

posed to scoff at such warnings and to be contemptuous of "old-fogy" writers or speakers who "croaked" their belief that all was not quite well in our business world. But the depression in manufactures of various kinds did come, as a result of overproduction. A lull in business of all kinds did come, and still continues. And some firms and financial concerns which could find no lesson of caution in the signs of the times have been compelled to pay for their temerity, within the year.

The results of the business of the Bank of Commerce for the year ended 21st June last as compared with that for the previous year, are indicated by the extracts we give below from the bank's annual statement, sometimes in round numbers of thousands:

	1884.	1883.
Net profits.....	\$ 635,920	\$ 774,362
Circulation	2,554,773	3,167,000
Deposits.....	11,535,000	13,734,000
Capital	6,000,000	6,000,000
Rest.....	2,000,000	1,900,000
Available assets ..	4,788,000	5,540,000
Current discounts..	17,421,000	19,869,000
Overdue debts	398,000	275,000

The liabilities of the bank, as at June last, are reduced by three millions as compared with last year, and four and a half millions compared with 1882. Discounts and advances show a decided cutting down, as was to be expected in view of the condition of business, but the overdue debts, for which security has been taken, have begun to increase, in this, as in other institutions; which is another sign of the times. The specie reserve, we observe, is well maintained, (\$681,000), and available assets, such as Dominion notes, bank balances, British Consols, Canadian stocks and United States bonds, form an aggregate of over four millions. The Rest has now reached the round sum of \$2,000,000, one third the amount of the paid capital.

The Standard Bank of Canada shows earnings of nearly thirteen per cent for the year, out of which, after paying seven per cent. to shareholders, and writing off a sum to office furniture account, there has been put to Rest \$45,000, making that account \$185,000, or close upon one fourth the capital, and \$3,000 carried forward. Deposits are not lessened, indeed they are somewhat increased; and while liabilities to the public are greater than a year ago, the reserves of specie, Dominion notes, securities and bank balances are \$50,000 larger. The volume of current discounts is maintained at a little over three millions, and the amount overdue appears unusually slight. The bank gives evidence of careful management, and we do not doubt that the legitimate growth of its business justifies the step taken of providing a new banking house on the corner opposite the Federal Bank.

The directors of the Union Bank of Lower Canada, complain of reduced earnings, owing to the curtailment in the manufacture of lumber, which is of great importance to eastern banks; and to the marked reaction in trade in the North-West. In consequence of this, the bank has reduced its dividend to five per cent., and has applied about \$96,000 of surplus profit to wipe out "exceptional losses." However, the report speaks more hopefully of the future, and expresses the opinion that "the present

year will yet prove more profitable to our timber exporters and others interested in the trade."

"PREFERENTIAL JUDGMENTS."

Mr. Justice Taylor, of the Manitoba Court of Queen's Bench, is making a valiant stand against the current of authorities which have hitherto sustained collusive judgments. We had occasion some time ago to refer to an instance in which he set aside a judgment obtained by collusion, the object being to giving a preference to particular creditors over others. In the more recent case of Witham vs. Cooper, he granted an injunction restraining the defendants, Messrs. Cooper & Smith, from enforcing a judgment, which they had recovered against one Joseph Nixon, until the validity of their judgment could be determined by the action instituted on behalf of the general body of creditors. In this case the judgment is for \$3,825.95 upon a demand note apparently given for the purpose of enabling Messrs. Cooper & Smith to take proceedings. These proceedings were taken, judgment recovered, and executions placed in the Sheriff's hands on the same day on which the suit was commenced. Indeed from the report it would appear that the whole suit from the issuing of the writ of summons until seizure by Sheriff, occupied only about two hours. This expedition is from one point of view no doubt commendable, and shows that our western solicitors are not less slow than their brethren of this Province in rushing through proceedings where something is to be gained by speed.

On behalf of the other creditors, it is charged that this judgment was recovered by connivance and collusion on the part of the defendants, and was obtained for the purpose of defeating and delaying the other creditors; they ask, therefore, that it be declared void as a fraudulent preference. His Lordship reviews the Ontario authorities, and points out that they do not, from his construction, go so far as some persons think they do. He does not, however, contend that the decision given by him in this case is consistent with these authorities. He contents himself with pointing out that a number of our judges take the same view of the law as he himself entertains, and would have given effect to that view were it not that they were bound by authorities. These authorities, as he points out, are not binding upon him, and consequently he gives effect to his own view of the law. This he does all the more readily because the judgment in question was not only procured by the active co-operation of the debtor, but that it was, as he considers, in the first instance at all events, intended to be a means of protection against other creditors and enabling the business to be continued.

The point involved in this and some other cases will, no doubt, in time come up for adjudication before our Supreme Court, when it is to be hoped an authoritative decision will be arrived at. For our own part, much as we sympathize with the fairness of the view entertained by Mr. Justice Taylor, and a number of our own judges, we fear it will be found that the view of the majority

is right, and that the remedy must come from the legislature, and not from the Courts. In other words the Courts have no power to legislate; and the difficulty is in the defective enactment now in force. What is necessary, as has so often been pointed out, is that there should be enacted by the Dominion Parliament a law applicable to the whole country for effectively preventing fraudulent preferences.

FAILURES IN CANADA.

We gave last week a statement of the mercantile failures in the Dominion for the first six months of the present year, on the authority of Messrs. Dun & Co.'s Mercantile Agency. That firm has since sent us a statement of the failures in Canada, by Provinces, for the first half of 1884 and 1883 respectively, which we present below:

Province.	No.	Six Months, 1884.	No.	Six Months, 1883.
		Amount.		Amount.
Ontario....	339	\$ 5,375,870	276	\$2,501,678
Quebec....	240	3,470,818	241	3,642,123
Nova Scotia	67	683,780	48	704,700
New Brunswick....	39	557,230	25	368,059
P.E. Island.	5	82,000	3	22,300
Manitoba..	48	460,566	92	996,000
Total...	738	\$10,630,264	685	\$8,234,860

It will be seen that the aggregate of failures was smaller in Manitoba, Nova Scotia and Quebec, in the proportion of \$4,615,164 of liabilities this year, against \$5,342,823 last. While in Ontario, New Brunswick, and Prince Edward Island the aggregate liabilities of failed traders this year exceeded those of six months, 1883, by \$6,015,100, against \$2,992,037. We find no mention of British Columbia in the circular of Messrs. Dnn, Wiman & Co., whereas the failures of Newfoundland traders are included amongst those of Canada, a mistake which ought not to have been made.

Comparing these figures with similar ones for previous years, we find the amounts ominously increased thus:—

First Half.	No.	Amount.
1879.....	1,067	\$17,425,953
1880.....	649	5,660,848
1881.....	349	3,902,858
1882.....	371	4,116,570
1883.....	685	8,234,860
1884.....	738	10,630,264

This table shows the year 1881 to have made the most favourable exhibit of the six. And it will not escape the attention of the careful observer that there has been a steady increase of failures in each year since, although we are still far from approaching the \$17,000,000, \$13,000,000 and \$15,000,000, which were the aggregates of failures in the first half of 1879, 1878 and 1877, respectively.

Clear lessons are taught by such figures, of prudence in giving and taking credit. Bankers, manufacturers, and wholesale dealers should see to it that they do not help to swell the list of such casualties by advances to weak or superfluous traders. And the retail dealer or small trader may take warning, if he will, of the impolicy, to use a mild term, of taking excessive credit should the importer or manufacturer attempt to cajole him into so doing. Better, far, to do less business, and do it on a safe basis, and at a profit.