

THE TRADER.

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SPECIAL NOTICE.

To ensure insertion, changes or new advertisements must be sent to the office not later than the 20th of each month.

Editorial.

STOCK TAKING.

Every merchant should take stock at least once in each year, and in addition to this he should also go carefully through his accounts and find out whether his trade has been a profitable one or the reverse.

Stock taking is not an enticing occupation. In fact, we think that most of our readers will agree with us that it is a dusty, tiresome, mean job, but as every good business man knows, it is a necessary evil, and one that should be faced manfully if a merchant wants to know enough about his business to deserve success.

The merchant who takes stock and balances his books regularly, has a long pull over his rival who never cares to bother about such things, and thinks them all a waste of time. He finds out for a certainty what goods have sold best, what have been stickers and therefore unprofitable, what lines it will pay him to cultivate and what to drop. He will also know more about his accounts, and be able to save money by a little judicious pressure on sundry long-winded or weak-kneed customers, who, otherwise, would let him in for a loss or shove him off for another year.

One of the reasons why so many merchants fail is because they know little or nothing about their own business. They stumble along from year to year of their business career, but they can never tell

you for certain whether they are solvent or insolvent. They never take stock, never balance their books, never do anything but blunder along in a hap-hazard sort of a way, and trust to that most fickle of all goddesses "Fortune," or "luck" as they have it in vulgar parlance. Thus with the blind being led by the blind, is it any wonder that so many of them fall into the ditch of bankruptcy.

We have known merchants, who, when questioned about their financial position, assured their creditors that they were all right, and they knew they had a surplus.

We have known these very individuals inside of three months go into bankruptcy, and when their estate came to be investigated it could not show more than fifty cents on the dollar, even on paper, and probably not the half of that when brought under the hammer.

These men never took stock, they never investigated their accounts, they never balanced their books, books did we say, why they hardly knew what the term meant, they had an apology for a set of books, but they might about as well have had none for all the practical use they were to them.

They were a good deal worse than the Irishman we once heard of in an eastern Canadian city who took stock every year with great regularity on this principle: He would set all his clerks at work making an inventory of his goods, and when they had taken as much in amount as equalled his liabilities he would say to them, "Now then boys you've taken enough to pay the creditors, and all the rest is my own and ye can stop."

This was a primitive way of book-keeping certainly, but it was far ahead of that of many who never know for certain that they have any margin above their liabilities to call their own. In fact some business men never know what their liabilities are until they are tabulated by the official assignee.

We cannot impress too strongly upon our readers the importance of an annual stock taking and straightening up of accounts. We know it is disagreeable work but is a necessity if one wants to succeed.

A GOOD ACT.

We are pleased to notice that Mr. Beatty, the member for West Toronto, has this session of Parliament taken time by the forelock, and has given notice of

motion for his insolvent bill, entitled, "An act for the equitable distribution of insolvents' estates." We trust that Mr. Beatty will not allow his measure to be crowded out this session as it was last time, as it is an act that is demanded by the necessities of the times if we wish to preserve the status of commercial morality amongst our mercantile men.

We have often before stated that no one can find fault with the theory underlying all insolvent legislation, viz., "that when a merchant becomes insolvent his estate should be divided *pro rata* amongst the whole of his creditors." Every one will admit that in theory this principle is correct, and it is only when we come to carry it practically into effect that we experience any difficulty or disagreement. The trouble seems heretofore to have been that our insolvent acts aimed at too much rather than too little, and in the multitude of provisions it became so cumbersome and expensive as to defeat its own ends.

What we want is a simple law for the distribution of an insolvent's estate, an act that shall force a trader to assign for the benefit of his creditors generally as soon as he becomes unable to meet his liabilities or can be proven to be insolvent, an act by which all debts against the insolvent's estate shall rank *pro rata*, whether current or matured, and one, moreover, that shall leave the disposition of the assets in the hands of the creditors themselves.

This last feature, which contains within it the element of cheapness, so necessary to any good insolvent law, is absolutely necessary to make any legislation of this kind successful. Hitherto under the old insolvent law the assignee had a percentage on the full amount of any estate, and by the time his percentage and other expenses were paid the creditors were in many cases left pretty badly. As a rule these assignees fattened at the expense of the creditors, and the estate could in nearly every case have been wound up equally well by the creditors themselves without his interference.

As a matter of equity the creditors own all the debtor's assets. What more common sense scheme could be inaugurated than simply to let them do what they think fit with them. If they wish to give the estate back to the insolvent they can do so, if they decide to sell they can do so, even should they decide to distribute the goods themselves it is in