SOME NEEDFUL THINGS NEGLECTED.

There are probably quite as many bustling, reckless, "slap-bang" merchants among the Americans as among any other nation. People who buy at random—sell in a hurry—cannot find time to take stock. Such persons are as troublesome as a boiler which "foams," and quite as dangerous. They are usually in a physical or mental perspiration; and when cooled off at the close of a busy day or week are too much fatigued to look calmly into affairs and see where they are. We find such people in Canada.

Happily, all storekeepers are not so, on either side of the Line 45°, and the cooler heads now and then find time and take trouble enough to set their hasty brethren right. A sensible man writes from Brooklyn to the *American Grocer*, over the signature O. J., and gives some plain advice under the heading "Small Leaks Sink Great Ships." He says, for example, that retail grocers as a rule are very careless in handling the cash and keeping account of their sales; indeed, there are many so-called merchants who cannot tell the amount of their daily, monthly or yearly sales. They think trade is better this month than last or *vice versa;* but to keep an account that will tell never enters their minds.

With such men there will be some leaks that ought to be looked after and stopped, such as selling goods at an imaginary rather than a real profit. The excuse generally offered for not keeping business accounts as they should be is, "the profits of the grocery business will not afford it." This is wrong. Business cannot afford to be done wrong even when there are monopoly profits. The smaller the margin of profit the *more* closely should the goods on which it is made be watched from the time of the purchase until turned into money. See that the profit is not lost by careless weighing or through deterioration of quality. Some merchants are afraid to look their business squarely in the face. They keep on hoping that in some way they will be in better shape at the end than at the beginning. This is a false hope. That merchant is on the wrong road, and unless he turns about, faces the enemy, strikes off eating cankers in the shape of unnecessary expenses, he will find himself poorer.

To cure this, says O. J., first, by inventory, find out how much *money value* you have in stock, and you will discover many goods on which it will be very hard to extend the prices. These goods may have been bought some two or three years ago from a very affable drummer, who told you they were selling like hot cakes with your neighbors. "Put such goods down at a price that will pay a profit at retail, making the price low enough to sell them, charging the difference between the cost price and the valuation at stock-taking, to the experience account (which with some merchants is quite a large account). After carefully making a correct inventory of your stock, place a value on store-fixtures, horses, wagons, harness, and everything needed in your business, making allowance for wear and tear or use, to which add all your 'good as gold' accounts and money in the bank. This will give you your assets; then get correct statements and find out your entire liabilities, strike a balance and see where you stand. Assuming that you are solvent, commence at once and keep your accounts so as to be able to tell at the close of each day the amount of business, what portion of the sales were cash and what credit." * *

If you are content to "grub along" year after year, even suppose you pay as you go, and make a fair living, you have very little outlook for the future if you do not know how you stand, but are simply ploughing along by rule of thumb. The progressive merchant *must* keep books and record results.

Should any storekeeper reply that he admits the propriety of all this detail, but that he is too busy to attend to it, we would say: your business reputation and success depend upon your knowing where you are, financially. Train your daughter or your son or your clerk to keep some sort of account of your daily transactions. If you do not, some assignee or sheriff will find you out, in six cases out of seven.

BANKERS AND BROKERS.

The question whether advances made by banks to brokers on the security of bonds or other like property (without the knowledge or consent of the owners of such bonds) can be recovered from the owners, was decided in the negative some time ago by Mr. Justice Kekewich in the actions of Simmons *v.* The London Joint-Stock Bank and Little *v.* The London Joint-Stock Bank. That judgment has now been confirmed by the English Court of Appeal, and therefore it is now established that when a banker makes advances to a broker on a deposit of bonds or other securities, he is held to have constructive notice that the securities are not the property of the broker, and must take steps to satisfy himself that they are pledged with the sanction of the persons to whom they really belong. Should he fail to do that, he can acquire no property in the securities as against the real owner.

With respect to the contention that this is rather hard upon the banks, and the attempt to free them of this liability by the extension of the Factor's Acts, the London *Economist* holds it better that the law should remain as it is. "It is practically impossible for the public to deal in securities except through the medium of stockbrokers, and in many cases it is requisite that the securities should be left for some little time in the broker's hands. This is not a matter of choice, but of necessity. Bankers, on the other hand, are under no necessity to make advances while they know perfectly well what the ordinary relations between broker and client are. And if in these circumstances they choose to trust in the broker, and make advances to him on securities which they know may possibly not be his own property, if he acts fraudulently and loss is incurred, it is more equitable that the loss should fall upon the banker than upon the broker's client. That is the effect of the law as it stands, and we confess that we see no sufficient reason why it should be altered."

AMERICAN FINANCIAL MANAGEMENT.

As was to be expected, the recent action of United States legislators in tariff matters has created much comment abroad. Not only this, but the financial management and the commercial morality of that country are more closely criticised than ever. In an article which appeared last week in the *Journal des Debats*, Leon Say, the well known French publicist, criticizes the McKinley Tariff law and the American Farmers' Alliance with great severity. He declares that the U. S., notwithstanding its immense wealth, cannot carry out its industrial, commercial, or agricultural enterprises without European capital. He goes on to say: "The fact of the situation is they have destroyed their credit by abusing it, by maladministration of their transport enterprises, and by their even worse administration of their local finances. Unless a reaction occurs in public morals American credit cannot recover from its abasement, and its agricultural, like its other industries, will remain a prey to successive convulsions, for which transient remedies will be sought by the adoption of experiments certain to fail, continually leading the country to graver crises. It is astonishing that in a country of business men they have brought themselves to believe that there are no limits to money circulation. If America turns its mines into coin and raises the paper currency in accordance with the ideas of the Farmers' Alliance, no agreement will be possible with Europe on the monetary question. Europe would be foolish to transfer its capital to America in exchange for an absolutely useless mass of silver."

THE CIRCULATING MEDIUM IN THE U.S.

The coin and note circulation of the United States at the beginning of 1891 amounted to $1,528,900,000 as compared with $1,430,000,000 at the 1st January, 1890. The condition of the several kinds of circulation, at the close of 1890, is indicated in the following official statement, the amounts being stated in millions:

	G'nrl st'k coined or issued, Jan. 1, 1891.	In Treasury Jan. 1, 1891.	In circulat'n Jan. 1, 1891.	In circulat'n Jan. 1, 1890.
Gold coin	$ 637,3	$226,2	$ 411.0	$ 375,7
Silver dollars	387,9	320,4	67,5	61,4
Subsid'ry silver ..	77,6	18,9	58,6	54,7
Gold certificates..	175,4	31,3	144,0	122,9
Silver certificates	309,8	1,5	308,2	282,9
Silv. Treas. notes..	24,0	2,1	21,8	......
U.S. notes	346,6	3,1	343,4	340,0
Nat. bank notes ...	177,2	3,2	173,9	192,7
Totals	$2,136,2	$607,3	$1,528,9	$1,430,5

The proportion borne by gold coin to the entire circulation is, according to above table, about 27 per cent.; that of silver 8¼ per cent.; of United States notes 22½ per cent.; National Bank notes nearly 11¼ per cent.; silver certificates 20 per cent. The amount of money in circulation in the