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FEDERAL INSOLVENCY LEGISLATION.

Although it is more than two years since any attempt to enact Federal Insolvency Legislation has been made, the necessity for such an addition to our jurisprudence is constantly being evidenced, only too often in a way that causes decided hardship to creditors. These recurrent instances should at least direct the attention of the federal authorities to the inadequacy of our present laws concerning debtors, or move some influential body of interested parties, as for example the Canadian Manufacturers' Association, to take up this defect seriously and persuade Parliament to remedy it. Although it would be necessary for such a body to arm itself carefully beforehand with copious examples of the inadequacy of our present laws in this respect, yet not until the matter is taken up in this way is any effective remedy likely to be forthcoming.

A most glaring instance of injustice to a creditor was brought to our notice the other day. In this case the creditor is a manufacturer in Ontario, and the debtor a dealer in New Brunswick. The customer purchased a bill of goods amounting to about $90, and a draft was made upon him at the usual three months' time and accepted, maturing at say the 24th of May. This was returned for non-payment without explanation, but during the interval, on April 15th, another bill of goods of about $30 was purchased by telegram by the customer and shipped to him; a draft for the amount having been drawn and accepted, the same maturing on July 18th. The usual precaution of obtaining mercantile reports of the customer was resorted to, and they set out that the business was owned by one individual doing business in a company's name; that the estimated value of his plant was $20,000, with insurance of $16,000, covering which was a bill of sale amounting to $4,500, giving preference to a deceased partner who had been assisting the owner in business in the capacity of financial manager. The owner's son also assisted the father in the business and they were both favorably spoken of and thought to be making some progress; they had besides a reputation of meeting payments at maturity, and were regarded as responsible for ordinary trade wants.

Subsequent to this, not having received any reply to their communications to the customer when the drafts were dishonored, the Ontario house placed the matter in a solicitor's hands and he reported the customer judgment proof, and that it would be throwing good money after bad to try to collect the bill. This was followed in July by a notice that the New Brunswick concern had suspended payment, and in August by a request from the son for goods from the same house to the value of about $40. On the creditor refusing to ship the goods without first receiving the money, the son replied that he had "never before been asked by any house he had dealt with to pay for goods in advance, and he declined to do business in that way."

In the meantime, although they had actually suspended payment, this retail firm continued to do business as usual, apparently using the creditors' money and refusing to divide up their assets amongst them. The subsequent condition of affairs may be gathered from the following solicitor's report:—"The debtor's liabilities at the present time are in the vicinity of $14,000, including the bill of sale for $4,500 on stock and plant, while his assets which consist largely of plant and machinery, are estimated at $20,000; but if sold would realize only a very small amount as there is no demand for such machinery here. Debtors are only doing a small business, and are hampered greatly by competition, but they hope, however, to be able to arrange a compromise with their creditors in the near future. I do not know that anything can be gained by pressing to judgment at the present time as