

NATIONAL INSOLVENCY LEGISLATION.

Commercial opinion is making a strong rally in behalf of a national Insolvency Act. The need for such a measure has been a crying one ever since the repeal of the Act of 1875, and the cause gathers momentum every year. Failures multiply, and sinister influences play an increasingly large part in the occurrence of them. The fraudulent debtor is not nearly so retiring and covert in his operations as he was a few years ago. He knows that the key of the position is in his hands, and the creditors will always parley, if there is a chance of thereby getting any money, rather than risk that chance by bringing the rogue to justice. They do not often enough insist on unconditional surrender. The surrender is on their part in fact, while the terms are dictated in such cases by the man who fails in order to make money. The failure and reinstatement of such a man usually works far-reaching mischief. It causes a disturbance of local trade conditions that may shake the solvency of half-a-dozen deserving merchants. The impact upon the commercial atmosphere causes upsetting waves often a long distance away. It is said that four per cent. of all the failures last year were due to fraud. That proportion might suffice to bring about twenty per cent. of the failures that are assigned to other causes. One town is in memory just now, wherein a few years ago a very large dry goods and grocery store ran a meteoric career. It went the pace that kills, but its failure was no financial suicide, though that failure and the preceding ruinous competition that had been kept up by the house, brought real enough death to many stores in that town, and to several stores in smaller places in the district tributary to the market of that town. The number of fraudulent failures is very small, compared with the number of failures necessitated by fraud.

There is sad need of a Dominion Insolvency Act that will not be rendered nugatory by lax discharge provisions. That is not the only thing that is wanted, though. An application of an insolvent Act to any particular case is one end of a process. The other end is hardly less important; it is the credit system. If that were corrected, it would be possible to get along tolerably well with the present imperfect provincial insolvent laws. But the two ends of the process match each other fairly well. Credit is freely dispensed, failures are numerous and costly. An attendant evil, which has a big share in the production of failures, is the constant strain on capital that doing business without a profit keeps up. Prices are sacrificed as if profits were of no account, and the thrill of savage joy that a trader feels when he makes a sale at a lower price than a competitor asked, seems to compensate him for the pecuniary sacrifice. Price-cutting though is more in the relation of an

effect than of a cause to the frequency of assignments. If settlements can be easily secured there is less need to be careful about profits. But credit-giving needs to be restricted on all hands, not only in the matter of time, but also in that of amount and of financial basis. To make a stringent Insolvency Act without arriving at some resolution for the regulation and restraint of credit-giving, would be like stopping every avenue of exit and keeping up a race of which the only object would be to get out. The present insolvent legislation suits the general conditions of credit: both are lax. Let the credit system be fitted to the plan of insolvent legislation that the boards of trade are engaged in drafting.

Reform, like charity, begins at home. If a patient is determined to take every chance of exposure to catch a certain disease, his application to a physician for a specific for that disease cannot be regarded as serious evidence of a desire for health. Medicine would be as likely to kill as cure, where equal chances are freely given for the progress of the ailment. In the same way, a strict insolvent Act would not be in keeping with a lax credit system and over-worked competition. An insolvent Act would no doubt check the excesses of credit and competition, but it is not a radical means of checking them. The merchants of the country need to adopt some conservative ideas before trade is prepared for drastic insolvency legislation.

A national insolvency Act is called for and it is hoped a satisfactory one may be passed during the present session of Parliament. Even if all the provincial insolvency laws were good, they ought to be superseded by a federal Act, for the difference in these laws is a grave drawback. An Ontario merchant is apt to be ignorant of the course he should take to retain his claim on goods sold to a customer in Nova Scotia. This diversity should be removed. Insolvency matters should be regulated by federal law, as trade matters, postage matters, and many other interests that are inter-provincial in their relation.

DOES ADVERTISING IN TRADE PAPERS PAY?

To pay or not to pay—that is the main question.

The advertiser may put the inquiry in this way: Does such and such a paper reach the very class I wish to interest and sell to?

The answer cannot be given in a single sentence.

There is a great difference in our trade papers. One paper may while another may not reach the special class an advertiser would cater to.

How is he going to find that out except by making the experiment? There is no other way. The trade paper must be tried and judged by results.

The staple argument of the trade newspaper owner or agent is, that his paper goes to all the people doing business in a certain line. Hence an advertisement will surely reach them.

To this rule there are some exceptions. Talking the other day with a manufacturer of bakers' and confectioners' utensils, who

has only a small card in his trade journal, I asked the reason. He said: "My business is with restaurants, hotels, steamship lines, etc., but I sell largely to German bakers, candy men and others, who seldom, or never, see a bakers' and confectioners' paper. So what use would it be for me to advertise my wares in the paper?"

Quoting this opinion to a liberal advertiser in a shoe and leather paper, he said that in his business the trade paper was a necessity. The commission merchants announce to tanners and curriers that they receive consignments of leather, and to shoe manufacturers that they sell leather.

As a rule trade papers are well edited. They may be owned by a business man, but the editor is sure to be a journalist. Hence, all the latest movements in the trades are reported promptly and accurately.

Those who expect to keep up with the times and with competitors must take and read their class paper. Thus they keep posted, and there is no excuse for not knowing the news and advertisers.

It is significant that the largest firms and corporations in different branches of trade are the most liberal advertisers. In many cases there is no need of exploiting their wares. They are long and favorably known in the trade, and customers know them by reputation or name.

Take the great iron papers (I mention no names), and in their pages you find the splendid advertisements of millionaire concerns. Who think that these advertisers want "to create a demand" for their products?

Take the great and flourishing dry goods papers. There, too, you find the full page "ads" of merchant princes, who do not especially desire "to attract attention." But when these dry goods men make a "drive" in a line of staples, or have "bargains," it is made known in their trade papers.

I do not suppose that the cards of the Fifth Avenue Hotel or of the Hoffman House in hotel papers bring many new or additional guests. But all the same, there is a good reason for their places before the public eye.

As a prominent merchant of this city said to me recently: "We put our advertisement in such and such a paper to show the people that we are still doing business at the old stand."

The number of miscellaneous advertisements in some really flourishing trade papers is small. I have before me a copy of a boot and shoe journal. Out of 255 advertisements 12 only may be classed as miscellaneous.

This is, however, far below the average, unless a trade paper occupies a limited field, or draws from a narrow range of advertisers.

Advertising in trade papers must pay, or else so shrewd an advertiser as John Wanamaker, for example, would not use such mediums. His business engages a large audience. His problem is, of course, how to reach all sorts and conditions of people.

Finally, the trade-paper man must have an argument—one that pays. He must answer the prospective advertisers questions, meet his objections and overcome many difficulties.

I do not undertake to supply arguments for solicitors. But there is a golden rule for all cases, and I do not mind stating it.

Make the advertiser see that he is getting the full value of his money.

Try it.—L. J. Vance.