

bulk of the increased indebtedness. All this may be accounted for by "the general revival of trade" and "the opening of a new and lucrative market in the North West;" and it must be sufficiently obvious that the banks could not allow all this accumulation of their liabilities to the public to lie in their vaults unproductive. The *Bystander* has no hesitation in giving his opinion that the bank assets are a myth; that they rely on "the resources of a visionary future" for the means of meeting their liabilities. No data whatever are given for such an opinion, but we venture to affirm that the bank discounts, which constitute the chief item of the aggregate assets, would exhibit to-day a smaller percentage of loss than they would have done three years ago.

In October, 1879, the difference between the assets and liabilities of the banks was \$73,430,645, while in 1882 it was \$81,281,634. The increase of paid-up capital in the three years was under \$400,000, so that over seven millions must have been added to the Reserves and Contingent funds of the banks, in addition to increased dividends. Whatever may be the value of the bank assets we believe that few will join the *Bystander* in his opinion that the fund on which they rely for payment of the notes which they have discounted is that which he suggests. A very large amount of the discounts represent *bona fide* sales of merchandize, and the current opinion in the trade is that payments have been made of late with unusual punctuality. The attack on the credit of our monetary institutions having been general, and wholly without foundation, we do not deem it necessary to refer again to the special circumstances under which two Toronto banks of undoubted standing adopted means of evading a law, which cannot be strictly carried out, and through which, as O'Connell used to say, "you could drive a coach and four." We might probably, without impropriety, apply to the *Bystander* his own remark on Mr. Edward Blake, viz., "It is not in commercial questions that he is most at home."

INSOLVENCY LEGISLATION.

Attention was drawn in recent issues of JOURNAL OF COMMERCE to the state of public opinion, both in Great Britain and the United States, on the subject of insolvency legislation. In Canada there are wide differences of opinion on the subject, and it is much to be regretted that there seems no probability that it will be taken up by the Government. The prevailing opinion elsewhere is that very large powers should be given to the Courts of Justice to deal with bankruptcy cases. The questions on

which the mercantile classes are divided seem to be the discharge of the bankrupt, and the authorization of compositions. Both these proceedings are strongly objected to, and it has been proposed to legislate simply for the equitable distribution of insolvent estates, without affording any relief whatever to the insolvent. In the bill now under the consideration of the Senate of the United States it is provided:

"That it shall be a valid objection to the bankrupt's discharge that he has done any thing that is made criminal by this Act, or has given a preference or preferences as hereinafter defined, under an assignment for creditors, or otherwise which have not been surrendered; or shall have made at any time a transfer of his property, which any creditor who has proved his debt in the proceedings might at the time of the bankruptcy have impeached as fraudulent if he had then been a judgment creditor, unless such property shall have been surrendered to the trustee; or, being a trader whose annual transactions exceed five thousand dollars, he has failed to keep proper books of account, or that he has, without valid excuse, failed to obey any order of the court; or if he has within one year before his bankruptcy knowingly made any false and fraudulent statement to any person or persons, which statement shall be made in writing and subscribed by said bankrupt, and made for the purpose of being communicated to the trade, or to those from whom he has sought or obtained credit, the court or the supervisor, or a majority in value of the creditors, may authorize or require the trustee or a creditor to oppose the debtor's discharge at the expense of the estate, not exceeding a sum to be stated in the order or resolution."

It is of course important to consider the nature of the crimes, the commission of which would subject the insolvent to the penalty of being refused a discharge. We shall therefore cite the clause at length:

"That from and after the passage of this Act if any person, who shall be adjudged bankrupt, shall after or within six months before his bankruptcy, and in contemplation, or apprehension thereof, secrete, conceal, retain or remove any of his property, or any book, deed, writing or document relating thereto, or alter, mutilate, or falsify any such book, deed, writing or document, or conceal from his trustee or omit from his inventory any property hereinbefore required to be stated therein, or make therein any wilfully false valuation, or place any false debt upon his schedule with intent in each of the above-mentioned cases to defraud his trustee or his creditors in bankruptcy; or if he shall in case of any person having to his knowledge proved a false or fictitious debt against his estate fail to disclose the same to his assignee within one month after coming to the knowledge thereof, or shall make any payment or give any advantage or the promise of either, with intent to affect the proceedings in bankruptcy or composition, or shall attempt to account

for any of his property by fictitious losses or expenses, or shall within the period aforesaid and in contemplation or apprehension aforesaid, obtain on credit from any person any money, goods, chattels or other things, of value with intent to pay for the same; or with intent, by the means thus acquired, to prefer a creditor or commit any fraud on this Act, or to increase his assets in bankruptcy, or shall pledge, favor or dispose of, otherwise than in the due course of his trade, any goods or chattels which he shall have obtained on credit, and which remain unpaid for at the time of his bankruptcy, he shall be guilty of a misdemeanor, and upon conviction thereof shall be punished by imprisonment, with or without hard labor, for a period not exceeding three years."

The Bill provides for compositions, but all proposals for such must come before the Court, which before entertaining any such must notify all the creditors who will be afforded opportunities of examining all the books, schedule and inventory; and the debtor may be examined by any creditor concerning all matters pertinent to the issue. After the closing of the evidence, the judge will confirm the proposal of the debtor in his discretion, but it must be assented to by a majority in number, and value of all known creditors, provided the composition is not less than 50 cents on the dollar, or, if less, by at least three-fourths in number and value. It will be seen that the Senate Bill is of a very stringent character, but that it provides both for compositions and discharge, and there are the same provisions in the proposed English Bill. It may be presumed, in view of the early meeting of Parliament, and the interest taken in the subject by the mercantile community in all parts of the Dominion, that it would be interesting to learn how it is proposed to deal with a similar question in the United States.

LASTING BY MACHINERY.

A practical boot and shoe manufacturer of this city had occasion a few days since to visit Boston, and while there contrived to visit one or two of the larger neighboring manufacturers in his line with the object of noting how the operation of lasting by machinery is carried on. This, in view of the recent lock-out in Montreal, possesses no little interest for our boot and shoe men, and our friend is not of that selfish nature as to wish to keep so good a thing all to himself. The establishment to which his attention was chiefly directed is situated in the town of Natick, a few miles from the "Hub," and is in every respect a model factory. Order and system prevail throughout, the hours for labor and other rules being posted conspicuously in the different depart-