

MR. BARTHE said he did not now refer to political questions. That newspaper said :

"The Government report gives \$31,346,154; Dun, Wiman & Co., \$25,517,971—a difference of nearly \$6,000,000. The average of net assets for dividends and composition are somewhat less than fourteen cents on the dollar of liabilities."

That was a statement which nobody could deny, and the expectation of the hon. the Minister of Justice, expressed last year, that estates would pay 50c. on the dollar, had not been fulfilled according to the official statistics. He observed in a newspaper the suggestion that a remedy would be found in compelling insolvents to pay dividends of 75c. on the dollar. No estate in the Dominion could pay that dividend and the assignee's costs; indeed, no estate was able to pay 50c. and assignee's costs, as matters were now managed. With those statements made public, it was desirable to ascertain in how many cases discharges were refused to reckless and dishonest debtors. Experience had shown that, as the law was now framed, it was nearly impossible to contest with success the discharge of an insolvent, because the assignee and insolvent worked together; a statement was prepared before the meeting, and the majority of the creditors did not make it their business to watch the estate. It was said, in reply, that if estates were not well managed, the fault was that of the creditors and they should make it their business to look after them. In those cases, however, where they guarded their interests, and went into Court to protect their rights, they had, generally, been compelled to pay the costs. The law, at all events in the Province of Quebec, was, that if one creditor contested the discharge of an insolvent, it was not fair that the discharge should be refused. That was the decision given by the Court of Appeal. He did not, of course, desire to combat that decision; he knew it was in accordance with the law, but a law which enabled such a decision to be given was a bad one and should be repealed, for it was unjust to creditors and encouraged reckless and dishonest debtors. The

experience of the working of the law during previous years had been of the same character. It was a benefit only to reckless and dishonest debtors, and conferred no advantage on creditors, with the exception of a few large creditors in cities, and who appeared to think they had the right to control the whole business of the country by that law. The *Journal of Commerce* contained a *résumé* of the working of the Act throughout the country; it placed the subject in a clear light, and contained the following paragraphs:

"There is not one among the wholesale merchants of Montreal, Toronto, Hamilton, Halifax, St. John, and other cities, who is not conversant with the country merchant, who, to build up a business and destroy that of his honest neighbour, will sell cotton for 6c. to 7c. a yard and other goods in proportion, (which his honest and careful competitors cannot afford to sell for less than 9c. to 10c.,) well aware that the Insolvent Act is ready to relieve him when at the end of a year or two he finds himself owing his creditors some \$15,000 or \$20,000 and has only \$12,000 to \$15,000 wherewith to pay it. He calls on his creditors and tells his story very humbly. But he has an uncle or other wealthy friend who will secure him, and, if they would accept 50c. on the dollar, he 'would be a good customer in the future.' The result is that in nine cases out of ten he returns with his composition all arranged, and enabled to continue underselling his honest neighbours, who see with regret that the 'white-washed' dealer is none the less respected in his vicinity, because he has not, like themselves, paid his twenty shillings in the pound. 'As a little leaven leaveneth the whole lump,' so does one such compromise infect a whole neighbourhood; others who had continued able and willing to pay their indebtedness in full are tempted into similar recklessness in trading and buying, until at length the sound business men in the place are the exception and not the rule. Indeed, the ease and certainty with which compositions and discharges are obtained are a continual premium offered to recklessness and dishonesty. There is scarcely an upright country storekeeper who has not had sad experience of the state of things we here describe, and upon the head of the wholesale merchant at last descends the accumulated load, when he finds his customers one after another failing or offering to compromise, and this in a business where profits are scant enough through over-competition, "slaughtering," heavy taxation, embezzlement and other causes.

"The remedy for this state of things must be found in the cause; and there is little