

NOW OR NEVER.

THERE never was a period in the history of the trade of the country when a better opportunity was afforded for the reform of a very serious abuse.—We refer to the extended and indefinite credit system. This business has prevailed to such an extent and has been productive of so many bad results, that it is quite unnecessary to remark upon them. It is a fact beyond question, that the depression of the past year was largely augmented by the nature of the credit business of the country. Not only were the outstandings of almost every retail merchant quite too large, but they were generally of a very unavailable character. The succession of bad crops, and a general contraction of banking accommodation, could not fail to produce very great embarrassment under the circumstances. It has come to be regarded as almost an absurdity to expect to realize anything like the face of the debt, due a retail merchant, in the event of his having to stop payment. The experience of the past year has shown most conclusively one of two things: either that there is the greatest carelessness by retailers in granting credits, or that the consumers as a rule are in a much worse condition than is generally understood. Either conclusion must enforce the conviction, that greater care must in future be exercised; and now that we are at the commencement of another cereal year, we think it is of the greatest importance that a reform in this respect should be commenced. The country has happily been blessed with a good crop of every description of produce, the prices now being realized are eminently satisfactory, and there seems no reason whatever to doubt that the great body of the consumers will be able early to pay the accounts due to retail merchants. That they should do so, and that at the earliest practicable moment, is very evident. Nothing whatever can be gained by delaying to sell; and farmers who deliberately speculate upon their produce, by holding it for higher prices when they can now realize remunerative rates, leaving their store debts in the meantime unpaid, should have no mercy whatever, and should be proceeded against at the earliest opportunity.

We talk thus plainly because the condition of the country requires that the internal indebtedness should be speedily reduced. The greatest leniency has already been shown both by the importer to the retailer, and by the retailer to the consumer; and as there is no further necessity for delay, it implies an abuse of good nature to further postpone payment. Every consideration, whether as to the price and condition of grain, and need of the country, compels the conviction that the sooner the crop is realized upon the better. The country merchants have the power largely in their hands to compel this, and they should use it wherever there is a disposition to procrastinate the payment of just debts.

Having secured or largely reduced what is due them, we trust our country friends will mark out a new line of policy for the future. We don't see why the farmers in the older settled localities of Canada should need trust at all. As a rule, they are regarded as the most solid and substantial class in the community. True, they generally have the bulk of their capital locked up in real estate, improvements, &c., and this perhaps accounts for the general habit of asking a year's credit for their supplies; but surely they should endeavour to reform in this respect. Any man who owns a hundred acres of land, has good houses and barns, well stocked with cattle and implements, ought to be above running a store bill of fifty or a hundred dollars; and now that they can sell almost every thing they produce for cash, at high rates, we really do not see the necessity for a further continuance of the credit system. At any rate, the principal ought to be largely curtailed. During the year, almost every farmer in the country has been enabled to reduce his stock by the sale of cattle, hogs, and sheep; the earth has yielded most bountifully, and if the attempt is not now made to pay as they go, we do not know when it will. Country merchants know better than we can tell them the utter folly of a long-winded credit business. Experience shows that hardly any rate of profit can atone for losses by bad debts. The embarrassment and anxiety incident to a wide-spread credit business is one of the inevitable misfortunes to which the unwise trader is subjected. Is it not well to consider now the feasibility of adopting at least monthly payments, if not entirely the cash system? We are glad to know that there are establishments doing an exclusive cash business, and that they have been more than usually successful. The last two or three years have witnessed a large increase

in this class of business. It is not unfrequently complained that the money due by the consumer to the credit-giving merchant finds its way into the cash store. The temptation of low prices has been too great to be resisted; and it may account in some degree for the extreme slowness which has characterized the collection of outstandings, that the small amount of money afloat has been absorbed by the cash establishments. This consideration, in addition to all others, should induce those who give extended credits to attempt a reform. A cash system for a retail business is the only true and safe one. It only is satisfactory, and by it only, in this country and at this time, can success be attained. Let a general attempt, then, be made to discountenance the old mode of doing business. A strong determination by the leading merchants in each locality cannot fail to be successful, and importers will do well to impress upon their customers the necessity of a change. Consumers once given to understand that the reform is to be generally adopted, and there can be no doubt of its success.

Aside, however, from the usual considerations which would induce a cessation of the credit business, the fact that there is a possibility of the Reciprocity Treaty being annulled, adds a great deal of weight to what we urge. While, as we showed last week, we do not anticipate that the most disastrous results may follow the repeal of the Treaty, it is nevertheless not unlikely that a serious derangement of trade may occur, and there is no class which it will affect more immediately than the farmer, and through him the merchant. The country will certainly be much better prepared for the event, if its internal indebtedness is largely reduced, and individual merchants will be much better able to stand any revulsion of trade if their outstandings are few and in safe hands. It would be most unwise to continue business as heretofore, trusting wildly and recklessly that class whose interests will be most seriously affected by the repeal of the Treaty. The safety and comfort of every retailer will be greatly enhanced if a judicious contraction of the credit system is adopted this autumn.

We trust the matter may receive the attention of the trade generally, and a vigorous and extended effort be made to adopt a reform which was never so necessary as at present.

THE PUNISHMENT OF FRAUD.

THE consideration of how the law for the punishment of fraud shall be made efficient, follows upon that exposure of its inadequacy made in a former article. The right which a witness has under the English common law to refuse to make any disclosures which may criminate himself, is unknown in many European courts; and the advantages secured to the cause of justice, by dealing directly with the conscience of a wrong-doer, are so very great, that we may well doubt the morality of the English rule. The Court of Chancery has, however, long exercised the power of purging the conscience for the prevention of fraud; and the injuries which, in civil affairs, flow from accidents and mistakes; and law courts have lately followed in its wake, to a certain extent. Nevertheless, at law or in equity the right of a witness to protect himself from the criminal consequences of his wrong, is broadly laid down. The power of Chancery to deal with frauds is sometimes of most beneficial result,—but the tedious length of its proceedings, and the endless recurrence of its formularies, render its machinery wholly inapplicable to that prompt determination of any vexed question which is necessary to the satisfactory winding up of an estate, and unfits it to mete out that swift justice which should follow wrong. Swift justice! He lived in the land of Justinian, who called Punishment "slow-footed." Moreover, it is not a paradox, but an equity maxim, that "Equity cannot interfere to prevent the commission of a crime." So strange a refinement is this, and yet so common is its application, that it may be found pervading a vast portion of our legislation.

Under the Insolvent Act of 1864, in every case where proceedings are begun by creditors, an occasion happens on which a debtor should be examined. If a demand be made for a voluntary assignment, the debtor should be examined in five days after the demand; and this whether he has complied with the demand or not. Because the demand is made, generally, by two creditors only, and the rest should have the means of informing themselves that it has been wisely made; because it may lead to such a disclosure of the debtor's affairs as will be of a great benefit to an assignee in winding up the estate; and because it is a

sound presumption that the particular case of insolvency in hand is a crime, every particular necessary to rebut that presumption should be ascertained.—Likewise, upon the return of a Writ of Attachment, the debtor's presence in Court should be required, and then and there should he be made to undergo such an examination as will fully reveal the causes which have led to his bankruptcy. In both cases should he be compelled to produce his books and papers, and to make a full oral, as well as written, disclosure of his estate, the means and prospects he had of being able to pay his debts when he contracted them, the extent and cause of his losses, he should receive no other protection than what that examination would show him worthy of. The honest man would come from such an ordeal justified before his fellows, despite his misfortunes; and the villain would be detected in his most secret wiles and nefarious schemes. What good reason is there that a man should lie in wait to deceive, and that he should conceal wealth and ill-gotten gains with the left hand, and be protected by the law from showing the right hand soiled with fraud and knavery? The honest man, who has been unfortunate, is in consequence placed in the same category with the knave who prospers.

The reform contended for has been approached by the 62nd Sec., Cap. 92, Consolidated Statutes of Canada, which provides that the various sections of that Statute, respecting the punishment of bailies and persons in fiduciary positions convicted of fraud, shall not entitle "any person to refuse to make a full and complete discovery by answer to any Bill in Equity, or to answer any question or interrogatory in any civil proceeding in any Court of Law or Equity, or in any Court of Bankruptcy or Insolvency; but no answer to any such bill, question, or interrogatory shall be admissible in evidence against such person, in any proceeding under the said section." The spirit of the law is fully shown by this enactment. If a thief pleads guilty in a criminal court, the jury find him so, and he is sent to prison; but if a rogue confesses his crime in a civil court, he is treated like a good little boy of our childhood, who, by telling truth, escapes punishment for some juvenile peccadillo.

The end of all law is the prevention of crime. There can be no more potent means to that end than the exercise of a strict examination into a debtor's affairs, when he is placed by force of circumstances or his own wrong under the eye of the law. Every honest man loves the independence of privacy, but no honest man will set the comfort of privacy above a good name; indeed he will make free sacrifice of a petty pride for the gratification of a higher and purer one. The dishonest only will quail at the prospect of a public disclosure of their shame; and there is good reason to believe that the dread of exposure itself would be a strong motive to rectitude. There is a general desire that the Insolvent Act of 1864 shall be made useful, without being more expensive in its working; but whatever changes may be introduced in it, none are more imperatively required than the amendment of the section bearing upon fraud, and the enactment of some provision for the unprivileged examination of an insolvent debtor. It is the duty of merchants to press for these amendments. It is their duty to bestow and urge upon their representatives to bestow due attention to those measures by which the security of their property may be attained. That security will be best reached by the operation of measures calculated to increase the moral welfare of the community. It is the duty of legislators to give earnest attention to such measures, however much they seem antagonistic to notions that at least have nothing to recommend them but old age.

The International Railway Guide.

This neat little publication bids fair to throw "Appleton's" out of the Canadian market. It is got up very tastefully, and the figures may be relied upon as correct. Several well executed wood-cuts have been added to it, which renders it more valuable to the traveller. A few sketches thrown occasionally into the work, of the most interesting and remarkable places in Canada, with the mention of the best spots for good fishing and shooting, would adapt it better to the wants of the tourist or pleasure seeker.

A Good Sign.

At the trade sale of Rubber Goods last week, manufactured by the Canadian Rubber Company, a large portion of the purchases were made on Western States account. This is a most gratifying indication of trade with our neighbours in Canadian manufactures.