

every day which he could barely meet by the most deperate expedients, he negotiated for the purchase of a great railway car factory, a locomotive factory, iron works on a more extensive scale than those he had sold, and began to build a railway solely for the purpose of connecting these works together. And he not only negotiated but actually carried out these projects, and built besides an immense number of dwellings for his workmen. All this was going on in 1872 and 1873, during all which time he kept himself in funds by selling portions of his railway interests. In 1874 he contracted for 2,000 railway cars for Russia, at very short notice, and to carry out the contract, enlarged his works, and bought another factory. This engagement finished, he took a contract for 2,000 more, and as his affairs by this time seemed brightening, (a bank in Russia advancing money as the cars were being made), he bought back some of the iron works and mines he had sold when in trouble, and, in addition, a car factory in St. Petersburg. This, however, was his final purchase. The cloud of financial difficulty which gathered over Germany and Europe in 1875, burst in the financial storm which swept away so many firms in the spring and summer of that year. All securities fell, and confidence was shaken, for a time, in almost everybody. Money was not to be had on anything but the most undoubted paper, and all who were trading on an immensely expanded credit, like Strousberg, were brought to a stand. This then was his final fate. The last expedient of his daring genius was tried, and his resources finally exhausted. He had to go into bankruptcy, the great difficulty being how to adjust the complicated affairs of a business which had assets and liabilities in at least four different countries. The worst, however, is not yet told. Such a gigantic break down could not but involve others, and amongst the rest, a bank in Moscow was so seriously involved as to stop payment. Following on this, Dr. Strousberg was arrested, ostensibly as a debtor only, but it is said that certain frauds were alleged against him. This, however, was never proved, and the charge seems to have had no foundation. Some of his enemies, however, were bent on having him banished to Siberia, but in view of the paramount necessity of obtaining his assistance in winding up the estate, strenuous efforts were made to prevent it. The sentence was, therefore, simply banishment from Russia, a very lenient one, and a punishment that nobody but a Russian would care a straw about. So the great speculator was released, and is now engaged in the humble capacity of helping his creditors to

wind up his affairs. It is expected that five years, at least, will be consumed in this, and that some small modicum of a dividend may be recovered by that time, if lawyers and officials do not swallow the proceeds as fast as they accrue.

This singular story reminds us of some people we have known here. There are persons of that temperament even in America. Men with boundless ambition and boundless capacity for speculation—afraid of nothing, and whom no amount of liability can frighten—come to the surface every now and then. But so far as recollections goes, such people never succeed in anything but piling up a huge mountain of debt, which has to be settled finally by means of the Insolvent Court.

#### WHO IS RESPONSIBLE?

The facility with which insolvents obtain discharges from our courts constitutes a frequent complaint by the unfortunate creditors who have received in some cases nothing and in others but a small percentage on their claims. That the number of failures where the estates turn out nearly or quite worthless is very large, there can be no doubt. That the failure of all these men should have been occasioned by misfortune without any fault on their part, no one believed. In too many cases, though there may not be obtainable sufficient legal evidence of fraud or misconduct to disentitle the applicants to certificates of discharge under the present ruling of our courts of law, there is enough to amply satisfy those who are smarting under a recent pecuniary loss that ordinary business precautions and the dictates of common honesty have alike been disregarded. Again, it may be said that in cases where disaster has been occasioned not by fraudulent conduct but by gross carelessness or incapacity for business, it is not in the public interest that these traders shall be allowed to repeat the injury to trade of again obtaining credit and disappointing creditors. It is strongly argued that unless insolvents can clearly show that their failure was caused neither by their misconduct nor by their incapacity they should not obtain certificates entitling them to make a new start in business.

In this strain we constantly hear unfortunate creditors complain, and not, we confess, without some reason. Still it seems to us more than questionable whether those who fancy that all the blame for the existing state of things is properly chargeable to the debtors are not very wide of the fact. We are speaking now not merely with reference to the hard times from which our

country is, we hope, beginning to recover, but of the broader question of business failures as they occur in a normal state of things, and under ordinary circumstances.

Creditors have themselves to blame, in great measure, for the evils which they so loudly deplore. So long as the Wholesale trade persist in forcing sales without taking proper pains to ascertain the honesty and capacity of the parties to whom they sell; so long as they allow large sales to be their chief object in business, and prudence to play only a secondary part; just so long must the inevitable result be disaster to retail dealers, and through them to the wholesale trade itself. The sooner more conservative and careful principles are adopted by sellers, the sooner will we hear of fewer dishonest and reckless buyers, and the sooner will our mercantile system be established on a sound basis. There has been too much of a tendency lately to saddle the retail trade with all the responsibility for "bad losses."

No doubt there will always be some men in business who are destitute of integrity, but while this is the case it is quite as true that very many are made reckless and dishonest by the injudicious haste of some houses to push business and their readiness to give credit to incapable buyers. This is a principle that must commend itself to every one who has given the subject any consideration, and yet it is one that is constantly sight of. It is worse than useless to deplore existing evils if we are not ready to avail ourselves of the means of redress at our hand. Amendments in our own conduct or dealings are those that we are least likely to suggest, but when adopted are most likely to be effectual.

#### THE MIDLAND RAILWAY CO.

The meeting of the Bondholders of the Midland Railway Company, held in London on last month, ended as might have been expected. The manager and trustees were gratified by an expression of the confidence of the bondholders. The chairman explained that all the work done on the road was charged at low figures. That, however, was not the point. Mr. Stewart, the late engineer, had written a letter to Mr. T. C. Wallbridge, in which he insinuated that from \$600,000 to \$800,000 more had been got rid of than the company had received value for; and Mr. Wallbridge impeached the integrity of the manager in general terms. We cannot pierce the blinding fog that surrounds the question, and say with certainty where the truth lies. It would be unfair to assume the guilt that was more than implied, upon the evidence