THE TRADE REVIEW.

MONTREAL, FRIDAY, MARCH 17, 1865.

HONESTY THE BEST POLICY.

A CASE of great importance to the trading community has just been decided in Montreal, resulting in the conviction of P. E. Pothier, merchant of Three Rivers, for misdemeanour in obtaining goods with intent to defraud. The circumstances were these: In the month of April, last year, Mr. Pothier owed $5,500, his assets at the time being $4,238; he was, therefore, insolvent. Notwithstanding this, he used his credit to its utmost extent, and succeeded in obtaining between April and July further supplies of goods, amounting to $5,695, his payments from April to September being about $800. In September, it appearing that he was secreting his property, a writ of attachment issued, under the Insolvent Act. Mr. Pothier thereupon offered to compromise for 5s. in the pound; but the attachment having made his goods real estate, and books become absolutely the property of his creditors, his offer was not accepted. When the assignee, appointed by the creditors, had taken the estate from the official assignee for the district, it was discovered that large quantities of goods had not been surrendered, although Mr. Pothier on his examination stated that the official assignee was in possession of all his estate. The missing goods were soon found secreted in various places; whereupon Pothier generously raised his offer to 12s. 6d. in the pound. The misdemeanour consisted *in his buying goods on credit while his subsequent conduct plainly showed that he had done so with intent to defraud.* The prosecution was brought under a recent Provincial statute; and he was sentenced to six months' imprisonment with hard labor. This conviction could never have been obtained without the aid of the present Insolvent Act, which put the creditors in *possession of the insolvent's books and papers,* without which to prove intent to defraud, is practically impossible. The statute of frauds, referred to, remained a dead letter in respect to cases of this description. The case is very flagrant, and one of the first we think that has been treated as a crime; but we fear that creditors, in the hurry and bustle of business, and in the desire to obtain a settlement of a bad debt, are too apt to allow cases of nearly as fraudulent a character to go unpunished. The general impression, not unsupported by experience, is, that the first offer of settlement made by an insolvent ought at once to be accepted,—the determination of the delinquent debtor to "feather his nest" increasing in a geometrical ratio to the desire evinced by his creditors to obtain a little more dividend; the delay allowed to afford creditors an opportunity of expressing this modest desire, also affording the debtor the time and opportunity to evade any means that might be adopted to squeeze from him the little "reserve fund" laid by, we suppose, "for a rainy day." These times, we hope, are now past. The law is now efficient to enforce a compulsory liquidation, and a complete relinquishment of assets; and in justice to the honest trader it is plainly the duty of every wholesale merchant—especially in times like these—to investigate carefully the affairs of every insolvent in whom he is interested. Where anything like dishonesty can be traced, a searching enquiry should be set on foot; and if purchases have been made with a view to defraud, let the law be put in motion, and the culprit punished. Where the cause of failure is plainly attributable to a want of capacity, let the estate be wound up in bankruptcy, and an end put to it. In this way, we will gradually raise the character of our commercial community, by weeding out, one by one, those two classes of insolvents, both of whom are equally disastrous to trade, viz., the merchant without capacity for business, and the merchant with a "constitutional" tendency to dishonest acts. Thus can a time of pressure—like the present—be made profitable for the future, by removing the impediments in the way of legitimate, honest trade; by diminishing the enormous competition in almost all the channels of business; by lessening the amount of indebtedness entered in our ledgers, never to be written off, except to "bad debt account," which causes for years back have made the pursuit of any commercial business not a question of profit, but a long battle for commercial life, destined, sooner or later, to end in defeat. To the honest merchant, who becomes insolvent through reverses, to which all are liable, we say, let a discharge be granted as soon as possible; let every facility be given for such discharge, without having recourse even to the machinery of the law. But for the Pothiers of our country trade,—for the dishonest man who rushes into debt to make money by getting out at "half price,"—no more leniency should be displayed. Making money by a failure has been attended with too much success in this Province, and must be put a stop to, by showing that there is danger attending it, and "no money in it." We venture to say, that had Mr. Pothier known that his $5000 swindle would prove abortive, and result in six months' imprisonment with hard labor, a character and credit ruined for life;—had he even supposed that his creditors would decline to accept the tempting 5s. in the pound cash, when he chose to offer it,—his scheme would never have been hatched. The case is an instructive one, and we hope the lesson will not be lost.

The Anchor Line.

It appears that we were mistaken in announcing some time ago that the Anchor Line of Steamers from Glasgow to this port was to be withdrawn. The proprietors intend, temporarily, to reduce the number of steamers owing to the anticipated scarcity of freights, but the route will be fully occupied when sufficient business offers.

Good News for London, C. W.

We are given to understand on the best authority, that the difficulties which arose last year in London, C. W., between the military and the civic authorities have been healed, and that a regiment will again be sent to London this year, the selection being left to the General commanding.

This will be good news to the mercantile men of that city.