

**Decisions in Commercial Law.**

**Wakefield vs. Alexander & Co., and Charponiere & Co.**—The effect of qualifying the endorsement of a cheque by the addition of the words "sans recours,"—without recourse—was recently considered by the English King's Bench court, deciding the important point that an endorser of a bill or cheque, who is not a party thereto, may yet avail himself of the provisions of the bills of Exchange Act, and save himself harmless by the addition of the above words. The plaintiff was in possession of fifty thousand rifles and ten thousand cartridges, which he was anxious to sell on behalf of a foreign government. He entered into communication with one, Arnup, a commission agent, who, in turn, opened negotiations with Alexander & Co., who were in the habit of transacting their business at the office of the other defendants, Charponiere & Co. Eventually, Arnup closed an agreement with Alexander & Co. for the purchase of the rifles and cartridges by them within six weeks, one of the terms of the contract being that 1,000 pounds was to be deposited in cash and that 300 pounds should be paid on delivery. On the day fixed for delivery, the group met at the office of Charponiere & Co., where his firm was in the habit of transacting business, and on Alexander's tendering to him the cheque now under consideration in favor of Arnup, and signed by Alexander & Co., the former refused to accept it, claiming that the terms of the contract were for payment in cash. Thereupon, Charponiere said that he would also endorse the cheque, which he did adding thereto the words "sans recours." The commission agent then transferred the cheque to his principal, Wakefield, on whose presentation for payment it was dishonored. This action was brought against the cheque against the drawers, Alexander & Co. and the endorsers, Charponiere & Co. It was contended on behalf of the plaintiff that, under the English Bills of Exchange Act, which in this respect contains similar provisions to our Canadian Bills of Exchange Act, the words "without recourse" could be used only by an endorser strictly so-called—that is by an actual party to a bill or cheque—who wished to contract without incurring responsibility, and that Charponiere & Co., not being such endorsers, but having gone on the cheque to guarantee to Arnup his bona fides, could not avail themselves of those provisions, and thereby negate their liability. It was decided, however, that Charponiere & Co., though not, strictly speaking, endorsers under the Act, were quasi-endorsers and the Act being wide enough to include such persons who are not actual parties to the bill or cheque, and as pointed out above, the provisions of our Canadian Bills of Exchange Act, being identical with the English Act, in this respect, this decision is good law in Canada.—Monetary Times.

**How to Accumulate Profits in Business.**

The accumulation of the profits in business is a serious problem to many retailers, especially among those who are just entering business with little or no previous experience. Few merchants give this problem the attention it deserves and if more attention were given to it undoubtedly there would be fewer failures among the retailers and wholesalers of the country. If you are a retailer, a good plan to set aside each day a certain percentage of the gross receipts. This should be divided among the various partners in the business at the end of each month; or it may be used as a sinking fund and divided among those interested in the business at the end of every quarter or half year, or if you have sufficient capital in the business it may be divided till the end of the year and divided then.

The plan followed by Smith & Brown, grocers in this city, in accumulating the profits, is one that is to be commended and one that will prove fruitful of good results. At the commencement of business the firm was decided to put aside each month a certain per cent. of the gross income to be banked in a savings bank, not a checking or check, and to be used as a sinking or emergency fund. After mature consideration and careful study of the profits it was decided that the

amount put aside should be 5 per cent. of the gross receipts each day. This was at first deposited in the firm name in the Farmers' and Mechanics' Bank of this city, and was allowed to accumulate for several months. In the meantime if the firm found that they needed money badly in the conduct of their business they used their pass book in the savings bank as collateral security on which they borrowed money from other banks for emergencies. The accumulation in the savings bank was not touched, except in one or two instances to meet such emergencies. It was continued at interest until divided as earned profits.

The members of the firm took their groceries from the store which they owned, and of course charged them up and in addition they drew \$6 a week in cash for necessary outside expenses. The 5 per cent. of the gross receipts represented their profits and amounted to anywhere from \$30 to \$125 a month, and this was divided between the two members of the firm and was usually re-deposited in the name of the individual member of the firm. However, after it was divided it was owned by the individual and represented his profits or earnings from the business.

This sinking fund proved of great benefit to the firm in the trying year of 1881, when so many bank failures occurred in the city. Their money required for the payment of current ob-

lances all large corporations, municipalities and other financial institutions which all operate. It can be applied to the retail business of small proportions as well as to the big business indicated. The benefits are to be found in the fact that it gives a reserve fund of cash capital which can be drawn upon in an emergency and also in the fact that at least a portion of the profits are kept intact. If there is less likelihood that they will be wasted, the business will be done more conservatively for the purpose of keeping up these profits, and the benefits to the man or men engaged in and profits are more regular and far more satisfactory. If you have never thought of this scheme, give it a little thought now and begin with the first of April to make daily deposits of such a sum as your business requires it, but if not to go into your own pocket as the profits and earnings from your business and as representing some returns for what you have invested and for yourself that you should do this.—Minneapolis Commercial Bulletin.

**Outside Ventures.**

In spite of long hair and odd manners, poets often say things that live

not with them on the ground floor. I watched the enterprise with curiosity and pleasure. It was a kind of mining, on my part. I kept posted on the assessments required, which I noticed were regular and costly. Gold mine owners, however, are not expected to stick at trifles. Expensive machinery was needed and purchased, and one day news came that a fortune was in sight. The shares at once became buoyant, but few were sold, owing to the situation injected into them. The expected fortune, however, proved unprofitable. The shares settled back, and the mine is still there it was, with thousands of dollars absorbed and slim hope of disengagement.

I merely mention these interesting facts as a warning to sanguine or inexperienced men to husband their resources. Men who have much surplus money can afford to take flyers, or indulge in schemes which look queer and funny. It is unwise and dangerous, however, for those with only a little more money in the bank than absolutely required for ordinary needs to put it into places from which it cannot be quickly withdrawn.

It often takes years of worry and grinding anxiety for men to learn the joy and relief of owning quick assets. For instance, if a shoe or leather manufacturer finds he has \$10,000 that he can spare to invest outside of his own business, it is vastly safer to buy stocks or bonds of the right kind than stick it in real estate, houses or similar



ligations was deposited in one of the banks which failed—this did not include the accumulated profits—and one up to find that their surplus cash had been wiped out and they had no available assets other than the stock on hand and the emergency fund in the savings institution. They had a large cash deposit in the latter, however, and as a number of obligations were pressing at the time they deposited their pass book and secured a loan which enabled them to weather the financial storm without interruption. Had this sinking fund not been available, after the severe loss through the failure of their bank, they would have been hard pressed and an assignment might have been the only way standing of the difficulty. As it was, their did business was strengthened to a degree that helped them immensely in their future business existence.

These facts are stated to give the principal on which the business was conducted. Every retailer should make an endeavor to establish a sinking fund which can be drawn upon in an emergency. If the limited capital on which the business is being conducted will not warrant the depositing of five per cent. of the gross receipts each day in a savings institution, one, or two, or three per cent. should be deposited. If the business will stand a deposit of ten per cent. of the gross receipts, this should be deposited, and a division of the cash profits may be made oftener than every every quarter or half year. It may be made every month.

The idea of a sinking fund is one on

and burn in the memory. Thomas Campbell knew his business when he sang:

"This distance lends enchantment to the view,  
And clothes the mountain with an azure hue."

These may or may not be the words used by Thomas. Never mind. Distance is fascinating. Our own business is a demerit of a grind. The same thing over and over again, and we are making merely a living, possibly a little more than this, while other lines of business are apparently making men rich. Reflections of this kind keep bobbing up.

Some wealthy farmers several years ago annoyed by the burden of their money accepted a proposition to put it into western cattle lands. It stayed there and needed more money to keep it from sinking out of sight entirely. By degrees the fascination of the landscape containing these funds lost its charm. The expected boom in real estate did not materialize. Some had exaggerated or lied. The land was awfully cheap, and cows remained sagged heavily, and the leather trade fell off. The man who had attached his cattle land attachment as a shop asset, simply had to shut up a hopy.

A few years ago the president of a prosperous shoe factory had to call a creditors' meeting. He was making money on shoes, but being interested in nineteen other projects, which had kept his own legitimate business, he went down in a heap.

A few years ago some shoe and leather men joyously told me about a gold mine they had just purchased. I was informed that it was a cinch, and my friends were sorry that I was

ventured, where it cannot be quickly turned into cash.

Trade winds are not always fair, and it is sold satisfaction to business men to be able to obtain money or financial accommodation at brief notice for the many emergencies that arise in business.

After men accumulate a safe reserve fund in bonds or stocks they may then feel justified in operating in houses and lands and enlarging their scope of speculation.

Thousands of men have failed in business not because of lack of capital, but because at a critical moment they were unable to realize on their property. And it must be a bitter pill to the industrious and economical to be forcibly halted and to learn that their zeal has outrun their discretion, and that money saved for emergencies was in an unguarded moment placed in unbankable collateral.

Short memories are the curse of business. Men continue to burn their fingers at the same old fire, express surprise at each new injury. To a man who has seen his business yielding a handsome percentage on the amount invested, the four or five per cent in bonds or stocks is unattractive and lacks the spice of ventures.

On the other hand, those who have known what it is to be pinched for money, even when they had abundance that was tied up somewhere, will content themselves with the comforting peace of mind that the comforting peace of mind had an accumulator of cash at hand available for immediate use that probably ten per cent more than the meager interest actually gotten from the safe and quick asset.—Hilde and Leather.