

and still more necessary, to enable creditors, under proper restrictions, to compel a debtor unable to meet his engagements to assign his effects for the benefit of his creditors. The former, known as voluntary assignments, we have had for years in Upper Canada. The latter, compulsory liquidation, is the special object of bankruptcy or insolvency legislation.

In everything human there is a tendency to abuse. Interest often blinds men to the finest commands of common honesty. Of this of late years we have had numberless instances in Upper Canada, as between debtor and creditor. How many of the voluntary assignments made since the expiration of our former bankruptcy law to the present time have been carried into effect so as to benefit the creditors of the assignors? It is notorious that assignments have been more frequently made for the protection of the debtor than the benefit of the creditors. Why the selection as assignee of a father, brother, or pliant clerk? Was it that the estate assigned should be as speedily as possible wound up for the benefit of those really entitled to it? Was it not, rather, that the assignor might be secure against executions while in the enjoyment of his property, and so make his own terms with his creditors? In vain did the Legislature from time to time interfere by scrap legislation to mitigate so great and so growing a mischief. It is to be hoped that the Insolvency Act now under consideration will be found more effective.

The Act, of course, observes the distinction between voluntary assignments and compulsory liquidation. It enables any person unable to meet his engagements, and desirous of making an assignment of his estate, to call a meeting of his creditors; makes it his duty at the meeting to exhibit statements showing the position of his affairs; enables the creditors at the meeting to name an assignee to whom the assignment shall be made; provides for the choice of an assignee if not chosen at the meeting; stipulates that the assignee shall not be related, allied or of kin to the assignor; gives a form of deed of assignment; enacts that no particular description or detail of the property or effects assigned need be inserted in the deed; declares that the assignment shall be held to convey and vest in the assignee the books of account of the insolvent, all vouchers, accounts, letters and other papers and documents relating to his business, all moneys and negotiable paper, stocks, bonds and other securities, as well as all the real estate of the insolvent, and all his interest therein, whether in fee or otherwise, and also all his personal estate, and moveable and unmoveable property, debts assets and effects, excepting such as are exempt from seizure and sale under execution by law. So in regard to compulsory liquidation. The circumstances under which the estate of a debtor becomes

liable to compulsory liquidation are defined. Thus—If he absconds or is immediately about to abscond from this Province with intent to defraud any creditor, or to defeat or delay the remedy of any creditor, or to avoid being arrested or served with legal process, or if being out of the province he so remains with a like intent, or if he conceals himself within this province with a like intent; if he secretes or is about to secrete any part of his estate or effects, with intent to defraud his creditors, or to defeat or delay their demands or any of them; if he assigns, removes or disposes of, or is about or attempts to assign, remove or dispose of any of his property, with intent to defraud, defeat or delay his creditors or any of them; if, with such intent, he has procured his money, goods, chattels, lands or property to be seized, levied on or taken under or by any process or execution, having operation where the debtor resides or has property, founded upon a demand in its nature proveable under the act, and for a sum exceeding two hundred dollars, and if such process is in force and not discharged by payment or in any manner provided for by law; or if he has been actually imprisoned or upon the gaol limits for more than thirty days in a civil action founded on contract for the sum of two hundred dollars or upwards, and still is so imprisoned or on the limits; or if, in case of such imprisonment, he has escaped out of prison or from custody or from the limits; if he wilfully neglects or refuses to appear on any rule or order requiring his appearance to be examined as to his debts under any statute or law in that behalf; if he wilfully refuses or neglects to obey or comply with any such rule or order made for payment of his debts or any part of them; if he wilfully neglects or refuses to obey or comply with the order or decree of the Court of Chancery, or of any of the judges thereof, for payment of money; or if he has made any general conveyance or assignment of his property for the benefit of his creditors, otherwise than in the manner prescribed by the act.

If a trader ceases to meet his commercial liabilities generally as they become due, any two or more creditors for sums exceeding in the aggregate \$500 may demand an assignment for the benefit of creditors. The debtor, if disputing his obligation to make an assignment, or the right of the creditors to demand it, may by petition appeal to the judge. If the petition be rejected the estate of the debtor becomes liable to compulsory liquidation under the act. But a proceeding to place the estate of an insolvent in compulsory liquidation must be taken within three months next after the act or omission relied upon as subjecting the estate thereto.

In case any creditor in Upper Canada, by affidavit of himself or of any other individual, shows to the satisfaction