

POINTERS BY PEDRO.



HAD a talk the other day with a retail dry goods merchant who had compromised with his creditors. As he was known to be a steady, pushing, shrewd business man I was anxious to find out what circumstances, or combination of circumstances, had forced him to ask for a compromise. To my question he promptly answered, "Too much credit." He told me that in the past three years he had lost, in bad debts, more than would have kept his family in comfort and affluence for that period and longer. When he mentioned the names of some of his principal creditors, from whom he could not get a cent, I was fairly astonished. He assured me that most of them are regular dead-beats, it being impossible to get payment of an account from them. The furniture is usually in the wife's name and judgment summonses are laughed at. It is outrageous that these human sharks should be allowed to prey upon honest retailers with impunity, but what can be done to prevent it? In regard to the case under review, if the merchant had been satisfied to do a smaller credit business, and therefore a safer one, he would not have become a target for so many dead-beats. "It's all very fine to talk," I can hear someone say, "but we must give credit or shut up shop." No doubt, but there is nothing to prevent you from exercising care and discretion in doing so. When you give credit to a man you place your business interests in his power to that extent without much or any redress. How often do you ask such a man as to his financial standing, whether he is indebted to other tradesmen and to what extent? He offers you no security, and you have to depend entirely upon his honor, a very scarce commodity with some people. The fact of the matter is he uses your business as a means to live ahead of his income and fritters away the money that should go to liquidate his just debts in balls, theatres, concerts, drives, etc., for the sake of keeping up appearances. You may naturally assume that the man is honest, but are you not often grievously disappointed? I am referring to men, aye, and women also, who make it a study and a practice to swindle tradesmen.

Now assuming that the man is honest and that financially he is good for all the credit you may give him, still you run the risk of his meeting with some unexpected reverses and being unable to pay up. That is a risk which you must, of course, take if you do a credit business. I know a retail merchant who, through keen competition in his immediate surroundings, is compelled to give credit but he has the strength of mind to refuse it unless the new customer, if need be, can get one or two reputable men to vouch for his stability. To such he says, with a smile, "Couldn't you get your employer or some friend (as the case may be) to send me a note. It's a rule of the house before opening a new account." If the customer has honest intentions he will, unless his pride gets the better of his judgment, accede to this reasonable request, but if his intentions are the reverse there is at once an end to his name appearing on the merchant's books. This merchant has lost many would-be customers in this way, but he says he has no reason to regret it. Unless a retailer is a man of unusual discernment in reading character, and with a very strong mind, which permits him to refuse credit with suavity and decision, he will possibly succeed in carrying on his business, but only by yielding up the profits on his cash business—which should be added to his capital stock or investment fund—to make good the losses on his credit business. Is it worth while to do business in this way? The panacea for all these ills is "cash down."

A friend of mine vouches for the truth of the following. He was in a general store one morning recently in a small town in the northern part of Ontario, when a farmer entered. Addressing the proprietor of the store, the farmer said, "When does the bank open?" "In about ten minutes," was the answer. "Well, lend me

\$10 and put it down in my account." The proprietor, without a word, handed him the amount. Conversation for a few moments became general, and then the farmer remarked: "Well, I guess the bank will be open now. I wanted \$200 to make up \$400 which I am going to put in the bank to pay off the mortgage, and I'm much obliged to you for it, Mr. _____," and with that he walked out. My friend was more than surprised at the coolness of the proceeding, and asked the storekeeper if he was in the habit of doing that sort of thing and if he charged interest. He replied that occasionally he had to do it or he would lose the account, and he dare not charge any interest. Further enquiry elicited the fact that the farmer was in his debt to a considerable amount for dry goods, groceries, etc., and he would have to take payment just when and how it suited the customer's convenience. The point is whether the farmer or storekeeper is to blame for bringing into use such an unbusinesslike transaction.

Every employe should be given to understand that a certain amount of responsibility rests upon him, that he holds his position because he is considered capable of sustaining his share of the general burden incident to the business, and when he does anything worthy of special mention he should be given credit for it unreservedly. Try it; it has a wonderfully stimulating effect.

SALES OF WHOLESALE BANKRUPT STOCKS.

The bankrupt stock of McLachlan Bros. & Co., Montreal, was sold by auction on March 24th. There was a large number of wholesale merchants and others present. The total value of the stock was \$109,739.69, and it was sold en bloc. The bidding began at 45 cents on the dollar, and gradually rose till it reached 65½ cents, when it was knocked down to R. K. Thomas, real estate agent, who declined to say in whose interest he was acting. The stock was afterwards sold in lots to retailers. The creditors of the firm, who expected about 60 cents on the dollar on their claims, will not get more than 15 cents.

The stock of R. Tyler, Sons & Co., Montreal, consisting of woollens and tailors' trimmings, was sold by auction on March 31st. It amounted to \$36,500, and was knocked down at 66¼ cents on the dollar. The stock in bond, amounting to \$7,500, brought 62 cents. Both stocks were bought by Mr. Arnton, auctioneer.

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