

BANKRUPTCY.

WE recently referred to the necessity that existed for the revision of the existing insolvent act, to the end that creditors as well as debtors should receive some consideration. We desire now, in this connection, to call public attention to the need of some provision in any new insolvent act, which would have the effect of compelling traders to keep more exact accounts of their transactions than many of them now do, or, at least, of punishing neglect by withholding the legal discharge, and leaving the careless debtor to be dealt with by his creditors as they may see fit.

Everyone knows, who has had any wide experience in the settlement of bankrupt estates, that great carelessness does exist in the matter of keeping complete books of account, from which the state of the insolvent's affairs might be at once made out. Some do not appear to see the necessity of it, are habitually easy-going, or are unwilling to go to the expense of engaging a man competent to take charge of their books, and to make out periodically statements of their business. Some, of course, may be deceived, and imagining the book-keeper to be perfectly competent, find out too late that their books are in a state of hopeless confusion, and the accounts inextricably mixed up.

Now this is all wrong. A man who buys for cash has a right to manage any way he pleases, and so long as he only injures himself, no one has any right to find any fault. But with the man who buys on credit, giving his written promise to pay for the goods bought, the case is very different. It is his duty then to so conduct his business, that, aside from unforeseen and unavoidable losses, his creditor cannot become a loser. He has no right to do anything, or to omit to do anything, whereby the property of his creditor, or that from which the creditor is to be ultimately repaid, may become endangered, or rendered liable to deterioration to a greater or less extent. To carry on trade safely and profitably, it is obviously necessary for the trader to know what he is doing; to know what his apparent profits are; to know what those profits will be when business and personal expenses are deducted; to know the exact amount of book debts, their character and the probable percentage of loss, and to make due allowance for the same; to know, above all, the value of the assets as compared with the amounts due. By the proper keeping of books of account, all these things may readily be known, and every man ought, as much as possible, to make himself master of at least the principles of book-keeping, so that if he is not able to keep his own accounts, he, at least, may be able to make use of them when properly kept, and also be able to judge of the efficiency of the accountant he may employ.

Now the mere fact of its being his duty will not, in many cases, be found sufficient to induce the trader to be thus particular with regard to his accounts, and it is for this reason that we would suggest that wherever an insolvent's books were found to be incorrect, either through fraudulent design or through carelessness, he should be debarred from the right to a discharge, unless granted by two-thirds in amount of his creditors. And we would suggest them, if they obtain the power of veto, not to be over merciful in using it.

The necessity for some improvement in this respect was shown at a recent meeting of the creditors of W. F. Romaine, of Oakville, a report of which was published in the *Globe*. It was found that various entries were omitted, the cash-book was never entered up, and transactions had been discovered to which there was no clue in the books at all. For instance, fifteen boxes of goods had been sent away to Guelph, and never charged to the firm to whom they were sent, in fact, no entry made of any kind. We do not know that there was any intention on the part of Mr. Romaine to commit a fraud: we should have been certain there was no such intention had the proper entries been made, and Mr. Romaine has no right to complain if his creditors should form a harsh judgment.

Leaving the question of accounts, we find, in this same report, a fact stated which illustrates very forcibly the private extravagance into which men in business allow themselves to be led. In his examination, Mr. Romaine stated that he has been "shaky" since 1857. In answer to another question, he gave the startling information that his house, which, he observed, he built in 1855, cost him about \$15,000, or, with furniture and all, between \$22,000 and \$23,000. It does not appear to us very strange now that he should have been "shaky" since 1857. He also stated that the house would now bring between three and four thousand dollars. No comment is needed.

TRADE BETWEEN THE UNITED KINGDOM AND BRITISH NORTH AMERICA.

THE Trade and Navigation accounts for 1888 are published, and we extract a few of the items of interest to our Canadian readers.

The following are the imports into the United Kingdom for 1887 and 1888, of the articles specified, with in some instances the countries from which they have been chiefly taken:—

Articles—	1887	1888.
Pearls and Pot.....cwt.	78,532	109,632
Cotton raw—		
From United States....cwt.	4,715,733	5,128,971
Brazil....."	623,761	882,114
Egypt....."	1,127,541	1,153,419
British India....."	4,449,239	4,408,095
Other countries....."	351,257	285,294
Total	11,272,551	11,857,893

Petroleum—		
From United States....tuns.	22,236	16,987
B. N. America...."	1	7
Other countries...."	257	167
Total	22,494	17,161

Provisions—		
Butter.....cwt.	1,142,262	1,097,539
Cheese....."	905,476	873,577
Eggs.....No.	397,984,520	383,969,040
Fish, cured.....cwt.	311,959	297,902
Lard....."	248,839	297,260
Bacon and hams....."	537,114	638,127
Beef....."	195,797	240,577
Pork....."	142,831	144,878

Wheat—		
From Russia.....cwt.	14,025,236	10,053,617
Denmark....."	418,012	664,419
Prussia....."	5,572,263	4,594,742
Schleswig, &c....."	127,222	45,412
Mecklenburg....."	651,884	647,205
Hanse Towns....."	7,000,935	756,604
France....."	597,405	56,414
Illyria, &c....."	542,635	1,047,701
Turkey....."	2,446,688	3,049,083
Egypt....."	1,451,774	3,219,536
United States....."	4,183,013	6,908,159
Chili....."	1,946,227	1,309,575
B. N. America....."	183,127	567,443
Other countries....."	1,294,138	792,813
Total	34,645,569	32,639,768

Barley....."	5,683,721	7,476,224
Oats....."	9,407,136	8,112,563
Pease....."	1,586,429	1,116,246
Beans....."	1,982,615	2,647,890
Indian Corn....."	8,540,429	11,472,226

Fur—		
From Hanse Towns.....cwt.	444,710	615,766
France....."	1,234,742	632,369
United States....."	722,976	676,192
B. N. America....."	121,513	192,860
Other countries....."	1,069,028	975,865
Total	3,592,969	3,093,022

Timber or Wood, &c., sawn or split.....	2,177,549	2,417,411
Staves not longer than 72 in.....	62,621	61,117
Timber, not sawn or split.....	1,211,042	1,326,425

DON'T RUN INTO DEBT TOO FAST!

THE greatest danger, we have always considered, in the way of the success of Confederation, was the danger of its being too expensive. Our new Constitution increased the number of our Legislative bodies, and consequently the cost of Government. Not a few were justly afraid that, sooner or later, the extra Legislative machinery would add materially to the taxation of the people. These fears have not yet been realized, but we think the danger is by no means past, and that our public men would do well to act on the motto "don't run into debt too fast." The economy practised by the Local Governments up to this time, especially Ontario, has assisted to keep taxation as reasonable as before the British North America Act was passed; but it is by no means certain that they will long continue so careful and so prudent. The Quebec Government has already manifested a disposition to spend freely, and the others may not be long in following suit. Then it is well known that the Dominion Government is, necessarily in some instances, augmenting rapidly our public indebtedness. Our annual expenditure also swelled up to handsome proportions last year, as the Budget clearly showed. The total amount to be provided for was some \$17,000,000, and after making allowance for the contributions of Nova Scotia and New Brunswick, and some extraordinary items contained in the above sum, there was considerable increase manifest. Mr. Rose was sanguine he would have revenue enough to meet all demands without increasing taxation; we hope he may but we confess to a little anxiety to examine the balance sheet and ascertain the actual result. During last Session Parliament authorised large additions to

our public debt. There was first, the sum of \$15,000,000 for the Intercolonial Railway, and before it is finished, it will almost certainly take \$10,000,000 more. Then there was \$5,000,000 for Fortifications—we suppose, at the very least, \$8,000,000 will be spent if the works are gone on with. The Government were also empowered to settle the claims of the Hudson's Bay Company, and it is in every way probable that \$4,000,000 will sooner or later be consumed in this way.

These votes last year, and the further outlay which must flow from them will add at least \$35,000,000 to our public debt before five years, which will make the total considerably over \$100,000,000! And if we remember that the North-West cannot be opened up for nothing, that the early deepening of our canals is likely to be a condition of any new reciprocity treaty, and that several new public works are earnestly urged in the Maritime Provinces, it is easy to fancy our indebtedness increased to \$120,000,000 before very long. Now we are not among those who would allow the Dominion to stand still for fear of a little debt. There is no such a thing as getting into debt judiciously, at least for nations. But we would warn our public men not to run into debt too fast! Take things quietly. We know nothing which would be more injurious to Canada than to have to increase taxation. We don't want that, and with prudence and foresight, it can be avoided. Some of the expenditure we have mentioned was a condition of union, and could not be avoided. That of the North-West, for instance, will be a profitable investment. There is every reason to hope that our revenue will continue to increase, but it may be doubted if it will augment to such an extent as Mr. Rose predicted last Session. One thing is certain, it cannot bear a very heavy strain, and it would be in the last degree unfortunate if we reached a period of "chronic deficits" such as we had a few years ago. The Government ought to give earnest heed to avoid this in every way, and they can easily do so if they act on the principle "don't run into debt too fast." The Dominion is young yet. It has great resources; but these must not be taxed too much at first. Let our Local Governments, then, continue to act as economically as possible, and if the Dominion Ministers do not increase our debt too rapidly, we doubt not Confederation will continue to be a great success, and that Canada will remain, as at present, one of the cheapest countries in the world to live in.

EXPORT DUTIES.

THIS class of duties has generally been regarded as objectionable, and certainly this must be said of those which were imposed on saw-logs, shingle and stove bolts, by the Dominion Parliament last Session. The objectionable character of these duties was pointed out very strongly by some members in the House at the time, and it is a pity they were ever imposed. Reliable reports from the Counties of Norfolk and Elgin—in which the trade in exporting round pine is principally carried on—show that they have suffered considerably from the tax. It is claimed that the business in Norfolk alone has fallen off this winter from the value of \$200,000 to \$50,000, and that a great portion of the latter would not have been transacted, but for contracts which were in existence and could not be broken. The season has been one of great dullness in the country, consequent on the fact that about \$150,000 has been withheld from circulation, which would otherwise have been spent on saw-logs and bolts, if there had been no export duties upon them.

The principle upon which the Dominion Parliament acted in imposing these duties, is radically unsound. The idea was entertained, we believe, that the Americans must have the timber, and that the duties would fall upon them. But their real effect is to afford protection to the lumber dealers of Michigan, who float round timber to Western New York in large quantities. Freight with this export tax, the dealers in Norfolk and Elgin cannot compete successfully with those of Michigan, and consequently the Canadian trade is rapidly declining. If the duties had really come out of the consumer, we suppose it might have been as well to keep them on; but as it is pretty evident that we are taxing one of our own special interests, and in such a way as to destroy our export trade in saw-logs and bolts, the wisest course would be to repeal the objectionable imposts as soon as possible.

Another injurious effect from the present state of matters is—that it retards the clearing up of the country and the progress of settlement. Settlers are often induced to go into such districts, because they know they can sell their pine and sustain themselves thereby