

conduct of the gentleman who lends his name and his money to the extent of \$20,000 to \$50,000 and receives no consideration whatever, and that causes a little glow of pride in human nature. But a cold and uncharitable chill succeeds when we turn the page and learn that this philanthropist is to be "protected in full," and the insolvents, finding that the naughty and 'distrustful' banks will not give them illimitable credit, but have been audacious enough to 'lose confidence' think it right that he should be protected in full, and give him a bill of sale, after satisfying which, it is thought there may be fifty per cent left for creditors. We quite agree with Messrs. D. & C. that they have, as their last paragraph has it "stated their position with sufficient clearness;" but we demur, and so we fancy will any one who is a creditor, to their complacent trust "that it may be deemed in some measure satisfactory:

HALIFAX, N. S., June 20, 1883.

DEAR SIR,—In view of our present unfortunate position, it seems necessary, and is due to you, to shortly explain the causes that have led to it. Referring to the beginning of our business career, in 1872, we commenced business with a capital of \$6,000, which, through serious losses was swamped, together with any interim profits, at the end of our third year, at the close of 1878 we must have been behind \$20,000. This was caused not only through bad debts, but from a failure to realize sufficient gross profits on our turnover.

This latter we then set about rectifying, by marking up the stock, which, with increased sales, and a less proportion of bad debts, enabled us at the beginning of this year to show a surplus of some \$15,000, with some doubtful amounts still standing on our ledger.

While, however, we had succeeded in showing a surplus, our stock at stock-taking had increased \$26,000 within two years, and, in connection with two large accounts which we were carrying, far more than absorbed our gains, and forced us more and more largely into the banks, where our credit, however, was unimpaired, until about the close of last year.

During all the time we have been in business we have had the unstinted use of Mr. Peter Crichton's name in the banks, for which he received no consideration whatever, besides having the use of his money, in sums ranging from \$20,000 to \$50,000.

At the close of last year and beginning of this, the bank with which we had hitherto mainly done business, seemed to have lost confidence in us, and requested us to reduce our account, which being impossible, we made arrangements with another bank, to which we transferred our account. After a time, however, we found we had not improved our position in this respect—rather the reverse—and at the end of March we found our line of discounts exhausted.

Because of the foregoing, and from various other causes not necessary to refer to here, but chiefly because of the Bank's extremely conservative attitude, we were forced into our present unenviable position.

While the negotiations were recently progressing between our Mr. Davidson and our English creditors, it became apparent to us here that the bank referred to had become entirely distrustful of both us and our security, and were only anxious to close the account. Under these circumstances we were compelled to terminate negotiations above referred to, looking to the continuance of the business; and as Mr. Peter Crichton had so faithfully stood by us, and without the slightest compensation from us, had so freely given us the use of his name, and was still ready to do so had the bank been content, we thought it but right he should be protected in full.

For this purpose we have given him a bill of sale, as it is our intention to wind up the business; and after satisfying Mr. Peter Crichton's claim, we are hopeful that other creditors will receive at least fifty per cent. of their claims.

This, of course, largely depends on how successful we may be in disposing of stock and realizing outstanding with the least possible shrinkage.

Meantime, creditors will do well and consult their own interests in abstaining from any action involving useless and unnecessary expense and harassment.

Trusting that we have stated our position with

sufficient clearness, and that it may be deemed in some measure satisfactory,

We remain respectfully yours,

DAVIDSON & CRICHTON.

—The London & Canadian Loan and Agency Company, declares its twentieth dividend. It is at the usual rate of ten per cent. per annum.

—A dividend of four per cent. has been declared by the Molsons Bank, for the current half-year.

—The city clerk of Brandon, Manitoba, directed by the finance committee of the council of that city, writes to say that the statement we recently quoted that the rate of taxation to be levied this year in Brandon was 12 mills in the dollar is incorrect. The rate, he says will not exceed eight mills, six for municipal and two for school purposes.

—The prices of Maritime Province bank and other shares in Halifax are sent us by Mr. James C. Mackintosh, under date 28th instant. Bank B. N. A., latest sales, 114; Nova Scotia, 141; Merchants, 125; Union, latest sale, 112; Peoples, 110; Halifax, latest sale, 107. The Starr Manufacturing Co., 101½; Nova Scotia Cotton Co., 65; Nova Scotia Sugar Refinery, latest, 81½.

—In a reference to the case of Jarvis, an insolvent of Muskoka district, in which the action of a creditor was last week criticised as seeking to upset the assignment by reason of informality in the deed, it is only fair to Messrs. James Brayley & Co., to record their statement of the case, which shows that they had other grounds. The bill Jarvis owed them was due on the 4th of February, and nothing was heard from him respecting it. On the following Friday, therefore, they sent the claim to a solicitor for suit, by whom it was despatched on Saturday noon, the 10th instant, to the sheriff of Simcoe, for service, whereas the agent of the assignee, they contend, did not take possession of Jarvis' effects under the deed until after date Judge Boyd, it appears, gave judgment in their favor, as having priority over the assignee.

## Correspondence.

### LAKE SUPERIOR AND THE DISPUTED TERRITORY.

A correspondent who has just visited the points of growing importance, Algoma Mills and Port Arthur, and that centre of interest for our politicians, Rat Portage, sends us his impressions as under:

ALGOMA MILLS has outgrown the cause that gave its name. Once upon a time a considerable lumbering business was carried on here; but now the centre of that industry in the locality is at the mouth of the Spanish river, some distance further east. At that point, also, the business was given up for a time, but it has since fallen into the hands of an enterprising American firm, which is building extensive new mills and prosecuting the work of lumbering with great vigor; 8,000 logs belonging to this firm were to be seen 'boomed' in at a point near by, a few weeks ago. The mills, and the village, which goes by the name of 'Spanish River,' are situated on an island opposite the mouth of the river down which the logs are now floated from a considerable distance inland.

The incipient town of Algoma Mills is on the main land, about one hundred miles east of Sault Ste. Marie. It is the western base of operations for the construction work of the Canadian Pacific Railway's eastern section. This has made it one of the most stirring places on the lakes. It already has an excellent wharf, which is to be considerably extended. A large grain elevator is also to be built immediately by the railway company. While these improve-

ments and the work of railway construction continue, the present impetus is scarcely likely to receive any check. When the company's new steamers, one of which is already in Canada, have begun to ply between this point and Port Arthur, formerly Prince Arthur's Landing, a connection will have been formed which is reasonably certain to conduce still further to the growth and importance of the "Mills." Even after the Lake Superior section of the C. P. R. has been completed, which cannot be for some years yet, much of the summer traffic must continue to be sent over the shorter and cheaper water line between the two points named.

The harbor is a fairly good one, but is said not to be well sheltered from the south-west winds. As is the case at all other points between Great Manitoulin and the mainland, the intervening water is thickly studded with islands of varying sizes. The approach to the harbor from the west, which is the only one the C. P. R. steamers need use, is commodious and in every way excellent. The eastern approach is more difficult. Altogether, Algoma Mills bids fair to increase steadily in importance, as it must not only always be a central point for the Lake Superior section of the C. P. R.'s own work, but a distributing point for much westward bound freight for American as well as Canadian ports on Lakes Huron, Superior and Michigan.

PORT ARTHUR now claims a population of twelve hundred. The completion for traffic of the line to Winnipeg has given a great start to every department of business, and during the season of navigation keeps a large floating population in the town. The work of construction, now being vigorously prosecuted in the vicinity of the Nepigon, 30 miles or so further east, a constant stream of men and supplies passes through the place. In addition to this, the Canada Pacific is now building an excellent new wharf, and a grain elevator of very large capacity, which augurs well for the future prosperity of the place, at the same time that they minister to its present progress.

The attempt to "boom" Port Arthur town lots has, notwithstanding the good prospects before it, fallen rather flat, which is probably a fortunate thing for Port Arthur. If it is left to develop gradually, and is not too long kept back by excessive rents and fictitious values, the future of the place is assured. The extent of its development must, however, depend on many considerations, not the least important of which is the feasibility of the Rival Hudson Bay route. The future of mining operations in the locality must also have its influence, beneficial or otherwise; and that there are minerals in the vicinity there is no room to doubt.

Apart, however, from these and other elements of uncertainty, there is enough clear to place beyond a peradventure the growth of business at this port. Backed by a farming country of no mean value, and with some manufacturing interests showing clear evidence of vitality, the town has not to depend solely on the carrying trade, although that is its chief feeder during the season of navigation. Retailers of all classes appear to be driving a profitable business, none more so, unfortunately, than the retailers of intoxicating liquors. Hotels, taverns and grogeries abound on every hand. This state of things appears inseparable from the rapid growth of new towns, especially while railway navvies form a considerable part of the population.

At the present season, immense quantities of coal, brought from Cleveland, Toledo and other points, are being here transhipped to the cars, and sent forward to constitute the winter supply of fuel for the North-west. This trade alone gives employment to many hands. Material for railway construction is also one of the chief items of westward freight. The present wharfs are inadequate to the business of the port, but by next season this state of things will be remedied.

RAT PORTAGE has of late received more, perhaps, than its due share of public attention, on account of the "war" of which our politicians have made it the centre. One learns much more of these disputes and disturbances from his morning paper in Toronto than he does by visiting the spot. Everything here seems to the traveller quiet, and matter of fact enough. The "loafers," "shoulder-hitters," "border-ruffians," and other queer people which were alleged by the party papers to exist at the Portage for the purpose of troubling the political waters, were not visible to our eyes. Nor did we see any indications of war.

The situation of the town is picturesque, but the surrounding country will never be of any