

THE TRADER.

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Editorial.

SHARE ALIKE.

In view of the want of an Insolvent Act, the bill introduced by Mr. Beaty, M.P. for West Toronto, providing for the equitable distribution of an insolvent's assets is both timely and well considered.

As things stand at present, an insolvent is practically able to elect which of his creditors he will indemnify against loss, by giving him preferential security and making the others "pay the piper." If he is honest enough to refuse to be a party to any such disreputable transactions, his estate is practically at the mercy of the first creditor who likes to sue him and get judgment. In any case it is the first come that is first served, and the creditors who have their accounts closed by note are in the delightful position of having to stand quietly by and see their more fortunate competitors walk off with their rightful share of the estate. This is not justice, and the sooner this condition of things is changed the better it will be for both debtor and creditor alike.

Every wholesale merchant will agree with the proposition that when a dealer fails, his estate should be divided *pro rata* amongst his creditors, but while conceding the truth of this principle, few if any of them are generous enough to carry it out practically, especially those who have the start of their competitors in any bankrupt estate.

The man however who will laugh at you when asked to give up his security and rank as an ordinary creditor in such a case, sees things in a very different light when some one else has the start of him

and he is out in the cold. Then it is that he is prone to mourn man's inhumanity to man and to wish that the Insolvent Act, bad as it was, was in force again. Mr. Beaty's idea is to force merchants to do, what most of them admit they ought to do in all cases of insolvency, that is, to divide the assets of the insolvent in proportion to the amount of the claims. The bill does not provide for the discharge of insolvents or anything of that kind, its object is simply as stated above, and for this reason it should receive the support and encouragement of every thinking merchant.

If we are not to have a practical Insolvent Act it is patent to everybody at all acquainted with the present state of trade that some such protective measure as this is a necessity. Every day instances of the most glaring description come to light in which insolvents legally ignore the rights of their creditors and place their assets where they will get the most benefit from them.

One of the most glaring instances of the injustice of the present system, or rather want of system, is that of G. Morrison, a well-known retail dry goods merchant of this city. Mr. Morrison appears lately to have discovered that he was in insolvent circumstances, his liabilities amounting to about \$60,000, and his assets to less than \$40,000. His principal creditor is the firm of Stewart & McDonald, of Glasgow. To this firm and their representative in Canada, Morrison is said to owe nearly \$48,000. Outside of that he is indebted to Toronto and Montreal houses to the amount of some fourteen or fifteen thousand dollars. Before these other creditors were aware of anything out of the ordinary course of business having occurred, it turns out that the principal creditors, Messrs. Stewart & McDonald, have judgments and executions in the Sheriff's hands for the full amount of their claim. These executions will, of course, exhaust all Mr. Morrison's means, and the other creditors have no prospect of recovering one cent, unless they succeed in setting these executions aside, which in the present state of the law, it is very unlikely they will be able to do. All the other creditors profess a willingness to have Mr. Morrison's assets rateably distributed, but there is no means by which they can have this done.

This case of Mr. Morrison's is no exceptional one, but a fair sample of what

is transpiring every day in our midst.

Fortunately the country is prosperous, and the number of failures is proportionately small to what it formerly was, but if the samples are any criterion, they indicate that a mercantile reign of terror would set in upon us should the next era of depression find us without a Bankrupt Act. On the principle that "half a loaf is better than no bread" our merchants should use their utmost endeavors to help Mr. Beaty's law through parliament and have it placed upon the statute book as speedily as possible. Its effect would at least be salutary, by putting all unsecured creditors on a level, and taking away from the insolvent the greatest incentive he has at present to commit a dishonest action.

CAPITAL V. LABOR.

The struggle between Capital and Labor at present going on in many parts of this country is but another example of how easily the unthinking masses can be led away by demagogues to their own detriment. This question between Capital and Labor is no new one; for hundreds of years it has periodically come to the surface, only to be settled as the exigencies of the period demanded. If the working men fully realized that in striving to carry out their designs they are combating one of the first principles of mercantile economy, we think that they would look more carefully before they leaped into all the losses and discomforts attendant upon a "strike."

Labor is the working man's capital or merchandise, and like any other merchant he has the unquestionable right of selling it to the best possible advantage, and to receive as much as he can therefor. But he must remember that like all other articles of merchandise the price depends almost entirely upon the demand and supply. If the demand is great and the supply small the price paid will be high, if the demand be small and the supply in excess of the requirement, then of necessity the wages will be lower. In other words when work is plentiful and laborers scarce the competition is between the employers or capitalist, and labor is enhanced, but when the contrary is the case, the competition is necessarily between the workman and as a natural consequence the value is depreciated.

This law of supply and demand is a natural law, and trades' unions might as