

# THE DRY GOODS REVIEW

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## BANKRUPT STOCKS.



As has been the case for some time, the dry goods trade, as far as it pertains to legitimate retail trade, is being injured in many places by the slaughtering of bankrupt stocks. During the past three months failures have occurred which are attributed to the destroying influence of such sales. It is lamentable that old and deserving firms should be injured from such a cause. In the Province of Ontario much of it can be prevented by enforcing the laws with regard to transient traders.

Last October THE DRY GOODS REVIEW pointed out the remedy, and what was said then is repeated for the benefit of those who may be suffering from such traders at the present time.

Merchants who suffer by this in Ontario have only themselves to blame. The Government has done its share, and it only remains for the merchants to do theirs. For those who desire to know the law on the subject, we refer them to the Consolidated Municipal Act of 1890, section 489, sub-sections 9 and 9a. This Act gives any Ontario municipality—city, town, township or village—power to pass a by-law to regulate all transi-

ent traders whose names are not entered upon the assessment roll of the municipality. They may be subjected to a tax not exceeding \$100, payable before commencing to trade in a town or city, and not exceeding \$50 in a village or township. This tax will apply on their first or other instalments of taxes, but if they never pay taxes, it goes to the treasury fund of the town. The tax is not very heavy, but still it may be sufficient to cause many a transient trader to stay out of the municipality into which he has strayed. Merchants should bestir themselves, and as everybody can see at a glance the injustice which is being done to regular merchants, there should be no difficulty in passing such a by-law."

This by-law should be passed by every municipality in Ontario and thus be capable of enforcement when the opportunity offers. Retail dealers have enough to contend with without being robbed of their legitimate trade by unscrupulous and bogus tramp merchants who wander from place to place with trashy merchandise and a red flag.

Another phase of the bankrupt stock difficulty has received a blow in England by a decision which is reported in a recent issue of the Draper's Record. This journal says: "A case reported this week, heard at the Birmingham Spring Assizes, deals with the very important question of the sale of bankrupt stocks, and conveys a timely warning to those who are addicted to the rather free use of borrowed phrases. The plaintiff, Mr. Nathan, had disposed of his stock, it subsequently passed into the hands of the defendants, who then added other goods to it, and advertised it as the assets in "a great failure, and the stock of the plaintiff who was "in liquidation." Naturally the plaintiff, not having failed, objected to the free use of his name in a manner calculated to bring general discredit upon it, and he brought an action for libel against the defendants, and succeeded in recovering a verdict for £85. We are afraid the procedure which the evidence in this case discloses, by no means belongs to this as an isolated case, it has degenerated in some quarters into a systematic practice, which is far from a credit to those who are responsible for it. While sales of bankrupt stocks are generally admitted to have a very prejudicial effect on the retail trade, this is greatly to be regretted, but it is the more to be deplored when we regard it as an example and an encouragement to the hundreds of sham auctioneers who stump the country with their rubbish, and by selling it at ridiculous prices, ruin the trade of localities for months together."

Should this decision be followed in Canada, some of the so-called vendors of dry goods would be in danger. But Canada has no need for such dealers, what is needed is a body of honest and stable retailers.