

The Commercial

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INSOLVENCY LEGISLATION.

Dominion legislators seem set firmly against providing any legislation relating to insolvency. All attempts in this direction during the lifetime of the last Parliament were received with disfavor, and the first vote on the question in the new Parliament has shown that the same sentiment still predominates in the new House. This was made apparent in dealing with the bill introduced by Mr. Edgar, providing for the discharge of insolvent debtors, whose estates have been distributed among the creditors. This bill was thrown out by a large majority of the committee on banking and commerce. The bill proposed to give the debtor an opportunity of obtaining his discharge, according to the rate on the dollar which his estate realized. For instance, if an estate paid less than $33\frac{1}{3}$ per cent., it would require the consent of at least three fourths in number of the creditors, representing four-fifths in amount of the claims against the insolvent. If the estate paid from $33\frac{1}{3}$ to $66\frac{2}{3}$ per cent., the consent of but two-thirds of the creditors, representing three-fourths of the claims, would be necessary to enable the insolvent to obtain his discharge. If the estate paid $66\frac{2}{3}$ per cent. and over, the insolvent would be enabled to obtain his discharge with the consent of the majority in number of his creditors, representing a majority in amount of the claims against the debtor. These are briefly the provisions of the bill, but which the committee did not seem to care to discuss, not so much out of opposition to the bill itself, as owing to a feeling of hostility to all special legislation on the subject of insolvency.

Opinion in commercial circles is somewhat divided regarding the last Dominion insolvency act, but it is probable that the re-enactment of a very similar measure would not be favorably received in commercial circles generally in this country. Notwithstanding this feeling regarding the insolvency law of 1875-78, it is generally conceded that proper insolvency legislation emanating from the Dominion Parliament and therefore applying to all parts of the country, would be greatly preferable to the present state of things,

the great advantage being that it would secure uniformity of procedure in all parts of the Dominion. In the absence of a Dominion act, several of the Provincial Legislatures have adopted local measures providing for action in cases of insolvency. Other provinces have no special legislation whatever to cover such cases. The result is that in no two provinces are the regulations governing insolvency, similar. In Manitoba a law has been enacted which provides for the appointing of an assignee, and gives the creditors a measure of control over the estates of insolvents. A bill is now before the Legislature to further amend this law by appointing an official assignee, to whom all assignments shall be made. Provincial laws, however, are felt to be inadequate, owing to the more limited scope of their powers and operations, in comparison with what might be done by a Dominion measure, were an effective bill passed by the Dominion Parliament.

The Edgar's bill, previously referred to, simply provided for the discharge of insolvent debtors, without any provision for the winding up of insolvent estates. On this ground it was objected to by the Montreal board of trade. The board urged that Dominion legislation providing for the management and distribution of estates and giving control of the same to creditors, should precede any measures for the discharge of insolvents.

THE HUDSON'S BAY RAILWAY.

The bill introduced by the Local Government to grant aid to the Hudson's Bay Railway has again drawn a great deal of attention to this scheme. Though the question of disallowance was for a time the all-absorbing topic, it has been shown that the people are quite as fully as ever alive to the importance of securing the road to Hudson's Bay at as early a date as possible. Now that the road to the southern boundary will go on almost to a certainty, the northern route has come to the front once more as the central matter of interest, and will undoubtedly continue to be the great question at issue before the people of this country, until the road is completed and in operation to the shores of the great northern inland sea. The bill as at first introduced—an outline of which was given in our last issue—created a good deal of surprise and not a little consternation among the more active promoters of the Hudson's Bay road. Indeed, as was freely pointed out,

the provisions of the bill were such that the proffered aid was practically valueless. The assistance offered in the bill, though important in itself, was so hedged in with restrictions and onerous conditions that it really was not worth the whistle. Those, therefore, who are anxious to see really valuable assistance extended to the Hudson's Bay road—and who is there in Manitoba who does not—will be pleased to learn that the bill has been so altered as to render it a practical aid to the scheme. The amount of aid proposed is the same as in the original bill, namely, a guarantee of four per cent. per annum for twenty-five years on the bonds of the company to the amount of \$4,500,000. The changes are in the direction of simplifying and making easier the conditions to be complied with in obtaining the guarantee. In the new bill the Winnipeg and Hudson's Bay Railway Co. is mentioned in place of "any company," and instead of the company being obliged to raise \$10,000,000 before any aid is given, the company is now empowered to float \$10,000,000 of bonds, of which amount the guarantee will be given on \$4,500,000. The remaining \$5,500,000 of bonds will not be guaranteed. The proceeds of these bonds will be placed in the hands of three trustees, one to be appointed by the Government, one by the company and one by the bondholders. The trustees will pay toward building the road from the funds raised from the guaranteed bonds, in the same proportion to the amount expended from the funds obtained from the bonds not guaranteed. In addition to the \$10,000,000 bonds, the company has bonding power to the amount of six and a quarter millions, and these will be placed with the Government as security for the completion of the road, and to be applied in that way. As the bill now stands it should be a valuable measure of assistance to the road, and it is hoped that with this aid the work will be pushed forward to completion.

SELL AT A PROFIT.

It certainly is a foolish custom which compels merchants to sell any class of goods at or less than cost. Common sense business principles would dictate that as a rule a fair profit should be made on every class of goods. This does not mean that exactly the same percentage of profit should be had from all kinds of mercantile commodities. The percentage of profit must of course be regulated accord-