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& GENERAL STOREKEEPER

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SPECIAL TO OUR READERS.

As the design of THE CANADIAN GROCER is to benefit mutually all interested in the business, we would request all parties ordering goods or making purchases of any description from houses advertising with us to mention in their letter that such advertisement was noticed in THE CANADIAN GROCER.

THIS WEEK'S MOTTO:

"Diligence is the mother of good fortune."

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.

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There is sad need of a Dominion Insolvent 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 as-

signments. 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 Insolvent 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.

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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.

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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.