

embraces about half a dozen more favored creditors. The fourth class is more numerous, containing about twenty-one names, some evidently relatives; while the fifth and last class comprises all the remaining creditors who are not likely to get a single cent. The clause in the deed of assignment providing for all coming after the 4th preferences is as follows: "All other private debts of the said— (one of the insolvents) due on promissory notes to parties in the County of — incurred for the benefit of the said business of—(the insolvent firm), and all other debts of the said—(the other partner), or of the firm, for cash advanced or for accommodation paper on behalf of said firm, and out of the residue to pay and discharge, in equal proportions, the respective debts of all the other creditors, who shall within six weeks from the date hereof have executed these presents." A very comprehensive discharge then follows, which the unfavored creditors must sign before they can be entitled to share in what people on the spot place a very small value, and yet they are called on to sign the following discharge: "And the said creditors, subscribers hereto, in consideration of the premises, do and every of them doth, remise, release and forever quit claim unto the assignees aforesaid, and to each of them, their heirs, executors, and administrators, all and every their and each of their respective debts due, and to grow due, and all claims, actions and demands whatever against them or either of them, which they, the said creditors or any of them, may or can have against the said assignors, or either of them, from the beginning of the world to the present time." The case to which we have called attention is far from being an isolated one, and we have been induced to notice it because it is a sample of what is occurring every day. It is, of course, impossible, that the state of trade in the Dominion can be healthy when such monstrous preferences are permitted to be given by insolvents to their friends. A party after having traded for some time, and obtained credit on the strength of a supposed capital, fails. He then informs his business creditors that his capital was borrowed—which may or may not be true—and has been lost, through his own incapacity (sometimes worse), but that their goods must be held to reimburse his friends and pay them *usurious interest*. If anything is left they, the creditors, can have it, but they must first grant him his discharge, because he has assigned. He does not speak in these words, but this is the plain English of it.

Under the same system? A can go into business under the name of B by *lending* the latter the capital. If the business does not succeed A withdraws *his capital* through a *preferential claim* on the supposed estate of B.

There is but one remedy for all this, and that is to be found in proper legislation. We were in expectation that a Bill for the distribution of insolvent estates would have occupied the attention of Parliament this session, but it seems that the time of that august body is so taken up with discussions on military discipline and etiquette and other such weighty matters that the commercial interests of the country can receive no attention. If the Government is unprepared to bring forward a measure such as would reconcile conflicting opinions let them at least appoint a special committee to take the necessary evidence which will show the views of the commercial community on a subject of such vital importance to them. The various "Boards of Trade" have, unanimously pronounced in favor of an "Insolvency Act." The Montreal Board has even drafted a Bill, which was presented by Mr. Curran, M.P., and has received a first reading; but there the matter seems to have ended. It is, in our opinion, the imperative duty of our city members, representing as they do the commercial metropolis, to urge the matter. A committee such as we propose would have no difficulty in getting sufficient *data*, and if necessary the session should be prolonged in order to attend to this important matter. The country cannot afford to wait another year.

It is not possible in a newspaper article to elaborate a scheme or *projet de loi*. We would, however, insist that equity and simplicity must be kept in view, in order to ensure the successful working of an Insolvent Act. Equity requires that only those who have suffered by the vicissitudes of trade should be allowed to take the benefit of an Insolvency Act, that is, of a discharge clause therein. Equity also demands that ALL the creditors should share *RATEABLY* in the distribution of the assets of an Insolvent. It were enough to have said that the "Act" should be founded on Equity, for this principle involves the other, viz., that the machinery for the winding up of Insolvent Estates should be simple, so that this could be effected at the least possible cost to the creditors. The previous "Insolvent Acts" failed mainly on account of the cumbrousness and costliness of their operations. We would prefer to see official assignees Crown officers with salaries, rather than dependent on the extent of their business

and the fees therefrom. If this is impracticable, all bankruptcy proceedings should be at least under the supervision of Government commissioners, whose duty it would be to expose any fraud, either on the part of insolvents or others, and to prosecute vigorously the offenders. We believe we echo the voice of the *honest* mercantile community in demanding a simple, practicable and equitable law on this subject, and one which will include the whole country in its operations.

#### THE LICENSE QUESTION.

We have observed with much satisfaction that the very irritating controversy which has been for some time going on between the Dominion and Provincial Governments, as to their respective rights to regulate the traffic in liquors, has been terminated by the action of the House of Commons. It has been decided to obtain, with as little delay as possible, a definite decision, either from the Supreme Court or from the Privy Council, on the question of jurisdiction. We hope that this decision will be obtained from the Privy Council, and we do so without intending the slightest disrespect to the Supreme Court, but simply because the whole trouble has arisen from two judgments of the Privy Council which have been construed differently. The first led the Dominion Government to infer that the jurisdiction lay with the Federal Parliament, and, consequently, it proceeded to deal with the question by legislation, but, before the time for putting the new Act in force, another decision of the same tribunal was given, in the case of Hodge, which has been construed as favorable to Provincial autonomy. The question was brought before the House of Commons on Tuesday by Mr. Houde, who proposed to move the House into committee to adopt a resolution to the effect that the Dominion Act of 1883 should be repealed. This, of course, led to much discussion, and the expression of many conflicting opinions. It has been decided, and we think wisely, to repeal the penalty clauses in the Dominion Act until a decision on the question at issue can be obtained. The Amendment to Mr. Houde's resolution, which was proposed by Sir Hector Langevin, is: "That in the opinion of this House it is expedient that the question of the competence of Parliament to pass the Liquor License Act of 1883 should be submitted with all convenient speed to the Supreme Court of Canada, or the Judicial Committee of the Privy Council, or both." We should much regret any