There are numerous other places to deepen on the route to Quebec: at Cap la Roche, Sevrard, Poulie Provanche, Lavaltrie, St. Sulpice, Isle a la Bague, and even from the Bonsecours Church to the Island Wharf in this port, dredging from one to two and a half feet is requisite to give 14 feet throughout to Quebec. Let there, then, not be any extravagant and unnecessary expenditure of money, let the utmost economy be used, and let that channel be taken which is the cheapest and best, bearing always in mind that every additional item of taxation, however necessary, fetters to a certain extent the trade of the Province.

With the Lake deepened to 14 feet, we should be enabled to bring up a ship of 500 tons from Quebec without breaking bulk, and with about a twelvemonth's work, we could get a depth of 16 feet, which would admit of an 800 ton ship. Such a vessel, carrying equal to 8,000 barrels flour, would effect an important saving in the cost of transport both in her inward and outward cargo, as it is manifest that, conveying a larger quantity, she could be navigated more economically, in proportion, than the small craft from the Lakes, which are capable of carrying only about 3,000 to 3,500 barrels, and are not constructed with a view to the navigation below this and Quebec.

Montreal owes her progression and growth as a city solely to her favourable position for commerce; and it depends upon the unanimity and energy of her inhabitants, whether, in the approaching changes, she can still mainta' it. In a future number, we shall try to shew what grounds we have for believing in a much greater ratio of advance under an enlightened system of Free Trade, than we have yet experienced.

[Communicated.]

THE BANKRUPT LAW.

The introduction of a Bill for the continuing and amending of the Bankrupt Law having caused considerable discussion in the Provincial Assembly, and opinions out of doors differing much, not only as to details, but even as to the utility of a Bill at all, it may be well to investigate the matter, in order to shew how the law stood prior to the introduction of the Act about to expire, in both Upper and Lower Canada,—how the Bankrupt Law has operated,—and what are its merits and defects.

Lower Canada has always posessed a Law for the division of property, seized by one creditor, among the rest,—thus, to a certain degree, answering the purpose of a Bankrupt Law; but the delay in obtaining judgment was in all cases, even when a promissory note formed the evidence of debt, so great, that a debtor could make away with his property, assign it over, or otherwise put it out of the power of the creditor to get hold of it, long before the creditor obtained a decision of the case. The mode of selling the estate was also bad,—very peremptory, for cash, and burdened with numerous fees and legal charges. The proofs of debt, or filing of claims on the estate, were not only tedious but expensive. The creditors, were not consulted in the disposal of the property, although they had so great an interest in it; the money obtained lay a long time in the Sheriff's hands, without interest; and although no discharge was given to the debtor, he generally managed to evade payment at any future day, (even if he should have secreted part of his property, or acquired fresh,) by transacting business in the name of his wife, or as agent for others. In short, without compelling him to give up the property until he had ample time to make away with it, it sacrificed whatever might be got without any benefit to any one, except the recipients of the fees.

Again, there was no punishment for fraud, however flagrant: and although imprisonment might be resorted to, if oath could be taken that the party was about leaving the Province with the view of defrauding his creditors, this was beset with so many difficulties that it was seldom resorted to.

In Upper Canada the law was very much worse. The person who first got judgment could sell as much of the debtor's property as would pay himself in full; then the second, and so on: the consequence was that the greatest sacrifices were made by Sheriff's sales, as there was no inducement, as in Lower Canada, to make the most of the estate as far as it was possible to do with forced sales. Each creditor thought of himself alone; and after one-third were paid in full, the remainder got nothing.

Another evil was that a debtor could give a judgment to whomsoever he pleased, and thus give a preference to such person over all his other creditors. Some even did this previous to entering into business at all; so that in the event of difficulty, this person was sure to be paid his debt, whether real or fictitious.

No wonder, then, that the moment a man was suspected in the Upper Province, he was ruined at once. It was everybody's interest to sue him; nay, it was their duty; or they lost by course of law all claim whatever on his assets, and as they that sued first got all, the struggle was always great to be early in the field.

After forcibly depriving the debtor of the means of payment—after throwing away his property—still the debtor got no discharge. Consequently, the moment he found his affairs not running smoothly, he assigned them over, if an honest man, for the benefit of his creditors generally; if a rogue, for the benefit of one of them, a friend or a relation, for debts real or imaginary; and for this he had sufficient time during the delays in obtaining judgment

In Lower Canada, the creditors generally preferred a composition to the trouble and delay of the law. This composition they had to accept without knowing how the affairs of the debtor stood. Thus it frequently happened that those who resisted were secretly paid in full by the debtor, to the great prejudice of the rest.

Under the Bankrupt Law about to expire, all delay was put an end to. Within about thirty days, any creditor over a certain amount could compel any trader to pay him or go into bankruptcy. If the latter, his affairs were investigated, his property sold in such way as the creditors approved, and the assets divided fairly and equitably. Should the Bankrupt have shewn preference to any one within thirty days, such preference could be set aside. Should he secrete any of his property, severe punishment could be visited on him. Lighter offences were punished by refusing his certificate; and according to the law, it was only when every thing was proved fair, just, and honest, together with proper prudence and ordinary care, that the debtor was absolved from his liabilities. In case of a debt being disputed, it was referred to arbitration, and disposed of in a summary manner; and so much was this the case, that the Bankrupt Law was often used as a means of deciding disputes as to debts, even where no insolvency was apprehended; it being a cheap, quick, and effectual mode of recovering claims.

A clause was also inserted in the Act authorizing two thirds of the creditors in number and amount, at the second meeting, to compound with the bankrupt—such deed of composition to bind all the other creditors. This was considered an important portion of the law, as the two meetings would be sufficient to investigate the bankrupt's affairs, and shew the real state of debts and assets under oath, after which the creditors could either take the estate or the bankrupt's offer; and to prevent bribery of a part to consent, two thirds could bind the rest.

By an unexpected decision of the Court of Appeals, the creditors bound by the composition deed could be only such as had proved, thus nullifying the whole clause, and giving a privilege to persons neglectful of their duty. In equity, it would seem proper that those who do not choose to conform to the law, and prove their debts, should not be considered creditors at all, until they might choose to do so, and then, of course, not to be able to overthrow previous Acts.

In the new Act now before the Legislature, the principle of this decision of the Court of Appeals is about to be made law, and under its operation nothing will bind those who do not choose to prove their debts. Thus, after a Bankrupt's estate shall have shewn seven shillings and sixpence in the pound, and the bankrupt shall offer ten shillings by aid of his friends, and nineteen out of twenty of the creditors agree to receive the same, supposing him to owe ten thousand pounds, one negligent man who has omitted to prove a debt of fifty pounds will have it in his power to render the whole a dead letter, or have, what every Bankrupt Law should provide against, a preference over others.

The new law also provides for an Official Assignee, on the supposition that creditors do not know their own interests sufficiently well to appoint proper assignees, but will choose persons likely to neglect the estate, and retain the monies for their own uses, delaying the making of dividends in order to profit by the employment of the cash in hand. It is probable enough that great negligence has obtained in the administration of bankrupts' affairs, and that the appointment of an Official Assignee would be the best remedy; but it certainly ought to be optional with the creditors whether to employ him or not. In all probability they would generally do so, especially as few merchants covet the occupation.

The faults complained of in the old law, are: First, that the dividends obtained under its operation have been small.

The reply to this is, that under the old law they would have been less, or perhaps all would have been expended in law charges. Indeed, so many cases were brought under the operation of the new law where parties had been insolvent for many years back, that it was no wonder the dividends were small. It would be quite different were the cases recent ones. Neglect on the part of assignees also probably led to much smaller dividends than would have been the case had due diligence been adopted.

The second fault found with the law arose from the administration of it being by different Judges: one taking part of a case; another, a further part. It would be far better to have the law carried into effect by a Judge in Bankruptcy appointed for that sole purpose; and as traders' debts are principally owing in large cities, being the principal sources from which goods are obtained, and as it is better that one bankrupt should travel to meet many creditors, than that many creditors should have to take a journey to meet one bankrupt, Bankrupt Courts should be established only at Quebec, Three Rivers, Montreal, Kingston, Toronto, and Hamilton. But if the present Circuit Judges do administer the law, each should have a case in rotation; and at every subsequent Court, the same judge who first sat upon the case, should again attend to it.

The third fault was, that far too great leniency was shown to