the trifling overplus was allowed by the merchant from a sense of justice, she piously exclaimed, “A false balance is an abomination to the Lord.” True said the dealer, but a “Just weight is his delight,” making at the same time the balance quite exact. The sooner exactness is learned in these respects the better. All tricks of trade are to be avoided, as low and disreputable, and unworthy of a respectable concern. We believe that thousands of groundless charges are preferred by an ignorant public against dealers for adulterating almost all sorts of goods. While this is so, and while we believe that adulteration of goods is the exception, not the rule, there are many cases where it is practised. We could instance dozens of cases proven, were this required to support the charge. A straightforward course in business carries its own reward along with it. The character of a straightforward man soon becomes known—the public put confidence in him—he gets a larger share of their patronage—he is spoken of as respectable, etc., and apart from this such a man must derive the most solid satisfaction, when at the termination of a long, useful, and successful career, he leaves the field without a blot on his name—his honor, integrity, and justice perfectly unsullied—every copper of his means fairly earned. Regarding honesty as a policy, not as a principle, it is in that light decidedly the better course to follow. Roguery and defalcations of every kind, ingenious and complicated as they often are, always sooner or later are discovered, and followed by a fearful retribution. We know of no crime which bears along with it a severer sentence than dishonesty, when fully proved. The person’s character is gone—let him repeat most sincerely, and reform permanently, yet he is never again

recognized in the same manner as formerly, which should warn all in trade to keep a straightforward path.

VIII.

M E T H O D .

Method is a characteristic of all great minds. We do not remember to have met with an instance of a great merchant who did not possess this indispensable quality. "Have a place for everything, and keep everything in its proper place. Do everything at the proper time. Never put off till to-morrow what you can do to-day," are excellent maxims, and ought to find a permanent place in the memory of every business man. In all well conducted businesses things are done in a systematic manner. Everything is done regularly. This gives ease and pleasure to all concerned. The quality is essential to the business man. It enables him to do a much greater amount of work; it saves time and money, and it exempts him from a mass of tantilizing work. Those who do not possess this quality so fully as in necessary, can accomplish it by practice. "Method," says Richard Cecil, "is like packing things in a box; a good packer will get in half as much again as a bad one." Mr. Smiles says, regarding Cecil, "His dispatch of business was extraordinary, his maxim being—the shortest way of doing many things is to do only one at once, and he never left a thing undone with the view of returning to it at a future time. When business pressed, he choose rather to encroach on his hours of meals and rest, than omit any part of his work." Examples of great men in every department might be quoted as illustrations of method, but the value of the quality is so easily seen that this is rendered unnecessary. Carry this habit into all matters besides business—your hours, your expenses, your amusements, &c. You will find it to carry its own reward along with it.

P E R S E V E R A N C E .

Perseverance is another characteristic of a great mind, and it is also a quality which cannot be dispensed with in the man who would succeed. No extensive business was ever founded in a short space of time. Those colossal fortunes amassed by many of our merchants, are deeply indebted for their magnitude to indefatigable perseverance. There are thousands of persons who have made independencies by persevering against all obstacles and difficulties—persons, who, it may be remarked, began life in a very humble manner. It must be allowed that a long run of dull trade, or a series of losing transactions, or a “run of ill luck,” as the saying goes, exercises a most depressing influence on the mind; but such adages as “The longest lane has a turn,” “The darkest hour is next the dawn,” etc., ought to serve as encouragements to those who are not so successful as they would like to be. It is related of King Robert the Bruce, that after a series of unsuccessful engagements with the enemies of his country, he was obliged to save his life by flight. He found refuge in a humble and obscure dwelling. While there ruminating over his many disappointments in a most dispirited and hopeless frame of mind, his eye caught sight of a spider which was endeavoring to reach the ceiling of the room. The creature made eleven efforts, but failed. Undaunted, however, it tried once more, and was successful this time. Bruce could not help remarking that the number of the spider’s failures corresponded exactly with his own, and from this trifling incident he gathered courage to do battle once more in his country’s cause, and this time he, too, was successful. The celebrated George Stephenson, when addressing young men used to say, “Do as I have done—persevere.” Elihu Burrit ascribes his first success in self-improvement not to genius, which he disclaimed, but simply to the careful employment of time. While working and earning his living as a blacksmith, he learned some eighteen ancient and modern languages, and some twenty-two European dialects. “Those who have been

acquainted with my character from my youth up," said he writing to a friend, "will give me credit for sincerity when I say that it never entered into my head to blazon forth any acquisition of my own. All that I have accomplished, or expect, or hope to accomplish has been and will be by that plodding, patient and persevering process of accretion. which builds the ant-heap, particle by particle, thought by thought, fact by fact." Samuel Budgett, the successful merchant, whose biography is so ably executed by Mr. Arthur, offers a most striking example of perseverance under difficulties. Try, try again, is an injunction which adults should take as well as juveniles, to whom it is addressed specially. When we see how much the most minute and apparently insignificant insects can accomplish by the exercise of perseverance, we ought surely to take encouragement. The ant toils steadily in the work of building her heap, and after a long time her castle is finished. The tiny and short-lived coral has formed reefs, which are the dread of the most experienced mariner. The honey bee works steadily on, bringing her moiety of matter day by day, till her nest is amply filled. Perseverance is a quality which once exerted, strengthens a person to make further exertions, as, indeed, is the case with the exercise of all intellectual powers. It is not enough to be content with an ordinary run of business. The true business man will seek even when his business is in a flourishing condition, to extend it still further. It is bad policy to rest satisfied when you have simply an ordinary trade; that is, if there is room for its further extension. The time when perseverance is most essential is, when matters are not in a flourishing condition—when you have to make a trade, or when you have difficulties or opposition to encounter—when you are losing hope, then, we say, is the time to persevere. Steady perseverance even under such circumstances will be sure to end in success. Sir Isaac Newton may be taken as one of the greatest examples of perseverance which the world has ever produced. On entering his room one day, he discovered to his unspeakable chagrin and dismay, that the MS. of one of his greatest works was consumed to ashes by the action of his dog, which he inadvertently left in the room. He resolutely set to

work again, and notwithstanding that the former MS. represented years of labor, and that another series of years must be spent in replacing it—he continued at work till it was finished. In closing this subject, we cannot do better than quote the oft repeated words of Longfellow—words which still sparkle as brilliantly as ever, and will retain their effect as long as time lasts:—

“ Let us then be up and doing,
 With a heart for any fate ;
Still achieving, still pursuing,—
 Learn to labor and to wait.”

X.

E C O N O M Y .

Economy is another grand essential in a business man. The term may be defined as the art of saving money and everything else of value, such as time, from useless or careless waste. Poor Richard's sayings, which we elsewhere noticed, had their origin in the desire to inculcate frugal management. We believe the good effects of those quaint sayings is still extant. Nor do we fear that they will become extinct, although the tendency in the present generation is to ignore these honest truths—let us hope that a re-action will take place every way suited to their merits. It fares with poor Richard as with many other honest men—his integrity is allowed—his good motives were recognized and lauded, but his principles are not acted upon—people do not take the trouble to practise what he preaches. Those sayings, although re-cast by Franklin, are evidently derived from the proverbs of the time. Many of them profess to be nothing else, but while this is so, the compiler deserves the greatest credit for diffusing so widely so much valuable and practical matter. While we advocate economy and commend it to business men, we must warn against its excessive practise. We do not wish any one to cultivate it to the exclusion of better qualities—the exercise of charity—contributing to really benevolent and deserving objects. We abhor the wretch who saves and hoards with no other

object than the acquisition of money for its own sake. It is true, however, that thousands who began the race in life with only the desire to amass a moderate competency, have been insensibly drawn away with the current, their desires widening with every addition made to their fortunes—the saving principle nullifying the action of some noble qualities, freezing that of others, and prostrating others, till at length the whole soul is brought under its influence, and the man becomes a money grub—all his faculties engaged in its making, and all the affections of his heart wound around it. Many persons require no advice to practise economy; they are naturally of a saving cast; they learn in early life as if by intuition the value of money, and retain this capacity to the last. Others require a careful cultivation of this habit to render their lives comfortable, keeping out of view the making of a fortune. Some of this class are disposed to give away with one hand what they receive with the other. Such persons are spoken of as warm hearted, generous fellows. They live in habitual forgetfulness of the adage, “Be just before you are generous,” and only discover their folly when too late. Every man in business must, in order to be just to himself and others, practise true economy, taking care to keep the middle course between the opposing and equally dangerous extremes. The present age affords unprecedented facilities for turning everything to use. Hundreds of things, which a few years ago went to swell the rubbish heap, are now eagerly sought after and purchased. Animal, vegetable and mineral refuse, no longer lie as nuisances around us. Commerce has discovered that it wants them, and people are very willing to let them go. Such being the case, let us no longer hear it said, “Oh, its of no use, throw it away; never mind, its a mere trifle.” Let it be borne in mind that many littles soon amount to something considerable. “Many littles make a mickle,” as the Scotch proverb has it. Fortunes have been made by attention to littles. The matters which engage the attention of the business man in connection with this subject are, chiefly—to exercise such means as will keep his business expenditure (consistently, of course, with proper dispatch and development) at the lowest possible point, and in the next place to limit his per-

sonal or family expenses to a sum which will cover all reasonable wants, and yet be within the limits of his income. In order to attain the former of those, he will require to keep a vigilant oversight himself of every matter in connection with his business. Assistants may be very good, but it cannot be expected that assistants would take that deep interest in their employer's affairs that he himself takes. When you examine minutely into your business expenditure you will most likely find that there are matters which can be reformed without doing a particle of injury to the business. Regarding the second matter—that of keeping personal or family expenses within proper bounds. We feel assured that every sensible man will give it due consideration. The members of one's family may not know how the head stands; they may have false notions of his means, and may in consequence incur expenses which are extravagant. If this course is allowed, as it often is by indulgent parents, the consequences may be very serious. Thousands of men in business have been ruined by the extravagance of their families. This is a matter of fact, and we think it justifies us in directing attention to it. While treating on this principle, we think it will be acceptable to the reader to append a few of Franklin's adages. The sayings are rather old-fashioned for the taste of the present age; but there is, nevertheless, an immense amount of truth beneath their homely garb, and we can assure the reader their study will amply repay him:—
'If you would be wealthy, think of saving as well as of getting. The Indies have not made Spain rich, because her out-goes were greater than her incomes. Away with your expensive follies, and you will not have so much reason to complain of bad times, heavy taxes, and chargeable families. What maintains one vice, would bring up two children. You may think that a little superfluities now and then, diet a little more costly, clothes a little finer, and entertainments now and then can be no great matter; but remember that many littles make a mickle.' Beware of little expenses, as poor Richards says. And, again: Who dainties love, shall beggars prove; and, moreover, fools make feasts and wise men eat them. Here you are all got together to this sale of fineries and nick-nacks; you call them goods, but if you do not care they

will prove evils to some of you. You expect they will be sold cheap, and perhaps they may for less than they cost; but if you have no occasion for them, they must be dear to you. Remember what poor Richard says: "Buy what thou hast no need of, and thou shalt sell thy necessaries." And again "Pause awhile at a great pennyworth." He means, perhaps, that the cheapness is apparent, not real; or, "The bargain by straitening thee in thy business, may do thee more harm than good. For in another place he says: "Many have been ruined by great pennyworths." Again: it is foolish to lay out money in the purchase of repentance, and yet this folly is practised every day. Silks and satins, scarlets and velvets put out the kitchen fire, as poor Richard says; these are not the necessaries of life, and yet, because they look pretty, how many want to have them. By these and other extravagancies the genteel are reduced to poverty, and forced to borrow of those whom they formerly despised, but who through economy and industry have maintained their standing, in which case it plainly appears that a ploughman on his legs, is higher than a gentleman on his knees, as poor Dick says. Perhaps they had a small estate left to them, which they knew not the getting of; they think it is day, and will never be night; that a little to be spent out of so much is not worth the minding; but always taking out of the meal tub and never putting in, soon comes to the bottom, as poor Richard says; and then, when the well is dry, they know the value of water. But this they might have known before, if they had taken his advice. If you would know the value of money go and try to borrow some, "For he that goes a borrowing, goes a sorrowing," as Richard says; and, indeed, so does he who lends to such people, when he goes to get it again.

XI.

STOCK-TAKING.

Business being full of ups and downs—profits and losses—it is not to be wondered at that every dealer feels a sort of nervous

anxiety as the time for taking stock approaches, to know exactly how he stands. As taking stock in most concerns involves a considerable amount of labor, the period generally allowed to elapse is one year from the time of commencing, and afterwards intervals of the same length. In some trades stock can be taken without much labor. In such cases we certainly advise all who can do so to take stock, and balance their affairs half-yearly. The trouble which accompanies stocktaking deters some from doing it in a thorough manner. These men content themselves by putting an approximate value on their goods, or by skipping things slightly over. We must condemn this conduct. It is every dealers duty—a duty which he owes to himself and to his creditors—to balance his affairs in an exact way. By taking stock thoroughly the dealer is compensated for his trouble by gaining a certainty of his position, a certainty which cannot exist in the case of those who go superficially to work. A point which must be observed in taking stock, is not to put too high a value either on the appliances of the business, or on goods which have depreciated in value. It is very natural, we admit, for dealers at this interesting time to make the asset side of the balance sheet as large as possible. The amount set down as assets is frequently falsely magnified by taking goods and furniture at full price, which may have deteriorated in value, and estimating bad debts as good. The most satisfactory way in the end, is to leave a wide margin against you for these matters. It is best to err on the safe side, and if things turn out differently you will be agreeably surprised. When stocktaking is completed, you will be able to judge whether your business has been conducted properly. If it is found that your profits are not so much as they should be, you will most likely be able to discover the cause. You may find that your rate of profits is too small, or that the expenses of the business are too large. When this operation is completed, you have an opportunity of regulating your profits to the rate required, and of lessening the expenses to the proper degree. A great many other advantages follow stocktaking, the least of which will generally repay all the labor incurred. We have inserted directions as to the best manner of taking stock in the system of book-keeping,

which is appended, to which we refer the reader for further information.

XII.

A D V E R T I S I N G .

We have it on the authority of Macaulay, that advertising is to commerce what steam is to machinery. Macaulay, who was one of the deepest thinkers of our age, deserves to be listened to on this subject. The object of advertising is just to make one known—to extend the name and character of your firm as widely as possible, with the view of increasing trade. All want this extension, from the largest firms whose transactions amount to millions per annum, down to the merest shopkeeper, whose turn over is a mere bagatelle. It is a fact that most businesses (taking all sizes and descriptions into account) are in the aggregate indebted to a very great extent for their enlargement to advertising. By advertising you make the nature of your wares known to the public, and keep your name and locality before their eye. By persevering in this course you will in time succeed in impressing your name and the nature of your business on the public mind. Indomitable advertisers have succeeded in this, even in cases when the goods advertised were anything but generally interesting to the public. The value of a good name is understood by all intelligent traders, and this is one of the main points at which advertisers are endeavoring to arrive. When this point is gained, fortune will court you as sedulously as you courted it. When a mercantile firm gain a good name, they secure advantages not only to the present members of the firm, but which make the path smooth for their successors, it may be for generations. Such has been, and even now is the case in hundreds of instances. The value put on a name may be seen by looking at some old houses, whose original founders and partners are dead, it may be a hundred years ago. Yet the original name is retained by all their successors down to the present day. The influence of a name is so well known that no consideration will induce its altera-

tion. The successors in an established house deem, and deem rightly too, that a change in name would be followed by an unfavorable change in trade, and they consequently carry on under the original name. A proverb says, "Give a dog a bad name and hang him," and a sacred proverb tells us that "A good name is better than riches." Both are true proverbs, and we commend them to the consideration of men in trade as having a direct bearing on the subject in hand.

The question now occurs:—"Which are the best means to attain this object, namely, of advertising successfully, and acquiring a good name. That it is important to get a good name—to advertise and make one's name and address familiar to the public, is conceded on all hands. What are the best means to this end? The best channel is, undoubtedly, the newspaper press. Looking at the immense increase of newspapers—the low figure at which they are sold—the great number of daily papers, it will at once be seen that the newspaper is the leading means to convey the information you wish to communicate. It also has to be considered that the increase of newspapers has been followed, as a natural consequence, by a corresponding increase of readers, and therefore the chances of one's advertisement being seen and read are greatly increased. It might be interesting to go into newspaper statistics and show the immense multiplication which has taken place within the past few years, both as regards number and circulation, but this would involve too much space in such a work as this. Suffice it to say that the newspaper has become a necessity in a much deeper sense than the term formerly imported throughout the whole country. The newspaper is now continually radiating from cities and towns to the most distant parts, permeating almost every dwelling in the country—thus, the newspaper offers the best means for advertising. Care will require to be exercised, however, in selecting the paper best suited for the purpose. Newspapers are now published exclusively in the interest of certain branches of trade; indeed, every trade and profession of any magnitude has its own organ; for example: "The Agriculturist," "The Oil Review," "The Ironmonger," &c. &c. If the advertiser's trade is wholesale, he

must advertise in the paper devoted to his trade. This paper possesses an interest for retailers as well as for wholesale houses, and is eagerly conned by every member of the profession, however humble, into whose hands it may fall. This being the case, the wholesale advertiser is certain to make himself known through the medium of his trade organ. The main use of these trade papers is confined to wholesale dealers. A retail dealer can expect no good from advertising in them, and so must look somewhere else. If the retailer's situation is in a large city or town, he ought to patronize the paper which has the largest circulation; by doing so his name will have a circulation equal to that of the paper which contains his advertisement, and the chances of its being seen are greatly increased. Another point to be attended to is the selection of a respectable paper. Newspapers have a status, and in large cities many very indifferent papers are published which have a very wide circulation. Although these papers has a large circulation in their favor, the advertiser should avoid their columns on the principle that a man is estimated according to the company in which he is found. This remark, of course, only refers to the lowest class of papers. These papers may offer a temptation by low charges, but our advice is to refrain from them wholly. The same remarks are applicable to dealers in small towns, with the addition that in country towns where more than one newspaper is published, it is often the case that one of them possesses an extensive circulation amongst the country people, such as farmers; and if the advertiser's wares are of the kind required by this class, he will find it to be to his interest to advertise in this paper.

Besides the newspaper, periodicals of all kinds are employed as advertising mediums, and we do not hesitate to say with great success. This inference may be drawn from the very large number of advertisements which many of them contain, sometimes swelling the bulk of the magazine by one-half. Magazines as mediums of advertising, deserve more attention just now owing to the immense increase in their numbers, an increase which is still going on. In many instances magazines, like newspapers, are the organs of parties and denominations. Every per-

son who subscribes for a magazine can easily render his reason (which frequently is of a political cast) for taking that particular magazine. It must not be supposed that educated people confine themselves to one magazine, yet, however many they take, the matter in each will generally be found to harmonize. These matters require to be studied by advertisers. Advertisements in magazines have a better chance of being seen than those in newspapers, because the former is in a more convenient form, and the literary matter it contains demands and receives more attention than that in newspapers. The magazine is often a well-thumbed volume, and its contents are of such a kind as may induce repeated perusals; whereas the newspaper has an unweildy form, and its matter has reference—speaking generally—to passing events, which seldom receive a second reading. Thus it will be seen that advertisements in magazines, however great the number may be, have a better chance of being observed than those in the long closely-packed columns of the newspaper. Although magazines are so good, yet on the ground of circulation, the newspaper must get the preference. As a consequence of the sectarian nature of many magazines, it follows that certain things can be more advantageously advertised in some magazines than in others. The advertiser must select the magazine which suits his trade best, as regards the circulation it has, and as regards the sort of people which it reaches.

The next medium of advertising is necessarily restricted and local—the circular. Circulars are often found to be most effective in their operation, in many cases more so than either of those already noticed. The circular comes home more to the person to whom it is addressed than your advertisement in either the magazine or paper can. Advertisements in both the latter are general—in the words of the underwriters, “To those whom it may concern;” they are addressed to the mass; no one feels himself particularly addressed, and there is a danger that those whom you want to reach, will lose themselves in the multitude. The circular, however, obviates this danger; the person whom it reaches finds himself particularly addressed; his name is upon it and he becomes aware that the advertiser had

him specially in view. Moreover, it comes to him with his other letters, and is thus sure of obtaining a perusal. Another important difference between this way of advertising and those mentioned, is that your advertisement has no rival—it is alone in the field; whereas that in the paper is surrounded on all hands by others of all pretensions, the vociferousness of some of which threatens to drown yours altogether. Another purpose which the circular serves is the bringing of your wares under the observation of people who, seldom if ever, look at advertisements in the newspapers. The number of people who shut their eyes, so to speak, on advertisements, is much greater than might be supposed, and in these busy days when the pulse of business and every other occupation is throbbing at fever rate, we need not expect more attention from such people, to a matter which they regard with indifference. The circular serves a good purpose in this case, although your advertisement may have died in the newspaper or magazine, so far as those people are concerned, still by it you have the means of catching their notice. As we have mentioned, the circular is necessarily local; that is as regards retails dealers; but if properly used, it is capable of producing excellent results. To those who have not as yet tried this expedient of extending trade, or to beginners who may have it in view, we recommend the following system. In the first place single out all the wealthy families in your district, take next the members, of all professions practising in your district, clergymen, medical men, lawyers, &c., next all others whom you may consider worth trouble and expense. The terms "worth, trouble and expense," is applicable to all; for it is frequently the case that a dealer would best consult his interest by having nothing to do with many people who have all the outward marks of wealth about them, and yet have little or none of its reality, so that the trader who is about to issue invitations for custom will need to ascertain, if he possibly can, what omissions are to be made. The compilation of such a list will not occupy much time, and it will always be useful.

Next in importance to the circular is the business card.—These cards when well played — to use an expression ap-

plied to cards of a very different description — succeed admirably. Regarding the matter on the card, we recommend it to be plain and distinct. Business cards exhibit an endless variety of size, type and design, just as might be expected from the variety of taste which exists. If it is allowable on such a matter as this to make suggestions, which from being those of one individual run a great hazard of being disapproved, we would say, avoid the smallest and the largest size; choose the medium, or as near the medium as will suit the matter to be put upon it. The most common and the best shape is square. The type of whatever kind ought to be distinct. We have seen cards embellished to such a degree as rendered the matter almost illegible—no end of flourishes, etc. These certainly may be admired as works of art, but the propriety of so much embellishment in business cards is questionable. The impression should be clear and of such a kind as would make an impression on the memory. The greater number of cards contain on one side the name, business and address of the person or firm, and on the other a list of the departments of the business or kinds of goods kept, as the case may be. The efficiency of the card as an handmaid to business depends greatly on the time at which it is sent. Beginners frequently send their cards as an intimation of their willingness to do business with the party to whom it is sent. We think, however, that the card does more good when timeously sent to individuals or families just arrived in the locality. The card first received, in such cases, stand the best chance, as it almost invariably happens, that parties in this position require many different articles, and lose no time in procuring them. There is a risk, however, of over-doing the matter. A short time should be allowed to elapse before handing in your card, in order to let your coveted customers make all the usual arrangements, and get settled down. A card coming during the bustle of unpacking, etc., would, in all probability, go astray, and besides, however eager a person may be to push his business, it would look better not to come forward too precipitately, and thereby endanger the formation of an unfavorable opinion. But the nick of time is not so easily discovered. In

order to approach it, the time when the party arrives should, if possible, be ascertained. This will form some data to calculate from, and this can easily be found. We happen to know that most respectable firms have pressed into their service such persons as waiters, porters, etc., for a consideration, of course, with more success than might be credited. So much for cards as a medium of advertising. Some of the points touched may seem trivial, but we assure the reader that he cannot afford to allow the most trivial matter, in connection with this subject, to escape his notice.

The last ordinary medium of advertising in use, is bills or posters. These are useful mainly as far as the general public are concerned. It would be absolute folly to think of issuing either circulars or cards to every person in a community; to supply this impossibility bills and circulars are used. The remarks made regarding the size of the card are not applicable to these. The larger the size, the bolder the type, and the more startling the heading, the greater chance they have of arresting attention. We would warn against stupid and irrelevant headings, however startling and arresting they may be. The only purpose they serve is to disgust people, and earn you the name of a quack. When people find such an incoherency between the title and contents of an advertisement, the bulk of them stop reading at once, and the instrument becomes useless. Persons advertising in this way should stipulate that their placards be placed high, as at the end of a short time any person may cover them over, or pull them down, and owing to the number of public announcements they cannot possibly remain long before the public. By being placed a little above the ordinary height, they have not only a better chance of being seen, but also of remaining for a long time. We have observed in an elevated position bills remain for many months, until at last worn away by the weather. We consider the plan of bearers carrying placards, and moving along with them to be good on particular occasions. These are used principally for announcing lectures, concerts, etc., and the occasions on which they might be useful in business are few and far between. Before leaving this part of the subject we would recommend that good paper be used both

for the circulars and posters. It would save a trifle to use inferior flimsy paper, but this is more than counter-balanced by the air of respectability which accompanies superior material. The next thing to which we would direct attention is the sign. It may be said that the fixed name of an individual or firm on his premises can hardly be called an advertisement, but it is so, notwithstanding, in a limited sense, and it is important that the name and number be as distinct and prominent as possible. We have sometimes observed along the face of business premises huge letters some two or three feet high, and about the same distance from each other, forming the name of the firm. We cannot help thinking that mammoth signs after this fashion are a great mistake. The main purpose they serve is to confuse the mind, and give the persons looking for the place a deal of trouble. Such signs fail in their object every way; the general public wont take the trouble of putting the letters together. People are much more apt to observe smaller letters when made distinct and placed close to each other, for the simple reason that the whole can be taken in at a glance, and are quite as easily deciphered at a distance as their more pretentious rivals. Our remarks respecting the variety of cards in existence are applicable to signs. Every color of the rainbow is put in requisition to form what the owner thinks most striking, and at the same time in keeping with good taste. All kinds of letters, as well as all combinations of colors may be seen on signs—the plainest, the most fanciful, the most grotesque, and all grades between, may be found on signs. For our own part we would choose the plainest letter, and of a color in direct contrast to the ground on which it is painted. A sign of this kind catches the eye quickest, and keeps a more lasting hold on the memory. Coming now to the style or form usually employed in advertisements it must strike every one who reads a paper, that advertisements are rendered drier reading because of the sameness and monotony of their wording. That there must be a general stereotyped form we admit, but we think much more original matter along with more variety of the existing forms could easily be made to appear in the advertising columns. At present we find nearly the

same form employed by all kinds of dealers—wholesale and retail—in large and small towns. Such terms as “Beg to announce,” “Inform the public,” “Unequaled,” “Unsurpassed,” “Lowest possible price,” “Smallest remunerative profit,” &c., &c., are recognized as very old acquaintances. Almost all dealers prefer to use this stereotyped form of advertisements—whether they are not able, or do not care to take the trouble of producing something new does not appear. Many are doubtless shy to put themselves forward in any unusual way—they dread being laughed at, and there is certainly a danger in this respect. Original advertisements should not be attempted by a person unless he is quite competent for the task. Ridicule is as dangerous to trade as to character, and it should be avoided by all means. But those who cannot devise anything new, can easily gather materials for improving and varying their advertisements. If this even was more frequently done, its effect would be felt in the business. When the same advertisement is allowed to remain unchanged for a length of time, those who observe it get tired even of seeing it, and it in consequence loses its effect; whereas, if the advertiser varied the matter weekly or fortnightly, his advertisement would be read with relish. Suppose a person advertised all the year round, changing his advertisement fortnightly, twenty-six different forms would be required. This would involve some labor if all were made out at once, but by composing one each fortnight, and retaining a copy of each, the work would be spread over the year and would hardly be felt. The copies kept would suit for the following and all following years. The variety wanted could be had thus easily and simply. The heading of an advertisement should be in bold plain type. On looking over an English newspaper some few years ago, we were forced to observe amongst a host of all sorts of advertisements one headed “Steam communication to New York.” The type was so plain and distinct as to offer a complete contrast to all the others, and in casting a casual glance over the paper the eye was sure to rest on this one, and although noways interested in this page of the paper, yet as regularly as it came to hand this claimant for notice made its object good. Another effective fea-

ture in advertising, which must not be allowed to pass unnoticed, is the shape which is adopted in some cases. Sometimes we see an advertisement contracted into a small space, with a wide, clean margin round it, or in a triangular form, or in a slanting form, and so on. The advertiser chooses the shape which he thinks is best calculated to arrest attention. We consider a good distinct heading, however, to be a matter for more consideration than the particular shape which suits one's fancy. Besides those already mentioned, we have omitted to speak of a few other effective mediums of advertising. The reason for this omission is that not being in common use, we did not deem them worthy of being put on a par with such as are generally used—we refer to trade almanacs, placards at railway stations, and other public places, etc. The useful matter in the former insures their preservation at least for a year, and the object the issuers have in view stands a good chance of being realized, owing to the frequent occasions which arise calling for a look into the almanac. The greater number of such almanacs are issued by insurance companies and firms trading with agriculturists, and judging by the perseverance which is shown in their issue year after year, we must conclude that the almanac is a successful medium. Again, cards at railway depots are certain to be read by thousands. The time which elapses before the train is due affords time to those who are waiting to glance at the placards on the walls. Take any depot five or ten minutes before train time, and you will observe many of those who are waiting to be reading the different advertisements around. We are surprised that so few advertisers have taken advantage of another medium of advertising, which is just now almost neglected, which we have no doubt would be most successful. We refer to fixing cards inside railway cars, along the sides or at the ends. It is true that such a method is in use in some places, but so very limited as hardly to deserve the name of an advertising medium. We can see no objections to the plan; on the contrary, we think most railway companies will be keen enough to let their vacant space, without pressing. We will now give one or two examples of successful advertisements. An advertisement which has caught public

attention to an extraordinary degree, and drawn thousands to the coffers of its framers, will deservedly be invested with much greater interest than any others. The following has been in existence for at least thirty-five years, during which time it has appeared periodically in newspapers and magazines, and still it seems to be as welcome to a corner as ever. Its longevity and popularity are no doubt owing to the genuine wit with which it is pointed. Whether the Messrs. Rowland had it made to order, or received it as a spontaneous offering we cannot say, but we are satisfied that supposing every line to cost thousands, it has paid them :—

A careless footman once let fall
 A bottle of Macassor oil,
 The eve before a fancy ball,
 And left the rich odorous spoil.
 Beneath the lucid stars it lay,
 On the stone step with floating glare
 Working its miracle, instinct,
 With elemental roots of hair.
 Next morn the courtly dame grew pale,
 (Tho' Rowland offered pounds to show it)
 And for the gardener sent per mail,
 Who brought his frightful scythe to mow it.

This is an original advertisement, and one of the best we have seen. Besides serving its purpose as such, the lines are so clear as to insure their being read and appreciated by thousands who know little and care less for Rowland and his macassor. The lines cannot be regarded as real poetry, neither can they be called mere doggerel; the secret of their success, as we have already said, lies in the wit with which they are pointed. Advertisements in verse are common, but the majority of them can be called nothing else than mere doggerel, and being so trashy they serve only to disgust. Advertisements like the one quoted, if fabricated by an apparently neutral person, are much more palatable to the public than others which may be quite as clever, but which show too transparently the object in view. We see no

reason why such clever lines appear so rarely. "Money which answereth all things," can doubtless procure lines applicable to any trade, as good as those of Rowland's. The next example is also an old and an original one. Like the foregoing it possesses sufficient merit to command a place in every paper or magazine. Its point is not, however, quite so witty as the other :—

It happened one day as I stroll'd thro' the strand,
 At Warren's famed warehouse I came to a stand,
 Where batteries of blacking were piled on the ground,
 Sufficient to polish this planet all round.
 I've travelled by day and I've travelled by night,
 But I never beheld such a glorious sight,
 'Twere injustice this wonder, mere blacking to call,
 For it shone through the bottle, cork, label and all.

Whatever portion of the surface of this planet Mr. Warren's blacking was sufficient to polish, we cannot guess, but we may safely conclude that the above effusion carried his name and manufacture into many parts of the globe where he had hitherto been a stranger. The author hit the mark exactly—his rhyme is flowing and natural—the sense is good without either a mixture of bombast or nonsense, and the extravagance is by no means offensive. The piece bears evidence of having been written, if not by Warren himself, at least under his shrewd superintendence. Speaking about Mr. Warren, we are reminded of another capital dodge of his, which proved as effective as the above tribute. It appears another firm in the same trade were in existence many years before he started, and possessed almost a monopoly of it. Warren hit on the following scheme to displace them and gain ground for himself. A number of smart young men were engaged and dressed out as footmen. These were furnished with a list of retail dealers in the city, who were Warren's customers already, and were instructed to slip them. The city was marked out, and a certain district allotted to each. They were to call at every respectable grocers for "Warren's Blacking." They did so—were offered every kind in use but

Warren's—the shopkeeper's recommendations and persuasions fell on deaf ears—nothing would suit but Warren's. The shopkeeper was thus led to believe that Warren's blacking was really superior to any other, and to meet a demand which the menial fore-shadowed, immediately laid in a stock of Warren's blacking. So neatly was the dodge managed as to leave not the slightest impression that it was a dodge. We can imagine the shopkeeper giving the most glowing character to Warren's blacking, "The kind used in lord so and so's house. Warren was an indomitable advertiser, and succeeded at last in amassing a very great fortune. Many other examples might be given, but the space is more than occupied. In closing this subject, we cannot do better than point to such names as Girard, Holloway,—whose name is literally known at the ends of the earth, and to Barnum, who acknowledges that his fortune was mainly indebted to liberal and constant advertising.

ALDERMAN MECCHI ON BUSINESS.

The following remarks are extracted from a lecture delivered by the celebrated Alderman Mechi, at Crossby Hall, a short time ago:—

VALUE OF CONFIDENCE.

There is no tie so strong in worldly matters as self-interest; therefore if you act with integrity to your customers, if you have the ability to place before them the article they require with the necessary accompaniments of civility, attention and good feeling, you win their confidence and connection. I have always found it advantageous to meet my customers with the utmost latitude of liberality in regard to their exchanging or even returning the money for any article not approved. In fact, I say to them, do here as you would in your own house; please yourself if you can. Thus liberality begets liberality. I have

seldom found it abused except by a churl who is neither satisfied with himself, or with anybody else. A rigid or prompt attention to jobs or small matters is very essential, and too often neglected; and yet customers are as much offended by these neglects as by more important ones. Confidence is a plant of slow and careful growth; but when you have the confidence of the public, again remember it may be lost. If in full reliance on this confidence you decline in those principles which obtained it, you must expect a retributive reaction. Your old friends, your customers will complain, and perhaps hope and believe the first offence arises from an accident, but they will never forgive you for an abandonment of just principles.

Stock.—The accumulation of old stock ruins many a tradesman. His taste and judgment are inferior to those of his customers; they reject the untempting, the often tendered, and consequently old-fashioned or adulterated article. A great evil attends this—the buyer is disappointed, he purchases from a more able and successful contemporary, who probably secures his custom in perpetuity. Remember to watch a hanging article; it may be much approved, but appear too dear in the public view. If you are assured of this reduce the price at once, either to or below cost price, and avoid the pattern for the future. Every wise man will take stock of his goods at least once a year. He will value them, if well bought and in good order, at cost price; but if old or unsaleable stock, the value at which they could then be bought should be taken to exhibit the real state of his affairs. Young beginners are apt, naturally enough, to be too sanguine and hopeful; but remember until you have ascertained your average weekly or monthly sales to err on the safe side, by ordering too little rather than too much. You can always add to them when necessary; but suppose you are satisfied about the amount you should order, the next and equally important consideration is the classification of your stock. The public are very good judges of what they want, and generally leave you an abundance of what they don't want—it may be either in quality or in price. A wise trader will endeavor to allot his capital in

fixed amounts to the various branches of his trade, with a view to his own convenience and the wants and wishes of his customers. This is no easy affair in an extensive trade, particularly where there are frequent changes of fashion. Take especial care never to be short of the running or every day article.

ATTRACTION BY DISPLAY.—Experience has taught me that with all articles of luxury or taste, it is good policy to devote a good portion of your capital to plate glass and elegant cases. I have, therefore, as far as possible discarded drawers and boxes, and substituted the visible for the invisible. Thus, while you are busily engaged, your customer yet may be attracted by some object which presents itself to view; whereas, if immured in a drawer, no such pleasing result could take place.

CLEANLINESS.—Cleanliness is a most important matter in every business. It will pay you in a fancy business once a month to clean up the whole outside, and to repaint the front once a year, which is my practice. Of course the outside, as far as can be reached, must be washed down every morning, and the windows cleaned every day. Some of our drapers' shops are good examples in this way. It need hardly be said that the personal appearance of the shopkeeper and his shopmen must harmonize with other arrangements.

FINANCE.—Beware of over trading, it has ruined thousands, from the humblest shopkeeper to the greatest merchant. However large your capital, if you over trade, you are lost; for, either by overstocking or by giving undue and unlimited credit, embarrassment must overtake you. Credit is capital if properly used. In all trades, particularly if extensive, take stock annually at least, with an account of all your own debts, and all debts owing to you. Keep a separate account of your personal or private expenditure, and bear in mind that without being miserly it is consistent with comfort and independence to spend rather less than you get. Whilst it is your duty to be punctual in your own payments, it is equally sound policy to collect at

stated and regular periods the debts owing to you. Accounts do not improve by keeping, and no honest man will object to pay when called upon, when in his power. Remember that this is a world of vicissitudes and change, and that a good debt now may, by force of circumstances, be worthless three months hence.

FIRE INSURANCE.—I should hardly venture to allude to the propriety of insuring against fire, but that the statistics of fire offices show too plainly that a vast proportion of property in this kingdom is uninsured. Not to insure is neither honest to yourself nor to your creditors.

COLLECTION OF ACCOUNTS.—There is nothing which causes greater loss to a tradesman than an arrearage of book-keeping, and a neglect of regularly collecting accounts. Cost what it may, make it therefore an inflexible rule to have your books posted up daily, and your quarterly or other accounts sent out at the exact time. Then comes the difficulty of collection. You may have to call twenty times or more ere you meet with your debtor; so do not depend on the casual use of one of your shopmen, but devote a specific time and person to the collection, even if you pay a commission. It is good policy to do so, taking care to employ an honest regular man. Having collected your accounts you must at once enter them as paid, as nothing gives more offense to a customer than an application for a paid account. If you have doubtful or bad debts, transfer them to a separate book, and do not estimate them in your assets as good.

ORDER.—Order is nature's first law—disorder is an infringement. A place for everything and everything in its place tends greatly to the economy of time, which, in fact, is money. Unless you have a fixed and permanent place for every class of goods, properly numbered, you will be frequently ordering that which you really do not require, and occasionally lose the sale of what you have misplaced.

ADVERTISING.—In my opinion, advertising is a legitimate

means of making known the wants and wishes of both buyers and sellers. It is merely making an extension of your shop front in the newspapers, whether the article be seen there or in the window. In both cases its quality remains to be tested. It never can answer to advertise a bad article. By advertising a good one you extend your connection, which might otherwise be limited by the number and class who happen to pass your door and their connections.

ASSISTANTS.—The choice of your assistants or dependants is a matter of serious consequence to your welfare. Conduct, character and capacity are essential; but it will require an observant discrimination to detect and apply them. You will select method and regularity in your book-keeper—decision, observation and discretion in your buyer, a bland banuity with persuasion in your seller. Whilst you exact from the members of your establishment a rigid observance of order, propriety and decorum, treat them with that kindness and esteem which their good conduct so justly merits, encourage a feeling of self-dependence, and promote their comforts and amusements. In former times when there were few or no literary institutes, the members of my establishment contributed to a book fund, founded, of course, on some donation from myself. A reciprocal good feeling cannot be too much encouraged. An occasional contribution to a festive and rational meeting forms a happy relief to the cares and anxieties of their every day occupations. The very term recreation is expressive of the weariness and exhaustion consequent on incessant application. With this impression strong on my mind, I have never had any doubts about the benefits of early closing, or an occasional half holiday. In conclusion, if the Almighty has blessed one with talents and success, remember that those precious gifts entail upon you the responsibility of a stewardship, that you may administer of your superfluity with kind feeling and discrimination to your needy, sick, or less fortunate fellow creatures.

STEPHEN GIRARD.

The following remarks are taken from an English author, and are inserted in this work, as they refer to one of the most successful men of modern times. Every visitor to Philadelphia, and every reader of books of travel in America must be familiar, by name, at least, with Girard College. It is not my intention at present to describe this splendid edifice, which is really one of the wonders of the new world. It surpasses in beauty the pride and ornaments of the Parisian Boulevards, the church of the Madelaine, to which it bears in form some resemblance, for both were fashioned after the same ancient model. But the material of the American building is the purest white marble, the dazzling sheen of which, affects the sight on a sunny day. Well, yonder comely building, its stately walls, its graceful columns, its noble pediments, its rich cornices, and its massive roof, all constructed of the costliest marble, upon which wealth and genius have lavished all their resources is, after all, but a monument to the virtues of the newspaper advertisement. The founder of this college—Stephen Girard—was of humble origin, and like many men who have risen to eminence in almost every department of life, had a severe struggle with poverty at the commencement of his career. But out of this struggle he came victorious, and when he had once succeeded in acquiring a small fund wherewith to begin, he made such skilful use of it, threw so much energy into the task, and displayed such rare sagacity in the conduct of his speculations, that he soon found himself on the road to fortune. With great ability he subsequently turned to account the facilities which his improved position put within his reach. By continuing to exercise those qualities which had at first assured this prosperity, and by the use of the same rigid economy which he had all along practised, he gradually accumulated enormous wealth, estimated at twenty millions of dollars. Girard attributed his great success chiefly to the system of advertising, which he early adopted and persisted in throughout his commercial career. In a remarkable document addressed by him to merchants and to traders, he dwells upon this as the source of

his prosperity, and urges them to go and do likewise ; by recapitulating the advantages which he had found to result from thus reminding the public of their wants, in connection with his ability to supply them. He counsels them to advertise widely and constantly, frequently to change their advertisements in order to keep up the attention of the public, and to give them as favorable an idea of the progress of the business as possible, and above all not to withdraw their advertisement when times are bad for the purpose of saving the cost of them. He advises them rather to multiply than diminish the number of their announcements at such periods, and thus endeavour to draw customers to their stores, under the impression that they will there hear of something to their advantage. He assures his brother traders, in conclusion, that by following this advice they will undoubtedly succeed; and that in return for the outlay to the printer, they may expect to reap a reward similar to that which he himself enjoyed."

BOOK KEEPING.

BOOK-KEEPING is so important a part of the merchant's requirements, that the author feels he would not be justified in withholding space from illustrating the best and easiest system in use. It is a matter of great importance in everything to get the simplest plan, because the simplest plan is almost invariably the most effective. Such, at all events, is true of book-keeping. There are different systems of book-keeping in use, and we happen to know that many of them are cumbersome and round-about in the greatest degree. We have had a long acquaintance with the system which follows, and our decided opinion is that it is the simplest and easiest in use at the present moment. It is lamentably true that thousands of persons in business do not pay so much attention to correct keeping of books, as every business, no matter how small, demands. The most casual of observers must be struck on hearing or reading the evidence of insolvents, with the great number of persons who ac-

knowledge that their manner of keeping books was defective. In many instances, very large transactions were confined to mere jotters or other petty books. Another matter to which we must call attention, is the regular posting up of one's books. When books are posted up regularly, it is a very easy matter to keep them right, if the system is good. When they are allowed to fall behind, a great deal of irksome work is the consequence. Again, no time should be lost in recording every transaction you make. We would impress this forcibly on the minds of young men just entered on their business career. If you defer to enter a sale just at the time it is completed, it may escape your memory altogether, and thus cause your own or your employer's loss. Neatness is a very necessary point in book-keeping. It is disgusting to see books filled in with clumsy or sprawling writing and figures, especially when it is clear that a little care would prevent it. In the system which follows, we have taken pains to make every matter in connection with the art, as clear and simple as possible. We feel confident that a careful study of it will amply repay any one who requires to improve his knowledge of this vital part of a merchant's qualifications. It is proper to state that the double entry system has not been noticed—in such a work as this, its delineation would occupy too much space.

DEFINITIONS OF MERCANTILE TERMS:

ABBREVIATIONS.—The customary contractions, are:—

A/c—Account.

B/p—Bills Payable.

B/r—Bills Receivable.

Cr.—Creditor.

Dr.—Debtor.

E E—Errors Excepted.

E & O E—Errors and Omissions Excepted.

f.o.b.—Free on Board.

f.p.a.—Free of Particular Average.

Inst.—Instant: Present Month.

Proxo.—Proximo: Next Month.

Ult—Ultimo: Last Month.

d/d—Days after Date.

m/d—Months after Date.

d/s—Days after Sight.

m/s—Months after Sight.

mo—Month.

o/a—On Account of.

o/o—Per cent.

@—At to.

Ⓕ—Per.

B/L—Bill of Lading.

L/C—Letter of Credit.

L.s.d.—Libræ (pounds); Solidi (shillings); Denarii (pence).

\$—Dollars.

Abstract—An abridgement or epitome of an entire deed, document, or book.

Acceptance of a Bill—Acceptor: The person on whom a Bill is drawn, writing his name across the face of it, whereby he engages to fulfil its demands, that is, to pay it when due to the order of the person named.

Accommodation Bill.—A Bill not representing any trade transactions, but merely concocted between two or more persons, with a view to its being discounted for the temporary accommodation of either the drawer, acceptor, or indorsers, or frequently for all,—the several parties agreeing to provide the acceptor, at or previous to its due date, with the portion for which they received the discounter's money.

Account.—A Statement of the sums due by one person to another, either for goods, or originating out of any mutual transactions.

Account Current.—A Statement of transactions between two parties during a certain period, drawn out in debtor and creditor form, and in the order of their dates. Accounts Current are frequently made up with interest, charged or allowed on each item, and are, in either case, balanced to a point. It is customary with merchants, brokers and agents, to render an Account Current on the termination of any adventure, or series of transactions, and at stated periods.

Account Sales.—A separate account rendered to the merchant by his broker, showing the weights or quantities of each parcel of goods sold, with the prices obtained, and the net result, after deduction of all expenses attending the sale. Also, a similar account rendered by the merchant to the consignee of goods, showing the net proceeds of each consignment, after deduction of freight, commission, &c.

Acquittance.—A discharge in writing, for money, debt, or liability.

Acts of Bankruptcy.—Certain evasive or fraudulent acts of traders, legally held to make them amenable to the Bankruptcy Laws.

Actuary.—The officer of a Life Assurance Company, whose duty it is to make the necessary computations required in the business, and generally to advise on all questions pertaining to the statistics and finance of the subject of Life Assurance.

Adjustment of an Account.—Agreeing or settling the particulars.

Ad Valorem Duty.—Duty levied on the value, and not on the quantity of articles.

Advances.—Payments made by merchants and others, in anticipation of the proceeds of the property entrusted to them for sale. A term frequently applied to loans of money.

Adventure.—A mercantile speculation; usually applied to all shipments of goods to foreign markets on the merchant's own account.

Advice.—Information by letter—commercial reports and intelligence conveyed by letter.

Affidavit.—A declaration in writing, upon oath.

Agent.—A person authorized to transact business for another, contracts and arrangements made by him, are binding on his employer or principal, and he is subject to considerable risk, if he fail in correctly exercising, according to common usage, the authority delegated to him.

Agio.—The difference in value or premium of exchange between metallic and paper money, or between different descriptions of metallic money; usually connected with continental rates of exchange.

Arbitration.—The adjustment of disputed matters by the decision of one or more neutral persons, called arbitrators, who are nominated by authority, or by those concerned.

Arbitration of Exchanges.—A computation of the proportional rate between two places, through intermediate places, for the purpose of ascertaining whether direct or indirect drafts or remittances are the most advantageous. When one intermediate place only is concerned, it is termed Simple Arbitration:—when more, Compound Arbitration.

Assets.—A general term for cash, property, and dependencies, in contradistinction to liabilities.

Assignee.—One to whom an assignment is made. In Bankruptcy, an official assignee is appointed by the Court to take charge of the bankrupt's estate; and a trade assignee, chosen by the creditors from amongst themselves, assist on behalf of the interests of the whole body.

Assignment.—The act of appointing another to exercise control over certain property, or transferring property by deed of assignment.

Attorney (Power of.)—A document conveying to others the

authority of persons to sign or act for them, either in special cases, or unreservedly.

Audit.—A scrutiny of accounts and vouchers, by duly authorised persons called auditors.

Award.—The decision in a case of arbitration.

Bailment.—A delivery of goods in trust, on the understanding that they shall be re-delivered, as soon as the time or purpose for which they were bailed shall have elapsed or been accomplished.

Balance.—In accounts, the difference required to equalise both Dr. and Cr. sides.

Balance of Trade.—The difference in value between the exports and imports of a country, which in a great measure affects the rates of exchange.

Balance Sheet.—A statement of the assets and liabilities of a trading concern, the balance of each open account in the ledger being placed respectively under one or other of these heads.

Bale.—A pack or parcel of merchandise in wrappers of canvas, tar pauling, &c., or simply bound up.

Banker.—A licensed dealer in money, who grants loans, discounts bills, and receives deposits at interest; he also receives the deposits of others for their safe custody, acts as an agent in their payments and receipts, and facilitates the remittances of money from one place to another.

Bankrupt.—A trader unable to meet his engagements, who, by his own acts or those of his creditors, becomes amenable to the bankruptcy laws, and is so announced.

Barter.—The exchange of one kind of commodity for another without the aid of money.

Bill of Entry.—A form of entry or schedule of goods entered at the custom house.

Bill—Bill of Exchange.—The instrument by which monetary transactions are conducted in various parts of the world—the expressed order of a creditor upon a debtor being available by transfer from hand to hand, as a substitute for the transmission of specie backwards and forwards; such transfer likewise enabling a creditor to avail himself of a dependency that would otherwise be lying dormant. It is a written order by one person (the drawer) upon another (the drawée) to pay a certain sum of money at a particular time to the order of a person named (the payée). The person accepting completes the instrument, and is termed the acceptor; and the one into whose hands it may come, either direct or by transfer, the holder. It may be transferred an indefinite number of times by indorsement—the holder, by writing his name on the back becoming an indorser, and the person to whom he indorses it as payable, an indorsee.

Bill of Parcels.—A bill or specification of goods sold. The term is falling into disuse—invoice, account, or bill, being generally adopted in its stead.

Bill of Sale.—A contract conveying to others any specified interest or right a person has in goods, chattels, ships, &c.

Board.—The directors or managers of a public institution or company, in their collective capacity. *Bureau*, in France is an equivalent term.

Bona Fide.—Two Latin words, which signify in good faith. An expression used to denote that anything is done without fraud or deceit.

Bond.—A written instrument, by which a person binds himself to pay money at a certain time, or under certain circumstances.

Bonded Goods.—Goods in bond are those liable to duty, and stored in certain licensed or bonded warehouses, after bond has been given on behalf of the owners of the goods, for the payment of such on their removal for consumption.

Book Debts.—Amounts standing in the books of traders as due to them, which are commonly classified as *good, doubtful, or bad.*

Brokerage.—The per centage or consideration charged by brokers on effecting their bargains.

Brokers, in commerce, are persons engaged as middle-men, to negotiate bargains between buyers and sellers. Some are licensed by public authority and give security for the faithful performance of their duties. They are, strictly speaking, precluded from trading themselves. The principal are:—Produce Brokers, Bill Brokers, Stock Brokers, Ship Brokers, and Insurance Brokers.

Brokers' Contracts—Notes signed by Brokers, and forwarded to their principals, immediately on the completion of purchases on sales, the goods are described, and terms and conditions stated.

Bullion.—Uncoined gold or silver, in bars or in the mass. It is a term, however, commonly used to denote these metals both in a coined and uncoined state.

Capital.—The original sum of money embarked in a business or public company, as it may stand affected by subsequent gains or losses.

Cargo.—A collective term for the merchandise on board a vessel. Ship-owners or charterers having a lien upon each portion of a cargo for its respective amount of freight. It is usual to find the cargo stopped for freight, when payable at the port of destination.

Cash Account.—An account in which nothing but cash transactions are recorded.

Cash-Book.—In book-keeping, the book in which all cash receipts and payments are recorded in a Dr. and Cr. form. It is the custom in large establishments to have subsidiary books, as the Petty Cash Book, and Bill Book; also a rough Cash Book

for the immediate entry of transactions, to be transferred afterwards in a perspicuous manner in the Cash Book.

Cash Credit.—An agreement by which persons are permitted to draw from bankers a certain fixed sum on personal or equivalent security deposited with them.

Chambers of Commerce.—Local associations of commercial men, formed for the purpose of regulating and protecting their general interests.

Cheque.—A written order upon a banker to pay a specified sum to a person named, or to the bearer. If crossed with two lines, this indicates that payment is only to be made on its presentation through a banker; and if crossed with the name of any banker, that it is only to be paid through the one thus named. Cheques are payable immediately they are presented, and are transferable without any indorsements. The term *draft* is sometimes used instead of cheque.

Circular Note.—A note or bill issued by bankers for the convenience of travellers, affording a choice of various places for obtaining its payment.

Circulating Medium.—The authorized or recognized means of making payment in a country.

Circulation of a Bank.—The amount of licensed issue of its own notes, payable to bearer on demand.

Commission.—The per centage charged by agents for buying or selling goods, or negotiating business of any kind. When an agent guarantees the credit of a person to whom he sells goods it is usual to charge an additional commission.

Company.—An association of two or more persons, for the purpose of carrying out, by private arrangement amongst themselves, any desired operations, and sharing the profits and losses, as may be agreed upon, is called a private company.

A *Public Company* is established either under a special

Charter from the Government, which renders every member liable in his whole property for the debts of the concern, or under the Limited Liability Companies Act, which limits the liability of the members to the amount of their subscribed shares. It is called Public, because the shareholders are constituted of all persons who choose to take shares.

Compounding with Creditors.—Debtors paying a portion of the claims of their Creditors by way of composition, on the latter, by agreement, giving an acquittance for the whole.

Conditions of Sale.—The declared terms upon which goods are sold.

Consignee, Consignor, Consignment.—A person to whom a consignment or parcel of merchandise is shipped or forwarded, for sale or otherwise, is termed the consignee, the person sending, the consignor.

Consul.—A public official, stationed in a foreign country to watch over the interests of the one he represents, and of its subjects located there.

Contingencies.—Liabilities likely to arise, but which cannot be exactly determined.

Contra.—A Latin word, used in accounts, signifying *against*—or, *on the other side*.

Contraband.—In commerce, a term for prohibited articles. It is also frequently applied to a smuggling or clandestine trade.

Contract.—A verbal or written agreement between two or more persons, which binds them to certain relative specified acts—as, to buy and sell goods.

Contractor.—A capitalist or person who binds himself to others to effect certain works, or to supply certain quantities of goods or materials, on specified terms and conditions.

Conveyance.—A deed by which property in lands and tenements is conveyed from one person to another. A conveyance

of some advantage or right arising out of land, is called a *grant*, as, a grant of an annuity, &c.

Coupons.—Small printed forms of warrant, for dividend or interest attached to foreign bonds, for the purpose of being cut off and presented as each payment falls due.

Credit.—A term expressive of trust or confidence, and used when property is supplied, upon the understanding of payment at some future time. The supplier gives credit and the supplied receives credit. It is also applied to the position or standing of persons, who are thus said to be in good credit or out of credit.

Creditor.—One to whom money is due in contra distinction to debtor.

Currency.—The coin, notes, or other media for the exchange of commodities, circulating in a country.

Customs.—Duties levied on the importation or exportation of goods, as a means of revenue for the country.

Day-Book.—In Book-Keeping, the book in which sales are daily entered as they are effected.

Days of Grace.—The number of days allowed beyond the expressed terms of a bill before payment can be legally demanded. They vary much in different parts of the world. The following are the number of days allowed at the respective places:—

Amsterdam.....	0	London	3
Antwerp	0	Lisbon	6
Altona.....	12	Madrid.....	14
Barcelona	14	Malta.....	13
Berlin	3	Naples	0
Bilboa.....	14	New York	3
Cadix.....	6	Paris	0
Dantzic.....	10	Rio de Janeiro.....	15
Frankfort	4	Rotterdam	0
Geneva.....	5	St. Petersburg.....	10
Genoa	0	Trieste	3
Gibraltar.....	14	Venice.....	6
Hamburgh.....	12	Vienna	3

Debit.—In Book-keeping, an entry on the debtor side of an account.

Debtor.—One owing money, in contra distinction to creditor.

Decimal System (The) is dependent upon the unit of measure (whether that measure be capacity, weight, or value) by tens. The recent introduction of the florin or two shilling piece into the British coinage, was the first step in this direction, that coin being one tenth of a pound sterling. If the florin were divided into ten new coins—cents, for example, the new cent would be one hundredth of a pound sterling, and a subsequent division of the cent into coins of some other denomination—mils for example, the mil representing one hundredth of a pound sterling, would complete the decimal system for money. The advantages of such a division are obvious, as calculations now requiring much labor, would be simplified, in fact, the multiplication and division of large sums would often be effected at sight by the mere change of position of the decimal point. The same principle applies to weights and measures.

Deposit.—A mercantile term for definite sums of money placed with bankers and others upon certain specified conditions. An account recording such transactions is termed a *Deposit Account*, as distinctive from a current account.

Director.—One of a body of proprietors deputed by the rest, with power to control and direct its operations.

Discount.—A per-centage allowance on prompt payments of money. As applied to bills, a per-centage allowed or deducted from their amounts by way of interest on the sum paid in anticipation; and as applied to stocks and shares, the depreciation below a standard or fixed price, as a stock of which \$100 sells for \$90 is said to be at a discount of 10 per cent.

Dishonor of a Bill.—A drawer—the person on whom a bill is drawn—refusing to accept, or an acceptor failing to pay when it becomes due. In either case notice should be immediately given

to the person from whom it has been received, provided he is an indorser as well as the drawer.

Dissolution of Partnership.—Partnerships are dissolved in various ways; by elapse of the time agreed upon when they were originated, by death, by mutual agreement, or by bankruptcy.

Dividend—The name given to the periodical division of the funds arising from the profits of public companies. The distribution amongst creditors out of the estate of a bankrupt is also called a dividend.

Draft.—In commerce, a term frequently applied to both bills and cheques. Also, a small customary allowance made in weighing certain articles of merchandise, equivalent to a turn of the scale.

Dutch Auction.—The plan of offering articles at a nominal price somewhat above their value, and gradually lowering them until accepted, the person who first assents becoming the purchaser.

Duties.—Taxes or imposts of any kind upon merchandise or manufactures, payable either through customs or excise.

Exchange.—A term denoting transactions by which persons in one country liquidate their debts with those resident in another, without the transmission of money, the instruments by which this is accomplished, being called *Bills of Exchange*. Independent of this legitimate transmission of bills, extensive operations are carried on by merchants and others speculating on the probabilities of a rise or fall in the various rates.

Giving a single example:—£5000 paid in London for bills on Calcutta, at the rate of the day, say: 2s. per rupee, gives 50,000 rupees, which, being received by an agent there, and invested in bills on London at the rate then current, say: 2s. 1½d. per rupee, gives £5,312 10s., and shows a profit of £312 10s., less agents commission and interest on the £5000, from time of payment in London until the due date of the bills for £5,312 10s. Supposing, however, the rate on London to have been 1s. 10½d., per rupee when the 50,000 rupees were received in Calcutta, and uncondi-

tional instructions to the agent had compelled an immediate return of the sum, the bills on London would only have amounted to £4,687 10s., and would have made a loss of £512 10s., besides commission, etc.

Exports.—Goods sent out of the country.

Factor.—An old term for agent, still retained in some trades ; as corn-factor, fish-factor.

Factory.—An establishment in which some branch of industry is carried on.

Failure.—In commerce, the suspension of payments by traders.

Firm.—A term applied to any trading establishment carried on by more than one person, or styled with more than one persons name.

Freight.—The sum paid for the transportation of merchandise forming the cargo of a ship. It is usual for shippers to agree to the rate of freight previous to shipping goods, otherwise the extreme current rates are charged. All goods are liable for freight, and their delivery can be stopped for its payment ; but they cannot be detained on board ship. Generally a delivery of goods is essential to the earning of the freight, but in certain cases it is payable where no delivery is made, as when cargo is thrown over-board, and its value is recoverable under a general average. In cases of total loss it cannot be claimed.

Goods.—A general term for merchandise of any kind.

Good-will.—The advantage accruing to any concern from an established trade.

Guarantee.—Conditional or secondary responsibility, as an engagement to pay money in event of the failure of the person or source to be personally looked to.

Honoring.—In commerce, duly meeting claims or obligations, as a person accepting a bill drawn upon him, or paying a

bill at maturity; the first is said to be honoring the signature of the drawer; the latter honoring his own acceptance.

House.---A word almost synonymous in its meaning with firm, but occasionally applied as well to a concern carried on under the name of one person only.

Imports.---Goods brought into the country.

Indenture.---A deed or agreement in writing, with special covenants.

Indorse.---To write on the back of a document. The person writing is the indorser; the person to whom he transfers any right is the indorsee; and what is written, is the indorsation or indorsement.

Insolvent.---A person whose resources are insufficient to meet the whole of his liabilities.

Interest.---The produce of employed capital, or the consideration due at the end of the term for which money has been used. When money is lent with the stipulation that interest shall be regularly paid, yearly or half-yearly, and not to be added to the principal as it occurs; it is termed simple interest; and when the stipulation is made that interest as it becomes due shall be added to, and become part of the principal, it is termed compound interest, as the successive additions bear interest upon interest. Interest is also a term applied to any inherent or other right in, or benefit to be derived from, property, business, or security.

Investment.---In commerce, laying out money. Capital sunk or employed in any permanent way, is said to be invested.

Invoice.---A mercantile term for the account specifying the contents of each package of goods shipped, their cost and the charges upon them---now generally applied to all specifications of goods in wholesale trades.

Invoice Book.---In Book-keeping, the book in which the ac-

counts of goods purchased are entered. When the daily sales are likewise recorded in an Invoice-book, instead of in a Day-book, it is customary to distinguish them as Invoice-book inwards, and Invoice-book outwards; the former for purchase, the latter for sales.

Journal.---In Book-keeping, an intermediate book used in the double entry system for collecting the entries in the auxiliary books, and apportioning and classifying them before posting to the Ledger.

Lac.---A term used in India, denoting a sum of 100,000.

Ledger.---In book-keeping, the principal book, containing a classified register of the transactions occurring in a business.

Letter of Credit.---A letter from bankers, or mercantile houses, addressed to their agents or correspondents elsewhere, requesting them upon the credit of the writer, to pay or advance money to a certain third party, the bearer of the note.

Liabilities.---A commercial term, in contradistinction to assets, comprehending the entire debts and pecuniary responsibilities of a person or corporation.

Liquidation.---A course of settlement or winding up.

Lloyds.---Subscription Rooms in the Royal Exchange, London, where the private underwriters or marine insurers attend for the transaction of their business. The members, by a well organized system, procure valuable intelligence respecting shipping from all parts of the world, and afford facilities to the maritime interests of the country. Formerly, the members assembled at Lloyd's Coffee-house, from which the name of the present Association is adopted. An elaborate register of shipping is kept, called "Lloyd's Register," which gives the tonnage, age, build, character, and condition of each ship, whose owners conform to their rules. It is published annually for subscribers, and is

followed by occasional supplements, as additions and alterations require.

Manifest.—A statement made out by the master of a vessel previous to leaving port, specifying the whole of the cargo, ports of destination &c.

Merchant.—Generally understood as the importer or exporter of his own goods. A merchant also receives the consignment of others, and effects purchases for them, for which he charges an agency commission. He likewise conducts monetary transactions for others, as in the sale and purchase of bills, grants credits, and in many respects acts the part as well both of agent and banker. The term is also adopted by small dealers. Goods in their customary sound state, are said to be in a merchantable condition; and those in any way below the ordinary standard, in unmerchantable condition. Damaged produce is frequently made merchantable by picking or separating the damaged particles from the sound.

Monopoly.—A privileged or other absorption of an entire trade or branch of industry.

Noting of a Bill.—A note taken of its presentation for acceptance or payment, customarily effected on a second presentation by a notary, as a proof of the claim having been duly made.

Open Account.—An account in Dr. and Cr. form, showing all open transactions between two parties, setting down the amounts of those that are determined, but not matured, and estimating the out-turn of those still pending; so that the balance shows a close estimate of the respective positions of the parties.

Par.—Exact corresponding value, neither enhanced by premium, nor depreciated by discount.

Par of Exchange.—The comparative intrinsic value of the specie of different countries, according to their fixed standard of weight and purity.

Partnership.—The combination of two or more individuals

for the purpose of business in common, each deriving a share of the profits, or bearing a corresponding share of the losses arising from it. The term is generally applied to those associations in which the partners personally direct the business, those of a more extensive character, conducted by directors and other appointed officers, being called companies. The essence of a partnership, as between those interested, is participation in uncertain profits and losses, as regards third parties, is sufficient to make the participators liable to them, thus, a clerk stipulating for a share of the profits of a business, as consideration for his services, becomes responsible to third parties as a partner. The act of one partner is binding upon the others, provided it be in the ordinary course of the business of the firm. A written agreement though in every way desirable is not essential to the formation of a private partnership.

Pass-Book.---A book passing between bankers and their customers, which records all payments and receipts. It is written up by the banker's clerks as often as required, and is usually balanced to a point once a month.

Petty Cash-Book.---In Book-keeping, a book used in large establishments as an auxiliary to the cash book. It takes note of all sums paid and received, below a certain fixed amount, say £2, £3, or £5, marking the limit for entries in this book.

Plant.---A trade term, comprehending fixed machinery, implements, or other requisites for carrying on a business.

Posting.---In Book-keeping, transferring the entries in the journals or other books to their separate accounts in the Ledger.

Premium.---An additional sum beyond a standard or fixed price. Shares are said to be at or to bear a premium by as much as their market value is above the sum originally fixed and paid upon them; thus, supposing shares, with £20 paid upon them, and their market price £25, the additional £5 would be called the premium upon them.

Price Current.---A list or enumeration of various articles of commerce, with the market price of each.

Principal.---In commercial transactions, signifies the responsible person. It also applies to the partners in any establishment, who are spoken of as the principals.

Proceeds.---The actual result or sum produced by any sale.

Produce.---The raw productions of a country; a term more frequently applied to those of foreign growth, such as tea, cotton, sugar, coffee, drugs, &c.

Promissory Note.---A written promise by one person to pay another person, mentioning a specified sum of money at a stated time. It is subject to the same laws, and may be transferred by indorsement in the same way as a bill of exchange.

Quotations.---Stated prices. It is usual to quote the prices of certain articles, inclusive of the charges incurred in their delivery on board ship, which are termed quotations, f.o.b. (free on board).

Receipt.---An acknowledgment in writing of having received a certain sum of money from a person named. It may be either a voucher of a debt discharged, or of one incurred.

Remittance.---A sum of money, or bills of exchange, sent from one person to another.

Reserve.---A fund set aside for the purpose of meeting any extraordinary contingencies which may arise.

Rest.---In banking, the amount of accumulated profit applicable for the purposes of dividend.

Returns.---A term applied to any merchandise, or bills of exchange, purchased as a means of returning the proceeds of consignments received; also the amount of a traders' sales.

Sample.---A small portion obtained from the bulk of any article of merchandise, serving as a specimen of the whole.

Securities.---Documents representing or securing a right to money or property of any kind, such as, bills of exchange, warrants, deeds, bills of lading, policies of insurance, leases, and bonds.

Set-off.---A counter-claim by the person on whom a demand is made ; the sum due by one operating as payment, or part payment, of the sum due by the other.

Share---*Shares.*---The proportion of interest in any undertaking or Company.

Short Exchange.---Bills of Exchange drawn for short payment, at sight, or three days after sight.

Sight.---Presentment of those Bills of Exchange, whose due dates are determined by the period at which they are first seen, or sighted, by the persons on whom they are drawn.

Sinking Fund.---An accumulative fund set apart for special appropriation, such as the extinguishment of a debt.

Solvent.---Having sufficient means to cover all debts and liabilities.

Specie.---Coined money of any kind.

Standard.---A fixed or determined point, by which certain things are adjusted, as a standard of value, quantity, or quality.

Staple.---A chief article of a country's production or commerce, as tea, the staple article of China, cotton the staple article of the United States, or coal, iron, and manufactures, the staple articles of Great Britain.

Sterling.---The denomination given to English money.

Stock.---Accumulated goods or money. By dealers, goods in possession are spoken of as stock in hand. By commercial men and bankers, their amounts of capital are called stock. The term also applies to any of the various capital debts of different countries, which are termed, collectively, stocks.

Stock Book.—In book-keeping, the book used by dealers for the periodical entry of inventories and valuations of the goods they may have on hand at the time of taking stock.

Suspension of Payments.—A trader ceasing to pay any of his debts on becoming aware of his inability duly to discharge the whole.

Tare.—Is a deduction for the weight of a package in which goods are secured. It is of three kinds, actual, average, and estimated. Actual tare is where each package is weighed separately from its contents; average tare, is where the packages are numerous, and of a similar size and character, and a few are weighed so as to form an average for the whole; and estimated tare is when packages in particular branches of commerce are so invariably alike as to warrant a fixed per-centage allowance for them.

Tariff.—A table of charges. Also, an enumeration of articles on which duty is levied, with the various rates charged, as well as the articles which are prohibited or exempt.

Tender.—An offer, in writing, to supply certain goods, ships, or articles, on specified terms and conditions. Also, a presentment or offer of money in satisfaction of a debt or claim.

Traveller.—A person engaged by wholesale houses and manufacturers to canvass for orders, collect money, and represent their interests away from the establishments.

Tret.—An allowance of 4 lbs. on every 104 lbs. on certain articles of merchandise for dust, &c.

Underwriter.—In marine insurance, generally applied to the individual insurers at Lloyd's and elsewhere, who underwrite or subscribe their names to each policy they are concerned in.

Vendor.—The person on whose behalf a sale is effected, or who is himself the seller, is termed the vendor, and the one for whom a purchase is made, or who is himself the purchaser, the vendée.

Voucher.---Documentary evidence or proof in writing of the payment or receipt of money, or of other transactions.

Warehousing.---A system of storing imported goods in public warehouses on their being landed from the vessels pending their disposal for home consumption or for re-exportation.

Wharfage.---A charge for receiving and removing goods on the quays of the various docks or wharves either on their shipment or landing.

Winding up.---A term applied to the closing up of any transactions or business.

BOOK-KEEPING.

Book-keeping is the art of recording and, classifying a merchant's or tradesman's daily transactions, and of keeping an account of his property and debts.

The property of persons in business may be comprised under the following heads:—

- I. Stock in trade, including goods, warehouses, machinery, ships, or whatever species of stock is employed in the business.
- II. Accounts, or debts owing to the merchant.
- III. Bills.
- IV. Cash.

A merchant's books ought to exhibit clearly the whole amount of his property, with the particulars of which it is composed; and also the amount of his debts. The following are the most important of the books, used in book-keeping:—

Day Book.—For goods sold on credit.

In voice Book.—Goods bought on credit.

Cash Book.—Cash received and paid, discount received and allowed.

Bill Book.—Bills receivable and payable.

Ledger.—To contain an abstract of the other books.

Stock Book.—To contain an inventory of the stock on hand at the time of balancing the books.

The following subsidiary books are also in general use:—

Account Book.—To contain a list of accounts owing to, and by the merchant.

Warehouse Book.—To contain an account of the quantities of goods received, sent out, and on hand.

Memorandum Book.—To contain temporary memorandums.

Letter Book.—To contain copies of letters. Various other books are required according to the nature of the business.

DAY-BOOK.

The purpose of the Day-book is to keep a daily account of all goods sold on credit, that is, goods that are not paid for at the time of being sold. When a merchant sells goods on credit before sending them away, he enters in his day-book the names and addresses of the persons to whom they are sold, with a description of the goods and their prices, also any other charges, as shown in the following examples. The particulars of the entries are filled into the inner money columns; the sums total into the outer columns, thus:—

If on January 1st, you sell to John Templeton, New York, 20 yds. of black silk @ \$2, 12 yds. velvet @ \$4, and 15 yds. of linen @ \$1, and if, besides, you wish to make a charge for packing and commission, the transaction will be entered in your day-book, as follows:

JANUARY 1st., 1865.

John Templeton, New York, Dr.					
To 20 yards Black Silk, at \$2	40				
“ 12 “ Velvet, at \$4.....	48				
“ 15 “ Linen, at \$1.....	15				
“ Wrapping and Packing.....	1				
“ Commission	3				
	—	—	—	107	

When you sell goods to a person who does not pay for them at the time, he is said to be your debtor, hence in the above example, John Templeton is entered as “ Dr. To.”

INVOICE BOOK.

This book is used for keeping an account of all goods bought on credit, it is so called, because the entries made in it, are copies from the invoices usually sent along with the goods. When the goods are bought and have been received, the names and addresses of the persons from whom they are bought, with a description of the goods and their prices, also any other charges, are entered in the Invoice-Book as below. Thus:—

If on January 1st., you receive from James Stewart, & Co., Boston, 180 yds of black cloth @ \$3; 80 yds. of brown cloth @ \$4; and 80 yds. of olive cloth @ \$5; and if a charge of \$3 is made for packing, &c., you make the entry in your Invoice-Book as in the following example table. The entry being copied from the invoice which you have received from James Stewart, & Co. Instead of copying the particulars of the invoices, it is often more convenient to copy the amount only, as shown in the second entry below. The invoices are preserved for future reference if necessary. They may be kept in a book made for the purpose, or tied up in parcels, having the name, date and amount, marked on each.

JANUARY 1st, 1865.

James Stewart & Co., Boston, Cr.				
By 9 pieces Black Cloth, 180 yds.				
@ \$3.....	540			
" 3 pieces Brown do, 80 yds, @				
\$4.....	320			
" 4 pieces Olive do, 80 yards, @				
\$5.....	400			
" Wrapping and Packing.....	3			
			1263	
When you buy goods from a person without paying for them at the time, he is said to be your Creditor, as above.				

JANUARY 20.

Thomas Morton, Leeds.

By Goods as per Invoice, Jan. 19.			480	
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CASH-BOOK.

In the Cash-Book is kept an account of all the cash you receive and all the cash you pay, and of the discount allowed by you, and to you. Two pages are reserved for the entries—the left-hand page for entering the cash you receive, and the discount allowed by you; the right-hand page for the cash you pay and the discount allowed you. Each page is ruled with double columns—the inner columns being used for the discount, and the outer for cash. The nature of cash transactions should be distinctly expressed, and the sums paid or received, written into the money columns opposite each entry. When you get payment of an account, enter on the received side the name of the person from whom you receive the money, and write the amount of cash and discount in the cash and discount columns. It is usual to name the left-hand side the Dr. side, and the right hand side the Cr. side, prefixing "To" and "By" to the entries.

BILL-BOOK.

In this book is kept an account of all "bills receivable" that is, bills of which you have to get payment—and bills payable "that is, bills which you have to pay when they become due. One portion of the book is kept for "bills receivable" and another for "bills payable." The names of the persons from whom you have received the bills or to whom you have granted them, with the sums, dates and other particulars are entered.

THE LEDGER.

The Ledger contains an abstract of all the entries made in the other books. The entries dispersed through out the Day-Book, Invoice-Book, Cash-Book and Bill-Book, are collected together in the Ledger, and arranged in the order of their dates, under the names of the various persons to whom they belong. A page or such portion of a page as is likely to be required, is assigned to each persons account ; each page being ruled with Dr. and Cr. columns. The Dr. on the left-hand side and the Cr. on the right-hand side, the amounts of all the Dr. entries belonging to such person, are copied one by one into the Dr. sides and the amounts of all the Cr. entries into the Cr. sides, of the respective accounts in the ledger. The copying of those entries into the ledger is termed posting. The entries of goods on the Dr. side are posted from the day-book, and on the Cr. side from the invoice-book. The entries of cash and bills are posted from the cash and bill-books.

SINGLE ENTRY.

In Book-Keeping by single entry, each entry in the day-book, invoice-book, cash-book, and bill-book, is posted or entered *once* to some account in the ledger ; hence the term single entry, in "double entry," each entry is posted to two different accounts. Single Entry is used chiefly by retail dealers, as it is more simple and occupies less time in posting than Double Entry.

POSTING THE DAY-BOOK.

The posting of the Day-Book into the Ledger is conducted in the following manner:—Write the name and address of the person first entered in the Day-Book, along the top of a page in the Ledger,—then write below this, on the Dr. side, the page of the Day-Book from which the entry is taken, and the amount of goods to which he is Dr. using the words “To goods,” next enter the persons name, and the page of the Ledger, into an index, to be kept of all the names that may be posted; and, finally, mark the page of the Ledger on the margin of the Day-Book opposite the entry, to show that the entry has been posted. The posting of the first entry being now finished, write in another page of the Ledger the name of the next person mentioned in the Day-Book posting the entry as before; and so on with all the other entries in succession, each to the Dr. of the various accounts.

When you come to another entry against a person whose name has been already filled into the Ledger, write the second entry immediately below the first, using the words “To do.”

EXAMPLE.

If the first entry in the Day-Book is:—

JANUARY 1, 1865.

		\$	c	\$	c
John Templeton, New York.					
1	To 20 yds Black Silk, @ \$2.....	40			
	“ 12 “ Velvet, @ \$4.....	48			
	“ 15 “ Linen, @ \$1.....	15			
	“ Wrapper and Packing.....	1			
	“ Commission	3			
				107	

You write John Templeton's name in a page of the Ledger, and post the entry as follows:—

Dr.		John Templeton, New York.		Cr.	
		\$	c		
1865					
Jan.	1 To Goods.... 1	107			

The figure 1 at the margin of the entry in the Day-Book, indicates the page in the Ledger to which it is posted.

POSTING THE INVOICE-BOOK.

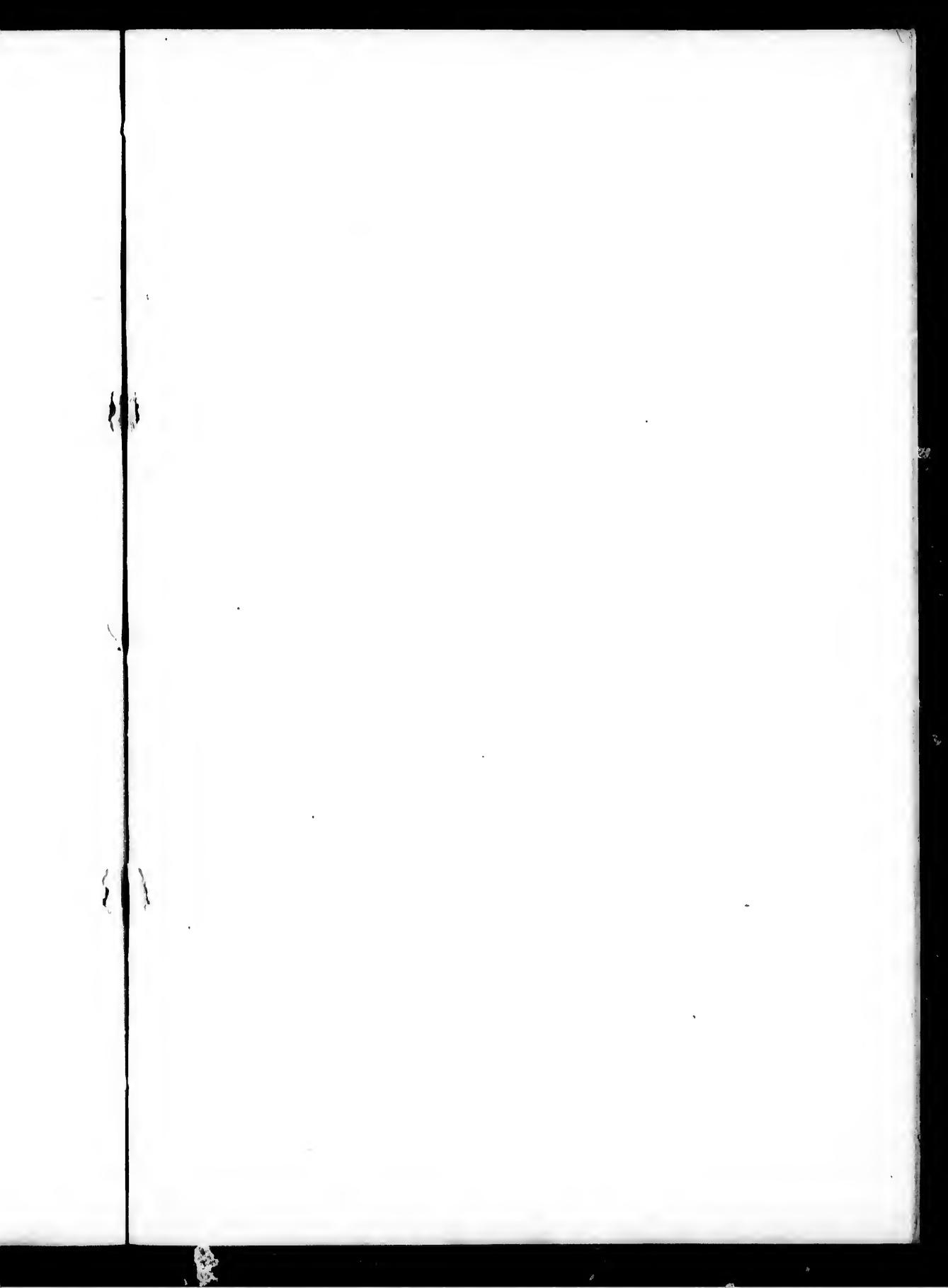
The Invoice-Book is posted in the same way as the Day-Book, each entry to its proper account in the Ledger, all the entries are posted to the Cr. of the different persons, using the words "By Goods" suppose the first entry in the Invoice-Book to be :--

JANUARY 1st, 1865.

James Stewart & Co., Leeds.			
7	By 50 yards Black Cloth, @ \$3.....	150	
" 20	" " Brown do @ \$2.....	40	
		—	\$190

POSTING THE CASH-BOOK.

The entries on the received side of the Cash-Book, are posted to the Cr. of the various persons, from whom or the transactions on account of which, the cash has been received ; and the entries, on the paid side, to the Dr. of the persons, to whom or the transactions on account of which the cash has been received. In the following example, the figures in the margin indicate the pages in the Ledger to which the entries have been posted.



CASH RECEIVED.

1865				
14	Jan.	1	Thomas Brown— Cash at commencement.... This is posted to the Cr. of an account to be opened under your own name, using the words "By Cash."	5000
1		3	James Young..... You have got money from James Young; he is therefore your Creditor for the money, on the same principle that he is your Creditor when you got goods from him.	4 96
12		5	Union Bank..... This Entry is posted to the Cr. of the Bank.	400
14		20	Goods—Cash Sales..... The various entries for Cash Sales are at the end of the month, noted on a piece of paper, and the amount posted to the credit of an account, to be opened under the head of Goods.	20

CASH PAID.

1865			
12	Jan. 1	Union Bank.....	4500
		This Entry is posted to the Dr. of the Bank, using the words "To Cash."	
12	20	Shop Furniture— John Reid's Account.....	400
13	25	Trade Expenses— J. Smith's salary Carriages Rents	30 5 80
		These and all similar Entries for the expense of the Business are, at the end of the month, noted on a piece of paper, and the amount posted to an account, to be opened under the head of Trade Expenses, using the words, "To Cash" Rents, Salaries, &c.	

POSTING THE BILL-BOOK.

BILLS RECEIVABLE. Each entry of Bills Receivable is posted to the credit of the person from whom the bill has been received. Thus :

When got.	From whom got.	Amount.	Date.	Term.	When due.	Entered in Cash Book.
1865						
1 Jan. 2	1 Ben. Rush.	200	1865 Jan. 1.	1 mo	1865 Feb. 4	1865 Jan. 10.

The entry is posted to the Cr. of Ben Rush, using the words "By bill due 4th Feb. \$200." The page of the Ledger to which the entry is posted is marked on the margin.

Bills Payable :—Each entry of Bills Payable is posted to the Dr. of the person to whom the bill has been granted. The following example will illustrate the matter.

When granted.	No.	To whom granted.	Amount.	Date.	Term.	When due.	Entered in Cash Bk.
1865							
2 Jan. 8.	1	J. Stewart & Co. Leeds.	700	1865 Jan. 8.	1 mo	1865 Feb. 11	1865 Jan. 15.

The entry is posted to the Dr. of J. Stewart & Co., using the words, "To bill due," Feb. 11, 1865, \$700.

REMARKS AS TO POSTING.

At the end of every week or month, or any other stated period, after all the books have been posted, each entry in the Ledger should be compared with the original entry in the book from which it is taken, to see that it has been posted correctly. When the page assigned to any account in the Ledger is filled up, add the money columns at the bottom, and transfer the sums to a new page, where the persons name must be written as before. If

a person who is owing an account, becomes insolvent, and pays a composition, enter in the Cash-Book the sum he pays, as a composition of so much; and after posting it to his credit, carry the balance still due, to an account to be opened under the head of "Bad Debts," to this account are also transferred all other bad debts, that is, accounts of which you are unable to obtain payment from the parties. It is of little consequence in what order the accounts are posted into the Ledger; for convenience, however, it is desirable to keep the Dr. accounts, being those posted from the Day-Book, in one portion of the Ledger and the Cr. accounts, being those posted from the Invoice-Book, in another portion. When the Cr. accounts are numerous, they may be kept in a separate Ledger.

BALANCING THE LEDGER.

To ascertain at the end of the year, or at any other time that may be most convenient, what is the sum total of the various accounts, owing by you, and owing to you, it is necessary to add up both sides of all the unsettled accounts in the Ledger, and to mark how much is the Dr. or Cr. balance of each. This is called "balancing the Ledger," or closing the accounts in the Ledger. When it is found that both sides of an account are equal, write it off, as settled, at any time when entries are made which equalise the two sides.

EXAMPLE.

Dr.				Henry Morton, Squareville.				Cr.			
1865						1865					
Jan.	1	To Goods...	1	50		Jan.	3	By Cash, ...	1	70	
	3	To do....		20	50			Discount...			50
				<u>70</u>	<u>50</u>					<u>70</u>	<u>50</u>

When the Dr. side of an account is the greater of the two enter the difference on the Cr. side using the words "By balance

forward," then rule off the account as balanced, and enter below on the Dr. side, the Dr. balance, using the words "To balance."

EXAMPLE.

Alexander Patterson.

1865	Jan. 5	To Goods	2	15	"	1865	Jan. 20	By Cash	1	20
	Feb. 9	To do...	4	100	"		30	" do.....	2	30
	20	To do...	5	50	"			Bal. forward		115
				165						165

When the Cr. side is the greater of the two, enter the difference on the Dr. side using the words "To balance forward," then rule off the account as balanced, and enter below on the Cr. side, the Cr. balance, using the words "To balance."

EXAMPLE.

Thomas Thomson.

1865	Feb. 20	To bill due.	3	400		1865	Feb. 28	By Goods.	4	250
		March 31.					Mar. 10	By do....		200
		Bal. forward		50	—					150
				450	—			By balance		50

When there are entries on only one side of an account, the sums are merely added up. In actual business, it is unnecessary to balance off unsettled accounts in the way stated above. When there are entries on both sides of an account, only that containing the greatest amount, say the Dr. side is added in ink; the other side is added in pencil and then deducted in the same temporary way from the Dr. side, to show the balance. The balance is permanently carried forward, and the account ruled off, only when finally settled.

After the account has been balanced off, the various balances should be carefully examined to ascertain that they have been correctly brought forward. It is common in balancing when there is a blank space on one side of an account to draw a diagonal line across it.

TAKING STOCK.

An inventory of Stock-in-Trade should be taken at least once a year, with the view of ascertaining the state of your affairs. A list of all the goods kept for sale, that are on hand at the time of taking stock, with the prices, is entered in a book for the purpose termed the "stock book." The goods are valued at cost price, or when necessary, at a percentage below cost price, to allow for bad stock, or depreciation in value.

The amount of stock of a more permanent nature, such as buildings, machinery, shop furniture, &c., is also entered the value being ascertained from the accounts opened in the Ledger, under these or other suitable heads as the case may be. In such accounts, a deduction of 5 or 10 per cent yearly requires to be made from the original cost, to allow for tear and wear.

BALANCE SHEET.

To ascertain the state of affairs at the end of the year, or at any other convenient time, it is necessary to draw out a balance sheet. That is a statement showing how much is owing to you and by you; also the amount of cash, bills and stock on hand, and what is the balance, if any, in your favor. To do this, open an account in the Ledger, under the head of balance sheet, and make the following entries on the Dr. and Cr. sides.

ON THE DR. SIDE.—The amount of accounts owing by you, as ascertained from the Ledger, deducting the probable amount of discount you will be allowed at settlement, and the bills owing by you, as ascertained from your bill-book.

ON THE CR. SIDE.—The amount on hand of goods for sale

ON THE CR. SIDE.

The amount of your capital at the time of stock-taking as shown in the balance sheet. The amount of cash taken by you for your own use during the year, as ascertained from your account in the Ledger. Then add up the two sides, and if the Cr. amounts is more than the Dr. side the difference is the profit for the year, and is carried to the Cr. of your account as "profit." The interest is also carried to the Cr. of your account. If the Dr. side is the greater of the two, the difference is the loss, and is carried to the Dr. of your account as "loss."

EXAMPLE.

Dr.		Profit (or profit and loss.)	Cr.	
1856			1865	
Jan. 1	To capital		Dec. 31	By Capital
	this date. 14	5000		at this date. 15
Dec. 31	Interest 7			Cash taken
	Pct... 14	350		for personal
	Profit "	1450		use 14
		<hr/>		
		6800		<hr/>
		<hr/>		6800
				<hr/>

The net profit is shown above after paying trade expenses &c. By adding to the net profit the amount of expenses and bad debts. the gross profit will be ascertained. Thus :

Net Profit.....	\$1450
Trade Expenses.....	300
Bad Debts.....	50
	<hr/>
Gross Profits	<u>\$1800</u>

PRIVATE ACCOUNT.

Your own private account for cash paid into, or drawn from, the business, is kept and balanced in the following way. On the



Dr. side are entered:—the various sums you draw from the business on your own personal account.

On the Cr. side are entered. The sum or capital you embarked in the business, at the commencement, and any sums you may pay into the business afterwards. Interest at current rate on your capital.

The profit, if any gained during the year or other given time. If instead of a profit there has been a loss during the year, the loss is carried to the Dr. of your account.

EXAMPLE.

Dr.		Thomas Brown.		Cr.	
1865				1865	
Jan. 30	To Cash ... 2	50		Jan. 1	By Cash.... 5000
Mar. 6	To do ... 6	100		Dec. 31	Interest..... 350
June 30	To do ... 7	75			Profit. 1450
Aug. 9	To do ... 8	30			
Dec. 1	To do 9	20			
" 31	Balance forward.....	6525			
		<hr/> 6800			<hr/> 6800

The Balance sheet, the Profit and Loss sheet, and the private account, are usually kept in a separate Ledger termed "Private Ledger."

ACCOUNT FOR GOODS BOUGHT AND SOLD.

This is an account which, strictly speaking, belongs not to single but to double entry. As it is desirable, however, in every business to know the amount of goods bought and sold, during the year, or any other given time on account for "goods," can be kept in this system. Double entry to the extent required for this account is quite simple and may be advantageously employed in any retail system with little additional trouble. See following directions :—

DIRECTIONS.

DAY-BOOK.—Add up the sums total in the outer columns, at the end of every month, and post the amounts, being the total of goods sold on credit, to the Cr. of an account to be opened under the head of “ goods.”

INVOICE-BOOK.—Add up the sums total in the outer columns, at the end of every month, and post the amounts, being the total of goods bought on credit to the Dr. of the goods account.

CASH-BOOK.—Add up, on a piece of paper at the end of every month, the entries for cash sales and purchases, and post the amounts being the sums total for the month, to the Dr. and Cr. of the “ goods” account. The whole amount of goods sold during any given time is in this way ascertained.

PROFIT.—The profit may be ascertained from this account, as follows:—Add up the discount columns on both sides of the Cash-Book, at the end of every month, and deduct the amount of discount on the received side, from the Cr. and on the paid side, from the Dr. of the “ Goods” account. Deduct also, at the time of balancing your affairs, the estimated discount on unsettled accounts due to you, from the Cr. side, and on those due by you, from the Dr. side of the “ goods” account, enter on the Dr. side of the “ goods” account, the amount of trade expenses and bad debts; and on the credit side, the amount of goods on hand.—Then add up both sides of the account, and if the credit side be the greater of the two, the difference is the profit gained (including interest on capital). If the debtor side is the greater of the two the difference is the loss. By ascertaining the profit in this way. the accuracy of the other account in the Ledger for profit, and also the accuracy of the posting, will be tested in the result of both accounts, will be the same, if no errors have been committed.

