

THE NEW INSOLVENCY ACT.

The Legislation Committee of the Toronto Board of Trade are bestowing a great deal of time and care in framing the proposed new Insolvent Act. If it be too late to have it passed by the Dominion Government at the present session, an effort will be made to have it introduced, and postpone a discussion upon it until the session of 1893. This delay will enable the country to criticize the bill and propose any changes which careful study may point out as desirable.

The proposed new measure deprives the insolvent the right to assign his estate, except on demand of creditors, for \$500; but no such demand being made—based on the failure of the trader to meet his liabilities as they become due—he can assign to the sheriff, who acts as temporary guardian of the estate, and convenes a meeting of creditors, when an assignee is appointed, the guardian being incapable of filling that office. If, after five days from service of such demand, the debtor has not assigned as mentioned, he is declared (subject to the judge's approval) to have committed an act of bankruptcy, and a creditor for \$200, or more, may take out a writ of attachment, under which the guardian attaches his estate. Other acts of bankruptcy—following those laid down in the Act of 1875—are prescribed, the tendency of the Act in this respect being to secure to creditors a direct and quiet means of securing control of a defaulting trader's estate, and transferring it to the nominees of creditors for liquidation. To ensure compliance with the law, assignees are required to deposit \$10,000 with the Government at Ottawa. The assignee's fees are fixed by the creditors, subject to revision by the judge of the county court, on application of any creditor.

The position of landlords, where a lease has become forfeited under its terms in case of insolvency, is altered in an important particular. If the landlord claims the forfeiture, he must pay for substantial improvements made by the tenant. The lien of the landlord is restricted to six months' rent.

In dealing with securities held by creditors, the old rule of allowing creditors ten per cent. advance on their valuation, if the securities are taken over by the estate, is done away with. These may now be taken over at the exact valuation put upon them; but that value must be paid to the creditors before any dividends are declared, and not, as under the old Act, when the estate had realized on such securities.

The old rule in regard to wages is abandoned, and the rule contained in the Ontario Act adopted. The clause regulating the sale of book debts under the Act of 1875 is altered, creditors having power to deal in this matter as they wish, without the old restriction, that (save in *en bloc* sales of estates) an effort should be made to collect them before they are sold.

The suggestion that stocks of merchandise be sold by auction in lots not less in value than \$100, or more than \$300, was discussed at length. This question has called for a great deal of discussion in the press for many years. It was urged that sales of bankrupt stocks by speculators destroyed the trade of men who strove to

pay their debts in full, and demoralized the retail business; that dividing up stocks in the way indicated would be the least harmful way of disposing of them—the lots being too large for consumers to buy, and within the means of most storekeepers; and that this plan would prevent insolvents who failed to get a settlement with their creditors, buying in their stocks in their wife's name.

The proposal mentioned was not on the whole considered proper for adoption, and this vexed question is left unsolved. Very many further alterations of the old law have been made, a further reference to which we must reserve for ensuing issues of *The Merchant*.—*The Merchant*.

HOW BAD DEBTS ARE MADE.

People often wonder how it is that a retail grocer gets so many bad debts among his accounts. To the dealer who has had the "experience," while the dead beats have the "money," the operation is a very simple one.

The whole trouble arises from the slowness of the dealer to say "no," when more credit is wanted. The merchant grants a little more credit in order, as he thinks, to keep his customers in good nature, and so secure the old balance. But it is just here he makes a fatal mistake. If a customer cannot pay one week's or one month's bill, certainly the lapse of time will not help matters, but the account will get so large that the customer will find it cheaper to "move than to pay rent," as the expression goes, and he jumps his account and goes to look for some other victim.

This is the history of three-fourths of all the cases of bad debts; and if the merchant had said "no" when the first bill was in arrears, his loss would have been small compared with what it finally was. And further, a firm refusal to extend credit would often have the effect of making the customer pay up, hoping for another chance to "get in" to the grocer. Then is the time to give the dead-beater the grand bounce and be rid of him.

Bear in mind and act upon the knowledge, that if a man cannot pay one week's bill, he certainly cannot pay a two weeks' bill.—*St. Louis Grocer*.

OF INTEREST TO SHIPMASTERS.

A large number of masters of sailing vessels, and probably not a few captains of steamers, are not fully aware of the following provision of the law, which is article 12 of the United States statutes regulating the devices that shall be used by vessels upon the high seas for signalling for fog: A steamship shall be provided with a steam whistle or other efficient steam sound signals, so placed that the sound may not be intercepted by any obstructions, and with an efficient fog horn, to be sounded by a bellows or other mechanical means, and also with an efficient bell. A sailing ship shall be provided with a similar fog horn and bell, etc. In a collision case between a steamer and a sailing vessel that was recently heard in court in the East, it was proved that no mechanical fog horn was on board the sailing vessel, and the attorneys for the latter at once threw up the case.—*S. F. Commercial News*.

JAPANESE TEA FARMS.

A gentleman who has been studying the tea question, and who has visited a large number of Japanese tea farms, has written a brief but interesting account of his observations in the land of the Mikado. Tea was introduced into China and Japan about one thousand years ago. When it was first brought over it was so costly that only the Japanese noblemen could afford it, and some three hundred years ago, it is said, the Mikado had a tea officer on his staff to look after his tea gardens. Now every farm has its little patch of tea plants. The best of the tea comes from Kiota, from the famous tea gardens Uji. A new tea plantation in Japan is started from the seed. This is gathered in October from the plant, put in a mixture of sand and earth, and dampened to keep it fresh until spring. The tea plant is a species of camellia, a short, stocky bush, three to five feet high, with white, waxy flowers. Its leaves are dark green, and it would make a beautiful shrub for hedges. The best soil for a tea farm is virgin forest land, but that is remarkably scarce in Japan, and the land that has been cropped for centuries is generally used. The soil must be well drained, and it is essential that water should not lodge around the roots of the plant. Many of the tea farms for this season are on hillsides, arranged in a kind of terrace. The seeds gathered in the fall are planted in the spring in circles about two feet in diameter, each circle containing thirty seeds, with the centres of the circles making up the garden about five feet apart. These two-foot circles in a few years form a compact bush, and each year it is carefully cultivated as well as heavily manured. During the third year of its growth, the plants have leaves ready for the picking, and a tea plant is at its very best between its fifth and tenth year. There are at least three pickings a year, and a good tea farm should yield an average of 2,500 pounds of tea to the acre. The picking of the tea is done by girls with small baskets which are in turn emptied into great baskets, carried by coolies to the firing room, where it is sorted, sweated, rolled, steamed and dried. The process is a long one before the tea is packed in large earthen jars to be taken to the seacoast, where it is made ready for export. The large firing establishments at Kobe prepare the tea by another drying for shipping to the Canadian and American market. It is during this last firing that the coloring matter, if used at all, is put into the tea. The idea of some people that green is always colored is a mistake as the natural color of the leaf is green and the sun dried tea is green. The crops that are picked late in the season have not this high color, and for this reason the coloring matter is used. It consists of a mixture of indigo and soapstone, which is thrown into the pan while it is on the fire.

The agreement for a *modus vivendi* between Great Britain and the United States has been signed. In general, the document is a renewal of the agreement of last year, with the addition of a clause providing for the settlement of damages sustained by Canadian sealers.