

THE JOHN EATON CO. FAILURE.

THE John Eaton Co. failure has been the talk of the dry goods trade for some time. This company consisted principally of the Thompson Bros., who purchased the John Eaton business on Yonge street and enlarged it a year or two ago. They purchased later on the bankrupt stock of Samson, Kennedy & Co., and appeared to be doing a thriving trade as a departmental store. When the fire took place the stock was completely destroyed, but being fully insured the company was thought to be all right. Shortly after the fire, suspension of payment was announced, pending the settling up with the insurance companies. The creditors, however, became restive and a full examination of the estate was made. This showed that after the fire the insurance policies had been transferred to the Bank of Toronto as security for its claim of \$207,000. The unsecured liabilities amounted to \$136,178, with assets to meet them of only \$34,350, leaving a deficit of over \$100,000. It appeared also that after the fire several sums of \$1,000 and one of \$5,000 were voted by the company to several of its members for services in the business. This money, though voted, was not paid. Out of the failure, however, have arisen legal proceedings against the Thompsons which are still before the courts, the charge being that creditors were defrauded. Legal proceedings also arose out of applications from several creditors to have the estate liquidated. One set favored assignment to Mr. Clarkson and liquidation in the usual way. The other set applied for a winding-up order. The questions came before Mr. Justice Robertson, who, after hearing arguments, granted a winding-up order. Mr. Clarkson being appointed interim liquidator, a permanent liquidator to be selected later on.

As the case against the Thompsons is before the courts, we make no comment upon that part of the failure. Other features of the case, however, are much commented on. The crying need of an insolvency law, to avoid such preferences as that by which the bank gets possession of the largest share of the assets of the estate, is once more pointed out. The fact that the company found no difficulty in getting goods and credit is also to be borne in mind by the regular trade. It is evident also that a department store, even when run by push and ability, as this one was, is not always a prosperous concern. Another feature—and this we consider the most important of all—is the bad impression that will be created abroad among the British and European creditors.

There are nearly 300 creditors. The Canadian creditors over \$1,000 each are: Hunter, Rose & Co., John Macdonald & Co., G. Goulding & Sons, Reid, Taylor & Bayne, H. J. Caulfield & Co., S. F. McKinnon & Co., E. T. Corset Co., Fitzgibbon, Schafheitlin & Co., B. & S. H. Thompson, John Calder & Co., and a long list of others for smaller amounts in every line of business.

The British creditors are:	£	s.	d.
Bradbury, Greatrix & Co., London.....	706	7	3
Cook, Sons & Co., London.....	360	0	0
Foster, Porter & Co., London.....	339	17	6
A. Bentley & Co., London.....	338	7	3
Walker, Wren & Cooper, Limited, London.....	244	9	0
Leigh, Mills Co., London.....	241	7	11
Rylands & Son, Limited, London.....	209	15	4
Hitchcock, Williams & Co, London.....	201	4	0
Higgins, Eagle & Co., London.....	177	12	7
Wood, Tyrell & Co.....	170	6	0
Copestake, Lindsay, Crampton & Co., London....	162	18	4
Gilmour & Co., London.....	160	7	11
Ward, Sturt & Sharp, London.....	138	18	4
Devas, Rutledge & Co., London.....	131	8	5
Leonard, Gandy & Co., London.....	112	10	2
Edward Hughes & Son, Kidderminster.....	1,345	2	8
Parker, Hodgson & Son, Bradford.....	151	8	5
McKeen, Scarfe & Amore, Bradford.....	136	3	0
M. Bottomley & Co., Bradford.....	127	19	7
John Cheetham & Sons, Hyde.....	129	2	4
Footall, Broadhurst & Lee Co., Manchester.....	118	9	11
Humphreys, Stothardt & Co., Manchester.....	104	14	2
Willis, Nelson & Co., Glasgow.....	636	0	4
Arthur & Co., Glasgow.....	153	2	8
And 38 other amounts under £100, all totalling...	8,317	2	10
or \$40,476.75.			

The following is a summary of the statement:

LIABILITIES UNSECURED.	
English.....	\$ 40,476 75
Toronto.....	35,329 82
Sundry.....	19,492 15
Relatives.....	39,726 00
Preferred.....	1,153 65
Total.....	\$136,178 37
Assets.....	34,350 29
Deficiency.....	\$101,828 08

ENQUIRY INTO THE FIRE.

A public investigation into the fire was opened Aug. 6, and is still in progress as we go to press. No evidence to show that the fire was other than accidental has been adduced thus far, and the Thompsons, the principals in the John Eaton business, are affording every assistance in making the enquiry a thorough one.

Taking the case as a whole, we would be inclined to conclude that the imperative necessity of an insolvency law will be the chief lesson taught by the failure, and this result would be the most satisfactory that could follow.

TRADE NOTES.

WE ARE informed by Kyle, Cheesbrough & Co. that chiffons in various colors and widths are having a very large sale. They are well supplied with these popular goods, and are in a position to fill orders promptly and carefully.

The Gault Bros. Co., Limited, report increased demand for the celebrated "War Cry" make of black wool henrietta.

James Johnston & Co. have just received a choice line of chiffons, and a beautiful new range of blouse silks in the newest designs and shades.

W. R. Brock & Co. inform us that their usual large assortment of Swiss embroidered, fancy and hemstitched silk, cambric and linen handkerchiefs, is nearly complete and contains a number of lines that will not only attract trade, but give a handsome margin of profit to every merchant who buys them.

Down comforters are truly a royal covering. For lightness and warmth nothing can approach them. That tired feeling in the morning is largely attributable to heavy bed coverings and should be avoided. The Toronto Feather & Down Co., Limited, is entitled to great credit for the manner in which this line has been brought before the trade, and the ever-increasing demand is the merited reward.

A PAMPHLET FOR MERCHANTS.

A neat leather-bound pamphlet entitled "Profit Protection, Selling made Easy," has been issued by E. A. Small & Co., Montreal. It outlines a proposition regarding sales, which dealers in ready-made clothing may care to read. If so, a card sent to the firm asking for one will bring a reply.

NUMEROUS REPLIES.

We have received word from the Montreal Wholesale Dry Goods Association that enquiries from merchants, in reply to the invitation advertised in last issue, are numerous, and began to come in as soon as THE REVIEW reached the trade. They all approve of the idea, and the number of visiting buyers promises to be large.

COMPLETE IN RIBBONS.

John Macdonald & Co. have just completed filling in their fall stock. Plain satin, moire, moire antique, reversible satin and cords, crepe and narrow velvet ribbon are the leading features. Their range of double-faced satin ribbons and failles in all leading widths and colors is quite complete.