

ceed from undue caution and failure to appreciate our business situation. The indications of the money market at present are too unmistakable for any man to plead that he has reason to hope an extended trade can be financed on small means through 1873 with safety and without danger.

In the Province of Ontario, as compared with the previous year, the failures have been rather more numerous. In 1871 there were 348 assignments made: for the year just closed the number has swelled to 431. Many of these were but small affairs; the bulk of them were with liabilities of from \$2,000 to \$5,000. There were only two cases in which the liabilities exceeded \$100,000. We have carefully collected all the figures that could be got at, and find enough to entitle Ontario to rank second in amount on the list. The total liabilities arrived at amount to \$2,326,336, with assets of \$1,556,900. The comparison of assets and liabilities appears more favorable in this Province; but this, however, so far as creditors are concerned, is more apparent than real. The explanation is the increased number of insolvents. The expenses of closing up a large number of small insolvent estates produce a much smaller result for the creditors than if the same amount involved but the closing of a few. To illustrate this statement, we present a sample winding-up, which shows what becomes of numbers of small estates. These figures were handed us by the assignee. They do not represent any unusual or excessive charges, and may therefore be considered a fair illustration:

Liabilities to creditors.....	\$3,528 60
Privileged claims	299 25
Total liabilities.....	\$3,827 85
Total assets.....	\$1,062 41
Expenses of winding up estate.....	\$390 74
Paid privileged claims	299 25
Dividend of 10c. in the \$.....	352 86
Cash on hand.....	19 56
Amount of Insolvency Act.....	\$1,062 41

The expenses were made up of the following items: (roughly) result of insolvency in liquidation

Interim Assignee.....	\$ 86 60
Bailiff	118 85
Assignee	25 00
Other expenses	160 29
Total.....	\$390 74

The balance of cash on hand, the assignee explained, was required to pay the rent of the

premises during the time the estate was being closed.

It is also found that the affairs of a great number of these small traders are, from a want of ability to keep them in proper shape, such a mixed and muddled condition that little is realized from them. In many instances the assets, of any value, have been dishonestly appropriated before being turned over to the assignee, and the probable assets stated to creditors become a mere myth under investigation.

Grouping together the figures of all the Provinces, we have the following result:

	Insolvents	Liabilities.	Assets.	Deficit.
Quebec,	232	\$1,754,229	\$683,859	\$1,070,370
Ontario,	431	2,326,336	1,556,901	769,435
N. Brunswick	68	2,373,960	1,104,034	1,269,926
N. Scotia,	300
Total.....	735	\$6,454,825	\$3,344,785	\$3,400,040

We think the above figures may be instructive more especially to that class who are clamorous for a repeal of the insolvent law. While to some it was, no doubt, a boon, enabling them to be freed from a millstone of indebtedness, from which without it they could not have had an escape, on the other hand creditors have taken hold of estates which, had they been left in the hands of the debtor, would have been depleted for the especial benefit, to the great injury of the creditors. That the insolvent law is defective and susceptible of some beneficial amendments, would be idle to deny. It has some good clauses that should be retained, but it would be foolish to abandon it because it is not all that is required, and revert to the chaos of the past. It does no injustice to the retailer who is necessitated to take advantage of its provisions, but would do the wholesale trade a great injustice to plunge them at once into the former old condition of uncertainty, and its paralyzing effect upon the trade of the country would be at once marked and immediate. So long as insolvencies occur (and no country is known to be without them) judicious, well-considered Insolvent Act is necessary. As to the causes of these failures, propounding any remedy for them, are questions that we have not space to go into, and we doubt whether any benefit would result from its discussion here. It is sufficient to remark that the deep and underlying causes are the facilities afforded incompetent and financially weak traders in obtaining credit, and the evil custom, established by usage amongst the country merchants of spreading their stocks amongst their neighbors again on time. To this may be added the illiteracy, of many, of any business principles, and the ease of obtaining renewals, the term of credit being frequently drawn out by this means to nine and twelve months. The cure is unquestionably in the hands of the wholesale trade. Entire exemption from failures is an impossibility, but the losses therefrom might no doubt be lessened if the trade could act with unanimity on many important points.