

to find on such occasions. Again, fraudulent motives shown are to be taken as proofs of guilt, not adduced by the creditor in accordance with the laws of the land, but to be disproved by the debtor arraigned as a criminal. Again, he is called upon to furnish proof of his solvency when he made a post-nuptial settlement. The most honorable man, failing under circumstances over which he had no control, might be subjected to this ordeal, being called upon at short notice, and the means taken from him to furnish proofs involving expenses far beyond his means. In this free country, no man has a right to be called upon to indirectly criminate himself by failing to prove a negative.

The Scotch system of bankruptcy is acknowledged on all hands to work well. While security of the property of the defaulter from waste, or being legally frittered away, it effectually guards against the many open and barefaced frauds so much and so justly complained of as taking place in the Bankruptcy Court of England; and also against the rapacity of the *attachés* and parasites that find a living in the wreck, leaving little or nothing for the creditors. The bill may, with an immensity of tinkering, be made a good one, but moulded as it will be under a multitude of clauses, it will never be acceptable to the mercantile and trading classes if a loophole is left for the great defaulter to escape, while the trumpety scape-goat is sacrificed at the altar of public opinion. It is of no use saving the cheese-paring while the mice are actively devouring the interior. It is no satisfaction to the creditor to be called upon all trifling occasions to confront a petty larceny rogue at the bar of a criminal court. Devise means to prevent a crime, rather than frame modes for punishing it. Simplify the law, but do not encourage those who imagine they can speculate in giving credit on the strength of its stringent powers. It would be better to cling to imprisonment for debt than subject the innocent of intention with the guilty to the crucial test of an Old Bailey prosecution on questionable or debatable ground. Make the strictest inquisition into their affairs and the cause of default, but do it free from passion or prejudice; and avoid law whenever it may be avoided. As so much is said in praise of the Scotch system, why not give it a fair trial, with such additional clauses only as are imperatively required for this country.—*Investors' Guardian.*

DOMINION TELEGRAPH COMPANY.

(From the Northern Gazette.)

The readers of the *Gazette* have had their attention drawn to the above Company at various times, and certain features presented which appear anything but complimentary to the management. Extensive criticism on the part of the press and individuals has only served to reveal more glaringly the inception and consummation of immense jobs, the culminating one being in the letting of a contract for building two thousand miles of line at a price just double the full value of the work.

That the Dominion Telegraph Company was a speculation of outside adventurers we well know; but that a body of Canadian merchants could be found to wink at gross irregularities, we hesitated to believe, until recent investigations proved the fact. It is certainly a new order of things in our unassuming country, to find the Dominion directors knowingly sanctioning the absorption of \$250,000 of the capital stock of the Company, despising the slow process of earning profits before using them, and avoiding, altogether, the commercial risks incidental to a new enterprise. Yet, such is indubitably the case, and the lucky individual who is the medium of all this magnanimity is an unobtrusive young man, by the name of Seela Reeve, whose daily round of duties involves nothing more onerous than a regular appearance at the well-stocked tables of the Rossin House, and a certain stately presence occasionally in the parlors

of that famous hostelry. It is a fact for the confiding shareholders to take note of, that \$250,000 of the capital stock is yet to be filled from their pockets and absolutely mortgaged to above happy-go-lucky Seela, without a return to the value of a cent being asked for or required. Really, in this age of magnificent charities, we have heard of nothing equal to it, so completely does it stagger our limited comprehension.

Now, as to particulars. Some time since the stockholders at London held a meeting, and resolved to pay no further calls on their stock until more satisfactory information was vouchsafed. Hamilton, Owen Sound and Quebec have followed suit; as yet we have heard nothing to mitigate the case against the Directory. It is admitted a contract, *binding on the Company*, to pay Mr. Reeve, the promoter, contractor, and principal stockholder, the sum of \$250 a mile, for two thousand miles of double wire. It is well known that such a line can be built for \$150 per mile, which nets a profit of \$250,000 on the contract! It is further well understood that the contract with Reeve was originally \$400 per mile, and which was modified only by the storm created by the press against the concern and its backers. The directors were a party to both contracts, and the conclusion is almost resistible that Reeve was not the sole participator in the grand spoils.

Such is the present status of the great Dominion Telegraph Company, the Directors of which have already enjoyed one or two public feasts, and given out to the public charming accounts of the progress made. We cannot fancy the stockholders can be further gulled.

DOMINION TELEGRAPH COMPANY.—The Quebec shareholders of this company held a meeting last week, and after hearing the report of Mr. Owen Murphy, who was deputed to Toronto to get a statement of the company's affairs, resolved that, "The gentlemen who have lent their names as Directors to the Dominion Telegraph Company are highly censurable for not attaching more moral importance to the obligation incurred by them as Directors." And further, "That the information furnished by Mr. Murphy, proves it to be unsound in its inception and in all its management, and that the meeting by this resolution binds itself to resist the payment of any calls made upon such stockholders, the expense of the defence to be borne *pro rata* to their stock." This was amended by adding the words "until such time as a satisfactory account is given." Resolutions of thanks to Mr. E. Wiman and the Montreal *Trade Review* for exposing the affairs of the company and to Mr. Murphy for the valuable services rendered the shareholders by his visit to Toronto.

The above are strong resolutions. Coming, as they do, from a number of gentlemen, members of the Company, who could have no hostility to the project; and this, too, after hearing the circumstances of its organization and management fully explained by one who penetrated to the bottom of it; they must have great weight with the public.

Commercial.

Mr. E. Wiman, of the firm of Dun, Wiman & Co., proprietors of the Mercantile Agency, has supplied a daily city contemporary with some facts and suggestions respecting the present unsatisfactory condition of trade. He says, "a general feeling of apprehension and perceptible want of confidence prevails. Failures are frequent, and disastrous losses loom up at every turn; and, what is worse than all, a very low grade of mercantile morality is painfully prevalent." The primary cause of this we consider to be increased importations of goods. In illustration of this point he

gives the following from the Trade Returns of Canada.

Imports into Canada (East and West) of all kinds of goods from the year 1852 to 1867, inclusive:—

	Imports of Dry Goods.	Total Imports.
1852.....	8,240,640	20,286,493
1853.....	13,203,076	31,981,436
1854.....	14,660,684	40,529,325
1855.....	9,509,773	36,086,169
1856.....	13,173,288	43,584,387
1857.....	12,123,511	30,430,598
1858.....	7,398,904	29,077,852
1859.....	10,825,564	33,535,913
1860.....	12,451,125	34,412,431
1861.....	13,156,397	39,750,161
1862.....	11,163,239	45,980,939
1863.....	11,481,107	41,312,206
1864 half year.....	7,987,919	21,406,712
1864-65.....	13,546,997	39,851,991
1865-66.....	19,874,852	48,607,038
1866-67.....	21,486,754	52,633,670

By a glance at these figures will be seen a very remarkable increase from 1852 to 1856, resulting, doubtless, in largely augmenting the crisis of the year following. But the increase from 1861 to 1867 is also very great, especially in dry goods—from thirteen to twenty-one millions. The enormous rate, however, of increase will be best seen in estimating the percentage as compared with the growth of the population.

	1861	1867	Per centage of Increase.
Population.....	2,507,675	3,091,000	23½
Imports of Dry Goods.....	\$13,156,397	\$21,486,564	63½
Total Imports.....	\$39,750,161	\$52,633,670	32½

The population in 1867 is estimated at the annual rate of increase as actually took place in ten years previous to the last census, and cannot be far out of the way.

In addition to the dry goods imported there are now four-and-a-half or five millions of dollars manufactured at home, against about one million in 1861; so that adding the home manufactured to the imported we have twenty-five millions of dollars of dry goods thrown on the market in 1867-8 against fourteen millions in 1861—an increase of eleven millions of dollars.

This is an increase of at the rate of 78½ per cent. as against an increase in population of certainly not exceeding 25 per cent. In other words, had the quantity of goods thrown upon the market kept pace only with the increase in population, we should have only seventeen and-a-half millions instead of twenty-five millions. In round figures we have been putting dry goods into the country at the rate of \$8, in 1867, for each man, woman and child; whereas in 1861 the quantity for each inhabitant was only \$5.60. [There are one or two considerations that have an important bearing on the question here raised which Mr. Wiman has not stated. The normal demand for dry goods from consumers has increased much faster than the increase of population. This arises from the increase of wealth, and hence of purchasing power, giving rise to a desire for more expensive and stylish goods; so that Canadian factory made, and imported cloths, yarns, blankets, &c., have been largely substituted for the coarse woolly home-made articles of which every well-to-do farmer formerly produced, at least, enough for his own requirements. Besides, no account is taken of a large quantity of goods annually exported—a great portion smuggled—since the United States have raised their import duties to the present high point. In Secretary Well's last report, he states, if our memory be not at fault, that some fourteen millions were annually lost to the revenue in this way. So that, in our opinion, Mr. Wiman's figures put the case a little too strong.—Ed. C. M. T.]