

RONDOT v. THE MONETARY TIMES.

EXTRACTS FROM THE EVIDENCE.

(Continued from last issue.)

Q—You did not succeed, and you got a settlement at 50 cents on the dollar? It is hard for the other fellows who were careful and worked hard and paid 100 cents on the dollar? You went down to Montreal, with a great big statement, showing a big surplus of something like \$8,000; you got a settlement, an extension of time to pay what you owed on the monthly instalment plan, without interest, and you commenced buying goods on the way home in Toronto; and you were unable to meet your engagements in a month after. Would you say any man who is not biased would say that was fair? Would you say that was fair to other retailers?

A—They could pay 100 cents if they wished.

Q—Or follow your example and make 50 cents on the dollar? A—I did not make that.

Q—"How can they expect an honest and industrious and economical man to pay 100 cents on the dollar when they so willingly accept an offer from a mere speculator in credits?" "The trouble is that no one or two of the creditors in such a case have the courage to speak out and say what they think at the meeting. They do not show their true feelings, for they are afraid of losing the trade of a few weak customers who might hear of their harsh (?) treatment, rather than get the friendship of the better merchants, who would thank them for endeavoring to weed out the dishonest men who live and spend money at their creditors' expense. The earlier our wholesale men understand that they are injuring, more than helping, themselves, by accepting such easy compromises, the earlier will better times come and better looking balance sheets appear at the end of the year, and consequently less grumbling about business and small returns will be heard." That is all true?

A—I don't know.

Q—How many goods do you say you bought between February and May?

A—Those were goods all bought probably in December—spring goods. In February I bought probably \$2,000 or \$3,000.

Q—Now, I want to know what you mean by this. You tell me you only bought \$3,000, and you only owed \$12,400 in February to the wholesale trade. I find your liabilities, to the wholesale trade, when you failed, \$18,000? Direct liabilities?

A—Yes.

Q—That is nearly \$6,000 more? A—\$5,000.

Q—So you must have bought \$5,000 of goods?

A—Those were spring goods; some came in in January.

Q—They would be in the stock-taking of February?

A—Yes.

Q—Now, your liabilities to wholesale people in June were \$5,600 more in June than they were on the 20th of February, so you must have bought that much more goods?

A—No; the goods might have been bought before February.

Q—You only had liabilities in February of goods that were on hand? A—Yes.

Q—After the 20th of February new goods must have come in to the extent of \$5,600?

A—Yes; whatever the list shows must have been bought.

Q—There is an evident discrepancy, Mr. Rondot. Your stock was \$12,000 on the 20th of February, and your stock was only \$12,000 on the 20th of June? A—Yes.

Q—So your stock had not increased any?

A—Whatever the statement shows.

Q—So your stock was the same on the 20th of February as on the 20th of June? A—Yes.

Q—And you owed the wholesale people \$5,600 more in June than in February? A—Yes.

Q—Where was the difference?

A—Well, I must have omitted some liabilities, which is easily done.

Q—The amount of stock on the 20th of February is the same amount as your stock list shows on the 20th of June, and there is \$5,600 more of liability in June than there is in February? You should have that much more stock in hand?

A—Yes, I should.

Q—Where was it? A—All I had was taken up.

Q—Where was it? A—I don't know.

Q—It cannot very well have been taken off?

A—I don't know.

Q—If you do not know, and cannot account for it, on the face of it it looks very bad, doesn't it?

A—No; very few failures have as much as I had.

Q—That is the only answer you have to give?

A—Yes; if I had been able to pay more I would have paid more.

Q—Had you paid any liabilities to wholesale people?

A—I paid, after February, every dollar I got in; my balance in the bank was only a few dollars at the time of the assignment.

Q—At the time of the statement in February, your liability was \$12,000; in June it was \$18,000?

A—Whatever the statement shows.

Q—That looks bad on the face of it?

A—I do not think so.

Q—Do you think it was honest to pay Mark Fisher & Son 65 cents on the dollar on their claim, and pay Hamilton only 50? A—Yes; I think it was.

Q—Don't you know the law, where one creditor is paid a certain percentage, other creditors are to be paid the same? A—There is no failure in the country but some of the creditors are paid in full; there is not a wholesale house in the country but knows that to-day, because if the estate were wound up and sold, the creditor getting 50 cents would not get as much.

Q—Did you tell W. B. Hamilton & Son you were paying Fisher 65 cents on the dollar? A—No sir, I did not.

Q—You have collected large sums from these accounts, and have never paid him a cent?

A—No; never paid other people as well.

Q—Is there any statement made in the article of THE MONETARY TIMES that is not true? A—Yes.

Q—What is it? A—Where they call me dishonest, thief, and so on.

Q—Did they call you a robber? A—They call me the same thing.

Q—Refer to the sentence, and I will tell you?

A—Read it, and I will tell you.

Q—"How can they expect an honest and industrious and economical man to pay 100 cents on the dollar when they so willingly accept an offer from a mere speculator in credits?"

A—That is meaning that I am not honest, and I am honest.

Q—Twice in 20 years you have failed, and your creditors have lost \$21,000?

A—That is not much. Figure it up on the business, and the percentage of loss will be found to be very small; and I have paid more than some of the wholesale men do when they fail.

Q—You paid what? A—All I had.

Q—You got these goods in May, and you assigned in June?

A—I bought these goods, just only small parcels; I could have got from these people ten times as much, and it would have amounted to the same thing.

Cross-examination, by Mr. McCarthy, counsel for the plaintiff:

Q—Now, you tell us you have been in business in Amherstburg how many years?

A—Nearly 19 years; I started in 1879.

Q—Up to what time with Mr. Deneau?

A—He was nearly six years with me.

Q—You have turned over how many goods in that time?

A—Over \$500,000.

Q—It is said you failed in 1888? A—I did.

Q—With liabilities of \$25,000?

A—Yes; the biggest offer I made was not accepted by the creditors; they sold out the property for what it would bring: it brought 62½ cents on the dollar, I think.

Q—That was in 1888?

A—Yes; after being in business for nine years. A man by the name of Berry bought the goods; Mr. Deneau bought them from the man, and I bought them from Mr. Deneau. We started business again, Deneau and I, in August, 1888, and we continued for about three years beyond that.

Q—Then you bought Deneau out, did you?

A—I bought Deneau out.

Q—Then, was it true you had to borrow \$1,000 from your mother for the purpose? A—That was false.

Q—During the time how has business been in Amherstburg? Has it been like all over the rest of the country?

A—It is bad now; in Amherstburg it is found to be very hard to collect money.

Q—This statement was made up when?

A—Probably from the 15th of January up to the 20th of February.

Q—Would it represent your business at the end of the year, or up to that time?

A—We generally take stock after the holidays, after January.

Q—You do not go back to the beginning of the year?

A—No.

Q—Is there anything here to indicate when stock was taken? A—I think it was in February.

Q—I am speaking of the time this was made up? February 5th notes? Would that be an overdue note or a note coming due?

A—That must have been made up before February 4th; because they would not hold notes out that long; that is what I think: our statement is always made in January.

Q—So the statement here shows, on its face it was made before February 4th? A—Yes.

Q—This statement shows dry goods, ready-made clothing, boots and shoes, hats and cans, all fully stated, taken by your clerks or by yourself? A—By my clerks.

Q—That would be taken in the ordinary way? A—Yes.

Q—Did you take the goods at the cost price?

A—At the invoice prices.

Q—Adding anything for the freight? A—No.

Q—Then your next asset here, \$8,001.96, accounts and notes?

A—The absolute amount my book debts would amount to would be \$14,000; I valued them as I thought I could collect them.

Q—How did you get at the amount so exact, \$8,001.96?

A—That was the value of the notes I considered I could collect in time. I have been in business 19 years, and have quite a few notes outlawed.

Q—When you make up statements, what do you do with them?