

THE COMMERCIAL

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The Commercial certainly enjoys a very much larger circulation among the business community of the vast region lying between Lake Superior and the Pacific Coast than any other paper in Canada, daily or weekly. The Commercial also reaches the leading wholesale, commission, manufacturing and financial houses of Eastern Canada.

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CHATTEL MORTGAGES.

Some years ago, after certain amendments had been secured to the Manitoba laws relating to creditor and debtor, it was believed that preferences were practically abolished. At that time the chattel mortgage was considered a comparatively harmless thing, so far as it related to merchants. Of late, however, many painful experiences have transpired, where the chattel mortgage has been used to practically defraud creditors of their rights. We say defrauded of their rights, because we believe that to give one creditor a preference over another, is wrong in principle and works a grievous injustice to other creditors.

While in some respects Manitoba law is very fair in the matter of preferences, in the case of the chattel mortgage the law is about as bad as it could be. In the first place, the law does not compel the registration of chattel mortgages. This seems a very bad feature to start with, for it seems a good principle to declare, that anything in the nature of a preference should be recorded at once. A man may be considered a sound and thoroughly responsible person, and may be virtually carrying on business on his supposedly good credit standing, while at the same time some favored creditor holds a preferred claim in the form of a chattel mortgage on all his property—or rather, the property on which his credit is partially at least based, and which should be available to all creditors alike. The principle of permitting secret preferences to exist for years, seems thoroughly wrong.

The next important feature in regard to chattel mortgages is the ab-

surd doctrine of pressure, as embodied in Manitoba law. We have laws against preferences, but in the case of chattel mortgages the doctrine of pressure prevails. If the debtor can declare that he gave the preference under pressure, and the favored creditor corroborates the evidence, then the mortgage is adjudged good, against the claims of other creditors. It is easy to see how fraudulent or unfair preferences can be given where this doctrine is recognized in the law. A creditor may go to his debtor, and winking one eye may say: "I must have a settlement of this account at once or I will take legal proceedings against you." The debtor, with a wink of the other eye, may reply: "Oh, I don't want to be sued. It would ruin my credit. I am all right and will get everything straightened out in time." Mr. Creditor can then say: "Then you must give me security. I demand a chattel mortgage on your stock, or I will proceed at once against you." That is all that is necessary under the Manitoba law, to enable any creditor to give a preferred claim to a favored creditor, which cannot be set aside. The creditor gets his mortgage and can carry it around in his pocket as a secret preference. He may smile to himself as he sees the debtor get in a large stock of new goods, knowing that it only increases his security.

Take another instance of the peculiarity of the law in regard to chattel mortgages. A merchant gets into close quarters and is unable to meet his liabilities. A creditor has faith in this man. Believes him to be a good man and concludes that with assistance he will pull through all right. He advances his debtor some money to pay off pressing claims held against him by others and supplies him liberally with goods, taking a chattel mortgage on the stock. The creditor, however, has committed an error of judgment. The debtor, instead of pulling himself together, only gets deeper in the financial mire, and finally is compelled to assign. This chattel mortgage would be called a fraudulent preference and would be voided under our law, because not obtained by pressure.

This will indicate the absurdity of this doctrine of pressure. Preferences should be made impossible, as applied to the assets of business men, and it should not be a difficult matter to make them so. What is required is a fair and impartial distribution of insolvent estates, and a law securing this would be in the interest of both jobbers and retailers. As the law now stands there is a temptation to the creditor to take advantage of the debtor and press him into giving an unfair preference. On the other hand, the debtor has it in his power to give

an unfair preference to a favored one. The complete annihilation of preference would certainly improve the position of both retailers and jobbers—at least those of them who wish to be honorable and straightforward in their dealings.

The new legislature of Manitoba will confer a benefit upon the business community by abolishing chattel mortgage preferences. Of course, the chattel mortgage has its use, as for instance when given on a specific article or articles under certain circumstances. It is not necessary to abolish chattel mortgages entirely, but to prevent their use as a means of giving one creditor a preference over another. Provision for the early registration of chattel mortgages should also be made.

RULES OF THE ROAD.

A good deal of attention is being paid to bicycle riders in Winnipeg lately. At almost every session of the police court, a number of persons have been fined for riding at night without a lamp, riding without a bell, or for riding on sidewalks. While the enforcement of these rules may be perfectly proper, there are other and even more important features in connection with riding and driving on the streets in Winnipeg which are utterly disregarded. In Winnipeg there is absolutely no attempt to observe any rules of the road in riding bicycles or driving vehicles on the streets. Persons coming here from other cities seem bewildered at the reckless and slovenly manner in which people drive about the streets. Half grown boys dash about the streets with delivery wagons, utterly regardless of any rule as to the side of the street. In turning a corner it seems to be almost the invariable custom of both bicycle riders and drivers of vehicles to graze the curb as closely as possible, either to the right or the left, according to the way they may be going. This is a particularly dangerous custom, especially since the bicycle came into such general use. Several collisions have occurred on account of the lack of observance of any rules in riding and driving on the streets, and many narrow escapes are continually taking place. The city papers in reporting a recent accident, whereby a bicycle rider was very seriously injured in a collision with a vehicle, said that neither parties were to blame. The fact is, that either one or the other was on the wrong side of the street or the collision could not have occurred in the manner it did. The authority which permits this lack of system is responsible indirectly for such accidents. While the authorities are busy enforcing rules regarding the use of lamps, bells, etc., they should not neglect these other