

revert to barbarism. But the Chinese, whatever objections there may be to them, are not savages, and are not likely to become so, under any circumstances. When the Americans have drawn a line of absolute exclusion, we may expect a demand to go up to Ottawa, from our Pacific coast, to have the precedent acted upon.

In the proceedings between the liquidators of the Central Bank some exposures of crookedness have incidentally been made. Perhaps the worst thing that has come to light has been the fact mentioned by Mr. Campbell, that though all the stock was stated to be paid up some of it was not. How much was in this position was not stated. The trick is a very old one, as almost all frauds connected with banks are. In the States of Massachusetts and New York, at one time, a supposed preventive of this fraud took the shape of a requirement that all the capital must be paid in, in gold. But this caution did not always produce the result desired; for gold was sometimes borrowed, for the purpose, and taken out of the bank almost as soon as it was put in. That the capital is really paid in, and paid without the aid of loans from the bank, there should be some assurance. From other forms of fraud we learn nothing. Mr. Mitchell Macdonald's cheque for \$88,000 was treated as cash, when there were no funds to meet it, a trick borrowed from the mismanagement of the Consolidated Bank.

THE DUTIES OF LIQUIDATORS.

The provisions of the "Act respecting insolvent banks, insurance companies, loan companies, and trading corporations," have not yet been made familiar to the general public. And we find that liquidators themselves are not always agreed as to what their duties are under it. Where more than one liquidator is appointed, "the Court may declare whether any act to be done by a liquidator is to be done by all or any one or more of the liquidators." A liquidator may resign or be removed by the court, on due cause shown. The remuneration to liquidators, where there are more than one, may be distributed in such proportions as the court may direct. The liquidator must in winding up the business, perform such duties as are imposed by the court or the winding up Act. He may defend, in his own name, or that of the company, any action, suit, or prosecution against it. He may "carry on the business of the company so far as may be necessary or beneficial to the winding up of the same." He may sell the property, real and personal either at public auction or private sale; he may sell the whole assets to one person or to several.

It is in the power of the liquidator "to prove, rank, claim and draw dividends in the matter of the bankruptcy" of any contributory; to draw, accept, make and endorse any bill of exchange, or promissory note, in the name and on behalf of the company; raise money on the assets: and generally "to do and execute all such other things as may be necessary for winding up the affairs of the company, and distributing

its assets." He may, with the sanction of the court, compromise any claim, debt or liability capable of resulting in debt, and all claims, present and future, certain or contingent, and take any security for the discharge of such debts or liabilities, and give a full discharge. He must deposit at interest, in some chartered bank or post office savings bank or other government savings bank, all sums of money received by him in his official capacity, when they amount to \$100; the deposit must not be made in his own name, on pain of dismissal, but kept in a separate account for the company in liquidation. At every meeting of the contributories, or creditors, or shareholders or members, the liquidator must produce a bank pass-book, showing the amount of the deposits at the credit of of the company; and mention must be made of such production in the minutes of the meeting, and the absence of such mention is to be taken as *prima facie* evidence that such pass book was not produced at the meeting. He must also produce such pass book, whenever ordered by the court to do so, on pain of being guilty of contempt of court.

The liquidator is subject to the summary jurisdiction of the court the same as its ordinary officers; the performance of his duties may be compelled by an order of the court and not by suit, and his obedience may be enforced under penalty of imprisonment for contempt; "and he may be removed in the discretion of the court." Within three days after the final winding up, he must deposit in the bank any money then in his hands, not required for any purpose of the Act, with a sworn statement and account; he is subject to a penalty not exceeding \$10 and ten per cent. per annum interest upon the sums in his hands, for every day he neglects or delays such payment. The money so deposited must be left for three years in the bank subject to be claimed by those entitled to it, and must then be paid over with interest to the Receiver General, by whom it is to be paid over, if demanded, by any one entitled to it.

Section 83 enacts that where any manager, director or liquidator, employer or officer "has misapplied or retained in his own hands, or become liable or accountable for any moneys of the company, or been guilty of any malfeasance or breach of trust in relation to the company," the court may, "notwithstanding that the offence is one for which the offender is invariably responsible, examine into the conduct of such" person and "compel him to repay any moneys so misapplied or retained, or for which he has become liable or accountable, together with such interest after such rate as the court thinks just, or to contribute such sums of money to the assets of the company, by way of compensation, in respect of such misapplication, retainer, malfeasance, or breach of trust, as the court thinks fit." Destruction of papers, writings or securities, falsification of books, by any person, is a misdemeanor, with a liability to imprisonment in gaol or the penitentiary, for not less than two years.

These comprise the principal duties and liabilities of the liquidator or liquidators.

We do not find in the Act any thing which requires or authorizes the liquidators to do any thing beyond realizing and distributing the assets; they are not made prosecutors, in criminal cases, that duty being by implication left to the proper authorities.

ADDRESS OF THE PRESIDENT, TORONTO BOARD OF TRADE.

Having already briefly indicated the various matters of greater or lesser interest which were discussed by Mr. Ince, the retiring president, in his comprehensive address before the annual meeting of the Toronto Board of Trade last week, we may now dwell upon one or two points in that address deserving of special notice. The first of these in order, and not the least in importance, is the hope expressed "that no attempt will be made for some time to come to establish new banks, those at present in existence being fully sufficient for the requirements of the country for many years." It is only needful to recall the financial and commercial disturbance of the past few months, arising out of the stoppage of the Bank of London and the Central Bank, the bad banking, the loose trading, and the disaster to many which followed these events, to be convinced that harm was done to the community by the establishment of these banks. The authorized capital of the thirty-eight banks now doing business in Canada is seventy-four millions of dollars. Parliament will act in defiance of the sentiment of the business men of Canada, if it ventures to grant charters for any more banks at present.

It was well for Mr. Ince to agitate afresh the proposal of a conference between wholesale merchants or manufacturers and the insurance companies to agree upon some method of ascertaining how far the stocks of retail credit traders are covered by insurance. It is undoubtedly of moment, not alone to the wholesale dealer, but to the retailer himself, that the stock of the latter should be insured to a fair amount. Especially should this be so, when it is remembered how slender the capital of many Canadian retailers is, and how few can stand a severe fire loss without being financially inconvenienced. It would appear from Mr. Ince's address that a proposition made to the insurance companies by a committee of the board has received "no really conclusive reply." This is strange; and we venture to think that if, as is proposed, the associated underwriters shall be addressed at their approaching meeting by resolution of the Board of Trade, some reply that is conclusive one way or another, will be elicited. If the underwriters decline to give such information about insurance, and creditors are unable otherwise to obtain it, the lack of it should assist to cure the prevalent evil of over-crediting.

The lack of an Insolvency Act for the Dominion is referred to by Mr. Ince. Ontario, he admits, is tolerably well provided for by the Ontario Act governing the distribution of insolvent debtors' estates, "but a Dominion Act will alone supply what is yet wanted, viz., a measure by which those who are insolvent can be compelled to assign, and that to assignees who would