

**THE ACT RESPECTING ASSIGNMENTS AND  
PREFERENCES.**

There is one direction in which R.S.O., c. 124, requires amendment. But whilst the evil is obvious, and especially so in connection with business in country places, the remedy is not so clear.

A small trader becomes insolvent. He generally has one or two large creditors, seldom more than one, and a number of small ones. The large creditor forces an assignment. This, as is usual in such cases, is made to some clerk or attaché, either of the firm of large creditors or of their solicitors. The estate is wound up. The small creditors get nothing, or probably a fraction of the preferred claims, and no dividend is ever declared. If one of their number, more audacious or more persistent than his fellows, at length wearies the assignee into giving a statement of the affairs of the estate, he finds that the expenses of the assignee, his commission, inspectors' fees, and solicitors' fees, have eaten up all, or nearly all, the assets. The inspectors fix the remuneration of the assignee. The inspectors consist, usually, of some members of the firm of large creditors, and their solicitors. These gentlemen also fix their own remuneration. The assignee is an employee on salary, and his remuneration out of the estate is fixed by, and goes into the pocket of, his employer.

In this way the large creditor practically gets a dividend on his claim in preference even to the wage-earner. It would be a profitless quest to follow up the assignee. He is financially a figurehead. Those who profit by his conduct are out of legal reach.

Take a case in point. A small trader in a western town became insolvent. His debts, some \$3,000, consist of rent, \$205; wages, \$390; and an account with an eastern wholesale house. An assignment is made to a traveller of the wholesale house, resident in an Ontario city. The wholesale people are the only creditors entitled to rate, and the inspector is their nominee. On settling up the estate the figures are: Assets, \$795. Liabilities other than preferred wage claims: Rent, \$205; assignee's fees, \$100; assignee's travelling expenses, \$55; assignee's advertising in Toronto, \$45; inspectors' fees, \$20; Toronto solicit-