

THE INSOLVENCY BILL.

A JOINT deputation from the Boards of Trade of Toronto, Montreal and London waited on the Government on the 15th inst., to ask for the enactment of an insolvency law as a Government measure in the coming session of Parliament. The members of the deputation were as follows: Hugh Blain, first vice-president of Toronto Board of Trade; F. Wyld, Paul Campbell, S. Caldecott, E. R. C. Clarkson, D. E. Thompson, Q. C., and Edgar A. Wills, all of Toronto, and the following gentlemen from Montreal: E. B. Greenshields, James A. Cantlie, James Slossor, A. L. Kent, C. P. Hebert, J. B. McLean, J. B. Learmont. The London Board of Trade sent the following delegates: M. Masuret, president, and Mr. Thomas. They were received by the following members of the Government: Sir John Thompson, Hon. G. E. Foster and Hon. A. R. Angera.

Mr. Greenshields made a long and able speech. The deputation represented, he said, all the business interests of Ontario and Quebec, where there was an almost unanimous sentiment in favor of a Dominion insolvency law. At present a distribution of assets act existed in only two provinces. They were simply insolvent acts under another name, and without any provision for discharge. There were no preferences under the laws of Quebec, but there were in Ontario, such as chattel mortgages and preferential judgments, which were first claims on the estate. A transfer of book debts, even when dated back several years, became a first lien on all the book debts, including those contracted since the execution of the transfer. Under the existing law in Ontario "A", debtor, may sell out to "B," and the suit realized may be handed over to "C," a creditor in the same town, to the detriment of other creditors. The maritime provinces were a hotbed of preferences. He gave several illustrations of the state of the law down there, which, he declared, was so unjust that it should not remain on the statute books. It might be said, he knew, that wholesale merchants should shorten their credits or sell for cash, and not make bad debts. That was almost impossible so long as they had to compete with the merchants of the world. The agents of British merchants came over and offered long credits and goods equally cheap and Canadian merchants had to offer equal terms. They looked to the wisdom of the Government to provide a way out of their difficulties.

Mr. Blain advanced the argument that it was not in keeping with the character of the confederation that there should be different laws in the different provinces discriminating in favor of local creditors. They would be loth to return to the insolvency law of 1875. There were serious defects in that law, and there was no doubt a feeling of relief when it was abandoned. He thought they could frame a law without these defects. With that object they had brought down a draft of a bill for the consideration of the Government. In framing it they had had the benefit of the great experience of Mr. Clarkson, as an assignee, of Mr. Thomson, who was generally acknowledged to be the most competent commercial lawyer in Toronto, of the opinions of Mr. Walker,

general manager of the Bank of Commerce, and the views of a number of merchants in the chief commercial centres.

Mr. Thomson explained the salient features of the bill. It proposed to apply the law to traders only. The Government have to consider the question as to whether the law would have to be made applicable to all classes, as it was in England, but upon that point they had nothing to say. Under the act of 1875 the assignee got things ready for liquidation before calling a meeting of the creditors. Instead of that the bill proposed the appointment of a guardian, who would usually be the sheriff in Ontario and the prothonotary of a court in Quebec, but in the case of large interests a special officer appointed by the Board of Trade, to whom every estate in the first instance must go. Such guardian would hold the assets until the creditors could be got together, and he was declared ineligible for the appointment as liquidator, leaving the creditors free to deal with that appointment, and thus removing one of the most serious objections of the act of 1875. In regard to the granting of a discharge, it was proposed to do away with compositions altogether. The liquidator was in every case to sell the assets, leaving the creditors, if they chose, to give him his discharge, but independently. As to the granting of a discharge by a court, it was not supposed that the Government would set up a bankruptcy court owing to the additional expense which for small estates in a young country would be unjustifiable, but it was felt that under the jurisdiction of the local courts there was no uniformity of practice, and a creditor was driven to go all over the country in the settlement of difficulties. It was thought that a particular court, say in Ontario, a division of the high court of justice, might be indicated for administering the law. It ought not to be regarded as a hardship on the debtor if he was to be relieved of the payment of his debts in full if he should be compelled to go to a forum convenient to his creditors instead of vice versa. Under the proposed bill there would be no official assignee. There would be a temporary guardian, and then a liquidator would be appointed by the creditors, but without the intervention of a court. They had a law in Ontario providing against preferences, but the legislature in dealing with this subject was hampered by the question of jurisdiction. For instance, they had never provided for discharge. Nor was there jurisdiction to seize on a man's assets and distribute them. It was true, as stated by Mr. Greenshields, that if a man could sell his assets for cash he could pay over that cash to one creditor alone to the exclusion of all others. In the proposed bill the discharge clause was practically as in the act of 1875, except that the grounds have been made a little more clearer, and it was proposed that if the debtor applied to the court direct without the consent of the creditors to put the onus upon him, whether it was opposed or not, showing a title, and that he had dealt fairly by his creditors.

Mr. Foster, in reply to the deputation, said: "We are very glad to hear your views, and I have no hesitation in promising, for Sir John Thompson and the rest of my colleagues, an examination of your bill, and a thorough consideration of the whole subject, and

if you will indicate to me within a few days the names of a small sub-committee of this deputation, if we should wish to consult you, then when the time comes we will call upon you for further explanations, either as to the principles or details of the bill."

Copies of the bill were left with the ministers.

The following members of the deputation were subsequently named as a committee to be at the call of the Finance Minister in promoting the measure: Messrs. Thompson, Greenshields, Blain and Kent.

BUSINESS CHANGES.

ONTARIO.

R. W. House, merchant tailor, Woodville, is advertising his business for sale.

Robert Barlett, tailor, Newcastle, has sold out to Thomas Miller, and removed to Oshawa.

McNaughton & Co., clothing, Kingston, are offering to compromise.

Tolton Bros., men's furnishings and hats, are advertising their business for sale.

W. H. Schneider, dry goods, Mildmay, has sold out to J. D. Miller.

Oscar Hendry, dry goods, Simcoe, had his stock damaged by water during a recent fire in that town.

William Hill & Co., merchant tailors, Ottawa, have had their stock damaged by fire and water recently.

Rotz & Co., dry goods, are leaving Rodney.

QUEBEC.

L. L. & C. P. Cayley, tailors, Montreal, have dissolved.

H. Prevost & Co., dry goods merchants, Montreal, have dissolved. Corinne Prevost, spinster, registered proprietress.

Joseph Steinburg, dry goods, Montreal, is in difficulties.

Dominion Blanket and Fibre Co. is the name of a new incorporated company in Montreal, with a capital stock of \$250,000.

Albert Prevost, dry goods, has sold his stock at auction.

Mr. F. W. Walker has retired from the firm of Walker Bros., linen goods, Montreal.

The St. Timothe Woollen Co. had made an abandonment of their property for the benefit of their creditors.

Peltier & Co., tailors, Montreal, have advertised their business for sale.

The Sherbrooke Corset Co., of Sherbrooke, is offering to compromise at 25 cents on the dollar.

Shaffer & Sisenwain, pillow shams, Montreal, have dissolved.

MARITIME PROVINCES.

John A. Wilson, tailor, St. John, N.B., is in a bad financial state.

Mrs. James Connolly, milliner, St. John, N.B., is dead.

MANITOBA AND THE WEST.

H. A. Potts & Co., tailors, Victoria, B.C., have been sold out.

M. Marks, clothing, Victoria, B.C., has his stock advertised for sale.

T. G. Sheret, tailor, Victoria, B.C., has assigned.

Mr. T. F. Kingsmill, the well-known dry goods merchant of London, left for the British and foreign markets on the 14th.

Tenders for the summer clothing of the Montreal fire brigade will be received up till noon on December 22nd by the city clerk.