

## The Legal News.

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### TRADERS' BOOKS OF ACCOUNT.

The establishment of efficient checks upon dishonest debtors is, admittedly, one of the greatest difficulties of the day. In this strait, it is not out of place to look abroad for assistance. A correspondent of the *London Times*, writing over the signature "An Accountant", having suggested that traders should be compelled by law to keep regular books of account, another correspondent "E. A. W." says that on this subject the German *Handelsgesetzbuch* has some useful provisions, of which the following is a summary:—

Art. 28.—Every trader is bound to keep books in which his business transactions and his financial position are fully disclosed. Further, he is bound to keep the business letters which he receives and copies of the letters which he sends.

Art. 29.—Every trader, on commencing business, is bound to make an inventory containing an exact description of his property and liabilities; it must state the value of such property as is in land. He must also draw up a balance-sheet of his property and liabilities. In each subsequent year the trader must draw up a similar inventory and balance-sheet.

Art. 30.—The inventory and balance-sheet must be signed by the trader. In the case of a partnership every partner, personally liable, must sign.

Art. 31.—In making up the inventory and the balance-sheet the property and the debts due to the estate must be estimated according to their existing value. Doubtful debts must be estimated according to their probable value. Bad debts must be written off.

Art. 32.—The books must be bound, and each page of them must be numbered. No space must be left between the entries. Entries must not be erased or made illegible in any way. Alterations must not be made if they are of such a character as to make it uncertain whether they were original or subsequent entries.

Art. 33.—Traders are bound to keep their

books, inventories, and balance-sheets for ten years from the time they were made up.

It is obvious that such a law, if in force in this Dominion, would go a long way towards enabling creditors to keep a tight rein on debtors inclined to deceive them in the matter of statements of their position. It would be necessary to supplement it merely by a section enabling creditors to proceed in an ordinary suit before the Superior Court, for violation of its provisions, with conclusions for the imprisonment of the delinquent debtor in default of complete payment, as under the Insolvent Act. Article 33 is worthy of special attention, for it is apparent that such a clause would prevent the suppression of statements and balance-sheets which creditors have so often to complain of.

### NOTES OF CASES.

#### SUPERIOR COURT.

MONTREAL, Oct. 13, 1880.

FAIR ES QUAL. v. CASSILS et al.

*Witness—Contempt—Appearance by Counsel.*

*A witness who has made default to appear and give evidence, and against whom a rule has issued for contempt, must appear in person in answer to the rule.*

This case came up on the merits of a rule for contempt against witnesses who had made default to appear and give evidence. They were served personally, and on their default, plaintiff applied for a rule *nisi* for *contumace* for contempt, which was issued by the Court and served upon the witnesses Cassils and Stimson, who made default to appear in answer to the rule as they had made default in answer to the subpoena.

*Benjamin*, when the rule was called, asked to be allowed to appear on behalf of the witnesses.

TORRANCE, J. Mr. Benjamin's application cannot be entertained. The witnesses are in default and must appear in person. They have not done so, and there can be no difficulty in declaring the rule absolute against the witnesses who show so little respect for the exigencies of Her Majesty's writ of subpoena.

Rule declared absolute.

*R. Laflamme, Q. C.*, for plaintiff.

*L. N. Benjamin*, for defendants.