

would drive out of the country men who had failed, as they could not make a living here if deprived of the right to trade. There are numerous cases of perfectly deserving men who fail from no fault of their own. For instance, a new railway may open up a district and draw trade away, and the local merchants would lose. These, and other cases that might be mentioned, show that an insolvency law should always facilitate the discharge of worthy debtors."

SOME RETAIL OBJECTIONS ANSWERED.

Mr. James Slessor, of James Johnston & Co.: "I cannot understand what reasonable objection an honest retail merchant can have to an insolvency law. It is to the interest of the retailer as well as the wholesaler to have business done in an upright and straightforward manner, and surely no honest man can desire to see another defrauded of his rights. The wholesale merchants of Canada do not ask for a severe law, nor do they seek to harass the unfortunate, but they do ask that when a retailer becomes insolvent every creditor be given his fair share of the estate without favor or preference. It cannot help an honest man who fails to have one creditor get the full amount of his claim while another get nothing, and yet this frequently happens under our present law.

"It is argued by some that the wholesale houses have themselves to blame in case of failure, as it is they who dispense credit to the untrustworthy and dishonest, and one of your correspondents in the last issue of THE REVIEW declares that many a capable and honest trader has been driven to the wall by the bestowal of credit on such men. He puts this forward as an argument against such a law, but it is really a strong point in favor of it, for under a proper insolvency law the crooked and tricky merchant will be compelled to act honestly or take the consequences. It will in this way protect honest and capable traders against the unfair competition of the merchant who compromises at 50c. on the dollar and then competes with the man who is honestly striving to pay 100c. Is it not a hindrance to reputable merchants to have their neighbors making unfair and fraudulent assignments, while they pay in full? Yet how can this be prevented except by a law such as we ask for?

"It must be apparent to everyone that no wholesale merchant—or any other merchant either—would sell goods unless he had a fair chance of receiving payment for them. True it is that some merchants are allowed to embark in business with little or no capital and are supported by the wholesalers; but the latter first satisfy themselves that they are men of integrity and business ability, and I have frequently noticed such men are often the most successful. Indeed, some of the most prominent and solid houses in the trade to-day were started without any capital to speak of. Some of those who are loudest in their outcry against the wholesale houses for giving credit to men without capital were themselves started by the wholesale trade.

"Wholesale men are fully aware of the misfortunes which are liable to overtake every merchant and are willing to make full allowance for them. The law the Boards of Trade throughout Canada prepared is a particularly fair one, not bearing too hard on the unfortunate and at the same time protecting the wholesale merchant against dishonesty. It should be remembered that in other countries bankruptcy laws are far stricter than the one we ask for. In Germany, for instance, a man who cannot pay his debts is obliged to submit his books to the Board of Trade for examination, and if any trace of dishonesty is found he is tried and may be imprisoned for a long term. In England no insolvent who has been tricky in the slightest degree can hope for a discharge from his creditors, and he may think himself lucky if he escapes severe punishment.

"In a fair insolvency law, such as we desire to see passed, the upright insolvent need have no fear. He will be discharged and treated with leniency by the wholesalers. In fact, the law will

help him, for it will show who is really honest, and the straightforward man who has been unfortunate or unsuccessful will meet with every consideration at the creditors' hands. To the tricky and dishonest retail merchant a law may have its terrors, for it is he who will be punished and driven from business."

THE EVIL OF BANKRUPT STOCKS.

J. O. Gareau, 471 Rachel street, Montreal, says: "I am very much pleased with your REVIEW; every dry goods merchant should receive it. There is much valuable advice and many pointers in THE REVIEW which could be of great help to many if put into practice.

"Your efforts for an insolvency law have the support of all honest dry goods merchants, who badly need protection against the host of bankrupt stocks which are constantly thrown in their neighborhood either by the man who fails or by the next neighbor, who buys it at 40 or 50c. on the dollar. In reference to bankrupt stocks, all retailers should unite and try to obtain an agreement from the wholesale to the effect that all bankrupt stocks should be sold in small lots instead of selling them in bulk. It might bring less money to the creditors in one way, but it would pay them better in the long run, for how many retailers have paid 50c. on the dollar for having had their business ruined by a number of these stocks sold in their neighborhood?

"I may also state that a bankrupt stock does not always pay the buyer, who generally makes more noise and damage to his neighbor than profit. Such points as the remedy for the pedlar plague, the merchants' mutual insurance, a uniformity of prices in some lines of goods, and the general interests of the dry goods trade, could be obtained if the retail dry goods merchants would only unite their strength by becoming members of the Retailers' Dry Goods Association, whose influence for the good of the trade is rising every day. The committee of the association is trying a movement in that way, and a little help from THE REVIEW would render the task of bringing the English and French merchants together much easier. Knowing the interest you take in any movement that will promote the welfare of the dry goods people, I have no doubt that you will put your shoulder to the wheel and help us in this work, which will turn to the general benefit of all those concerned."

LAWS WITH LOOPHOLES FOR DISHONEST MEN.

Mr. R. C. Wilkins, of Montreal, who carefully prepared some time ago a paper on the insolvency problem in Canada, has permitted THE REVIEW to take from it some of the points that are of special interest just now. Mr. Wilkins shows that one of the defects in the present law is its lack of uniformity, a business man requiring to be almost a lawyer to comprehend the working of the different provincial enactments. The system of preferences in the Maritime Provinces where a merchant may assign giving preferential claims to creditors, without any reason for so doing, except that he likes one creditor better than another, or that he may be related to his wife's mother, or some such silly reason, is the worst feature of the lack of a proper insolvency law. Except the wages of employes, no creditor should have a preference over another. In one case a merchant assigned and made one preference in each line of goods he dealt in, so he would be sure to get all the stock he wanted to continue business. Is not this simply "legalised robbery?" An insolvent will rank some relative a preferred creditor for more than the whole family put together were worth for a generation. There is no knowing whether he is a real creditor or not. The estate is settled up, and the unpreferred creditors get simply a slip of paper with a "statement" valuable only for the wastepaper basket. How can a man justify himself before his fellow-men when he robs people in this deceitful way? Two weeks before assigning a man gave \$1,000 to a city institution! It