

The Bankruptcy Law.

As an evidence of the importance attached to the subject of bankruptcy legislation by the mercantile world, it is interesting to note that bills for securing the proper legislation and distribution of estates are at the present time before the representatives of the Dominion and of the United States, while leading financial authorities in England are advocating the adoption of some efficacious remedy for the existing evils under the present state of affairs. Able and influential journals that may be considered the exponents of mercantile feeling on this subject express their sense of the importance of such legislation by claiming that the first instalments towards the proposed mercantile code ought to consist of a rational bankruptcy law. There can be no question but that the present state of affairs is unsatisfactory in the extreme, too much latitude being allowed to the dishonest trader in evading payment of his just debts, and too much delay and expense being incurred in the present method of distributing the debtor's estate.

The subject of bankruptcy is one that concerns the general community as well as the mercantile class, for though the provisions of any law on this subject will be confined to traders, the general public are concerned too intimately with that class not to be affected by their standing and probity. However, among the variety of causes that bring about insolvencies there must be reckoned dishonesty on the part of the debtor and such a reckless abuse of credit as to amount to a violation of the laws of commercial morality.

These abuses are difficult to eradicate, connived at as they are by the carelessness and oversight of the creditors themselves, who allow the debtor to perpetrate with impunity acts of fraud against the body of creditors which if done towards any single individual, would meet with prompt punishment. The debtor who makes fraudulent assignments, conveyances and debts plays a bold but not a dangerous part, for his deceit, if it be not discovered, will enable him to cancel his debts, while if discovered and proved he is no worse off than before. This is because there is no one to put the law, lenient as it is, in force against him. What is everybody's business is nobody's business, and usually the delinquent escapes because no one will take the trouble and expense of prosecuting him. It is a fallacy to suppose that the community can rely on the self-interest or public spirit of any body of creditors either to enforce their own rights or to vindicate those of the public at large. There is evidently a growing desire that the disparity existing between the certainty and severity of punishment meted out to the common thief and the fraudulent trader should cease. But penal laws against mercantile fraud would be next to useless, unless there is a certainty of their application. To secure this is the chief difficulty. At present it is not done, and under the old bankruptcy act matters were in a still worse condition. The method that has met with the most general approval is to throw a judicial solemnity over insolvent proceedings by placing the whole matter in the hands of the courts and compelling the fullest disclosure of

all the details of the merchant's business affairs. It is claimed that by initiating all insolvency proceedings in the courts and continuing them there under its supervision till it gives its decision in accordance with fixed rules, bankruptcy would be an ordeal to be dreaded and would not be willingly sought by any one, since the discharge could only be obtained by a judicial decision not depending in any way on the indulgence or connivance of creditors.

There are many objections, it is true, to the compulsory intervention of the courts, and of course lawyers will add the costs, delay and uncertainty of litigation, but it is conceivable that some simple process is possible to be devised to obviate the greater part of these drawbacks. Such simple machinery and speedy decision would prove the best means of realizing and distributing the assets of the insolvent.

The creditors' trustee would then be an official of the court, and would be actuated by a lively sense of his responsibility. His powers would be curtailed and his conduct controlled by the Board of Trade. His conduct would at all events be free from the control of the debtors, and as he would be paid by salary, the iniquitous fee would be done away with.

If, however, all insolvency matters relegated to the courts as any ordinary matter in litigation there would be good ground for the fear of expense and delay. The lawyer as well as the official assignee should be excluded as much as possible from such adjustments; it is in the administration of the law that the English system is defective, and without proper administration the best laws are useless or worse than useless.

This faulty machinery is one of the worst features of Mr. Beatty's bill now before the House of Commons at Ottawa. With the light thrown upon the subject by the agitation in the United States and in England, he has attempted to frame a measure to suit Canadian affairs, but has met with such little success that his measure seems to have evoked great opposition in the larger cities in the East. Its provisions are voluminous but somewhat crude and ill arranged, while it contemplates the introduction of a complicated and tedious legal process that must militate against its efficiency. The trustee's power is not sufficiently limited, nor is he removed from the influence of the creditors. It will necessitate recourse to legal proceedings and at every step will call into being an army of guardians, and will leave much to be decided by the prescription of the judge, of course after application to him by some barrister. Some of the defects can be remedied in committee before the bill passes the House; but it would perhaps be advisable to take time to consider its whole bearing, and let it lie over till next season. No measure at all is better than a measure that would throw insolvency adjustment into a state of chaos that would eventually need to be revised and amended.

British Finances.

The report of the Chancellor of the Exchequer laid before the British House of Commons a few days ago, shows that the revenue for the fiscal year ending March 31, 1883, was £89,004,000, exceeding the estimates by £4,060,000. The expenditures were £88,906,000,

showing a surplus of £98,000. A reduction of £5,000,000 was occasioned by the decrease in the consumption of spirits. The expenses of the war in Egypt, including the amount contributed to defray the cost of the Indian contingent, were £3,893,000. The present administration had inherited £7,850,000 war charges. There were no arrears to report on account of war expenditures incurred by the present government. The expenditure for the coming year is estimated at £85,789,000 and the revenue at £88,480,000. During the past year the national debt was reduced by about £7,100,000, and for the current year, it is expected, will amount to £8,000,000. In the next twenty years Mr. Childers expects to see the debt reduced by £172,090,000. Among the chancellor's recommendations are proposals for the abolition of the tax on railway earnings where the fares are small in amount, for the reduction of the rate for telegrams to 6d. each, and for the removal of a portion of the income tax.

City Water Supply.

Dr. Richardson, a well-known sanitarian, in a recent article in one of the leading magazines lays particular stress upon the necessity of having the water supply for domestic purposes brought to a degree of softness and kept at all seasons at an equable temperature. Water to be free from injury to health should not have more than eight or nine degrees of hardness, and when it exceeds that he says that it should be treated by the lime-softening process. He has no doubt that a hard water taken as a drink is the frequent cause of constipation, dyspepsia and other derangements of the system. In Canterbury, England, the process of softening the water has been carried out on an extensive scale with most satisfactory results, and no doubt if adopted in many sections of this country its effects would be beneficial.

During the summer season the water supply of all large towns and cities in this climate becomes heated, causing the decomposition of organic matter, and consequently aggravating the intestinal disturbance which is often prevalent in sultry weather, and which carries off every year so large a part of the infant population. To remedy this evil Dr. Richardson urges the ingenious plan devised by the sanitary engineer, Baldwin Latham, of bringing the water into houses by a pipe which has been sunk into the earth to a point where the temperature is constantly low. At all seasons the water thus drawn into the houses is cold, and, what is of more importance, is of equal temperature. This would involve only moderate cost; but it is hardly to be expected that landlords, as a general rule, will hasten to thus introduce cold water into every house, notwithstanding that the expense would be balanced by the economy of ice it would affect. As a sanitary measure it ought also to commend itself to the attention of persons having in charge the water supply of towns and cities, as well as architects, builders and others whose immediate business is to use every known device for bettering the health of the dwellers in the houses they erect. The engineer has a great new field of employment before him and the subject earnestly demands immediate attention.