

THE CANADIAN GROCER

& GENERAL STOREKEEPER

PUBLISHED
WEEKLY.
\$200 PER YEAR

Published in the interest of Grocers, Cannery, Produce and Provision Dealers
and General Storekeepers.

Vol. V.

TORONTO, NOVEMBER 13, 1891.

No. 46

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THE J. B. McLEAN PUBLISHING COMPANY,
FINE MAGAZINE PRINTERS
AND
TRADE JOURNAL PUBLISHERS.

HEAD OFFICE: 6 Wellington West, Toronto.

MONTREAL OFFICE: 115 St. Francois Xavier St.
G. Hector Clemes, Manager.

NEW YORK OFFICE: Room 105, Times Building,
Roy V. Somerville, Manager.

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.

"Wholesale" writes: At meetings of creditors of insolvent grocers in Toronto for some years past, the writer has asked the insolvent to show a statement of his own drawings from the store for his family use. In no case has the insolvent been able to produce such an account. The answer has been, "we never keep an account of own drawings for family use." What is THE GROCER'S opinion upon this subject? Should there not be some steps taken to compel store keepers, who buy on credit to show where the goods have gone when they become insolvent?

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The answer to this question should be found in the trader's books. As a consumer, drawing supplies from his store, he should put himself on the same footing as his credit customers hold in his book-keeping, that is, everything that moves from his store to his household ought to be charged, in the same way as if the goods went unpaid for to any other household. So far as the store is concerned, the transfer from a man's stock to his table is a sale, not a gift. It is the same with everything disposed of in a gratuitous way, as charitable offerings, etc. The Household account should be very strictly kept. As with goods, so with money. Every cent taken from the store revenue for personal or household expenditure should be credited to Cash, with some term in the entry to show

unmistakably that such item is not for the running of the business. The object to be aimed at is a distinct separation of household and store finances. Confusion between the two is to be avoided, in the interests, not of the household, but of the business.

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The question is one to which creditors are entitled to a clear answer from every insolvent. They have a right to know whether the household has been an unnecessarily heavy drain upon the business. If an answer could be got at in every instance of failure, an important relation between the trader's domestic and commercial economy might be discovered. Very rarely can a trader say to what extent his family has made drafts upon his stock and business; hence, there is no cause of failure so indefinite in the statistics of commercial failure as this one. It may be a very considerable or a very minor cause; there is no basis upon which to found an estimate of the extent of its effect, for the reason that book-keeping seldom takes cognizance of it. If the question could always be answered, therefore, not only would individual cases of reply be satisfactory to creditors, but the collection of replies would furnish useful data as to what percentage of profits could be honestly spared for household outlay. The indulgence of expensive habits has no more right to be covered up than the making away with fraudulent intent of any part of the assets upon which a man's proprietary rights have morally and perhaps legally lapsed.

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Nobody can say what proportion of the Canadian trade keeps strict account of the stock and proceeds of the store that go out through the channel of household consumption. There may be many traders who follow the practice. One thing is certain: all that do so maintain their solvency, for among those who so far have failed, none have been

able to point to such accounts. That fact alone may throw a good deal of light upon the cause of insolvency in all these cases, as if a sharp eye had been kept upon private expenses there might have been sufficient curtailment of outlay to have prevented failure. The grocer's stock is a sort of magazine of supplies. The family can draw upon it for a great part of the living necessities, and are apt to draw just as hard in dull times as in brisk times. If the stock were hardware, or a similar line, it would not suffer the same inroads and family expenses would be likely to be kept down, at least in dull times. But nothing tends more to ingraft frugal habits than the practice of book-keeping in household economy. That not only shows a record of expenses but also checks extravagance. Anything that enables a man to see a department of expense growing unreasonably fast is of itself a means to correct that ill speed. It is what we are blind to that does the most mischief, and no trader should keep himself blind to the movement from stock or till to personal or family luxury. To remain blind is like shunning to take stock.

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To prevent his identity as a buyer from his own stock merging into his identity as the seller of that stock, a trader must keep personal accounts distinct from the accounts of his business, and must see that both are conscientiously looked after. It is simply living in a fool's paradise to wear fine raiment and fare sumptuously every day without any clear idea about the cost of such indulgence, or any assurance that it is not eating the vitals out of the business that is expected to be kept going. If a costly mode of living can be afforded, a man should not be afraid to see the daily, weekly or monthly figures which show what the rate of consumption is. If his income warrants it he can keep up the standard of living, if his income from the business does not warrant it, he can lower the standard. Personal accounts in such a case are a sort of warning barometer.