

class; it was generally felt that the Insolvent Act was demoralizing the business of the country, that the honest merchant had little or no protection against his unscrupulous neighbor, who, buying his goods at a fraction in the dollar, could defy legitimate competition, besides running a very good chance of soon having the field all to himself, and leaving his disheartened rival in possession only of the reflection that "virtue is its own reward." Repeal was inevitable.

The unsuccessful efforts made during the last session of the Ontario Legislature to devise some substitute for an insolvent law appear to have disheartened the promoters. We pointed out at the time some defects in the proposed Act, but even apart from these it was too cumbersome, and therefore likely to lead to abuses. Had the Ontario Act, somewhat modified, become law, much of the mischief since perpetrated might have been obviated. Three cases of recent occurrence in a large and flourishing town of Central Ontario bear upon the matter, and should have some influence in leading to some action on the part of the Boards of Trade, and of the leading wholesale merchants and manufacturers of Montreal, Toronto and elsewhere, with the view of a remedy.

In one of the cases referred to a son commenced business some five years ago, having at the time a considerable sum in cash with which he paid for the greater portion of the first stock. Shortly after the stock is received, a chattel mortgage is given by the son to the father, for say \$1,100, on the stock then in the store and any that might thereafter be brought into the store during the currency of the mortgage, that is until it should be paid in full. The business goes on for nearly four years, when all at once the father takes possession of the whole stock and effects under color of the mortgage, which he had kept in force by renewal from year to year; and he now claims to be entitled to take and keep possession of the goods *bona fide* purchased by the son up to within a few days of that on which he took possession by virtue of the chattel mortgage, and against an execution at the suit of the creditor who sold the goods. This course is said to be authorized by a decision of the Court of Chancery, Thirkell vs. Perrin, 21 Grant's Chancery Reports.

Another case is that of a grocer who it is alleged owed a friend about \$2,000. He wanted to get into a larger business, and to enable him to do so, a sharp merchant who had a shop to rent offered, if he would take said shop and fit it up, to lend him \$1,000 to add to his capital. The

little arrangement was perfected, and the grocer bought a large stock for his new store, dispensing his favors pretty generally between the trade of Montreal, Kingston, Toronto and Hamilton. Those who knew the man wondered how he came to get so many goods. The secret began to leak out, when it was found that the friend, to whom was due an alleged debt of \$2,000, issued a writ for his amount. After this had been done, for some reason not yet made clear, the debtor went to his landlord and creditor for the \$1,000 loan, told him of the suit, and that he thought under the circumstances he ought to let him know, as he did not think he would remain in town. The landlord and creditor advised him to see his (the landlord's) lawyers, and they arranged it so that a writ should be issued and served at once by themselves; that they should then get a friendly lawyer to enter an appearance to the suit; that a declaration should be at once served; a plea on the defendant's part put in one day and withdrawn the next, and execution issued forthwith; thus obtaining by the fraudulent act of the debtor and his collusion with his debtor an execution in two days that without such interference would have taken eighteen days; and by this the debtor got his landlord and creditor "in ahead" of the creditor who had first issued the writ for the \$2,000. Mr. Grocer then *skipped*, as the Yankees say, to Montana, having, however, got a ticket from a reputedly sharp local banker and ticket agent on his cheque for \$50, for which on presentation there was *No Funds!* Attachments have been issued, and the matter is now before the local courts. In the meantime the stock has been sacrificed by a sale under the first execution, and bought in by the execution creditor for \$2,000, who has himself now become a grocer.

The third case is that of a grocer who for some years has been carrying on business in good credit, when all at once a writ is issued against him for \$1,600. Enquiry is made, and it is found that the suit is brought by a lady friend of the grocer's wife, as a trustee for the wife, who claims to be a creditor for the amount sued for. The plaintiff in this suit is the wife of the acting clerk of the County Court, and some people hint at possible delay in sending forward to the "Mercantile Test" and other offices the notice usually given of the issue of the writ; but this may probably be credited to Mrs. Grundy, whose statements are to be taken with a grain of salt. However, the judgment was ripe before any one knew of it. Then a Belleville firm got a hint, and they

have been trying to "get inside," with what success has not as yet transpired. Others also are trying, so it is fair to assume there will be trouble. The grocer offers his creditors his notes, endorsed by his wife, at 3, 6, and 9 months, without interest, for fifty cents in the dollar. If they decline to accept this the wife will sell under her execution, and the creditors will have nothing to fight about. The assets are said to be worth about \$3,000; liabilities, exclusive of the wife's claim, \$3,200.

In the absence of an Insolvency Law, it may well be asked what should be done to remedy such a state of things? Of course it applies only to Ontario. It has been suggested that our Board of Trade should make an effort to induce the Boards of Trade in the cities of Ontario to request the Attorney General of that Province to have such changes made in the practice of the law as to prevent the obtaining of fraudulent judgments, and sales being made under them by which creditors are hindered, delayed and defrauded. It might be effected by a short Act immediately, and thus nip such iniquitous doings in the bud. The Ontario Legislature is practical enough to deal with the matter without waiting for the time-honored *ex post facto* wisdom which prefers the pound of cure to the ounce of prevention.

REPORT ON RAILWAYS AND CANALS.

Canada rejoices in the possession of three great railways, which are unfortunately a source of expense instead of revenue. The most important of these works is the Canadian Pacific, the future ownership of which is at present under the consideration of Parliament. That road is divided into sections, the Eastern of which commences at the terminus of the Canada Central, near the eastern end of Lake Nipissing, at a place called Callander. It has been surveyed and measured, and is 650 miles to Fort William. A railroad built between Prince Arthur's Landing and Fort William, six miles in length, has been purchased from a private company. From Fort William to Rat Portage or Keewatin the distance is 294 miles, and on 171 miles the rails have been laid. From Keewatin to Selkirk on Red River the distance is 112 miles, on which the rails are laid. From that to Victoria Junction no line has been constructed, but there is a connection by the Pembina branch on the east of Red River and the Winnipeg branch on the west. From Winnipeg west, the road extends past Portage la Prairie to the western boundary of the