

THE BOARDS OF TRADE INSOLVENCY BILL.

The committee appointed by the Toronto Board of Trade to prepare a scheme of insolvency legislation reported last week to the Council of that body. The bill they submitted is a very lengthy one and goes exhaustively into the matter. It represents an immense amount of work, and is the resultant of much hard thinking, hard argument and great worry. To get the problem clearly stated was no easy matter in itself, but to provide a sufficient solution that would not be inconsistent in any of its parts was a laborious task. The circumstances of the various provinces and of the various trades had to be carefully considered, and oftentimes unanimity was reached only through protracted and heated discussion. There is not much of compromise in the bill, however. It leaves little to anybody's discretion. The discharge clause, the most important matter, provides that there can be no settlement with an insolvent debtor unless by the unanimous consent of the creditors. No mere majority, based either upon numbers or proportion of the total amount of claims against the estate, shall avail to secure a debtor's discharge, if one creditor representing one dollar holds out. This is stringent, but it is wholesome. As the law now stands in this province, a minority against a settlement must yield; if this measure become law, a majority for a settlement must yield, unless it is unanimous. That is, no creditor will be forced to consent to a compromise.

The basis of this bill is not the measure sent out by the Montreal Board of Trade for the consideration of other boards in the country. That proved to be inadequate from the point of view of the Toronto committee, which soon found a footing for its labors in a bill drafted three or four years ago by D. E. Thompson, whose high standing as an authority on commercial law made him especially fitted for that work. His draft of a bill clearly defined the line along which discussion should proceed, and it is the fundamental part of the measure now passed by the Council of the Toronto Board of Trade. The delegates from Montreal, Hamilton and London Board of Trade acquiesced in the adoption of this basis, and were parties to the measure that was finally reported by the committee. The committee had the benefit of the best specialist assistance available, in the co-operation of such men as B. E. Walker, general manager of the Bank of Commerce; D. R. Wilkie, general manager

of the Imperial Bank; E. R. C. Clarkson, trustee and accountant, and other capable outsiders, whom the committee, as authorized in the resolution appointing it, had added to their number. The bill will be brought up next week, it is expected, in the House of Commons.

The lax discharge conditions under which settlements have been secured in the past have been an indirect cause of much mischief. One familiar direct effect is that felt by competitors of the trader who has been permitted to resume business after paying less than 100 cents in the dollar of his total indebtedness. His insolvency was probably due to his own reckless sacrifice of profit to damage the business of a local rival. But there were ends served by those easy settlements that were often overlooked. Creditors saw in such compromises an ally of the combine principle that was very convenient sometimes. Suppose that A fails for a large amount, and owes to ten houses engaged in the same trade in the same province. Let it be further supposed that seven of these houses are strong concerns, and that having exercised the usual caution of such houses in selecting accounts, their claims against A are on the average small as compared with the average of claims held by the other three, which are assumed to be weak houses; and let the total amount of their claims be very slightly above the total amount of the claims of the other three. Then the former have the majority of both numbers and amount on their side, and can carry a settlement of 40c. in the dollar if they pull together. Such a settlement would fall upon them lightly as compared with its effect on the other three, because individually the former are financially stronger, and the loss to them is both relatively and absolutely lighter. It can easily be seen that the seven strong houses would have a motive for forcing the three weak ones to a settlement that would put heavy loss upon them and tend to bear heavily or even destructively upon them as trade competitors of the seven houses in question. Such strategy is probably now and then worked, and the field is widened for the exercise of wire-pulling to this end, when creditors representing other trades are pressed into the service of such designs. It is conceivable in such a case that two houses with small claims may force one rival house with a claim five or six times the amount of their united claim, to a loss that will seriously cripple it in its future competition with them. The manipulators of such a settlement would of course need to enlist on their side a majority of the interests of other trades having claims against the estate. This is combination of the most dangerous sort, and any chance for the reaction of such a principle upon less favored creditors should be guarded against, and is guarded against in the bill proposed by the Toronto committee.

LONDON BOARD OF TRADE.

The annual meeting of the London (Ont.) Board of Trade, was held on Friday last. President M. Masuret, was in the chair. A letter was read from the railways declining to reduce their freight tariff from 18 to 17c. per hundred. T. H. Marsh was appointed representative of the Board at the Congress of Chambers of Commerce to be held in June, in London, England. The Council in its report urged better attendance, stating that of the eight meetings called during the year a quorum was present at only four. M. Masuret was re-elected president. The following other officers were elected:

Vice-President—John Bland.

Secretary—John A. Nelles.

Auditor—Thomas A. Browne.

Council—John Marshall, W. J. Reid, W. M. Gartshore, T. S. Hobbs, A. W. Porte, E. A. Cleghorn, Robert Lewis, J. W. Little, John Bowman, A. M. Smart, J. S. Pearce, Wm. Yates.

Board of Arbitration—J. D. Saunby, Ceo. D. Cameron, J. H. Minhinnick, James Burns, Jas. A. Kennedy, John Green, Thos. Bryan, D. Regan, R. C. Struthers, B. J. Nash, W. R. Hobbs, C. W. Leonard.

Board of Examiners—W. J. Gartley, C. B. Hunt, James Slater, J. D. Saunby, John Tanton.

Western Fair Committee—M. Masuret, R. Lewis, J. W. Little, John Campbell, W. J. Reid, W. R. Hobbs, John Bland.

Railway and Municipal—J. W. Little, E. A. Cleghorn, T. S. Hobbs, John Marshall, W. A. Gunn, James Cowan, John Bland, John Green, L. H. Ingram, C. W. Leonard, J. R. Shuttleworth, S. Sterling, J. D. Saunby.

Advertising—T. S. Hobbs, (chairman), M. Masuret, W. A. Gunn, E. A. Cleghorn, and David Cowan.

A letter was read from the G. T. R.—stating that Saturday market rates for London would be extended to include the following places: Longwood, Mount Brydges, Komoka, Hyde Park, Dorchester, Strathroy, Westminster, Glanworth, Yarmouth, Ailsa Craig, Clandeboye, Lucan Crossing, Denfield, Ilderton, Ettrick, Kelley's Siding, Thorndale, Wyton, Fairfield, Appin, C. S. Crossing and Lucan.

Ditto from the C. P. R. to include: Appin, Caradoc, Embro, Hyde Park, Komoka, Crumlin, Longwood, Melrose, North, Glencoe, Thamesford and Woodstock.

The steamer Mandalay has been libelled for \$5,000 at the suit of the Moncton sugar refinery for the non-fulfilment of contract. Eight thousand bags of sugar were placed on board at Antwerp to be brought direct to Halifax, but the steamer called at Greenock and was delayed there some time. The refinery now claims that in consequence of this delay they will be at a loss, as the price of raw sugar has since considerably diminished.